

Client Alert

October 2019

House of Representatives Approves Bipartisan Blockchain Bill

On September 19, 2019, the House of Representatives by voice vote approved [H.R. 2613](#), a bipartisan bill entitled the “Advancing Innovation to Assist Law Enforcement Act.” The bill instructs the director of [FinCEN](#) to study and prepare a report to Congress on emerging technologies, including blockchain, in an effort to combat money laundering and other forms of illicit finance. Though somewhat modest in scope, the bill is among the first to be approved by one of the chambers of Congress on the topic of blockchain.

More specifically, the bill directs FinCEN’s director to carry out a study on—

- the status of implementation and internal use of emerging technologies, including artificial intelligence (AI), digital identity technologies, blockchain technologies and other innovative technologies within FinCEN;
- whether AI, digital identity technologies, blockchain technologies and other innovative technologies can be further leveraged to make FinCEN’s data analysis more efficient and effective; and
- how FinCEN could better utilize AI, digital identity technologies, blockchain technologies and other innovative technologies to more actively analyze and disseminate the information it collects and stores to provide investigative leads to federal, state, tribal and local law enforcement, and other federal agencies, and better support its ongoing investigations when referring a case to those agencies.

Within six months of enactment of the law, the FinCEN director must report back to Congress regarding—

- all findings and determinations made in carrying out the study;
- any best practices or significant concerns identified by the director, and their applicability to AI, digital identity technologies, blockchain technologies and other innovative technologies with respect to United States efforts to combat money laundering and other forms of illicit finance; and
- any policy recommendations that could facilitate and improve communication and coordination between the private sector, FinCEN and federal agencies through the implementation of innovative approaches in order to meet their respective obligations under the [Bank Secrecy Act](#) and other anti-money laundering compliance requirements.

The bill next moves to the Senate for consideration.

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