H. R. 118TH CONGRESS 2D SESSION

To include requirements relating to ransomware attack deterrence for a covered U.S. financial institution in the Consolidated Appropriations Act, 2021, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Ms. Pettersen introduced the following bill; which was referred to the

Committee on ____________________________

A BILL

To include requirements relating to ransomware attack deterrence for a covered U.S. financial institution in the Consolidated Appropriations Act, 2021, and for other purposes.

1 Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,

3 SECTION 1. SHORT TITLE.

4 This Act may be cited as the “Ransomware and Fi-
5 nancial Stability Act of 2024”. 
SEC. 2. RANSOMWARE ATTACK DETERRENCE.

(a) IN GENERAL.—Section 108 of title I of division Q of the Consolidated Appropriations Act, 2021 (Public Law 116–260; 135 Stat. 2173; 12 U.S.C. 1811 note) is amended—

(1) in the subsection heading, by striking “REPORT”;

(2) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively;

(3) by inserting the following after subsection (c):

“(d) RANSOMWARE ATTACK DETERRENCE.—

“(1) REQUIREMENTS.—

“(A) IN GENERAL.—A covered U.S. financial institution subject to a ransomware attack may not make a ransomware payment in response to such ransomware attack—

“(i) before submitting the notification described in paragraph (2); and

“(ii) in an amount greater than $100,000, unless the payment is subject to a ransomware payment authorization.

“(B) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to permit a ransomware payment that is otherwise prohibited by law.
“(2) Notification described.—

“(A) In general.—The notification described in this paragraph shall be submitted by a covered U.S. financial institution to the Director of the Financial Crimes Enforcement Network and shall include—

“(i) a determination by such institution that such institution is subject to a ransomware attack; and

“(ii) a description of the ransomware attack and any associated ransomware payment demanded.

“(B) Contents.—To ensure efficient notification and resolution of a ransomware attack, the Secretary of the Treasury—

“(i) shall, in consultation with interested persons, issue guidance specifying information required to be included in the notification described in this paragraph; and

“(ii) may not require, to be included in such notification, information that is unavailable to a covered U.S. financial institution, based on good-faith efforts of such institution to provide information.
“(3) WAIVER.—The President may waive the requirements of paragraph (2) with respect to a covered U.S. financial institution if the President determines that the waiver is in the national interest of the United States and notifies such institution and the appropriate members of Congress of such waiver.

“(4) SAFE HARBOR WITH RESPECT TO RANSOMWARE PAYMENT AUTHORIZATIONS AND GOOD-FAITH DETERMINATIONS.—

“(A) IN GENERAL.—With respect to a ransomware payment made under paragraph (2)(B) or a waiver issued under paragraph (3)—

“(i) a U.S. financial institution shall not be liable under subchapter II of chapter 53 of title 31, United States Code, or chapter 2 of title I of Public Law 91–508 (12 U.S.C. 1951 et seq.) for making a ransomware payment consistent with the parameters and timing of a ransomware payment authorization; and

“(ii) no Federal or State department or agency may take any adverse supervisory action with respect to the U.S. fi-
financial institution solely for making a
ransomware payment consistent with the
parameters and timing of the authorization.

“(B) GOOD-FAITH EFFORTS TO ASSESS
RANSOMWARE ATTACKS.—A covered U.S. finan-
cial institution may not be held liable for defi-
ciencies in describing a ransomware attack in a
notification described under paragraph (2) if
such institution engaged in good-faith efforts to
determine the nature of the ransomware attack.

“(C) RULE OF CONSTRUCTION.—Nothing
in this paragraph may be construed—

“(i) to prevent a Federal or State de-
partment or agency from verifying the va-
lidity of a ransomware payment authorization
with the law enforcement agency sub-
mitting that authorization;

“(ii) to relieve a U.S. financial institu-
tion from complying with any other provi-
sion of law, including the reporting of sus-
picious transactions under section 5318(g)
of title 31, United States Code; or
“(iii) to extend the safe harbor described in this paragraph to any actions taken by the U.S. financial institution—

“(I) before the date of issuance of ransomware payment authorization;

or

“(II) after any termination date stated in the ransomware payment authorization.

“(D) RANSOMWARE PAYMENT AUTHORIZATION TERMINATION DATE.—Any ransomware payment authorization submitted under this subsection shall include a termination date after which that authorization shall no longer apply.

“(E) RECORDS.—Any Federal law enforcement agency that submits to a U.S. financial institution a ransomware payment authorization shall, not later than 2 business days after the date on which the authorization is submitted to the U.S. financial institution—

“(i) submit to the Director of the Financial Crimes Enforcement Network a copy of the authorization; and
“(ii) alert the Director as to whether the U.S. financial institution has implemented the request.

“(F) GUIDANCE.—The Secretary of the Treasury, in coordination with the Attorney General, shall issue guidance on the required elements of a ransomware payment authorization.

“(5) CONFIDENTIALITY OF INFORMATION.—

“(A) IN GENERAL.—Except as provided in paragraph (2), any information or document provided by a U.S. financial institution to a Federal law enforcement agency pursuant to this subsection—

“(i) shall be exempt from disclosure under section 552 of title 5, United States Code; and

“(ii) may not be made publicly available.

“(B) EXCEPTIONS.—Paragraph (1) shall not prohibit the disclosure of the following:

“(i) Information relevant to any administrative or judicial action or proceeding.
“(ii) Information requested by the appropriate members of Congress or otherwise required to be submitted to Congress.

“(iii) Information required for Federal law enforcement or intelligence purposes (as determined by the Attorney General), in consultation with the Director of the Financial Crimes Enforcement Network to be disclosed to a domestic governmental entity or to a governmental entity of a United States ally or partner, only to the extent necessary for such purposes, and subject to appropriate confidentiality and classification requirements.

“(iv) Anonymized information required for the production of aggregate data or statistical analyses.

“(v) Information that the U.S. financial institution has consented to be disclosed to third parties.

“(6) DEFINITIONS.—In this subsection:

“(A) COVERED U.S. FINANCIAL INSTITUTION.—The term ‘covered U.S. financial institution’ means—
“(i) any financial market utility that the Financial Stability Oversight Council has designated as systemically important under section 804 of the Dodd-Frank Wall Street Reform and Consumer Protection Act;

“(ii) any exchange registered under section 6 of the Securities Exchange Act of 1934 that facilitates trading in any national market system security, as defined in section 242.600 of title 17, Code of Federal Regulations (or any successor regulation), and which exchange during at least four of the preceding six calendar months had—

“(I) with respect to all national market system securities that are not options, 10 percent or more of the average daily dollar volume reported by applicable transaction reporting plans; or

“(II) with respect to all listed options, 15 percent or more of the average daily dollar volume reported by applicable national market system
plans for reporting transactions in
listed options; and

“(iii) any technology service provider
in the Significant Service Provider Pro-
gram of the Financial Institutions Exam-
ination Council that provides core proc-
essing services that is determined by the
Council to be a significant technology serv-

“(B) MALICIOUS SOFTWARE.—The term
‘malicious software’ means software that, when
deployed, results in the loss of access to data or
the loss of functionality of an information and
communications system or network of a U.S. fi-

“(C) RANSOMWARE ATTACK.—The term
‘ransomware attack’ means the deployment of
malicious software for the purpose of demand-
ing payment in exchange for restoring critical
access to, or the critical functionality of, an in-
formation and communications system or net-

“(D) RANSOMWARE PAYMENT.—The term
‘ransomware payment’ means a payment made
by a U.S. financial institution (including a pay-
ment made through use of digital currency) to,
at the request of, or for the benefit of a person
responsible for a ransomware attack in ex-
change for restoration of the access or
functionality of an information and communica-
tions system or network of the institution.

“(E) RANSOMWARE PAYMENT AUTHORIZA-
TION.—The term ‘ransomware payment author-
ization’ means, with respect to a ransomware
payment made by a U.S. financial institution, a
written notice from a Federal law enforcement
agency to authorize such ransomware pay-
ment.”;

(4) in subsection (f), as so redesignated, by
striking “after the date of enactment of this Act”
and inserting “after the date of enactment of the
Ransomware and Financial Stability Act of 2024”;
and

(5) by adding at the end the following new sub-
section:

“(g) SHORT TITLE.—This section may be cited as the
‘Cybersecurity and Financial System Resilience Act’.”.

(b) APPLICABILITY.—The amendments made by this
Act shall apply to a covered U.S. financial institution (as
defined in subsection (d) of the Cybersecurity and Finan-
cial System Resilience Act (Public Law 116–260; 135
Stat. 2173; 12 U.S.C. 1811 note), as added by this Act) beginning on the earlier of the date that is—

(1) 30 days after publication in the Federal Register of rules implementing this Act; or

(2) 1 year after the date of the enactment of this Act.

(c) SUNSET.—This Act and the amendments made by this Act shall be repealed 10 years after the applicability date described in subsection (b).