

Manager's Amendment

AMENDMENT NO. _____ Calendar No. _____

Purpose: In the nature of a substitute.

IN THE SENATE OF THE UNITED STATES—117th Cong., 2d Sess.

S. 3666

To require reports on the adoption of a cryptocurrency as legal tender in El Salvador, 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 IN THE NATURE OF A SUBSTITUTE intended to be proposed by Mr. RISCH

Viz:

1 Strike all after the enacting clause and insert the following:
2

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Accountability for
5 Cryptocurrency in El Salvador Act” or “ACES Act”.

6 **SEC. 2. REPORTS ON ADOPTION OF CRYPTOCURRENCY AS
7 LEGAL TENDER IN EL SALVADOR.**

8 (a) IN GENERAL.—Not later than 60 days after the
9 date of the enactment of this Act, the Secretary of State,
10 in coordination with the heads of other relevant Federal
11 departments and agencies, shall submit to the appropriate
12 committees of Congress a report on the adoption by the

1 Government of El Salvador of a cryptocurrency as legal
2 tender.

3 (b) ELEMENTS.—The report required by subsection
4 (a) shall include the following:

5 (1) A description of the process followed by the
6 Government of El Salvador to develop and enact the
7 Bitcoin Law (Legislative Decree No. 57, Official
8 Record No. 110, Volume 431, enacted June 9,
9 2021), which provides the cryptocurrency, Bitcoin,
10 with legal tender status in El Salvador.

11 (2) An assessment of—

12 (A) the regulatory framework in El Sal-
13 vador with respect to the adoption of a
14 cryptocurrency as legal tender and the technical
15 capacity of El Salvador to effectively mitigate
16 the financial integrity and cyber security risks
17 associated with virtual-asset transactions;

18 (B) whether the regulatory framework in
19 El Salvador meets the requirements of the Fi-
20 nancial Action Task Force with respect to vir-
21 tual-asset transactions;

22 (C) the impact on individuals and busi-
23 nesses of requiring tender of Bitcoin; and

24 (D) the impact of such adoption of a
25 cryptocurrency on—

- 1 (i) the macroeconomic stability and
2 public finances of El Salvador, including
3 taxation;
- 4 (ii) the rule of law and democratic
5 governance in El Salvador;
- 6 (iii) the unbanked population in El
7 Salvador;
- 8 (iv) the flow of remittances from the
9 United States to El Salvador;
- 10 (v) El Salvador's relations with multi-
11 lateral financial institutions, such as the
12 International Monetary Fund and the
13 World Bank;
- 14 (vi) bilateral and international efforts
15 to combat transnational illicit activities;
- 16 (vii) El Salvador's bilateral economic
17 and commercial relationship with the
18 United States and the potential for re-
19 duced use by El Salvador of the United
20 States dollar;
- 21 (viii) existing United States sanctions
22 frameworks and the potential for the use
23 of cryptocurrency to circumvent such sanc-
24 tions;

1 (ix) the environmental impact of
2 cryptocurrency mining activities in El Sal-
3 vador, the deforestation associated with the
4 construction of new cryptocurrency mining
5 facilities, and the capacity of the electric
6 grid in El Salvador to deliver reliable and
7 affordable electricity meeting or exceeding
8 the level available before the adoption of a
9 cryptocurrency as legal tender; and

10 (x) the feasibility of using
11 cryptocurrency mining activities for pur-
12 poses of enhancing grid resiliency in El
13 Salvador and any other country that uses
14 the United States dollar as legal tender.

15 (3) A description of the internet infrastructure
16 of El Salvador and an assessment of—

17 (A) the degree to which cryptocurrency is
18 used in El Salvador;

19 (B) matters relating to chain of custody
20 and the potential for hacking and cybertheft of
21 cryptocurrency; and

22 (C) access to transparent and affordable
23 internet and digital infrastructure among the
24 unbanked population of El Salvador.

1 (c) PLAN TO MITIGATE RISKS TO UNITED STATES
2 FINANCIAL SYSTEM POSED BY ADOPTION OF
3 CRYPTOCURRENCY AS LEGAL TENDER IN CERTAIN
4 COUNTRIES.—

5 (1) IN GENERAL.—Not later than 90 days after
6 the submittal of the report required by subsection
7 (a), the Secretary of State, in coordination with the
8 heads of other relevant Federal departments and
9 agencies, shall submit to the appropriate committees
10 of Congress a plan to mitigate any potential risk to
11 the United States financial system posed by the
12 adoption of a cryptocurrency as legal tender in—

13 (A) El Salvador; and

14 (B) any other country that uses the United
15 States dollar as legal tender.

16 (2) IMPLEMENTATION.—Not later than 30 days
17 after the date on which the plan is submitted under
18 paragraph (1), the Secretary of State shall com-
19 mence implementation of the plan.

20 (d) SUBSEQUENT REPORT.—Not later than 270 days
21 after the submittal of the report required by subsection
22 (a), the Secretary of State, in coordination with the heads
23 of other relevant Federal departments and agencies, shall
24 submit to the appropriate committees of Congress an up-
25 dated version of such report, including a description of any

1 significant development related to the risks to the United
2 States financial system posed by the use of a
3 cryptocurrency as legal tender in El Salvador.

4 (e) APPROPRIATE COMMITTEES OF CONGRESS DE-
5 FINED.—In this section, the term “appropriate commit-
6 tees of Congress” means—

7 (1) the Committee on Foreign Relations and
8 the Committee on Banking, Housing, and Urban Af-
9 fairs of the Senate; and

10 (2) the Committee on Foreign Affairs and the
11 Committee on Financial Services of the House of
12 Representatives.