

SOTO, DAVIDSON INTRODUCE DIGITAL TOKEN TAXONOMY PACKAGE TO ADDRESS BLOCKCHAIN, INNOVATION FLIGHT IN AMERICA

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Press Release

Following a year of collaboration, the *Token Taxonomy Act of 2019* (H.R. 2144) and the *Digital Taxonomy Act* (H.R. 2154) were introduced today as the leading legislation to provide jurisdiction and regulatory certainty for businesses, entrepreneurs, and regulators in the United States' blockchain economy. Authored by Representatives Darren Soto (D-FL-09) and Warren Davidson (R-OH-08), these bills clarify the numerous conflicting state initiatives and regulatory rulings, and patchwork of judicial decisions, that have clouded certainty for entrepreneurs and businesses that use blockchain technology.

Blockchain creates a secure, unalterable public record and is poised to dramatically change the world around us, from voting systems to health records. To better prepare for the environment where these innovations occur in the United States, the Token Taxonomy Act clarifies the definition of what constitutes a security and the regulations surrounding such, while the Digital Taxonomy Act outlines the remaining jurisdiction for digital assets by using the Federal Trade Commission (FTC) unfair and deceptive acts protections instead of shoehorn all token sales into securities or commodities regulation.

“It is time for the United States to step up and lead in blockchain technology,” **said Congressman Darren Soto.** “After months of public input, our Token Taxonomy Act and the Digital Taxonomy Act add critical definition and jurisdiction to create certainty for a strong digital asset market in the United States. This is an important first-step to promoting innovation and maximizing the potential of virtual currencies for the U.S. economy, all while protecting customers and the financial well-being of investors. The strong support for this bipartisan legislation from U.S. businesses and stakeholders is clear indication that our friendly, light-regulatory proposal will propel the United States to be at the forefront of this industry.”

“The Token Taxonomy Act is the key to unlocking blockchain technology in America,”

said **Congressman Warren Davidson**. “The lack of regulatory certainty in the U.S., combined with confusing, spasmodic guidance from the SEC, and an inconsistent patchwork of court decisions, has capital and innovation fleeing the U.S. market for the welcoming certainty of other jurisdictions. I am thankful to my colleague, Congressman Darren Soto of Florida, for his efforts on this bill and his continued leadership in this space. I look forward to working with Congressman Soto in passing these bills.” The *Digital Taxonomy Act of 2019*, authored by Rep. Soto and co-sponsored by Rep. Davidson, authorizes an additional \$25 million in funding to prevent deceptive practices for cryptocurrency and blockchain projects. It also mandates the FTC to produce an annual report outlining the plan to further protect consumers and ensure the United States remains a global leader in these technologies. [Click here](#) for bill text.

The *Token Taxonomy Act of 2019* will further clarify the Digital Token definition to be more inclusive of changing technology. Jurisdictions for the FTC and CFTC were also cited to strengthen protections for consumers. A preemption provision was included to ensure this legislation provides the certainty innovation needs to flourish. The bill is co-sponsored by Josh Gottheimer (D-NJ-05), Tedd Budd (R-NC-13), Tulsi Gabbard (D-HI-02), and Scott Perry (R-PA-10). [Click here](#) for bill text.