

117TH CONGRESS  
2D SESSION

# S. 3867

To impose sanctions with respect to the use of cryptocurrency to facilitate transactions by Russian persons subject to sanctions, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MARCH 17, 2022

Ms. WARREN (for herself, Mr. REED, Mr. WARNER, Mr. TESTER, Ms. DUCKWORTH, Ms. STABENOW, Mr. WARNOCK, Mr. VAN HOLLEN, Ms. SMITH, Ms. CORTEZ MASTO, and Mr. MENENDEZ) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To impose sanctions with respect to the use of cryptocurrency to facilitate transactions by Russian persons subject to sanctions, 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. SHORT TITLE.**

4 This Act may be cited as the “Digital Asset Sanctions  
5 Compliance Enhancement Act of 2022”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

1           (1) APPROPRIATE CONGRESSIONAL COMMIT-  
2           TEES AND LEADERSHIP.—The term “appropriate  
3           congressional committees and leadership” means—

4                   (A) the Committee on Banking, Housing,  
5                   and Urban Affairs, the Committee on Foreign  
6                   Relations, and the majority and minority lead-  
7                   ers of the Senate; and

8                   (B) the Committee on Financial Services,  
9                   the Committee on Foreign Affairs, and the  
10                  speaker, the majority leader, and the minority  
11                  leader of the House of Representatives.

12          (2) DIGITAL ASSETS.—The term “digital as-  
13          sets” means any digital representation of value, fi-  
14          nancial assets and instruments, or claims that are  
15          used to make payments or investments, or to trans-  
16          mit or exchange funds or the equivalent thereof, that  
17          are issued or represented in digital form through the  
18          use of distributed ledger technology.

19          (3) DIGITAL ASSET TRADING PLATFORM.—The  
20          term “digital asset trading platform” means a per-  
21          son, or group of persons, that operates as an ex-  
22          change or other trading facility for the purchase,  
23          sale, lending, or borrowing of digital assets.

1           (4)       DIGITAL       ASSET       TRANSACTION  
2       FACILITATOR.—The term “digital asset transaction  
3       facilitator” means—

4                   (A) any person, or group of persons, that  
5                   significantly and materially facilitates the pur-  
6                   chase, sale, lending, borrowing, exchange, cus-  
7                   tody, holding, validation, or creation of digital  
8                   assets on the account of others, including any  
9                   communication protocol, decentralized finance  
10                  technology, smart contract, or other software,  
11                  including open-source computer code—

12                   (i) deployed through the use of dis-  
13                   tributed ledger or any similar technology;  
14                   and

15                   (ii) that provides a mechanism for  
16                   multiple users to purchase, sell, lend, bor-  
17                   row, or trade digital assets; and

18                   (B) any person, or group of persons, that  
19                   the Secretary of the Treasury otherwise deter-  
20                   mines to be significantly and materially facili-  
21                   tating digital assets transactions in violation of  
22                   sanctions.

23           (5) FOREIGN PERSON.—The term “foreign per-  
24       son” means an individual or entity that is not a  
25       United States person.

1 (6) UNITED STATES PERSON.—The term  
2 “United States person” means—

3 (A) an individual who is a United States  
4 citizen or an alien lawfully admitted for perma-  
5 nent residence to the United States; or

6 (B) an entity organized under the laws of  
7 the United States or any jurisdiction within the  
8 United States, including a foreign branch of  
9 such an entity.

10 **SEC. 3. IMPOSITION OF SANCTIONS WITH RESPECT TO THE**  
11 **USE OF DIGITAL ASSETS TO FACILITATE**  
12 **TRANSACTIONS BY RUSSIAN PERSONS SUB-**  
13 **JECT TO SANCTIONS.**

14 (a) REPORT REQUIRED.—Not later than 90 days  
15 after the date of the enactment of this Act, and periodi-  
16 cally thereafter as necessary, the President shall submit  
17 to Congress a report identifying any foreign person that—

18 (1) operates a digital asset trading platform or  
19 is a digital asset transaction facilitator; and

20 (2)(A) has significantly and materially assisted,  
21 sponsored, or provided financial, material, or techno-  
22 logical support for, or goods or services to or in sup-  
23 port of any person with respect to which sanctions  
24 have been imposed by the United States relating to

1 the Russian Federation, including by facilitating  
2 transactions that evade such sanctions; or

3 (B) is owned or controlled by, or acting or pur-  
4 porting to act for or on behalf of any person with  
5 respect to which sanctions have been imposed by the  
6 United States relating to the Russian Federation.

7 (b) IMPOSITION OF SANCTIONS.—The President may  
8 exercise all of the powers granted to the President under  
9 the International Emergency Economic Powers Act (50  
10 U.S.C. 1701 et seq.) to the extent necessary to block and  
11 prohibit all transactions in property and interests in prop-  
12 erty of a foreign person identified in a report submitted  
13 under subsection (a) if such property and interests in  
14 property are in the United States, come within the United  
15 States, or are or come within the possession or control  
16 of a United States person.

17 (c) IMPLEMENTATION; PENALTIES.—

18 (1) IMPLEMENTATION.—The President may ex-  
19 ercise all authorities provided under sections 203  
20 and 205 of the International Emergency Economic  
21 Powers Act (50 U.S.C. 1702 and 1704) to carry out  
22 this section.

23 (2) PENALTIES.—A person that violates, at-  
24 tempts to violate, conspires to violate, or causes a  
25 violation of this section or any regulation, license, or

1 order issued to carry out this section shall be subject  
2 to the penalties set forth in subsections (b) and (c)  
3 of section 206 of the International Emergency Eco-  
4 nomic Powers Act (50 U.S.C. 1705) to the same ex-  
5 tent as a person that commits an unlawful act de-  
6 scribed in subsection (a) of that section.

7 (d) NATIONAL SECURITY WAIVER.—The President  
8 may waive the imposition of sanctions under this section  
9 with respect to a person if the President—

10 (1) determines that such a waiver is in the na-  
11 tional security interests of the United States; and

12 (2) submits to Congress a notification of the  
13 waiver and the reasons for the waiver.

14 (e) EXCEPTIONS.—

15 (1) EXCEPTION FOR INTELLIGENCE ACTIVI-  
16 TIES.—This section shall not apply with respect to  
17 activities subject to the reporting requirements  
18 under title V of the National Security Act of 1947  
19 (50 U.S.C. 3091 et seq.) or any authorized intel-  
20 ligence activities of the United States.

21 (2) EXCEPTION RELATING TO IMPORTATION OF  
22 GOODS.—

23 (A) IN GENERAL.—The authority to block  
24 and prohibit all transactions in all property and  
25 interests in property under subsection (b) shall

1 not include the authority or a requirement to  
2 impose sanctions on the importation of goods.

3 (B) GOOD.—In this paragraph, the term  
4 “good” means any article, natural or manmade  
5 substance, material, supply or manufactured  
6 product, including inspection and test equip-  
7 ment, and excluding technical data.

8 **SEC. 4. DISCRETIONARY PROHIBITION OF TRANSACTIONS.**

9 The Secretary of the Treasury may require that no  
10 digital asset trading platform or digital asset transaction  
11 facilitator that does business in the United States transact  
12 with, or fulfill transactions of, digital asset addresses that  
13 are known to be, or could reasonably be known to be, af-  
14 filiated with persons headquartered or domiciled in the  
15 Russian Federation if the Secretary—

16 (1) determines that exercising such authority is  
17 important to the national interest of the United  
18 States; and

19 (2) not later than 90 days after exercising the  
20 authority described in paragraph (1), submits to the  
21 appropriate congressional committees and leadership  
22 a report on the basis for any determination under  
23 that paragraph.

1 **SEC. 5. TRANSACTION REPORTING.**

2 Not later than 120 days after the date of enactment  
3 of this Act, the Financial Crimes Enforcement Network  
4 shall require United States persons engaged in a trans-  
5 action with a value greater than \$10,000 in digital assets  
6 through 1 or more accounts outside of the United States  
7 to file a report described in section 1010.350 of title 31,  
8 Code of Federal Regulations, using the form described in  
9 that section, in accordance with section 5314 of title 31,  
10 United States Code.

11 **SEC. 6. REPORTS.**

12 (a) **IN GENERAL.**—Not later than 120 days after the  
13 date of enactment of this Act, the Secretary of the Treas-  
14 ury shall submit to the appropriate congressional commit-  
15 tees and leadership a report on the progress of the Depart-  
16 ment of the Treasury in carrying out this Act, including  
17 any resources needed by the Department to improve im-  
18 plementation and progress in coordinating with govern-  
19 ments of countries that are allies or partners of the United  
20 States.

21 (b) **OTHER REPORTS.**—Not later than 120 days after  
22 the date of enactment of this Act, and every year there-  
23 after, the Secretary of the Treasury shall submit to the  
24 appropriate congressional committees and leadership and  
25 make publicly available a report identifying the digital  
26 asset trading platforms that the Office of Foreign Assets



1 Control of the Department of the Treasury determines to  
2 be high risk for sanctions evasion, money laundering, or  
3 other illicit activities. Any exchange included in the report  
4 may petition the Office of Foreign Assets Control for re-  
5 moval, which shall be granted upon demonstrating that  
6 the exchange is taking steps sufficient to comply with ap-  
7 plicable United States law.

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