To require reports on the adoption of cryptocurrency as legal tender in El Salvador.

IN THE SENATE OF THE UNITED STATES

Mr. Risch (for himself and Mr. Menendez) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To require reports on the adoption of cryptocurrency as legal tender in El Salvador.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

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

SEC. 2. REPORTS ON ADOPTION OF CRYPTOocurrency AS LEGAL TENDER IN EL SALVADOR.

(a) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, the Secretary of State and the Secretary of the Treasury shall jointly submit to
the appropriate committees of Congress a report on the adoption by the Government of El Salvador of a cryptocurrency as legal tender.

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

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

(2) An assessment of—

(A) potential gaps in the Anti-Money Laundering/Combatting the Financing of Terrorism (AML/CFT) framework in El Salvador, and illicit finance risks associated with virtual assets in El Salvador, including El Salvador’s adoption of Bitcoin as legal tender;

(B) the impact on individuals and businesses of requiring tender of Bitcoin; and

(C) the impact of such adoption of a cryptocurrency on—

(i) the macroeconomic stability and public finances of El Salvador, including taxation;
(ii) the rule of law and democratic governance in El Salvador;

(iii) the unbanked population in El Salvador;

(iv) the flow of remittances from the United States to El Salvador;

(v) El Salvador’s relations with multilateral financial institutions, such as the International Monetary Fund and the World Bank;

(vi) bilateral and international efforts to combat transnational illicit activities; and

(vii) El Salvador’s bilateral economic and commercial relationship with the United States and the potential for reduced use by El Salvador of the United States dollar.

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

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

(B) matters relating to chain of custody and the potential for hacking and cybertheft of cryptocurrency; and
(C) access to transparent and affordable internet and digital infrastructure among the unbanked population of El Salvador.

(c) FORM.—The report required by subsection (a) shall be submitted in unclassified form, but may include a classified annex.

(d) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term “appropriate committees of Congress” means—

(1) the Committee on Foreign Relations and the Committee on Banking, Housing, and Urban Affairs of the Senate; and

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