

SB-27

Classifying cryptocurrency as bonds so it can be regulated by the SEC to avoid rapid losses and curb illegal action.

IN THE SENATE OF THE AMERICAN LEGION BOYS NATION

Mr. Yenuganti of Texas introduced the following bill;

A BILL

Classifying cryptocurrency as bonds so it can be regulated by the SEC to avoid rapid losses and curb illegal action.

Be it enacted by The American Legion Boys Nation Senate assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Cryptocurrency Bond Regulation Act".

SECTION 2.

(a) Findings:

Cryptocurrencies have gained significant popularity and usage in recent years, attracting substantial investments from individuals, businesses, and institutions.

The lack of a comprehensive regulatory framework for cryptocurrencies has created potential risks, including market volatility, fraud, and money laundering.

Treating cryptocurrencies as bonds would provide a clear legal classification, subjecting them to appropriate regulations and oversight.

(b) Purpose:

The purpose of this Act is to declare cryptocurrencies as bonds and empower the Securities and Exchange Commission (SEC) to regulate them, thereby ensuring investor protection, market stability, and the integrity of the financial system.

SECTION 3: DEFINITIONS

(a) Cryptocurrency: For the purposes of this Act, the term "cryptocurrency" refers to any digital or virtual currency that uses cryptography for security and operates on a decentralized system, including but not limited to Bitcoin, Ethereum, and Litecoin.

(b) Bonds: For the purposes of this Act, the term "bonds" refers to financial instruments that represent debt obligations, typically issued by governments, municipalities, or corporations, which pay periodic interest and return the principal upon maturity.

SECTION 4: DECLARATION OF CRYPTOCURRENCY AS BONDS

(a) Cryptocurrency Classification:

Cryptocurrencies shall be officially recognized as a type of bond, and as such, they shall be subject to the same legal and regulatory requirements applicable to traditional bonds.

(b) Regulatory Oversight:

The Securities and Exchange Commission (SEC) is hereby granted the authority to regulate cryptocurrencies, including but not limited to their issuance, trading, custody, disclosure, and market practices.

The SEC shall have the power to promulgate rules, regulations, and guidelines concerning cryptocurrencies, consistent with the objectives of investor protection, market integrity, and systemic stability.

The SEC shall collaborate with other relevant regulatory bodies and organizations to ensure coordinated oversight of cryptocurrencies and minimize regulatory arbitrage.

(c) Investor Protection:

Cryptocurrency issuers shall comply with the registration, reporting, and disclosure requirements established by the SEC, ensuring transparency and providing investors with accurate and timely information.

The SEC shall enforce anti-fraud measures to detect and prevent fraudulent activities, market manipulation, and misleading practices in the cryptocurrency market.

SECTION 5: IMPLEMENTATION AND ENFORCEMENT

(a) Timelines:

The SEC shall establish an implementation timeline for the regulations and guidelines required under this Act within 30 of its enactment.

Market participants shall be given a reasonable period to adjust their operations and comply with the new regulatory framework.

(b) Enforcement:

The SEC shall have the authority to enforce the provisions of this Act, including the imposition of fines, penalties, and sanctions for non-compliance.

The SEC shall work in collaboration with other law enforcement agencies to investigate and prosecute any violations of the regulations established under this Act.

SECTION 6: SEVERABILITY

If any provision of this Act or its application to any person or circumstance is held invalid, the remainder of the Act or the application of the provision to other persons or circumstances shall not be affected.

SECTION 7: EFFECTIVE DATE

This Act shall take effect 30 days after its enactment and any laws in conflict with this bill are hereby declared null and void.