[DISCUSSION DRAFT]

116TH CONGRESS 1ST SESSION

H. R. ______

To prohibit large platform utilities from being a financial institution or being affiliated with a person that is a financial institution, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M__. __________ introduced the following bill; which was referred to the Committee on __________

A BILL

To prohibit large platform utilities from being a financial institution or being affiliated with a person that is a financial institution, 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 “Keep Big Tech Out Of Finance Act”.

5
SEC. 2. PROHIBITION RELATED TO LARGE PLATFORM UTILITIES.

(a) In General.—A large platform utility may not be, and may not be affiliated with any person that is, a financial institution.

(b) Prohibition Related to Cryptocurrencies.—

(1) In General.—A large platform utility may not establish, maintain, or operate a digital asset that is intended to be widely used as medium of exchange, unit of account, store of value, or any other similar function, as defined by the Board of Governors of the Federal Reserve System.

(2) Definitions.—For purposes of paragraph (1), the Board of Governors of the Federal Reserve System shall define the terms “medium of exchange”, “unit of account”, and “store of value”.

(c) Wind-Down Period.—With respect to a large platform utility—

(1) if the large platform utility is, or is affiliated with a person that is, a financial institution on the date of enactment of this Act, subsection (a) shall not apply to such large platform utility until the end of the 1-year period beginning on the date of enactment of this Act; and
(2) if the large platform utility maintains or operates a digital asset described under subsection (b)(1) on the date of enactment of this Act, subsection (b) shall not apply to such large platform utility until the end of the 1-year period beginning on the date of enactment of this Act.

(d) Penalty.—Any large platform utility or financial institution that violates subsection (a) or (b) shall be subject to a fine of not more than $1,000,000 per each day of such violation, in an action brought by the appropriate Federal financial regulator.

(e) Rulemaking.—The appropriate Federal financial regulators may issue rules to carry out this section.

(f) Definitions.—In this section:

(1) Affiliate.—The term “affiliate” has the meaning given that term under section 2 of the Bank Holding Company Act of 1956.

(2) Alternative Trading System.—The term “alternative trading system” has the meaning given that term under section 242.300 of title 17, Code of Federal Regulations.

(3) Appropriate Federal Financial Regulator.—The term “appropriate Federal financial regulator” means—
(A) the appropriate Federal banking agency;

(B) the Commodity Futures Trading Commission, in the case of a commodity pool operator, commodity trading advisor, and a futures commission merchant;

(C) the National Credit Union Administration Board, in the case of a credit union;

(D) the Securities and Exchange Commission, in the case of an alternative trading system, a broker, a dealer, an investment adviser, an investment company, a national securities exchange, and a private fund; and

(E) the Board of Governors of the Federal Reserve System, in the case of a financial institution or a large platform utility that does not otherwise have an appropriate Federal financial regulator under subparagraph (A) through (D).

(4) BANKING DEFINITIONS.—The terms “appropriate Federal banking agency”, “depository institution”, and “depository institution holding company” have the meaning given those terms, respectively, under section 3 of the Federal Deposit Insurance Act.
(5) **COMMODITIES DEFINITIONS.**—The terms “commodity pool operator”, “commodity trading advisor”, and “futures commission merchant” have the meaning given those terms, respectively, under section 1a of the Commodity Exchange Act.

(6) **CREDIT UNION.**—The term “credit union” means a Federal credit union or a State credit union, as such terms are defined, respectively, under section 101 of the Federal Credit Union Act.

(7) **DIGITAL ASSET.**—The term “digital asset” means an asset that is issued and transferred using distributed ledger or blockchain technology, including, so-called “virtual currencies”, “coins”, and “tokens”.

(8) **FINANCIAL INSTITUTION.**—The term “financial institution” means—

(A) an alternative trading system;

(B) a branch or agency of a foreign bank, as defined in section 1(b) of the International Banking Act of 1978;

(C) a broker;

(D) a commodity pool operator;

(E) a commodity trading advisor;

(F) a credit union;

(G) a dealer;
(H) a depository institution;
(I) a depository institution holding company;
(J) a futures commission merchant;
(K) an investment adviser;
(L) an investment company;
(M) a national securities exchange;
(N) an organization operating under section 25 or 25A of the Federal Reserve Act;
(O) a private fund;
(P) a State-licensed money services business; and
(Q) any company engaged in activities that are financial in nature or incidental to a financial activity, as described in section 4 of the Bank Holding Company Act of 1956.

(9) **LARGE PLATFORM UTILITY.**—The term “large platform utility” means a technology company—

(A) with an annual global revenue of $25,000,000,000 or more; and
(B) that is predominately engaged in the business of offering to the public an online marketplace, an exchange, or a platform for connecting third parties.
(10) **Money Services Business.**—The term “money services business” has the meaning given that term under section 1010.100 of title 31, Code of Federal Regulations.

(11) **Private Fund.**—The term “private fund” has the meaning given that term under section 202(a) of the Investment Advisers Act of 1940.

(12) **Securities Definitions.**—The terms “broker”, “dealer”, “investment adviser”, “investment company”, and “national securities exchange” have the meaning given those terms, respectively, under section 3 of the Securities Exchange Act of 1934.