

AMENDMENT NO. \_\_\_\_\_ Calendar No. \_\_\_\_\_

Purpose: To prohibit certain individuals from engaging in prohibited financial transactions, and for other purposes.

**IN THE SENATE OF THE UNITED STATES—119th Cong., 2d Sess.**

**S. \_\_\_\_\_**

To provide for a system of regulation of the offer and sale of digital commodities by the Commodity Futures Trading Commission, and for other purposes.

Referred to the Committee on \_\_\_\_\_ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. BENNET

Viz:

- 1 At the appropriate place, insert the following:
- 2 SEC. \_\_\_\_\_. **DIGITAL ASSET ETHICS ACT.**
- 3 (a) **SHORT TITLE.**—This section may be cited as the
- 4 “Digital Asset Ethics Act”.
- 5 (b) **PROHIBITED FINANCIAL TRANSACTIONS.**—
- 6 (1) **DEFINITIONS.**—In this subsection:
- 7 (A) **COVERED INDIVIDUAL.**—The term
- 8 “covered individual” means—
- 9 (i) the President;
- 10 (ii) the Vice President;

6 (B) COVERED INVESTMENT.—The term  
7 “covered investment” means any digital asset.

8 (C) PROHIBITED FINANCIAL TRANS-  
9 ACTION.—The term “prohibited financial trans-  
10 action” means—

11 (i) any issuance, sponsorship, or en-  
12 dorsement of a covered investment;

13 (ii) any acquisition of any financial in-  
14 terest comparable to an interest described  
15 in clause (i) through synthetic means, such  
16 as the use of a derivative, including an op-  
17 tion, warrant, or other similar means; or

18 (iii) any acquisition of any financial  
19 interest comparable to an interest de-  
20 scribed in clause (i) as part of an aggrega-  
21 tion or compilation of such interests  
22 through a mutual fund, exchange-traded  
23 fund, or other similar means.

4 (A) during the term of service of the cov-  
5 ered individual; or

(B) during the 1-year period beginning on the date on which the service of the covered individual is terminated.

15 (4) CIVIL PENALTIES.—

16 (A) CIVIL ACTION.—The Attorney General  
17 may bring a civil action in any appropriate dis-  
18 trict court of the United States against any cov-  
19 ered individual who violates paragraph (2).

20 (B) CIVIL PENALTY.—Any covered indi-  
21 vidual who knowingly violates paragraph (2)  
22 shall be subject to a civil monetary penalty of  
23 not more than \$250,000.

24 (C) DISGORGEMENT.—A covered individual  
25 who is found in a civil action under subpara-

1 graph (A) to have violated paragraph (2) shall  
2 disgorge to the Treasury of the United States  
3 any profit from the unlawful activity that is the  
4 subject of that civil action.

5 (5) CRIMINAL PENALTIES.—

6 (A) IN GENERAL.—It shall be unlawful for  
7 a covered individual to—

8 (i) knowingly violate paragraph (2);  
9 and

10 (ii) through such violation—

11 (I) cause an aggregate loss of not  
12 less than \$1,000,000 to 1 or more  
13 persons in the United States; or

14 (II) benefit financially, through  
15 profit, gain, or advantage, directly or  
16 indirectly through any family member  
17 or business associate of the covered  
18 individual, from a prohibited financial  
19 transaction.

20 (B) PENALTY.—A covered individual who  
21 violates subparagraph (A) shall be fined under  
22 title 18, United States Code, imprisoned for not  
23 more than 18 years, or both.