119TH CONGRESS
1st Session

HOUSE OF REPRESENTATIVES

REPORT
119–93

FINANCIAL TECHNOLOGY PROTECTION ACT OF 2025

MAY 6, 2025.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HILL of Arkansas, from the Committee on Financial Services, submitted the following

REPORT

[To accompany H.R. 2384]

The Committee on Financial Services, to whom was referred the bill (H.R. 2384) to establish an Independent Financial Technology Working Group to Combat Terrorism and Illicit Financing, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Financial Technology Protection Act of 2025".

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SEC. 2. INDEPENDENT FINANCIAL TECHNOLOGY WORKING GROUP TO COMBAT TERRORISM AND ILLICIT FINANCING.

(a) ESTABLISHMENT.—There is established the Independent Financial Technology Working Group to Combat Terrorism and Illicit Financing (in this section referred to as the "Working Group"), which shall consist of the following:

(1) The Secretary of the Treasury, acting through the Under Secretary for Terrorism and Financial Crimes, who shall serve as the chair of the Working Group.

(2) A senior-level representative from each of the following:

(A) The Department of the Treasury.

(B) The Office of Terrorism and Financial Intelligence.

(C) The Internal Revenue Service.

(D) The Department of Justice.

(E) The Federal Bureau of Investigation.

(F) The Drug Enforcement Administration.

(G) The Department of Homeland Security.

(H) The United States Secret Service.

(I) The Department of State.

(J) The Office of the Director of National Intelligence.

(3) At least five individuals appointed by the Under Secretary for Terrorism and Financial Crimes to represent the following:

(A) Financial technology companies.

(B) Blockchain intelligence companies.

(C) Financial institutions.

(D) Institutions or organizations engaged in research.

(E) Institutions or organizations focused on individual privacy and civil liberties.

(4) Such additional individuals as the Secretary of the Treasury may appoint as necessary to accomplish the duties described under subsection (b).

(b) DUTIES.—The Working Group shall—

(1) conduct research on terrorist and illicit use of digital assets and other related emerging technologies; and

(2) develop legislative and regulatory proposals to improve anti-money laundering, counter-terrorist, and other counter-illicit financing efforts in the United States.

(c) REPORTS.—

(1) IN GENERAL.—Not later than one year after the date of the enactment of this Act, and annually for the 3 years thereafter, the Working Group shall submit to the Secretary of the Treasury, the heads of each agency represented in the Working Group pursuant to subsection (a)(2), and the appropriate congressional committees a report containing the findings and determinations made by the Working Group in the previous year and any legislative and regulatory proposals developed by the Working Group.

(2) FINAL REPORT.—Before the date on which the Working Group terminates under subsection (d)(1), the Working Group shall submit to the appropriate congressional committees a final report detailing the findings, recommendations, and activities of the Working Group, including any final results from the research conducted by the Working Group.

(d) SUNSET.—

(1) IN GENERAL.—The Working Group shall terminate on the later of—

(A) the date that is 4 years after the date of the enactment of this Act; or

(B) the date on which the Working Group completes any wind-up activities described under paragraph (2).

(2) AUTHORITY TO WIND UP ACTIVITIES.—If there are ongoing research, proposals, or other related activities of the Working Group ongoing as of the date that is 4 years after the date of the enactment of this Act, the Working Group may temporarily continue working in order to wind-up such activities.

(3) RETURN OF APPROPRIATED FUNDS.—On the date on which the Working Group terminates under paragraph (1), any unobligated funds appropriated to carry out this section shall be transferred to the Treasury.

SEC. 3. PREVENTING ROGUE AND FOREIGN ACTORS FROM EVADING SANCTIONS.

(a) REPORT AND STRATEGY WITH RESPECT TO DIGITAL ASSETS AND OTHER RELATED EMERGING TECHNOLOGIES.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the President, acting through the Secretary of the Treasury and in consultation with the head of each agency represented on the Independent Financial Technology Working Group to Combat Terrorism and Illicit Financing pur-

suant to section 2(a)(2), shall submit to the appropriate congressional committees a report that describes—

(A) the potential uses of digital assets and other related emerging technologies by States, non-State actors, foreign terrorist organizations, and other terrorist groups to evade sanctions, finance terrorism, or launder monetary instruments, and threaten the national security of the United States; and

(B) a strategy for the United States to mitigate and prevent the illicit use of digital assets and other related emerging technologies.

(2) FORM OF REPORT; PUBLIC AVAILABILITY.—

(A) IN GENERAL.—The report required by paragraph (1) shall be submitted in unclassified form, but may include a classified annex.

(B) PUBLIC AVAILABILITY.—The unclassified portion of each report required by paragraph (1) shall be made available to the public and posted on a publicly accessible website of the Department of the Treasury—

(i) in precompressed, easily downloadable versions, in all appropriate formats; and

(ii) in machine-readable format, if applicable.

(3) SOURCES OF INFORMATION.—In preparing the reports required by paragraph (1), the President may utilize any credible publication, database, or web-based resource, and any credible information compiled by any government agency, nongovernmental organization, or other entity that is made available to the President.

(b) BRIEFING.—Not later than 2 years after the date of the enactment of this Act, the Secretary of the Treasury shall brief the appropriate congressional committees on the implementation of the strategy required by subsection (a)(1)(B).

SEC. 4. DEFINITIONS.

In this Act:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term "appropriate congressional committees" means—

(A) the Committee on Banking, Housing, and Urban Affairs, the Committee on Finance, the Committee on Foreign Relations, the Committee on Homeland Security and Governmental Affairs, the Committee on the Judiciary, and the Select Committee on Intelligence of the Senate; and

(B) the Committee on Financial Services, the Committee on Foreign Affairs, the Committee on Homeland Security, the Committee on the Judiciary, the Committee on Ways and Means, and the Permanent Select Committee on Intelligence of the House of Representatives.

(2) BLOCKCHAIN INTELLIGENCE COMPANY.—The term "blockchain intelligence company" means any business providing software, research, or other services (such as blockchain tracing tools, geofencing, transaction screening, the collection of business data, and sanctions screening) that—

(A) support private and public sector investigations and risk management activities; and

(B) involve cryptographically secured distributed ledgers or any similar technology or implementation.

(3) DIGITAL ASSET.—The term "digital asset" means any digital representation of value that is recorded on a cryptographically secured digital ledger or any similar technology.

(4) EMERGING TECHNOLOGIES.—The term "emerging technologies" means the critical and emerging technology areas listed in the Critical and Emerging Technologies List developed by the Fast Track Action Subcommittee on Critical and Emerging Technologies of the National Science and Technology Council, including any updates to such list.

(5) FOREIGN TERRORIST ORGANIZATION.—The term "foreign terrorist organization" means an organization that is designated as a foreign terrorist organization under section 219 of the Immigration and Nationality Act (8 U.S.C. 1189).

(6) ILLICIT USE.—The term "illicit use" includes fraud, darknet marketplace transactions, money laundering, the purchase and sale of illicit goods, sanctions evasion, theft of funds, funding of illegal activities, transactions related to child sexual abuse material, and any other financial transaction involving the proceeds of specified unlawful activity (as defined in section 1956(c) of title 18, United States Code).

(7) TERRORIST.—The term "terrorist" includes a person carrying out domestic terrorism or international terrorism (as such terms are defined, respectively, under section 2331 of title 18, United States Code).

PURPOSE AND SUMMARY

Introduced on March 26, 2025, by Representative Nunn, H.R. 2384, the *Financial Technology Protection Act*, establishes the Independent Financial Technology Working Group to Combat Terrorism and Illicit Financing to study and report on terrorist and illicit use of emerging technologies, including digital assets, and provide recommendations to improve anti-money laundering and counterterrorist financing efforts.

BACKGROUND AND NEED FOR LEGISLATION

The *Financial Technology Protection Act* was first introduced by former Representative Ted Budd (R–NC) and Representative Stephen Lynch (D–MA) in the 115th Congress, where it passed on the House floor by a voice vote. This legislation was re-introduced in both the 116th and the 117th Congresses. In the 118th Congress, the Financial Technology Protection Act passed the House by voice vote. Senators Ted Budd (R–NC) and Kirsten Gillibrand (D–NY) also introduced a Senate companion during the 118th Congress.

Although rates of illicit activity remain low in the digital asset ecosystem, the ease by which digital asset transactions can be carried out and settled has proven to be used by bad actors. Additionally, because digital assets are a nascent and ever-evolving technology, law enforcement bodies around the world have struggled to keep pace with emerging trends and types of crime in the ecosystem. At the same time, however, the immutability and transparency of blockchain networks means that law enforcement has unique insight into the movement of illicit funds. Indeed, several high-profile cases have been solved because law enforcement was able to leverage the unique features of a blockchain network to track down and ultimately reclaim ill-gotten gains.

There has been considerable focus by U.S. regulators and Congress to curb nefarious activity with digital assets. In the Treasury Department's 2024 National Strategy for Combating Terrorist and Other Illicit Financing, Treasury identified "improv[ing] and expand[ing] on public-private information-sharing efforts" as one of its priority action items.[1] H.R. 2384 would provide a forum for such engagement and make significant progress in helping the United States ensure that Americans can interact with digital assets in a safe and secure manner.

COMMITTEE CONSIDERATION

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The Subcommittee on Terrorism and Illicit Finance of the Committee on Financial Services held a hearing on June 8, 2017, "Virtual Currency: Financial Innovation and National Security Implications."

The Subcommittee on Terrorism and Illicit Finance of the Committee on Financial Services held a hearing on June 20, 2018, "Illicit Use of Virtual Currency and the Law Enforcement Response."

[1] U.S. DEP'T OF THE TREASURY, 2024 NATIONAL STRATEGY FOR COMBATTING TERRORIST AND OTHER ILLICIT FINANCING (2024).

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The Subcommittee on National Security, International Development, and Monetary Policy of the Committee on Financial Services held a hearing on June 16, 2021, "Schemes and Subversion: How Bad Actors and Foreign Governments Undermine and Evade Sanctions Regimes."

The Committee on Financial Services held a hearing on February 8, 2022, "Digital Assets and the Future of Finance: Understanding the Challenges and Benefits of Financial Innovation in the United States."

The Subcommittee on National Security, International Development, and Monetary Policy of the Committee on Financial Services held a hearing on September 20, 2022, "Under the Radar: Alternative Payment Systems and the National Security Impacts of Their Growth."

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The Subcommittee on Digital Assets, Financial Technology and Inclusion of the Committee on Financial Services held a hearing on March 9, 2023, "Coincidence or Coordinated? The Administration's Attack on the Digital Asset Ecosystem."

The Subcommittee on National Security, Illicit Finance, and International Financial Institutions of the Committee on Financial Services held a hearing on April 27, 2023, "Oversight of the Financial Crimes Enforcement Network (FinCEN) and the Office of Terrorism and Financial Intelligence (TFI)."

The Subcommittee on Digital Assets, Financial Technology, and Inclusion of the Committee on Financial Services held a hearing on November 15, 2023, "Crypto Crime in Context: Breaking Down the Illicit Activity in Digital Assets."

The Subcommittee on Digital Assets, Financial Technology, and Inclusion of the Committee on Financial Services held a hearing on February 15, 2024, "Crypto Crime in Context Part II: Examining Approaches to Combat Illicit Activity."

The Subcommittee on National Security, Illicit Finance, and International Financial Institutions of the Committee on Financial Services held a hearing on April 16, 2024, "Held for Ransom: How Ransomware Endangers Our Financial System."

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On March 26, 2025, Representative Zach Nunn (R–IA) introduced H.R. 2384, the *Financial Technology Protection Act*, with Representative Jim Himes (D–CT) as original cosponsor. Representatives Warren Davidson (R–OH), Mike Lawler (R–NY), and Josh Gottheimer (D–NJ) were added subsequently as cosponsors. The bill was referred solely to the Committee on Financial Services.

RELATED HEARINGS

Pursuant to clause 3(c)(6) of rule XIII of the Rules of the House of Representatives, the following hearing was used to develop H.R. 2384:

The Full Committee held a hearing on February 25, 2025, entitled "Examining Policies to Counter China." A discussion draft version of the bill was considered in this hearing. The following witnesses testified: John Miller, Senior Vice President of Policy, Trust, Data, and Technology, and General Counsel, Information Technology Industry Council; Nicholas McMurray, Managing Director of International and Nuclear Policy, ClearPath; John Cassara, retired United States Treasury Department Special Agent; Martin Muhleisen, Nonresident Senior Fellow at the GAO Economic Center at the Atlantic Council; and Dr. Rush Doshi, C.V. Starr Senior Fellow for Asian Studies, and Director of the China Strategy Initiative at the Council on Foreign Relations, and an assistant professor at Georgetown University.

The Committee on Financial Services met in open session on April 2, 2025, to consider, among others, H.R. 2384.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee Report to include for each record vote on a motion to report the measure or matter and on any amendments offered to the measure or matter the total number of votes for and against and the names of the Members voting for and against.

On April 2, 2025, H.R. 2384, as amended, was ordered to be reported favorably to the House by a recorded vote of 49 ayes and 0 nays, a quorum being present. (Record Vote No. FC–059). Before the question to report was called, the Committee adopted an amendment in the nature of a substitute, which made minor edits and technical changes, offered by Representative Nunn. The amendment was adopted by voice vote, a quorum being present.

Committee on Financial Services

Markup 2	*Bill*	**H.R. 2384**	
April 2, 2025	*Motion*	**to report favorably**	
	Measure	**H.R. 2384 (as amended)**	
Record Vote No			
FC-059	*Disposition*	**AGREED TO (49-0)**	

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill	X			Ranking Member Waters	X		
Mr Lucas	X			Ms Velázquez	X		
Mr Sessions	X			Mr Sherman	X		
Mr Huizenga	X			Mr Meeks	X		
Mrs Wagner	X			Mr Scott	X		
Mr Barr	X			Mr Lynch	X		
Mr Williams (TX)	X			Mr Green (TX)	X		
Mr Emmer	X			Mr Cleaver			X
Mr Loudermilk	X			Mr Himes	X		
Mr Davidson	X			Mr Foster	X		
Mr Rose	X			Mrs Beatty	X		
Mr Steil	X			Mr Vargas	X		
Mr Timmons	X			Mr Gottheimer	X		
Mr Stutzman	X			Mr Gonzalez	X		
Mr Norman			X	Mr Casten	X		
Mr Meuser	X			Ms Pressley	X		
Mrs Kim	X			Ms Tlaib	X		
Mr Donalds			X	Mr Torres (NY)	X		
Mr Garbarino	X			Ms Garcia (TX)	X		
Mr Fitzgerald	X			Ms Williams of GA	X		
Mr Flood	X			Ms Pettersen			X
Mr Lawler	X			Mr Fields	X		
Ms De La Cruz	X			Ms Bynum	X		
Mr Ogles			X	Mr Liccardo	X		
Mr Nunn	X						
Mrs McClain	X						
Ms Salazar	X						
Mr Downing	X						
Mr Haridopolos	X						
Mr Moore (NC)	X						
	27	0	3		22	0	2

	Yeas	Nays	Not Voting
Committee Totals	**49**	**0**	**5**

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c) of rule XIII of the Rules of the House of Representatives, the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report.

PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the goal of H.R. 2384 is to establish the Independent Financial Technology Working Group to Combat Terrorism and Illicit Financing to study and report on terrorist and illicit use of emerging technologies, including digital assets, and provide recommendations to improve anti-money laundering and counterterrorist financing efforts.

COMMITTEE COST ESTIMATE

Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison of the costs that would be incurred in carrying out H.R. 2384. The Committee has requested but not received a cost estimate from the Director of the Congressional Budget Office. However, pursuant to clause 3(d)(1) of House rule XIII, the Committee will adopt as its own the cost estimate by the Director of the Congressional Budget Office once it has been prepared.

NEW BUDGET AUTHORITY AND CBO COST ESTIMATE

With respect to the requirements of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the *Congressional Budget Act of 1974* and with respect to requirements of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the *Congressional Budget Act of 1974*, a cost estimate was not made available to the Committee in time for the filing of this report. The Chairman of the Committee shall cause such estimate to be printed in the Congressional Record upon its receipt by the Committee.

UNFUNDED MANDATES STATEMENT

The Committee has requested but not received from the Director of the Congressional Budget Office an estimate of the Federal mandates pursuant to section 423 of the *Unfunded Mandates Reform Act*. The Committee will adopt the estimate once it has been prepared by the Director.

EARMARK STATEMENT

With respect to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee has carefully reviewed the provisions of the resolution and states that the provisions of the bill do not contain any congressional earmarks, limited tax benefits, or limited tariff benefits within the meaning of the rule.

FEDERAL ADVISORY COMMITTEE ACT STATEMENT

No advisory committees within the meaning of section 5(b) of the *Federal Advisory Committee Act* were created by this legislation.

APPLICABILITY TO THE LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the *Congressional Accountability Act*.

DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee states that no provision of the bill establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, including any program that was included in a report to Congress pursuant to section 21 of the Public Law 111–139 or the most recent Catalog of Federal Domestic Assistance.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

Section 1 provides the short title is the "*Financial Technology Protection Act of 2025*."

Section 2. Independent Financial Technology Working Group to Combat Terrorism and Illicit Financing

This section creates the Independent Financial Technology Working Group to Combat Terrorism and Illicit Financing and establishes the Under Secretary for Terrorism and Financial Intelligence as the chair. The Working Group will have representatives from the Department of Treasury, the Department of Justice, the Department of Homeland Security, the Department of State, the Office of the Director of National Intelligence, and at least five individuals from the private sector with equities in emerging technologies. The Working Group will conduct research on the illicit use of emerging technologies and develop legislative and regulatory proposals to mitigate this activity. The Working Group will be required to submit annual reports on its findings and determinations and sunset after four years.

Section 2 also sunsets the Working Group.

Section 3. Preventing rogue and foreign actors from evading sanctions

Section 3 requires the Working Group to submit a report that describes (1) the potential uses of digital assets by States, non-State actors, foreign terrorist organizations, and other terrorist groups to evade sanctions, finance terrorism, or launder monetary instruments, and threaten the national security of the United States; and (2) a strategy for the United States to mitigate and prevent the illicit use of digital assets.

Section 4. Definitions

This section defines various terms, including digital asset, foreign terrorist organization, illicit use, and emerging technologies.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

H.R. 2384 does not repeal or amend any section of a statute. Therefore, the Office of Legislative Counsel did not prepare the report required under clause 3(e) of rule XIII of the House of Representatives.

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