

## RÉSUMÉ DIGEST

ACT 341 (HB 701)

2020 Regular Session

Wright

New law defines "applicant", "control", "department", "exchange", "insolvent", "legal tender", "licensee", "person", "reciprocity agreement", "registrant", "registration", "regulated financial institution", "resident", "responsible individual", "state", "store", "transfer", "United States dollar equivalent of virtual currency", "virtual currency", "virtual currency administration", "virtual currency business activity", and "virtual currency control services vendor".

New law applies to the virtual currency business activity of a person who engages in or holds itself out as engaging in the activity with, or on behalf of, a resident.

New law specifies that applications occur through a Nationwide Multi-State Licensing System and meet certain criteria.

New law describes activities for which new law is not applicable.

In addition to the exempted activities described, new law allows the office of financial institutions (OFI) to determine that a person or class of persons, given facts particular to that person, shall also be exempt from the provisions of new law.

New law requires a person engaging in virtual currency business activity, or holding itself out as being able to engage in virtual currency business activity, with or on behalf of a resident to be licensed by OFI and establishes the criteria for licensure.

New law provides for the appeal of a denial of an application for licensure and the renewal of a license.

New law requires a surety bond of \$100,000 be provided by the licensee.

New law requires the licensee to maintain or increase the amount of the security to reflect the amount of all money transmission activity in the state and provides a chart of the dollar amount and the corresponding security required.

New law provides procedural and technical instructions on how the surety bond is to be provided, the effect of the bond, the length of time that the surety bond covers claims, and the maximum amount of the surety bond, \$7,000,000.

New law requires a security deposit from applicants for licensure.

New law authorizes a virtual currency business that meets certain criteria to engage in business pursuant to a registration with OFI in lieu of obtaining a license.

New law provides for examinations and examination fees.

New law authorizes OFI to enforce new law through certain actions and provides for penalties for the violation of new law.

New law requires OFI to promulgate administrative rules to implement and enforce new law.

Effective Aug. 1, 2020.

(Adds R.S. 6:1381-1394)