

ASSEMBLY BILL NO. 324—ASSEMBLYWOMAN DICKMAN

MARCH 17, 2021

Referred to Committee on Judiciary

SUMMARY—Revises provisions relating to digital assets. (BDR 10-981)

FISCAL NOTE: Effect on Local Government: No. Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to digital assets; classifying digital assets for the purposes of the treatment of such assets under the Uniform Commercial Code; authorizing a bank to provide certain custodial services for digital assets; setting forth certain requirements for the provision of such custodial services; exempting an operator of a peer-to-peer digital currency platform from certain provisions governing persons engaged in the business of transmitting money; revising the definition of “virtual currency” for the purposes of provisions exempting virtual currencies from taxation; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law contains Article 8 of the Uniform Commercial Code, the uniform  
2 law governing investment securities, and Article 9 of the Uniform Commercial  
3 Code, the uniform law governing secured transactions. (NRS 104.8101-104.8511,  
4 104.9101-104.9717) **Sections 11-13** of this bill address the treatment of digital  
5 assets under Articles 8 and 9 of the Uniform Commercial Code. **Section 6** of this  
6 bill defines “digital asset” to mean a representation of economic, proprietary or  
7 access rights that is stored in a computer-readable format. **Sections 7, 8 and 10** of  
8 this bill define three types of digital assets, which are digital consumer assets,  
9 digital securities and virtual currency.  
10 Article 9 of the Uniform Commercial Code sets forth various classifications of  
11 assets, including, among others, goods, accounts, chattel paper and general  
12 intangibles, and prescribes different rules for secured transactions based upon the  
13 type of asset involved in the transaction. (NRS 104.9101-104.9717) **Section 11** of  
14 this bill sets forth the manner in which the different types of digital assets are  
15 classified under Article 9 of the Uniform Commercial Code for the purposes of  
16 determining the applicable rules under Article 9 that govern secured transactions



17 involving digital assets. **Section 11** also sets forth the manner in which digital  
18 securities are classified for the purposes of the treatment of such assets under  
19 Article 8 as well as Article 9 of the Uniform Commercial Code.

20 Article 8 of the Uniform Commercial Code provides that any property that is  
21 held by a securities intermediary for another person in a securities account is  
22 a financial asset for the purposes of Article 8 if the securities intermediary has  
23 expressly agreed with the other person that property is to be treated as a financial  
24 asset. (NRS 104.8102) **Section 11** similarly authorizes a digital asset to be treated  
25 as a financial asset for the purposes of Article 8 pursuant to a written agreement  
26 with the owner of the digital asset. **Section 11** further deems a bank that provides  
27 certain custodial services set forth in **sections 14-19** of this bill to be a securities  
28 intermediary for the purposes of Article 8.

29 Under Article 9 of the Uniform Commercial Code, with various exceptions, a  
30 filing statement is required to perfect all security interests. (NRS 104.9310) **Section**  
31 **12** of this bill creates an exception to this requirement and authorizes a security  
32 interest in a digital asset to be achieved through control. **Section 13** of this bill sets  
33 forth the manner in which a person obtains control of a digital asset. Under **section**  
34 **12**, a security interest held by a secured party having control of a digital asset has  
35 priority over any other security interest. **Section 12** also sets forth the  
36 circumstances under which a transferee takes a digital asset free of any security  
37 interest.

38 **Sections 14-19 and 22** of this bill authorize a bank to provide certain custodial  
39 services with respect to digital assets. **Section 15** of this bill requires a bank that  
40 provides custodial services to enter into certain agreements with a customer to  
41 which the bank provides custodial services, including, among other agreements, an  
42 agreement in which the customer elects for a digital asset to be held either in: (1)  
43 custody under a bailment as a nonfungible or fungible asset; or (2) custody under a  
44 bailment in which the bank is authorized to undertake transactions with the digital  
45 asset at the instruction of the customer. **Section 16** of this bill requires a bank to  
46 provide certain notice to each customer to which the bank provides custodial  
47 services. **Section 17** of this bill sets forth certain authorized and prohibited  
48 practices for banks providing custodial services for digital assets.

49 Existing federal regulations require: (1) certain investment advisors to maintain  
50 funds and securities of clients with a qualified custodian; and (2) a qualified  
51 custodian to enter into an agreement with an independent public accountant to  
52 perform certain examinations. (17 C.F.R. § 275.206(4)-2) **Section 14** of this bill  
53 authorizes a bank to serve as such a qualified custodian. **Section 18** of this bill  
54 requires a bank that provides custodial services to enter into an agreement with an  
55 independent public accountant to perform examinations that comply with federal  
56 law.

57 **Section 19** of this bill requires the Commissioner of Financial Institutions to  
58 adopt certain regulations to carry out the provisions of **sections 14-19**.

59 **Section 20** of this bill provides that courts in this State have jurisdiction to hear  
60 claims involving digital assets.

61 Existing law exempts from taxation all intangible property, including, virtual  
62 currency. Under existing law, the term “virtual currency” includes only those  
63 digital representations of value that are created, issued and maintained on a public  
64 blockchain and not attached to any tangible asset or fiat currency. (NRS 361.228)  
65 **Section 21** of this bill retains the exemption from taxation for virtual currency set  
66 forth in existing law, but revises the definition of “virtual currency” to mirror the  
67 definition in **section 10** of this bill. Under **section 10**, “virtual currency” is defined  
68 to mean a digital asset that is: (1) a digital representation of value; (2) used as a  
69 medium of exchange, unit of account or store of value; and (3) not recognized as  
70 legal tender by the United States Government.



71 Existing law requires a person engaged in the business of receiving for  
72 transmission or transmitting money or credits to be licensed by the Commissioner  
73 of Financial Institutions. (Chapter 671 of NRS) **Section 23** of this bill exempts  
74 from this requirement, and all other requirements relating to money transmitters, an  
75 operator of a peer-to-peer digital currency platform who facilitates certain  
76 transactions involving virtual currency but does not provide custodial services or  
77 transfer or hold fiat currency.

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THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Title 10 of NRS is hereby amended by adding  
2 thereto a new chapter to consist of the provisions set forth as  
3 sections 2 to 20, inclusive, of this act.

4 **Sec. 2. 1.** *As used in this chapter, unless the context*  
5 *otherwise requires, the words and terms defined in sections 3 to*  
6 *10, inclusive, of this act have the meanings ascribed to them in*  
7 *those sections.*

8 **2.** *The terms “digital consumer asset,” “digital security” and*  
9 *“virtual currency” are mutually exclusive.*

10 **Sec. 3.** *“Bank” has the meaning ascribed to it in*  
11 *NRS 657.016.*

12 **Sec. 4.** *“Commissioner” means the Commissioner of*  
13 *Financial Institutions.*

14 **Sec. 5.** *“Custodial services” means the safekeeping, servicing*  
15 *and management of customer currency and digital assets. The*  
16 *term includes the exercise of fiduciary and trust powers involving*  
17 *the exercise of discretion, including transactions under subsection*  
18 *3 of section 15 of this act.*

19 **Sec. 6.** *“Digital asset” means a representation of economic,*  
20 *proprietary or access rights that is stored in computer-readable*  
21 *format. The term includes a digital consumer asset, digital security*  
22 *and virtual currency.*

23 **Sec. 7.** *“Digital consumer asset” means a digital asset that is*  
24 *used or primarily intended for consumptive, personal or*  
25 *household purposes. The term includes any digital asset that is not*  
26 *a digital security or virtual currency.*

27 **Sec. 8.** *“Digital security” means a digital asset that*  
28 *constitutes a security, as defined in NRS 90.295. The term does not*  
29 *include a digital consumer asset or virtual currency.*

30 **Sec. 9.** *“Secured party” has the meaning ascribed to it in*  
31 *NRS 104.9102.*

32 **Sec. 10.** *“Virtual currency” means a digital asset that is:*  
33 **1.** *A digital representation of value;*



1       2. *Used as a medium of exchange, unit of account or store of*  
2 *value; and*

3       3. *Not recognized as legal tender by the United States*  
4 *Government.*

5       **Sec. 11.** 1. *Digital assets are classified in the following*  
6 *manner:*

7       (a) *A digital consumer asset is intangible personal property*  
8 *and, for the purposes of NRS 104.9101 to 104.9717, inclusive,*  
9 *shall be deemed to be a general intangible, as defined in*  
10 *NRS 104.9102.*

11       (b) *A digital security is intangible personal property and, for*  
12 *the purposes of NRS 104.8101 to 104.8511, inclusive, and*  
13 *104.9101 to 104.9717, inclusive, shall be deemed to be:*

14           (1) *A security, as defined in NRS 104.8102; and*

15           (2) *Investment property, as defined in NRS 104.9102.*

16       (c) *Virtual currency is intangible personal property and, for*  
17 *the purposes of NRS 104.9101 to 104.9717, inclusive, shall be*  
18 *deemed to be money.*

19       2. *A digital asset may be treated as a financial asset under*  
20 *paragraph (j) of subsection 1 of NRS 104.8102 pursuant to a*  
21 *written agreement with the owner of the digital asset. A digital*  
22 *asset treated as a financial asset pursuant to this subsection*  
23 *remains intangible personal property.*

24       3. *A bank that provides custodial services pursuant to*  
25 *sections 14 to 19, inclusive, of this act shall be deemed to be a*  
26 *securities intermediary, as defined in NRS 104.8102.*

27       4. *Classification of digital assets under this section must be*  
28 *construed in a manner to give the greatest effect to this chapter,*  
29 *but must not be construed to apply to any other asset.*

30       **Sec. 12.** 1. *Notwithstanding the provisions of NRS*  
31 *104.9310 or any other provision of law, perfection of a security*  
32 *interest in a digital asset may be achieved through control of the*  
33 *digital asset. A security interest held by a secured party having*  
34 *control of a digital asset has priority over a security interest held*  
35 *by a secured party that does not have control of the asset.*

36       2. *Before a secured party may take control of a digital asset*  
37 *pursuant to this section, the secured party shall enter into a*  
38 *control agreement for the control of the digital asset with the*  
39 *debtor. The control agreement may set forth the terms under*  
40 *which a secured party may pledge its security interest in the digital*  
41 *asset as collateral for another transaction.*

42       3. *A secured party may file a financing statement with the*  
43 *Secretary of State, including, without limitation, to perfect a*  
44 *security interest in proceeds from a digital asset pursuant to*  
45 *NRS 104.9315.*



1 4. Notwithstanding the provisions of NRS 104.9101 to  
2 104.9717, inclusive, or any other provision of law, for a security  
3 interest in a digital asset perfected by a method other than control,  
4 a transferee takes a digital asset free of any security interest 2  
5 years after the transferee takes the asset for value and does not  
6 have actual notice of an adverse claim.

7 5. Perfection of security interest in a digital asset by control  
8 creates a possessory security interest and does not require physical  
9 possession.

10 6. For the purposes of this section and NRS 104.9101 to  
11 104.9717, inclusive, a digital asset is located in this State if:

12 (a) The digital asset is held by a custodian located in this State;

13 (b) The debtor or secured party is physically located in this  
14 State; or

15 (c) The debtor or secured party is incorporated or organized in  
16 this State.

17 7. As used in this section:

18 (a) "Control" is intended to be equivalent to the term  
19 "possession" as used in NRS 104.9101 to 104.9717, inclusive.

20 (b) "Debtor" has the meaning ascribed to it in NRS 104.9102.

21 **Sec. 13. 1.** For the purposes of section 12 of this act, a  
22 secured party has control of a digital asset if:

23 (a) The secured party, or an agent, custodian, fiduciary or  
24 trustee of the party, has the exclusive legal authority to conduct a  
25 transaction relating to a digital asset, including, without  
26 limitation, by means of a private key or the use of a multi-  
27 signature arrangement authored by the secured party; or

28 (b) The secured party has created a smart contract which has  
29 the exclusive legal authority to conduct a transaction relating to a  
30 digital asset.

31 2. As used in this section:

32 (a) "Multi-signature arrangement" means a system of access  
33 control relating to a digital asset for the purposes of preventing  
34 unauthorized transactions relating to the asset, in which two or  
35 more private keys are required to conduct a transaction, or any  
36 substantially similar analogue.

37 (b) "Private key" means a unique element of cryptographic  
38 data, or any substantially similar analogue, which is:

39 (1) Held by a person;

40 (2) Paired with a unique, publicly available element of  
41 cryptographic data; and

42 (3) Associated with an algorithm that is necessary to carry  
43 out an encryption or decryption required to execute a transaction.

44 (c) "Smart contract" means an automated transaction, as  
45 defined in NRS 719.040, or any substantially similar analogue,



1 *which is comprised of code, script or programming language that*  
2 *executes the terms of an agreement, and which may include,*  
3 *without limitation, taking custody of and transferring an asset, or*  
4 *issuing executable instructions for these actions, based on the*  
5 *occurrence or nonoccurrence of specified conditions.*

6 **Sec. 14.** 1. *A bank may provide custodial services in*  
7 *accordance with the provisions of sections 14 to 19, inclusive, of*  
8 *this act upon providing 60 days written notice to the*  
9 *Commissioner. The provisions of sections 14 to 19, inclusive, of*  
10 *this act are cumulative and not exclusive as an optional*  
11 *framework for enhanced supervision for the custody of digital*  
12 *assets. A bank that elects to provide custodial services shall comply*  
13 *with the provisions of sections 14 to 19, inclusive, of this act.*

14 2. *A bank may serve as a qualified custodian, as specified in*  
15 *17 C.F.R. § 275.206(4)-2.*

16 3. *Digital assets held in custody under sections 14 to 19,*  
17 *inclusive, of this act are not depository liabilities or assets of the*  
18 *bank. A bank, or a subsidiary, may register as an investment*  
19 *adviser, investment company or broker dealer as necessary.*

20 4. *All ancillary or subsidiary proceeds relating to digital*  
21 *assets held in custody under sections 14 to 19, inclusive, of this act*  
22 *must accrue to the benefit of the customer, except as specified by a*  
23 *written agreement with the customer. The bank may elect not to*  
24 *collect certain ancillary or subsidiary proceeds, as long as the*  
25 *election is disclosed in writing. A customer who makes an election*  
26 *under paragraph (a) of subsection 1 of section 15 of this act may*  
27 *withdraw the digital asset in a form that permits the collection of*  
28 *the ancillary or subsidiary proceeds.*

29 **Sec. 15.** 1. *A bank that provides custodial services shall*  
30 *maintain control over a digital asset in the custody of the bank. A*  
31 *bank shall enter into an agreement with each customer for which*  
32 *the bank provides custodial services in which the customer elects*  
33 *one of the following relationships for each digital asset of the*  
34 *customer held in custody:*

35 (a) *Custody under a bailment as a nonfungible or fungible*  
36 *asset; or*

37 (b) *Custody under a bailment in accordance with subsection 3.*

38 2. *Any digital asset held pursuant to an election under*  
39 *paragraph (a) of subsection 1 must be strictly segregated from*  
40 *other assets of the customer.*

41 3. *If a customer makes an election under paragraph (b) of*  
42 *subsection 1, the bank may, based only on customer instructions,*  
43 *undertake transactions with the digital asset. A bank maintains*  
44 *control of a digital asset pursuant to subsection 1 if the bank*  
45 *enters into an agreement with the counterparty to a transaction*



1 *which contains a time for the return of the digital asset. The bank*  
2 *shall not be liable for any loss suffered with respect to a*  
3 *transaction under this subsection, except for liability consistent*  
4 *with fiduciary and trust powers as a custodian under sections 14 to*  
5 *19, inclusive, of this act.*

6 *4. A bank and a customer shall agree in writing to a time*  
7 *period within which the bank must return a digital asset held in*  
8 *custody under sections 14 to 19, inclusive, of this act. If a*  
9 *customer makes an election under paragraph (b) of subsection 1,*  
10 *the bank and the customer may also agree in writing to the form*  
11 *in which the digital asset must be returned.*

12 *5. A bank and a customer shall agree in writing regarding the*  
13 *source code version the bank will use for each digital asset, and if*  
14 *necessary, the treatment of each asset under chapter 104 of NRS.*

15 **Sec. 16.** *A bank shall provide clear, written notice to each*  
16 *customer to which the bank provides custodial services, and*  
17 *require acknowledge of the notice in writing, of the following:*

18 *1. The customer will receive prior notice regarding the*  
19 *implementation of any updates of material source code relating to*  
20 *digital assets held in custody by the bank, except in an emergency*  
21 *that may include a security vulnerability;*

22 *2. Some risk of loss as a pro rata creditor exists as the result*  
23 *of custody as a fungible asset under paragraph (a) of subsection 1*  
24 *of section 15 of this act or custody under paragraph (b) of*  
25 *subsection 1 of section 15 of this act;*

26 *3. Custody under paragraph (b) of subsection 1 of section 15*  
27 *of this act may not result in the digital asset of the customer being*  
28 *segregated from the other assets of the customer; and*

29 *4. The bank is not liable for losses suffered under paragraph*  
30 *(b) of subsection 1 of section 15 of this act, except for liability*  
31 *consistent with fiduciary and trust powers as a custodian under*  
32 *sections 14 to 19, inclusive, of this act.*

33 **Sec. 17.** *1. A bank that provides custodial services shall:*

34 *(a) Implement all accounting, account statement, internal*  
35 *control, notice and other standards specified by applicable state or*  
36 *federal law and regulations for custodial services adopted by the*  
37 *Commissioner pursuant to section 19 of this act;*

38 *(b) Maintain best practices for information technology used in*  
39 *providing custodial services for digital assets in accordance with*  
40 *regulations adopted by the Commissioner pursuant to section 19*  
41 *of this act;*

42 *(c) Fully comply with applicable federal requirements*  
43 *concerning anti-money laundering, customer identification and*  
44 *beneficial ownership; and*



1 (d) Take other actions necessary to carry out sections 14 to 19,  
2 inclusive, of this act, which may include, without limitation,  
3 exercising fiduciary powers similar to those permitted to national  
4 banks and ensuring compliance with federal law governing digital  
5 assets classified as commodities.

6 2. A bank that provides custodial services shall not:

7 (a) Authorize or permit rehypothecation of a digital asset;

8 (b) Engage in any activity to use or exercise discretionary  
9 authority relating to a digital asset, unless the customer so  
10 instructs; or

11 (c) Take any action that would likely impair the solvency or  
12 the safety and soundness of the bank, as prescribed by regulation  
13 of the Commissioner pursuant to section 19 of this act.

14 3. As used in this section, "rehypothecation" means the  
15 simultaneous reuse of repledging of a digital asset that is already  
16 in use or has already been pledged as collateral to another person.

17 **Sec. 18.** 1. A bank that provides custodial services shall  
18 enter into an agreement with an independent public accountant to  
19 conduct an examination conforming to the requirements of 17  
20 C.F.R. § 275.206(4)-2(a)(4) and (6), at the cost of the bank.

21 2. After an examination is conducted pursuant to subsection  
22 1, the accountant that conducted the examination shall transmit  
23 the results of the examination to the Commissioner within 120  
24 days after the examination and may file the results with the United  
25 States Securities and Exchange Commission as required by  
26 federal law. The accountant shall report any material discrepancy  
27 in an examination to the Commissioner within 1 day. The  
28 Commissioner shall review the results of the examination upon  
29 receipt within a reasonable time and during any examination  
30 conducted pursuant to chapter 665 of NRS.

31 **Sec. 19.** The Commissioner shall adopt regulations as  
32 necessary to carry out the provisions of sections 14 to 19,  
33 inclusive, of this act. Such regulations must, without limitation:

34 1. Set forth standards for the provision of custodial services  
35 by a bank;

36 2. Establish best practices for information technology used in  
37 providing custodial services for digital assets; and

38 3. Prescribe specific actions relating to the provision of  
39 custodial services that would likely impair the solvency or the  
40 safety and soundness of a bank pursuant to section 17 of this act.

41 **Sec. 20.** Subject to other jurisdictional limits placed on  
42 specific courts by the laws of this State, the courts of this State  
43 shall have jurisdiction to hear claims in both law and equity  
44 relating to digital assets, including those arising from this chapter  
45 and chapter 104 of NRS.





1       **Sec. 21.** NRS 361.228 is hereby amended to read as follows:

2       361.228 1. All intangible personal property is exempt from  
3 taxation, including, without limitation:

4       (a) Shares of stock, bonds, mortgages, notes, bank deposits,  
5 virtual currencies, book accounts such as an acquisition adjustment  
6 and credits, and securities and choses in action of like character; and

7       (b) Goodwill, customer lists, contracts and contract rights,  
8 patents, trademarks, trade names, custom computer programs,  
9 copyrights, trade secrets, franchises and licenses.

10      2. The value of intangible personal property must not enhance  
11 or be reflected in the value of real property or tangible personal  
12 property.

13      3. The attributes of real property, such as zoning, location,  
14 water rights, view and geographic features, are not intangible  
15 personal property and must be considered in valuing the real  
16 property, if appropriate.

17      4. As used in this section ~~†~~:

18      ~~(a) "Public blockchain" means an electronic record of~~  
19 ~~transactions or other data which:~~

20      ~~(1) Is uniformly ordered;~~

21      ~~(2) Is processed using a decentralized method by which two~~  
22 ~~or more unaffiliated computers or machines verify the recorded~~  
23 ~~transactions or other data;~~

24      ~~(3) Is redundantly maintained by two or more unaffiliated~~  
25 ~~computers or machines to guarantee the consistency or~~  
26 ~~nonrepudiation of the recorded transactions or other data;~~

27      ~~(4) Is validated by the use of cryptography; and~~

28      ~~(5) Does not restrict the ability of any computer or machine~~  
29 ~~to:~~

30      ~~(I) View the network on which the record is maintained;~~  
31 ~~or~~

32      ~~(II) Maintain or validate the state of the public~~  
33 ~~blockchain.~~

34      ~~(b) "State of the public blockchain" means the cumulative~~  
35 ~~record of data on a public blockchain, consisting of the first block of~~  
36 ~~the public blockchain, all finalized transactions on the public~~  
37 ~~blockchain and all block rewards recorded on the public blockchain.~~

38      ~~(c) "Unaffiliated computers or machines" means computers or~~  
39 ~~machines that are not under common ownership or control.~~

40      ~~(d) "Virtual], "virtual currency" [means a digital representation~~  
41 ~~of value that:~~

42      ~~(1) Is created, issued and maintained on a public blockchain;~~

43      ~~(2) Is not attached to any tangible asset or fiat currency;~~

44      ~~(3) Is accepted as a means of payment; and~~



1 ~~— (4) May only be transferred, stored or traded electronically.]~~  
2 *has the meaning ascribed to it in section 10 of this act.*

3 **Sec. 22.** NRS 662.235 is hereby amended to read as follows:

4 662.235 1. Any bank organized under chapters 657 to 671,  
5 inclusive, of NRS may state in its articles of incorporation that it  
6 will carry on a trust company business in connection with the  
7 banking business, and in addition to the powers conferred upon  
8 banks may:

9 (a) Act as trustee under any mortgage or bond of any person,  
10 firm or corporation, or of any municipality or body politic.

11 (b) Accept and execute any municipal, corporate or individual  
12 trust not inconsistent with the laws of this State.

13 (c) Act under the order or appointment of any court as guardian,  
14 commissioner, receiver or trustee.

15 (d) Act as executor or trustee under any will.

16 (e) Act as fiscal or transfer agent of any state, municipality,  
17 body politic or corporation, and in a capacity to receive and disburse  
18 money and register, transfer and countersign certificates of stock,  
19 bonds and other evidences of indebtedness.

20 (f) Act as local or registered agent of foreign corporations.

21 *(g) Provide custodial services for digital assets in accordance*  
22 *with sections 14 to 19, inclusive, of this act.*

23 2. Any such bank holding any asset as a fiduciary shall:

24 (a) Segregate all such assets from any other assets of the bank  
25 and from the assets of any other trust, except as may be expressly  
26 provided otherwise by law or by the writing creating the trust.

27 (b) Record such assets in a separate set of books maintained for  
28 fiduciary activities.

29 **Sec. 23.** NRS 671.020 is hereby amended to read as follows:

30 671.020 1. This chapter does not apply to any:

31 (a) Bank, its parent or holding company or any subsidiary  
32 thereof, trust company, savings bank, savings and loan association,  
33 credit union, industrial bank or industrial loan and investment  
34 company, organized and regulated under the laws of this state or of  
35 the United States;

36 (b) Foreign banking corporation licensed to do banking business  
37 in this state; ~~for~~

38 (c) Telegraph company providing a public message service ~~H~~ ;  
39 *or*

40 *(d) Operator of a peer-to-peer digital currency platform who*  
41 *facilitates the purchase and sale of virtual currency between users*  
42 *of the platform but does not, by way of an Internet website, online*  
43 *service, mobile application, physical establishment, kiosk or any*  
44 *other means:*



1           (1) *Perform custodial services with respect to virtual*  
2 *currency; or*

3           (2) *Transmit or hold fiat currency.*

4           2. Subsection 1 does not reduce or alter any liability otherwise  
5 attaching to the sale, issuance, receipt for transmission or  
6 transmission of checks or money in any form.

7           3. *As used in this section:*

8           (a) *“Custodial services” has the meaning ascribed to it in*  
9 *section 5 of this act.*

10           (b) *“Peer-to-peer digital currency platform” means an Internet*  
11 *website, online service or mobile application which allows users to*  
12 *purchase and sell virtual currency to other users.*

13           (c) *“Virtual currency” has the meaning ascribed to it in*  
14 *section 10 of this act.*

15           **Sec. 24.** This act becomes effective on January 1, 2022.

