DIGITAL COMMODITY EXCHANGE ACT OF 2022

The Digital Commodity Exchange Act of 2022 (DCEA) creates a federal regulatory framework under the jurisdiction of the Commodity Futures Trading Commission (CFTC) for digital commodity exchanges and other digital commodity market participants. The DCEA builds upon and is complimentary to existing authorities for the CFTC and the Securities and Exchange Commission. It helps to close the regulatory gaps that have created uncertainty in the marketplace and discouraged innovation in the United States.

The DCEA adheres to a principles-based approach to the regulation of digital commodity exchanges and dealers. Its requirements are based on the same core principles in statute today for the regulation of the commodity markets, including customer asset protections, fraud and abusive trading practice prohibitions, governance and conflict of interest standards, and execution and settlement requirements.

The DCEA provides a clear path for innovators to develop new digital commodity projects, including stablecoins, while seeking to protect the public from fraud.

The Digital Commodity Exchange Act:
- Provides clarity and certainty for the digital commodity marketplace by establishing clear lines of jurisdiction for federal and state authorities.
- Requires certain presold digital commodities only be sold on a CFTC registered digital commodity exchange (DCE), to an accredited investor, or through a securities offering.
- Establishes the framework for the CFTC's principles-based regulation of DCEs.
- Adopts proven and well-established customer protections from the Commodity Exchange Act, including requirements related to:
  - keeping customer assets in regulated custodians
  - segregating customer assets from non-customer assets
  - protecting customer property in the event of a bankruptcy or a delisting of an exchange
  - trading limitations to prevent abusive and fraudulent trades
- Permits futures commission merchants to deal in digital commodities under robust federal oversight.
- Creates a robust regime for the oversight of stablecoin providers.