

AMENDMENT NO. _____

Calendar No. _____

Purpose: To prohibit bailouts of digital asset issuers.

IN THE SENATE OF THE UNITED STATES—119th Cong., 1st 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. DURBIN

Viz:

1 At the appropriate place, insert the following:

2 **SEC. _____. PROHIBITION ON BAILOUTS OF ISSUERS OF**

3 **DIGITAL ASSETS.**

4 (a) **DIGITAL ASSET COMMODITY INTERMEDIARY DE-**

5 **FINED.**—In this section, the term “digital asset com-

6modity intermediary” means—

7 (1) a blockchain application, as defined in sec-

8 tion 1a of the Commodity Exchange Act (7 U.S.C.

9 1a), as amended by section 101(a)(2);

10 (2) a developer or provider of a blockchain ap-

11 plication that, in the regular course of operations,

12 does not have the legal right or the unilateral and

1 independent ability to control, initiate upon demand,
2 or effectuate transactions involving digital assets to
3 which users are entitled, without the approval, con-
4 sent, or direction of any other third party;

5 (3) a blockchain protocol, as defined in section
6 1a of the Commodity Exchange Act (7 U.S.C. 1a),
7 as amended by section 101(a)(2);

8 (4) a blockchain system, as defined in section
9 1a of the Commodity Exchange Act (7 U.S.C. 1a),
10 as amended by section 101(a)(2);

11 (5) a derivatives clearing organization, as de-
12 fined in section 1a of the Commodity Exchange Act
13 (7 U.S.C. 1a), with respect to digital asset activities;

14 (6) a digital asset custodian, as defined in sec-
15 tion 1a of the Commodity Exchange Act (7 U.S.C.
16 1a), as amended by section 101(a)(2);

17 (7) a digital commodity broker, as defined in
18 section 1a of the Commodity Exchange Act (7
19 U.S.C. 1a), as amended by section 101(a)(2);

20 (8) an associated person of a digital commodity
21 broker, as defined in section 1a of the Commodity
22 Exchange Act (7 U.S.C. 1a), as amended by section
23 101(a)(2);

(11) a digital commodity exchange, as defined in section 1a of the Commodity Exchange Act (7 U.S.C. 1a), as amended by section 101(a)(2);

11 (12) a futures commission merchant, as defined
12 in section 1a of the Commodity Exchange Act (7
13 U.S.C. 1a), with respect to digital asset activities; or

14 (13) any other entity that trades, facilitates
15 trading, or is otherwise active in non-security digital
16 commodity asset markets on the entity's own behalf
17 or on behalf of a customer.

18 (b) PROHIBITION ON FINANCIAL ASSISTANCE.—A
19 Federal agency may not provide financial assistance to a
20 digital asset commodity intermediary to prevent the failure
21 or bankruptcy of the digital asset commodity inter-
22 mediary.

(c) EMERGENCY LIQUIDITY FACILITIES.—A digital asset commodity intermediary may not have access to any

1 emergency liquidity facility established under section
2 13(3) of the Federal Reserve Act (12 U.S.C. 343).

3 (d) EXCHANGE STABILIZATION FUND.—The Sec-
4 retary of the Treasury may not use any amounts in the
5 Exchange Stabilization Fund established under section
6 5302 of title 31, United States Code, for the benefit of
7 any digital asset commodity intermediary.