U.S. SENATE BANKING

SUBCOMMITTEE *on* DIGITAL ASSETS

SUBCOMMITTEE CHAIR CYNTHIA LUMMIS

Ethics Requirements

TOPLINE

No president in American history has voluntarily agreed to self-imposed, substantive ethics limits like President Trump has. Senator Cynthia Lummis' *Digital Asset Market Clarity Act* bans ALL federal officials, including the President of the United States, from issuing or sponsoring a digital asset for consideration, backed by real enforcement and real penalties. Clean government and pro-innovation policy are not opposites, and this bill proves it.

KEY ETHICS PROVISIONS INCLUDE:

- **A first-of-its-kind ban —** Prohibits any "covered individual," defined as any public official or employee and their spouse, from issuing or sponsoring a digital asset in exchange for consideration, including the President of the United States and Vice President, Members of Congress, and Federal judges (Sec. 30101, new 5 U.S.C. § 13152).
- **Real enforcement, not empty promises —** Directs the Attorney General to bring civil enforcement actions against any covered individual who knowingly and willfully violates the ban, and against any digital asset intermediary that knowingly lists a violating token (Sec. 30101, new 5 U.S.C. § 13153).
- **Exchanges are on the hook —** A digital asset intermediary that knowingly lists a token issued or sponsored in violation of the ban faces a civil penalty of up to $250,000 per violation, per day. Covered individuals who violate the ban must disgorge all profits and pay a penalty equal to 10 percent of the consideration received or $500,000.
- **Applies the same standard to everyone —** The ban covers public officials and employees and their spouses government-wide, including the President, Members of Congress and judges, applying one clean government standard from the top down—not a carve-out for anyone.
- **Fair transition, no bad-faith traps —** Officials with a pre-existing interest in a previously issued or sponsored digital asset come into compliance through a qualified blind trust or divestment under established ethics procedures, and are not held liable for the unauthorized acts of third parties they did not direct or coordinate with.
- **Modernized financial disclosure —** Updates federal ethics reporting law so digital assets sold for remuneration and worth more than $1,000 must be disclosed, closing a gap in current requirements (Sec. 30102).
- **Effective one year from enactment, with a GAO check-in —** The ethics provisions take effect on the earlier of 360 days after enactment or 60 days after the final implementing rule, and requires a GAO report within 360 days recommending how to keep ethics law current as digital asset rules develop (Secs. 30103, 30104).
- **A voluntary standard, not a permanent one —** The ban sunsets on January 20, 2029, underscoring that this is a standard President Trump chose to hold himself to, not one Congress imposed on him (Sec. 30105).
- **Preserves every existing safeguard —** Nothing in the ethics provisions limits existing conflict-of-interest law, anti-fraud authority under the Commodity Exchange Act and Securities Exchange Act, campaign finance law, or constitutional rights, including the First Amendment and Speech or Debate Clause.

History will remember this as the moment a president chose a higher standard than the law required of him and put America First.

BOTTOM LINE

This bill applies one ethics standard to everyone, including the President of the United States, and backs it up with real enforcement, real penalties, and a Department of Justice mandate to act. This is not talk. It is a president writing enforceable ethics rules into law and signing them himself. Digital asset innovation and clean government can go hand in hand, and the *Digital Asset Market Clarity Act* proves it.