

House File 240 - Introduced

HOUSE FILE 240

BY SHIPLEY

A BILL FOR

1 An Act providing for exemptions for virtual currency from
2 certain security and money transmission regulations.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 502.102, subsection 28, Code 2019, is
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. *g.* It does not include virtual currency.

4 Sec. 2. Section 502.102, Code 2019, is amended by adding the
5 following new subsection:

6 NEW SUBSECTION. 32. *"Virtual currency"* means the same as
7 defined in section 533C.102.

8 Sec. 3. Section 502.202, Code 2019, is amended by adding the
9 following new subsection:

10 NEW SUBSECTION. 25. *Virtual currency transactions.* A
11 transaction using virtual currency, in whole or in part.

12 Sec. 4. Section 502.401, subsection 2, Code 2019, is amended
13 by adding the following new paragraph:

14 NEW PARAGRAPH. *c.* A person that facilitates the exchange of
15 virtual currency or that uses virtual currency, in whole or in
16 part, to conduct a transaction.

17 Sec. 5. Section 533C.102, Code 2019, is amended by adding
18 the following new subsection:

19 NEW SUBSECTION. 28. *"Virtual currency"* means a digital
20 representation of value that can be digitally traded and
21 functions as a medium of exchange, a unit of account, or
22 a store of value but does not have legal tender status as
23 recognized by the United States government.

24 Sec. 6. Section 533C.103, Code 2019, is amended by adding
25 the following new subsection:

26 NEW SUBSECTION. 17. A person that facilitates the exchange
27 of virtual currency or that uses virtual currency, in whole or
28 in part, to conduct a transaction.

29 **EXPLANATION**

30 The inclusion of this explanation does not constitute agreement with
31 the explanation's substance by the members of the general assembly.

32 This bill exempts virtual currency from certain regulations
33 applicable to securities in Code chapter 502 and money
34 transmissions in Code chapter 533C. Code chapter 502, the
35 "Iowa Uniform Securities Act" or "Blue Sky Law", provides

1 for the regulation of securities and includes registration
2 requirements for securities and broker-dealers, or persons
3 engaging in securities transactions in Iowa. Code chapter
4 533C, the "Uniform Money Services Act", requires persons
5 engaging in the business of money transmission in Iowa to
6 obtain licensure from the Iowa superintendent of banking.

7 The bill defines "virtual currency" to mean a digital
8 representation of value that can be digitally traded and
9 functions as a medium of exchange, a unit of account, or
10 a store of value but does not have legal tender status as
11 recognized by the federal government.

12 The bill specifies that the term "security", as used in
13 Code chapter 502, does not include virtual currency. The bill
14 exempts transactions involving virtual currency from security
15 registration and filing requirements in Code chapter 502. The
16 bill also exempts persons facilitating the exchange of virtual
17 currency or using virtual currency to conduct transactions from
18 broker-dealer registration requirements in Code chapter 502 and
19 money transmission licensure requirements in Code chapter 533C.