

116TH CONGRESS
2D SESSION

H. R. 8989

To require the Securities and Exchange Commission to conduct a study on the feasibility, benefits, and costs of using a distributed ledger system in the post-trade clearing and settlement process, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 16, 2020

Mr. LYNCH (for himself and Mr. EMMER) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To require the Securities and Exchange Commission to conduct a study on the feasibility, benefits, and costs of using a distributed ledger system in the post-trade clearing and settlement process, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. STUDY ON THE USE OF A DISTRIBUTED LEDG-**
4 **ER SYSTEM.**

5 (a) IN GENERAL.—Not later than 1 year after the
6 date of the enactment of this Act, the Securities and Ex-
7 change Commission shall conduct a study on the feasi-

1 bility, benefits, and costs of using a distributed ledger sys-
2 tem in the post-trade clearing and settlement process.

3 (b) CONSULTATION.—In conducting the study under
4 subsection (a), the Commission staff shall consult with do-
5 mestic and international stakeholders.

6 (c) CONTENTS OF THE STUDY.—The study required
7 under subsection (a) shall include—

8 (1) an identification of the key operational and
9 regulatory challenges and opportunities that could be
10 caused by the use of a distributed ledger system in
11 the post-trade clearing and settlement process;

12 (2) an identification of practices from domestic
13 and international models that use a distributed ledg-
14 er system in the clearing and settlement process;

15 (3) an identification of the processes and enti-
16 ties that could be disintermediated by the use of
17 such system in such processes;

18 (4) an identification of the potential steps for
19 establishing international standards for, and global
20 continuity of service in the transition to, the use of
21 such system in such processes;

22 (5) an identification of the implications of the
23 use of such system in such processes on—

24 (A) investor protection, capital formation,
25 and market efficiency; and

1 (B) the establishment of international
2 standards; and

3 (6) an assessment of whether the Commission
4 should implement a pilot program to use such sys-
5 tem in such processes.

6 (d) REPORT REQUIRED.—

7 (1) IN GENERAL.—Not later than 1 year after
8 the date of the enactment of this Act, the Commis-
9 sion shall submit to Congress a report on the find-
10 ings and determinations of the study required under
11 subsection (a).

12 (2) UPDATE.—Not later than 1 year after the
13 date on which the report under paragraph (1) is
14 submitted, the Commission shall submit to Congress
15 a report that updates the findings and determina-
16 tions of the report submitted under such paragraph.

17 (3) CONTENT.—In submitting the reports re-
18 quired under paragraphs (1) and (2), the Commis-
19 sion may not include confidential information.

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