

REQUIRES TWO-THIRDS MAJORITY VOTE
(§§ 32, 33, 36, 37, 40)

S.B. 195

SENATE BILL NO. 195—SENATOR OHRENSCHALL

FEBRUARY 18, 2019

Referred to Committee on Judiciary

SUMMARY—Enacts the Uniform Regulation of Virtual-Currency Businesses Act and the Uniform Supplemental Commercial Law for the Uniform Regulation of Virtual-Currency Businesses Act. (BDR 59-594)

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 virtual currency; enacting the Uniform Regulation of Virtual-Currency Businesses Act; enacting the Uniform Supplemental Commercial Law for the Uniform Regulation of Virtual-Currency Businesses Act; providing penalties; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 **Sections 2-58**, of this bill enact the Uniform Regulation of Virtual-Currency
2 Businesses Act. Generally, the Uniform Regulation of Virtual-Currency Businesses
3 Act requires persons engaged in certain business activity involving virtual currency
4 to obtain a license from or register with the Department of Business and Industry.

5 **Section 27** of this bill generally defines “virtual-currency business activity” as:
6 (1) exchanging, transferring or storing virtual currency or engaging in virtual
7 currency administration; (2) holding electronic precious metals or electronic
8 certificates representing interests in such metals on behalf of another person or
9 issuing shares or electronic certificates representing interests in precious metals; or
10 (3) exchanging digital representations of value used within certain online games for
11 virtual currency or legal tender or bank credit offered by or on behalf of the
12 publisher of the game. **Section 29** of this bill provides that the provisions of the
13 Uniform Regulation of Virtual-Currency Businesses Act apply, with certain
14 exceptions, to a person who engages in virtual-currency business activity with or on
15 behalf of a resident of this State.

16 **Section 31** of this bill prohibits a person from engaging in virtual-currency
17 business activity unless the person is licensed, registered or exempt under
18 the provisions of **sections 2-58**, of this bill. **Section 32** of this bill sets forth
19 application requirements and procedures for a person to obtain a license to conduct



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20 virtual-currency business activity. **Section 33** of this bill sets forth application
21 requirements for a person who is already licensed by another state to conduct
22 virtual-currency business activity in that state. **Section 34** of this bill requires an
23 applicant to deposit certain securities with the Department and demonstrate that the
24 applicant has: (1) a minimum net worth of \$25,000; and (2) sufficient
25 unencumbered reserves for winding down the applicant's operations. **Section 36** of
26 this bill sets forth requirements for renewing a license to conduct virtual-currency
27 business activity. **Section 37** of this bill authorizes a person whose volume of
28 virtual-currency business activity will exceed \$5,000 but will not exceed \$35,000
29 annually to engage in virtual-currency business activity without obtaining a license,
30 but instead requires that the person register with the Department in the manner set
31 forth in **section 37**. **Section 40** of this bill authorizes the Department to conduct
32 certain examinations of a licensee or registrant.

33 **Section 41** of this bill requires a licensee or registrant to maintain certain
34 records related to the virtual-currency business activity of the licensee or registrant.
35 **Section 42** of this bill authorizes the Department to share certain information
36 relating to a licensee or registrant with certain state or federal regulatory bodies.
37 **Section 42** further requires the Department to establish or cooperate with other
38 states in establishing a central depository for filings relating to the licensure or
39 registration of persons engaged in virtual-currency business activity. **Sections 43**
40 **and 89** of this bill provide that certain records relating to the licensure or
41 registration of a person engaged in virtual-currency business activity are not public
42 records subject to the provisions of chapter 239 of NRS.

43 **Section 44** of this bill requires a licensee or registrant to file with the
44 Department a report of a change in: (1) the information in an application or
45 registration; (2) the conduct of the virtual-currency business activity of a licensee or
46 registrant; and (3) an executive officer, responsible individual or person in control
47 of the licensee or registrant.

48 **Section 45** of this bill requires a person who intends to take control of a
49 licensee or registrant to obtain the approval of the Department and sets forth
50 application procedures and requirements to obtain such approval. **Section 46** of this
51 bill sets forth similar requirements for a proposed merger or consolidation of a
52 licensee or registrant with another person.

53 **Sections 47-52**, of this bill authorize the Department to take certain
54 enforcement actions against a person for certain violations of the provisions of the
55 Act, which may include, among other actions, the suspension or revocation of a
56 license or registration and the imposition of civil penalties.

57 **Section 53** of this bill requires a licensee or registrant to make certain
58 disclosures to a person who uses its products or services.

59 **Sections 54 and 55** of this bill require an applicant or registrant to create and
60 maintain certain policies and procedures for: (1) an information-security and
61 operational-security program; (2) a business-continuity program; (3) a disaster-
62 recovery program; (4) an anti-fraud program; (5) an anti-money-laundering
63 program; (4) a program to prevent funding of terrorist activity; and (6) a program
64 designed to ensure compliance with applicable federal and state laws.

65 Existing law contains Article 8 of the Uniform Commercial Code, the uniform
66 law governing transactions involving investment securities. (NRS 104.8101-
67 104.8511) **Sections 60-88**, of this bill enact the Uniform Supplemental Commercial
68 Law for the Uniform Regulation of Virtual-Currency Businesses Act. The Act
69 generally applies certain rules governing investment securities supplied by Article 8
70 of the Uniform Commercial Code to virtual-currency business activity. **Section 82**
71 of this bill requires a relationship between a licensee or registrant under **sections 2-**
72 **58**, and a customer of that licensee or registrant to be evidenced in a record, signed
73 by the parties, in which the parties agree to abide by certain provisions of Article 8.



74 **Section 84** of this bill provides that a violation of the Act is a violation of the
75 Uniform Regulation of Virtual-Currency Businesses Act.

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

1 **Section 1.** Title 59 of NRS is hereby amended by adding
2 thereto a new chapter to consist of the provisions set forth as
3 sections 2 to 58, inclusive, of this act.

4 **Sec. 2.** *This chapter may be cited as the Uniform Regulation*
5 *of Virtual-Currency Businesses Act.*

6 **Sec. 3.** *As used in this chapter, unless the context otherwise*
7 *requires, the words and terms defined in sections 4 to 28,*
8 *inclusive, of this act have the meanings ascribed to them in those*
9 *sections.*

10 **Sec. 4.** *“Applicant” means a person that applies for a license*
11 *under this chapter.*

12 **Sec. 5.** *“Bank” means a federally chartered or state-*
13 *chartered depository institution or holder of a charter granted by*
14 *the Office of the Comptroller of the Currency to a person engaged*
15 *in the business of banking other than deposit-taking. The term*
16 *does not include:*

17 1. *An industrial loan company, state-chartered trust company*
18 *or a limited-purpose trust company unless the Department has*
19 *authorized the company to engage in virtual-currency business*
20 *activity; or*

21 2. *A trust company or limited-purpose trust company*
22 *chartered by a state with which this State does not have a*
23 *reciprocity agreement governing trust-company activities.*

24 **Sec. 6.** *“Control” means:*

25 1. *When used in reference to a transaction or relationship*
26 *involving virtual currency, the power to execute unilaterally or*
27 *prevent indefinitely a virtual-currency transaction; and*

28 2. *When used in reference to a person, the direct or indirect*
29 *power to direct the management, operations or policies of the*
30 *person through legal or beneficial ownership of voting power in*
31 *the person or under a contract, arrangement or understanding.*

32 **Sec. 7.** *“Department” means the Department of Business*
33 *and Industry.*

34 **Sec. 8.** *“Exchange,” when used as a verb, means to assume*
35 *control of virtual currency from or on behalf of a resident, at least*
36 *momentarily, to sell, trade or convert:*

37 1. *Virtual currency for legal tender, bank credit or one or*
38 *more forms of virtual currency; or*



1 2. *Legal tender or bank credit for one or more forms of*
2 *virtual currency.*

3 **Sec. 9.** *“Executive officer” means a natural person who is a*
4 *director, officer, manager, managing member, partner or trustee*
5 *of a person that is not a natural person.*

6 **Sec. 10.** *“Insolvent” means:*

7 1. *Having generally ceased to pay debts in the ordinary*
8 *course of business other than as a result of a bona fide dispute;*

9 2. *Being unable to pay debts as they become due; or*

10 3. *Being insolvent within the meaning of federal bankruptcy*
11 *law.*

12 **Sec. 11.** *“Legal tender” means a medium of exchange or*
13 *unit of value, including the coin or paper money of the United*
14 *States, issued by the United States or by another government.*

15 **Sec. 12.** *“Licensee” means a person licensed under this*
16 *chapter.*

17 **Sec. 13.** *“Reciprocity agreement” means an arrangement*
18 *between the Department and the appropriate licensing agency of*
19 *another state which permits a licensee operating under a license*
20 *granted by the other state to engage in virtual-currency business*
21 *activity with or on behalf of a resident.*

22 **Sec. 14.** *“Record” means information that is inscribed on a*
23 *tangible medium or that is stored in an electronic or other medium*
24 *and is retrievable in perceivable form.*

25 **Sec. 15.** *“Registrant” means a person that has registered*
26 *with this State under section 37 of this act to conduct virtual-*
27 *currency business activity.*

28 **Sec. 16.** *“Registration” means the ability under section 37 of*
29 *this act to conduct virtual-currency business activity.*

30 **Sec. 17.** *“Registry” means the Nationwide Multistate*
31 *Licensing System and Registry.*

32 **Sec. 18.** *“Resident”:*

33 1. *Means a person who:*

34 (a) *Is domiciled in this State;*

35 (b) *Is physically located in this State for more than 183 days of*
36 *the previous 365 days; or*

37 (c) *Has a place of business in this State; and*

38 2. *Includes a legal representative of a person that satisfies*
39 *subsection 1.*

40 **Sec. 19.** *“Responsible individual” means a natural person*
41 *who has managerial authority with respect to a licensee’s or*
42 *registrant’s virtual-currency business activity with or on behalf of*
43 *a resident.*

44 **Sec. 20.** *“Sign” means, with present intent to authenticate or*
45 *adopt a record:*



- 1 1. *To execute or adopt a tangible symbol; or*
- 2 2. *To attach to or logically associate with the record an*
- 3 *electronic symbol, sound or process.*

4 **Sec. 21.** *“State” means a state of the United States, the*
5 *District of Columbia, Puerto Rico, the United States Virgin*
6 *Islands or any territory or insular possession subject to the*
7 *jurisdiction of the United States.*

8 **Sec. 22.** *“Store,” except as used in the phrase “store of*
9 *value,” means to maintain control of virtual currency on behalf of*
10 *a resident by a person other than the resident. The terms “storage”*
11 *and “storing” have corresponding meanings.*

12 **Sec. 23.** *“Transfer” means to assume control of virtual*
13 *currency from or on behalf of a resident and to:*

14 1. *Credit the virtual currency to the account of another*
15 *person;*

16 2. *Move the virtual currency from one account of a resident*
17 *to another account of the same resident; or*

18 3. *Relinquish control of virtual currency to another person.*

19 **Sec. 24.** *“U.S. Dollar equivalent of virtual currency” means*
20 *the equivalent value of a particular virtual currency in United*
21 *States dollars shown on a virtual-currency exchange based in the*
22 *United States for a particular date or period specified in this*
23 *chapter.*

24 **Sec. 25.** *“Virtual currency”:*

25 1. *Means a digital representation of value that:*

26 (a) *Is used as a medium of exchange, unit of account or store*
27 *of value; and*

28 (b) *Is not legal tender, whether or not denominated in legal*
29 *tender; and*

30 2. *Does not include:*

31 (a) *A transaction in which a merchant grants, as part of an*
32 *affinity or rewards program, value that cannot be taken from or*
33 *exchanged with the merchant for legal tender, bank credit or*
34 *virtual currency; or*

35 (b) *A digital representation of value issued by or on behalf of a*
36 *publisher and used solely within an online game, game platform*
37 *or family of games sold by the same publisher or offered on the*
38 *same game platform.*

39 **Sec. 26.** *“Virtual-currency administration” means issuing*
40 *virtual currency with the authority to redeem the currency for*
41 *legal tender, bank credit or other virtual currency.*

42 **Sec. 27.** *“Virtual-currency business activity” means:*

43 1. *Exchanging, transferring or storing virtual currency or*
44 *engaging in virtual-currency administration, whether directly or*



1 *through an agreement with a virtual-currency control-services*
2 *vendor;*

3 *2. Holding electronic precious metals or electronic*
4 *certificates representing interests in precious metals on behalf of*
5 *another person or issuing shares or electronic certificates*
6 *representing interests in precious metals; or*

7 *3. Exchanging one or more digital representations of value*
8 *used within one or more online games, game platforms or family*
9 *of games for:*

10 *(a) Virtual currency offered by or on behalf of the same*
11 *publisher from which the original digital representation of value*
12 *was received; or*

13 *(b) Legal tender or bank credit outside the online game, game*
14 *platform or family of games offered by or on behalf of the same*
15 *publisher from which the original digital representation of value*
16 *was received.*

17 **Sec. 28.** *“Virtual-currency control-services vendor” means a*
18 *person that has control of virtual currency solely under an*
19 *agreement with a person that, on behalf of another person,*
20 *assumes control of virtual currency.*

21 **Sec. 29.** *1. Except as otherwise provided in subsection 2 or*
22 *3, this chapter governs the virtual-currency business activity of a*
23 *person, wherever located, that engages in or holds itself out as*
24 *engaging in the activity with or on behalf of a resident.*

25 *2. This chapter does not apply to the exchange, transfer or*
26 *storage of virtual currency or to virtual-currency administration to*
27 *the extent the Electronic Fund Transfer Act, 15 U.S.C. §§ 1693 et*
28 *seq., as amended, the Securities Exchange Act of 1934, 15 U.S.C.*
29 *§§ 78a et seq., as amended, the Commodity Exchange Act, 7*
30 *U.S.C. §§ 1 et seq., as amended, or chapter 90 of NRS govern the*
31 *activity. This chapter does not apply to activity by:*

32 *(a) The United States, a state, political subdivision of a state,*
33 *agency or instrumentality of federal, state or local government, or*
34 *a foreign government or a subdivision, department, agency or*
35 *instrumentality of a foreign government;*

36 *(b) A bank;*

37 *(c) A person engaged in money transmission that:*

38 *(1) Holds a license under chapter 671 of NRS;*

39 *(2) Is authorized by the Department to engage in virtual-*
40 *currency business activity; and*

41 *(3) Complies with sections 31 to 46, inclusive, 53, 54 and 55*
42 *of this act;*

43 *(d) A person whose participation in a payment system is*
44 *limited to providing processing, clearing or performing settlement*
45 *services solely for transactions between or among persons that are*



1 *exempt from the licensing or registration requirements of this*
2 *chapter;*

3 *(e) A person engaged in the business of dealing in foreign*
4 *exchange to the extent the person's activity meets the definition in*
5 *31 C.F.R. § 1010.605(f)(1)(iv), as amended;*

6 *(f) A person that:*

7 *(1) Contributes only connectivity software or computing*
8 *power to a decentralized virtual currency, or to a protocol*
9 *governing transfer of the digital representation of value;*

10 *(2) Provides only data storage or security services for a*
11 *business engaged in virtual-currency business activity and does*
12 *not otherwise engage in virtual-currency business activity on*
13 *behalf of another person; or*

14 *(3) Provides only to a person otherwise exempt from this*
15 *chapter virtual currency as one or more enterprise solutions used*
16 *solely among each other and has no agreement or relationship*
17 *with a resident that is an end-user of virtual currency;*

18 *(g) A person using virtual currency, including, without*
19 *limitation, creating, investing, buying or selling or obtaining*
20 *virtual currency as payment for the purchase or sale of goods or*
21 *services, solely:*

22 *(1) On its own behalf;*

23 *(2) For personal, family or household purposes; or*

24 *(3) For academic purposes;*

25 *(h) A person whose virtual-currency business activity with or*
26 *on behalf of residents is reasonably expected to be valued, in the*
27 *aggregate, on an annual basis at \$5,000 or less, measured by the*
28 *U.S. Dollar equivalent of virtual currency;*

29 *(i) An attorney to the extent of providing escrow services to a*
30 *resident;*

31 *(j) A title insurance company to the extent of providing escrow*
32 *services to a resident;*

33 *(k) A securities intermediary, as defined in NRS 104.8102, or a*
34 *commodity intermediary, as defined in NRS 104.9102, that:*

35 *(1) Does not engage in the ordinary course of business in*
36 *virtual-currency business activity with or on behalf of a resident in*
37 *addition to maintaining securities accounts or commodities*
38 *accounts and is regulated as a securities intermediary or*
39 *commodity intermediary under federal law, law of this State other*
40 *than this chapter or law of another state; and*

41 *(2) Affords a resident protections comparable to those set*
42 *forth in the Uniform Supplemental Commercial Law for the*
43 *Uniform Regulation of Virtual-Currency Businesses Act;*

44 *(l) A secured creditor under Article 9 of the Uniform*
45 *Commercial Code as adopted by any state or creditor with a*



1 *judicial lien or lien arising by operation of law on collateral that is*
2 *virtual currency, if the virtual-currency business activity of the*
3 *creditor is limited to enforcement of the security interest in*
4 *compliance with Article 9 of the Uniform Commercial Code as*
5 *adopted by any state or of the lien in compliance with the law*
6 *applicable to the lien;*

7 (m) *A virtual-currency control-services vendor; or*

8 (n) *A person that:*

9 (1) *Does not receive compensation from a resident for:*

10 (I) *Providing virtual-currency products or services; or*

11 (II) *Conducting virtual-currency business activity; or*

12 (2) *Is engaged in testing products or services with the*
13 *person's own funds.*

14 3. *The Department may determine that a person or class of*
15 *persons, given facts particular to the person or class, should be*
16 *exempt from this chapter, whether the person or class is covered*
17 *by requirements imposed under federal law on a money-service*
18 *business.*

19 **Sec. 30.** *Unless displaced by the particular provisions of this*
20 *chapter, the principles of law and equity supplement its provisions.*

21 **Sec. 31.** *A person may not engage in virtual-currency*
22 *business activity, or hold itself out as being able to engage in*
23 *virtual-currency business activity, with or on behalf of a resident*
24 *unless the person is:*

25 1. *Licensed in this State by the Department under section 32*
26 *of this act;*

27 2. *Licensed in another state to conduct virtual-currency*
28 *business activity by a state with which this State has a reciprocity*
29 *agreement and has qualified under section 33 of this act;*

30 3. *Registered with the Department and operating in*
31 *compliance with section 37 of this act; or*

32 4. *Exempt from licensure or registration under this chapter*
33 *by subsection 2 or 3 of section 29 of this act.*

34 **Sec. 32.** 1. *Except as otherwise provided in section 33 of*
35 *this act, an application for a license under this chapter:*

36 (a) *Must be made in a form and medium prescribed by the*
37 *Department or the Registry;*

38 (b) *Except as otherwise provided in subsection 2, must provide*
39 *the following information relevant to the applicant's proposed*
40 *virtual-currency business activity:*

41 (1) *The legal name of the applicant, each current or*
42 *proposed business United States Postal Service address of the*
43 *applicant and any fictitious or trade name the applicant uses or*
44 *plans to use in conducting its virtual-currency business activity*
45 *with or on behalf of a resident;*



1 (2) *The legal name, any former or fictitious name and the*
2 *residential and business United States Postal Service address of*
3 *each executive officer and responsible individual of the applicant,*
4 *and each person that has control of the applicant;*

5 (3) *A description of the current and former business of the*
6 *applicant for the 5 years before the application is submitted or, if*
7 *the business has operated for less than 5 years, for the time the*
8 *business has operated, including its products and services,*
9 *associated Internet website addresses and social media pages,*
10 *principal place of business, projected user base and specific*
11 *marketing targets;*

12 (4) *The name, United States Postal Service address and*
13 *telephone number of a person that manages each server the*
14 *applicant expects to use in conducting its virtual-currency*
15 *business activity with or on behalf of a resident and a copy of any*
16 *agreement with that person;*

17 (5) *A list of:*

18 (I) *Each money-service or money-transmitter license the*
19 *applicant holds in another state;*

20 (II) *The date each license expires; and*

21 (III) *Any license revocation, license suspension or other*
22 *disciplinary action taken against the licensee in another state and*
23 *any license applications rejected by another state;*

24 (6) *A list of any criminal conviction, deferred prosecution*
25 *agreement and pending criminal proceeding in any jurisdiction*
26 *against:*

27 (I) *The applicant;*

28 (II) *Each executive officer of the applicant;*

29 (III) *Each responsible individual of the applicant;*

30 (IV) *Each person that has control over the applicant;*

31 *and*

32 (V) *Each person over which the applicant has control;*

33 (7) *A list of any litigation, arbitration or administrative*
34 *proceeding in any jurisdiction in which the applicant, or an*
35 *executive officer or a responsible individual of the applicant, has*
36 *been a party for the 5 years before the application is submitted,*
37 *determined to be material in accordance with generally accepted*
38 *accounting principles and, to the extent the applicant would be*
39 *required to disclose the litigation, arbitration or administrative*
40 *proceeding in the applicant's audited financial statements, reports*
41 *to equity owners and similar statements or reports;*

42 (8) *A list of any bankruptcy or receivership proceeding in*
43 *any jurisdiction for the 10 years before the application is*
44 *submitted in which any of the following was a debtor:*

45 (I) *The applicant;*



1 (II) *An executive officer of the applicant;*

2 (III) *A responsible individual of the applicant;*

3 (IV) *A person that has control over the applicant; and*

4 (V) *Any person over which the applicant has control;*

5 (9) *The name and United States Postal Service address of*
6 *each bank in which the applicant plans to deposit funds obtained*
7 *by its virtual-currency business activity;*

8 (10) *The source of funds and credit to be used by the*
9 *applicant to conduct virtual-currency business activity with or on*
10 *behalf of a resident and documentation demonstrating that the*
11 *applicant has the net worth and reserves required by section 34 of*
12 *this act;*

13 (11) *The United States Postal Service address and the*
14 *electronic mail address to which communications from the*
15 *Department may be sent;*

16 (12) *The name, United States Postal Service address and*
17 *electronic mail address of the registered agent of the applicant in*
18 *this State;*

19 (13) *A copy of the certificate, or a detailed summary*
20 *acceptable to the Department, of coverage for each liability,*
21 *casualty, business-interruption or cyber-security insurance policy*
22 *maintained by the applicant for itself, an executive officer or*
23 *responsible individual of the applicant, or the applicant's users;*

24 (14) *If applicable, the date on which and the state where*
25 *the applicant is formed and a copy of a current certificate of good*
26 *standing issued by that state;*

27 (15) *If a person has control of the applicant and the*
28 *person's equity interests are publicly traded in the United States, a*
29 *copy of the audited financial statement of the person for the most*
30 *recent fiscal year or most recent report of the person filed under*
31 *section 13 of the Securities Exchange Act of 1934, 15 U.S.C. §*
32 *78m, as amended;*

33 (16) *If a person has control of the applicant and the*
34 *person's equity interests are publicly traded outside the United*
35 *States, a copy of the audited financial statement of the person for*
36 *the most recent fiscal year of the person or a copy of the most*
37 *recent documentation similar to that required in subparagraph*
38 *(15) filed with the foreign regulator in the domicile of the person;*

39 (17) *If the applicant is a partnership or a member-managed*
40 *limited-liability company, the names and United States Postal*
41 *Service addresses of the general partners or members, as*
42 *applicable;*

43 (18) *If the applicant is required to register with the*
44 *Financial Crimes Enforcement Network of the United States*



1 *Department of the Treasury as a money-service business, evidence*
2 *of the registration;*

3 *(19) A set of fingerprints for each executive officer and*
4 *responsible individual of the applicant;*

5 *(20) If available, for each executive officer and responsible*
6 *individual of the applicant, for the 5 years before the application is*
7 *submitted:*

8 *(I) Employment history; and*

9 *(II) History of any investigation of the executive officer*
10 *or responsible individual or legal proceeding to which the*
11 *executive officer or responsible individual was a party;*

12 *(21) The plans through which the applicant will meet its*
13 *obligations under sections 54 and 55 of this act; and*

14 *(22) Other information the Department reasonably requires*
15 *by regulation; and*

16 *(c) Must be accompanied by a nonrefundable fee in the*
17 *amount specified by the Department by regulation.*

18 *2. For good cause, the Department may waive a requirement*
19 *of subsection 1 or permit the applicant to submit other information*
20 *instead of the required information.*

21 *3. An application for a license under this section is not*
22 *complete until the Department receives all information required by*
23 *this chapter and completes its investigation under subsection 4.*

24 *4. On receipt of a completed application:*

25 *(a) The Department shall investigate:*

26 *(1) The financial condition and responsibility of the*
27 *applicant;*

28 *(2) The relevant financial and business experience,*
29 *character and general fitness of the applicant; and*

30 *(3) The competence, experience, character and general*
31 *fitness of each executive officer, each responsible individual and*
32 *any person that has control of the applicant; and*

33 *(b) The Department may conduct an investigation of the*
34 *business premises of an applicant.*

35 *5. Not later than 30 days after an application is complete, the*
36 *Department shall send the applicant notice of its decision to*
37 *approve, conditionally approve or deny the application. If the*
38 *Department does not send the applicant notice of its decision*
39 *within 31 days after completion of the application, the application*
40 *is deemed denied. If the Department does not receive notice from*
41 *the applicant that the applicant accepts conditions specified by the*
42 *Department within 31 days following the Department's notice of*
43 *the conditions, the application is deemed denied.*

44 *6. A license takes effect on the later of:*

45 *(a) The date on which the Department issues the license; or*



1 (b) *The date the licensee provides the security required by*
2 *section 34 of this act.*

3 7. *An applicant shall pay the reasonable costs of the*
4 *Department's investigation under this section.*

5 **Sec. 33. 1.** *Instead of an application required by section 32*
6 *of this act, a person licensed by another state to conduct virtual-*
7 *currency business activity in that state may file with the Registry*
8 *an application under this section.*

9 2. *When an application under this section is filed with the*
10 *Registry, the applicant shall notify the Department in a record that*
11 *the applicant has submitted the application to the Registry and*
12 *shall submit to the Department:*

13 (a) *A certification of license history from the agency*
14 *responsible for issuing a license in each state in which the*
15 *applicant has been licensed to conduct virtual-currency business*
16 *activity;*

17 (b) *A nonrefundable reciprocal licensing application fee in the*
18 *amount specified by the Department by regulation;*

19 (c) *Documentation demonstrating that the applicant complies*
20 *with the security and net worth reserve requirements of section 34*
21 *of this act; and*

22 (d) *A certification signed by an executive officer of the*
23 *applicant affirming that the applicant will conduct its virtual-*
24 *currency business activity with or on behalf of a resident in*
25 *compliance with this chapter.*

26 3. *The Department may permit conduct of virtual-currency*
27 *business activity by an applicant that complies with this section.*

28 **Sec. 34. 1.** *Before a license is issued under this chapter:*

29 (a) *An applicant must deposit with the Department funds or*
30 *investment property, a letter of credit, a surety bond or other*
31 *security satisfactory to the Department that:*

32 (1) *Secures the applicant's faithful performance of its*
33 *duties under this chapter; and*

34 (2) *Is in an amount the Department specifies based on the*
35 *nature and extent of risks in the applicant's virtual-currency*
36 *business model;*

37 (b) *The Department may not require a surety bond as security*
38 *under this chapter unless a surety bond is generally available in*
39 *this State at a commercially reasonable cost;*

40 (c) *Security deposited under this section must be payable to*
41 *this State for the benefit of a claim against the licensee on account*
42 *of the licensee's virtual-currency business activity with or on*
43 *behalf of a resident;*

44 (d) *Security deposited under this section must cover claims for*
45 *the period the Department specifies by regulation and for an*



1 *additional period the Department specifies after the licensee*
2 *ceases to engage in virtual-currency business activity with or on*
3 *behalf of a resident;*

4 *(e) For good cause, the Department may require the licensee*
5 *to increase the amount of security deposited under this section,*
6 *and the licensee shall deposit the additional security not later than*
7 *15 days after the licensee receives notice in a record of the*
8 *required increase;*

9 *(f) For good cause, the Department may permit a licensee to*
10 *substitute or deposit an alternate form of security satisfactory to*
11 *the Department if the licensee at all times complies with this*
12 *section;*

13 *(g) A claimant does not have a direct right to recover against*
14 *security deposited under this section; and*

15 *(h) Only the Department may recover against the security, and*
16 *the Department may retain the recovery for no longer than 5 years*
17 *and may process claims and distribute recoveries to claimants in*
18 *accordance with chapter 671 of NRS.*

19 *2. In addition to the security required under subsection 1, a*
20 *licensee and a registrant, at the time of the application for a*
21 *license under this chapter or filing of registration, shall submit to*
22 *the Department evidence of and maintain:*

23 *(a) A minimum net worth of \$25,000; and*

24 *(b) Sufficient unencumbered reserves for winding down the*
25 *licensee's or registrant's operations as agreed to by the*
26 *Department considering the nature and size of expected virtual-*
27 *currency business activity with or on behalf of residents.*

28 *3. A licensee or registrant may include in its calculation of*
29 *net worth virtual currency, measured by the average value of the*
30 *virtual currency in U.S. Dollar equivalent over the prior 6 months,*
31 *other than the virtual currency over which it has control for a*
32 *resident entitled to the protections under the Uniform*
33 *Supplemental Commercial Law for the Uniform Regulation of*
34 *Virtual-Currency Businesses Act.*

35 *4. For good cause, the Department may require a licensee or*
36 *registrant to increase the net worth or reserves required under this*
37 *section. The licensee or registrant shall submit to the Department*
38 *evidence that it has the additional net worth or reserves not later*
39 *than 15 days after the licensee or registrant receives notice in a*
40 *record of the required increase.*

41 **Sec. 35. 1. Absent good cause, the Department shall issue a**
42 **license to an applicant if the applicant complies with sections 31 to**
43 **39, inclusive, of this act and pays the costs of the investigation**
44 **under subsection 7 of section 32 of this act and the initial licensee**
45 **fee under paragraph (c) of subsection 1 of section 32 of this act in**



1 *an amount required by law or specified by the Department by*
2 *regulation.*

3 2. *An applicant may appeal a denial of its application under*
4 *section 32 or 33 of this act, under chapter 233B of NRS, not later*
5 *than 30 days after:*

6 (a) *The Department notifies the applicant of the denial; or*

7 (b) *The application is deemed denied.*

8 **Sec. 36. 1.** *Subject to subsection 7, not later than 15 days*
9 *before the anniversary date of issuance of its license under this*
10 *chapter, a licensee may apply for renewal of the license by:*

11 (a) *Paying a renewal fee specified by the Department by*
12 *regulation; and*

13 (b) *Submitting to the Department a renewal report under*
14 *subsection 2.*

15 2. *A renewal report required by paragraph (b) of subsection 1*
16 *must be submitted in a form and medium prescribed by the*
17 *Department. The report must contain:*

18 (a) *A copy of the licensee's most recent:*

19 (1) *Reviewed annual financial statement if the licensee's*
20 *virtual-currency business activity in this State was \$150,000 or less*
21 *for the fiscal year ending before the anniversary date of issuance*
22 *of its license under this chapter; or*

23 (2) *Audited annual financial statement if the licensee's*
24 *virtual-currency business activity in this State amounted to more*
25 *than \$150,000 for the fiscal year ending before the anniversary*
26 *date;*

27 (b) *If a person other than a natural person has control of the*
28 *licensee, a copy of the person's most recent:*

29 (1) *Reviewed annual financial statement if the person's*
30 *gross revenue was \$150,000 or less in the previous fiscal year,*
31 *measured as of the anniversary date of issuance of its license*
32 *under this chapter; or*

33 (2) *Audited consolidated annual financial statement if the*
34 *person's gross revenue was more than \$150,000 in the previous*
35 *fiscal year, measured as of the anniversary date of issuance of its*
36 *license under this chapter;*

37 (c) *A description of any:*

38 (1) *Material change in the financial condition of the*
39 *licensee;*

40 (2) *Material litigation involving the licensee or an executive*
41 *officer or responsible individual of the licensee;*

42 (3) *License suspension or revocation proceeding*
43 *commenced, or other action taken, involving a license to conduct*
44 *virtual-currency business activity issued by another state on which*
45 *reciprocal licensing is based;*



1 (4) *Federal or state investigation involving the licensee;*
2 *and*

3 (5) *Data security breach involving the licensee;*
4 (d) *Information or records required by section 44 of this act*
5 *the licensee has not reported to the Department;*

6 (e) *The number of virtual-currency business activity*
7 *transactions with or on behalf of residents for the period since,*
8 *subject to subsection 7, the later of the date the license was issued*
9 *or the date the last renewal report was submitted;*

10 (f) *The:*

11 (1) *Amount of U.S. Dollar equivalent of virtual currency*
12 *in the control of the licensee at, subject to subsection 7, the end of*
13 *the last month that ends not later than 30 days before the date of*
14 *the renewal report; and*

15 (2) *Total number of residents for whom the licensee had*
16 *control of U.S. Dollar equivalent of virtual currency on that date;*

17 (g) *Evidence that the licensee continues to satisfy the Uniform*
18 *Supplemental Commercial Law for the Uniform Regulation of*
19 *Virtual-Currency Businesses Act;*

20 (h) *Evidence that the licensee continues to satisfy section 34 of*
21 *this act;*

22 (i) *A list of each location where the licensee operates its*
23 *virtual-currency business activity; and*

24 (j) *The name, United States Postal Service address and*
25 *telephone number of each person that manages a server used by*
26 *the licensee in conducting its virtual-currency business activity*
27 *with or on behalf of a resident.*

28 3. *If a licensee does not timely comply with subsection 1, the*
29 *Department may use enforcement measures provided under*
30 *sections 47 to 52, inclusive, of this act. Notice or hearing is not*
31 *required for a suspension or revocation of a license under this*
32 *chapter for failure to pay a renewal fee or file a renewal report.*

33 4. *If the Department suspends or revokes a license under this*
34 *chapter for noncompliance with subsection 1, the Department may*
35 *end the suspension or rescind the revocation and notify the*
36 *licensee of the action if, subject to subsection 7, not later than 20*
37 *days after the license was suspended or revoked, the licensee:*

38 (a) *Files a renewal report and pays a renewal fee; and*

39 (b) *Pays any penalty assessed under section 49 of this act.*

40 5. *The Department shall give prompt notice to a licensee of*
41 *the lifting of a suspension or rescission of a revocation after the*
42 *licensee complies with subsection 4.*

43 6. *Suspension or revocation of a license under this section*
44 *does not invalidate a transfer or exchange of virtual currency for*
45 *or on behalf of a resident made during the suspension or*



1 *revocation and does not insulate the licensee from liability under*
2 *this chapter.*

3 7. *For good cause, the Department may extend a period*
4 *under this section.*

5 8. *The Department shall review the renewal of a license*
6 *issued under section 33 of this act to ensure that the state that*
7 *issued the original license has not suspended, revoked or limited*
8 *the license.*

9 9. *A licensee that does not comply with this section shall*
10 *cease operations with or on behalf of a resident on or before the*
11 *anniversary date of issuance of its license under this chapter.*

12 10. *A licensee shall pay the reasonable and necessary costs of*
13 *the Department's investigation under this section.*

14 **Sec. 37. 1.** *A person whose volume of virtual-currency*
15 *business activity in U.S. Dollar equivalent of virtual currency will*
16 *not exceed \$35,000 annually may engage in virtual-currency*
17 *business activity with or on behalf of a resident under a*
18 *registration without first obtaining a license under this chapter if*
19 *the person:*

20 (a) *Files with the Department a notice in the form and medium*
21 *prescribed by the Department of its intention to engage in virtual-*
22 *currency business activity with or on behalf of a resident;*

23 (b) *Provides the information for an investigation under section*
24 *32 of this act;*

25 (c) *States the anticipated virtual-currency business activity for*
26 *its next fiscal quarter;*

27 (d) *Pays the Department a registration fee in the amount*
28 *specified by the Department by regulation;*

29 (e) *If required to register with the Financial Crimes*
30 *Enforcement Network of the United States Department of the*
31 *Treasury as a money-service business, provides the Department*
32 *evidence of the registration;*

33 (f) *Provides evidence that the person has policies and*
34 *procedures to comply with the Bank Secrecy Act, 31 U.S.C. §§*
35 *5311 et seq., as amended, and other applicable laws;*

36 (g) *Describes the source of funds and credit to be used by the*
37 *person to conduct virtual-currency business activity with or on*
38 *behalf of a resident and provides evidence of and agrees to*
39 *maintain the minimum net worth and reserves required by section*
40 *34 of this act and sufficient unencumbered reserves for winding*
41 *down operations;*

42 (h) *Provides the Department with evidence that the person has*
43 *in place policies and procedures to comply with sections 40 to 46,*
44 *inclusive, 53, 54 and 55 of this act and other provisions of this*
45 *chapter designated by the Department; and*



1 (i) Provides the Department with a copy of its most recent
2 financial statement, whether reviewed or audited.

3 2. Before the virtual-currency business activity of a registrant
4 with or on behalf of residents exceeds \$35,000 annually in U.S.
5 Dollar equivalent of virtual currency, the registrant shall file an
6 application for a license under this chapter and may continue to
7 operate after the activity exceeds \$35,000 annually while its
8 application for license is pending.

9 3. For good cause, the Department may suspend or revoke a
10 registration without a prior hearing or opportunity to be heard.

11 4. A registrant shall cease all virtual-currency business
12 activity with or on behalf of residents:

13 (a) If the Department denies the registrant's application for a
14 license under this chapter, 1 day after the registrant receives
15 notice in a record that the Department has denied the application;

16 (b) If the Department suspends or revokes the registration, 1
17 day after the Department sends notice of the suspension or
18 revocation to the registrant in a record by a means reasonably
19 selected for the notice to be received by the recipient in 1 day, to
20 the address provided for receiving communications from the
21 Department;

22 (c) If the virtual-currency business activity of the registrant
23 with or on behalf of residents exceeds \$35,000 annually in U.S.
24 Dollar equivalent of virtual currency and the registrant has not
25 filed an application for a license under this chapter; or

26 (d) On the second anniversary date of the registration.

27 **Sec. 38.** A license or registration under this chapter is not
28 transferable or assignable.

29 **Sec. 39.** The Department may adopt regulations to
30 implement this chapter and issue guidance as appropriate.

31 **Sec. 40.** 1. The Department may conduct an annual
32 examination of a licensee or registrant. For good cause, the
33 Department may conduct an additional examination. The
34 Department may examine a licensee or registrant without prior
35 notice to the licensee or registrant.

36 2. A licensee or registrant shall pay the reasonable and
37 necessary costs of an examination under this section.

38 3. Information obtained during an examination under
39 sections 40 to 46, inclusive, of this act may be disclosed only as
40 provided in section 43 of this act.

41 **Sec. 41.** 1. A licensee or registrant shall maintain, for all
42 virtual-currency business activity with or on behalf of a resident 5
43 years after the date of the activity, a record of:



1 (a) *Each transaction of the licensee or registrant with or on*
2 *behalf of the resident or for the licensee's or registrant's account*
3 *in this State, including:*

4 (1) *The identity of the resident;*

5 (2) *The form of the transaction;*

6 (3) *The amount, date and payment instructions given by the*
7 *resident; and*

8 (4) *The account number, name and United States Postal*
9 *Service address of the resident and, to the extent feasible, other*
10 *parties to the transaction;*

11 (b) *The aggregate number of transactions and aggregate value*
12 *of transactions by the licensee or registrant with or on behalf of*
13 *the resident and for the licensee's or registrant's account in this*
14 *State, expressed in U.S. Dollar equivalent of virtual currency for*
15 *the previous 12 calendar months;*

16 (c) *Each transaction in which the licensee or registrant*
17 *exchanges one form of virtual currency for legal tender or another*
18 *form of virtual currency with or on behalf of the resident;*

19 (d) *A general ledger posted at least monthly that lists all assets,*
20 *liabilities, capital, income and expenses of the licensee or*
21 *registrant;*

22 (e) *Each business-call report the licensee or registrant is*
23 *required to create or provide to the Department or Registry;*

24 (f) *Bank statements and bank reconciliation records for the*
25 *licensee or registrant and the name, account number and United*
26 *States Postal Service address of each bank the licensee or*
27 *registrant uses in the conduct of its virtual-currency business*
28 *activity with or on behalf of the resident;*

29 (g) *A report of any dispute with the resident; and*

30 (h) *A report of any virtual-currency business activity*
31 *transaction with or on behalf of a resident which the licensee or*
32 *registrant was unable to complete.*

33 2. *A licensee or registrant shall maintain records required by*
34 *subsection 1 in a form that enables the Department to determine*
35 *whether the licensee or registrant is in compliance with this*
36 *chapter, any court order and any law of this State other than this*
37 *chapter.*

38 3. *If a licensee or registrant maintains records outside this*
39 *State that pertain to transactions with or on behalf of a resident,*
40 *the licensee or registrant shall make the records available to the*
41 *Department not later than 3 days after the request or, on a*
42 *determination of good cause by the Department, at a later time.*

43 4. *All records maintained by a licensee or registrant are*
44 *subject to inspection by the Department.*



1 **Sec. 42. 1.** *Subject to section 43 of this act and law of this*
2 *State other than this chapter concerning privacy, consumer*
3 *financial privacy, data protection, privilege and confidentiality, the*
4 *Department may cooperate, coordinate, jointly examine, consult*
5 *and share records and other information with the appropriate*
6 *regulatory agency of another state, a self-regulatory organization,*
7 *a federal or state regulator of banking or nondepository providers*
8 *or a regulator of a jurisdiction outside the United States*
9 *concerning the affairs and conduct of a licensee or registrant in*
10 *this State.*

11 **2.** *The Department shall:*

12 **(a)** *Establish or participate in, with another state that enacts a*
13 *law substantially similar to this chapter, a central depository for*
14 *filings required by law of this State other than this chapter;*

15 **(b)** *Cooperate in developing and implementing uniform forms*
16 *for applications and renewal reports and the conduct of joint*
17 *administrative proceedings and civil actions;*

18 **(c)** *Formulate joint rules, forms, statements of policy and*
19 *guidance and interpretative opinions and releases; and*

20 **(d)** *Develop common systems and procedures.*

21 **3.** *The Department may not establish or participate in a*
22 *central commercial depository that contains nonpublic personally*
23 *identifiable information which does not comply with section*
24 *502(e)(5) or 502(e)(8) of the Gramm-Leach-Bliley Act, 15 U.S.C. §*
25 *6802(e)(5) or (e)(8), as amended, or with the federal Right to*
26 *Financial Privacy Act, 12 U.S.C. §§ 3401 et seq., as amended.*

27 **4.** *In deciding whether and how to cooperate, coordinate,*
28 *jointly examine, consult or share records and other information*
29 *under subsection 1, the Department shall consider:*

30 **(a)** *Maximizing effectiveness and uniformity of regulation,*
31 *examination, implementation and enforcement for the benefit of*
32 *residents and licensees and registrants; and*

33 **(b)** *Minimizing burdens on licensees and registrants without*
34 *adversely affecting protection for residents.*

35 **Sec. 43. 1.** *Except as otherwise provided in subsection 2 or*
36 *3, information not contained in a report otherwise available to the*
37 *public or reports obtained by the Department from an applicant,*
38 *licensee or registrant, information contained in or related to an*
39 *examination, investigation, or operating or condition report*
40 *prepared by, on behalf of, or for the use of the Department, and*
41 *other financial and operating information, is confidential and is*
42 *not a public record pursuant to chapter 239 of NRS. If the*
43 *Department determines the information or records are*
44 *confidential under the open records law of a reciprocal-licensing*
45 *state, the information or records may not be disclosed.*



1 2. *A trade secret of an applicant, a licensee or a registrant is*
2 *confidential and is not a public record pursuant to chapter 239 of*
3 *NRS. If the Department determines a trade secret is confidential*
4 *under the open records law of a reciprocal-licensing state, the*
5 *trade secret may not be disclosed.*

6 3. *Subsection 1 does not prohibit disclosure of:*

7 (a) *General information about a licensee's or registrant's*
8 *virtual-currency business activity with or on behalf of a resident;*

9 (b) *A list of persons licensed or registered under this chapter;*
10 *or*

11 (c) *Aggregated financial data concerning licensees or*
12 *registrants in this State.*

13 **Sec. 44. 1.** *Each licensee and registrant shall file with the*
14 *Department a report of:*

15 (a) *A material change in information in the application for a*
16 *license under this act or a registration or the most recent renewal*
17 *report of the licensee under this chapter or for the registrant;*

18 (b) *A material change in the licensee's or registrant's business*
19 *for the conduct of its virtual-currency business activity with or on*
20 *behalf of a resident; and*

21 (c) *A change of an executive officer, responsible individual or*
22 *person in control of the licensee or registrant.*

23 2. *Absent good cause, a report required by subsection 1 must*
24 *be filed not later than 15 days after the change.*

25 **Sec. 45. 1.** *As used in this section, "proposed person to be*
26 *in control" means the person that would control a licensee or*
27 *registrant after a proposed transaction that would result in a*
28 *change in control of the licensee or registrant.*

29 2. *The following rules apply in determining whether a person*
30 *has control over a licensee or registrant:*

31 (a) *There is a rebuttable presumption of control if the person's*
32 *voting power in the licensee or registrant constitutes or will*
33 *constitute at least 25 percent of the total voting power of the*
34 *licensee or registrant.*

35 (b) *There is a rebuttable presumption of control if:*

36 (1) *The person's voting power in another person constitutes*
37 *or will constitute at least 10 percent of the total voting power of the*
38 *other person; and*

39 (2) *The other person's voting power in the licensee or*
40 *registrant constitutes at least 25 percent of the total voting power*
41 *of the licensee or registrant.*

42 (c) *There is no presumption of control solely because a natural*
43 *person is an executive officer of the licensee or registrant.*



1 3. *At least 30 days before a proposed change in control of a*
2 *licensee or registrant, the proposed person to be in control shall*
3 *submit to the Department in a record:*

4 (a) *An application in a form and medium prescribed by the*
5 *Department;*

6 (b) *The information and records that section 32 of this act*
7 *would require if the proposed person to be in control already had*
8 *control of the licensee;*

9 (c) *A license application under section 32 of this act by the*
10 *proposed person to be in control;*

11 (d) *In the case of a registrant, the information that section 37*
12 *of this act would require if the proposed person to be in control*
13 *already had control of the registrant; and*

14 (e) *In the case of a registration, a registration under section 37*
15 *of this act by the proposed person to be in control.*

16 4. *The Department, in accordance with section 32 of this act,*
17 *shall approve, approve with conditions or deny an application for*
18 *a change in control of a licensee or registrant. The Department, in*
19 *a record, shall send notice of its decision to the licensee or*
20 *registrant and the person that would be in control if the*
21 *Department had approved the change in control. If the*
22 *Department denies the application, the licensee or registrant shall*
23 *abandon the proposed change in control or cease virtual-currency*
24 *business activity with or on behalf of residents.*

25 5. *If the Department applies a condition to approval of a*
26 *change in control of a licensee or registrant and the Department*
27 *does not receive notice of the applicant's acceptance of the*
28 *condition specified by the Department not later than 31 days after*
29 *the Department sends notice of the condition, the application is*
30 *deemed denied. If the application is deemed denied, the licensee or*
31 *registrant shall abandon the proposed change in control or cease*
32 *virtual-currency business activity with or on behalf of residents.*

33 6. *Submission in good faith of records required by subsection*
34 *3 relieves the proposed person to be in control from any obligation*
35 *imposed by this section other than subsections 4, 5 and 8 until the*
36 *Department has acted on the application.*

37 7. *The Department may revoke or modify a determination*
38 *under subsection 4, after notice and opportunity to be heard, if, in*
39 *its judgment, revocation or modification is consistent with this*
40 *chapter.*

41 8. *If a change in control of a licensee or registrant requires*
42 *approval of an agency of this State or another state with which*
43 *this State has a reciprocity agreement and the action of the other*
44 *agency conflicts with that of the Department, the Department shall*
45 *confer with the other agency. If the proposed change in control*



1 *cannot be completed because the conflict cannot be resolved, the*
2 *licensee or registrant shall abandon the change in control or cease*
3 *virtual-currency business activity with or on behalf of residents.*

4 **Sec. 46. 1.** *At least 30 days before a proposed merger or*
5 *consolidation of a licensee or registrant with another person, the*
6 *licensee or registrant shall submit to the Department in a record:*

7 (a) *An application in a form and medium prescribed by the*
8 *Department;*

9 (b) *The plan of merger or consolidation in accordance with*
10 *subsection 5;*

11 (c) *In the case of a licensee, the information required by*
12 *section 32 of this act concerning the person that would be the*
13 *surviving entity in the proposed merger or consolidation; and*

14 (d) *In the case of a registrant, the information required by*
15 *section 37 of this act concerning the person that would be the*
16 *surviving entity in the proposed merger or consolidation.*

17 2. *If a proposed merger or consolidation would change the*
18 *control of a licensee or registrant, the licensee or registrant shall*
19 *comply with this section and section 45 of this act.*

20 3. *The Department, in accordance with section 32 of this act,*
21 *shall approve, conditionally approve or deny an application for*
22 *approval of a merger or consolidation of a licensee or registrant.*
23 *The Department, in a record, shall send notice of its decision to*
24 *the licensee or registrant and the person that would be the*
25 *surviving entity. If the Department denies the application, the*
26 *licensee or registrant shall abandon the merger or consolidation*
27 *or cease virtual-currency business activity with or on behalf of*
28 *residents.*

29 4. *The Department may revoke or modify a determination*
30 *under subsection 3, after notice and opportunity to be heard, if, in*
31 *its judgment, revocation or modification is consistent with this*
32 *chapter.*

33 5. *A plan of merger or consolidation of a licensee or a*
34 *registrant with another person must:*

35 (a) *Describe the effect of the proposed transaction on the*
36 *licensee's or registrant's conduct of virtual-currency business*
37 *activity with or on behalf of residents;*

38 (b) *Identify each person to be merged or consolidated and the*
39 *person that would be the surviving entity; and*

40 (c) *Describe the terms and conditions of the merger or*
41 *consolidation and the mode of carrying it into effect.*

42 6. *If a merger or consolidation of a licensee or registrant and*
43 *another person requires approval of an agency of this State or*
44 *another state with which this State has a reciprocity agreement*
45 *and the action of the other agency conflicts with that of the*



1 *Department, the Department shall confer with the other agency. If*
2 *the proposed merger or consolidation cannot be completed*
3 *because the conflict cannot be resolved, the licensee or registrant*
4 *shall abandon the merger or consolidation or cease virtual-*
5 *currency business activity with or on behalf of residents.*

6 *7. The Department may condition approval of an application*
7 *under subsection 1. If the Department does not receive notice from*
8 *the parties that the parties accept the Department's condition not*
9 *later than 31 days after the Department sends notice in a record of*
10 *the condition, the application is deemed denied. If the application*
11 *is deemed denied, the licensee or registrant shall abandon the*
12 *merger or consolidation or cease virtual-currency business activity*
13 *with or on behalf of residents.*

14 *8. If a licensee or registrant acquires substantially all the*
15 *assets of a person, whether or not the person's license was*
16 *approved by or registration was filed with the Department, the*
17 *transaction is subject to this section.*

18 *9. Submission in good faith of the records required by*
19 *subsection 5 relieves the proposed surviving entity from any*
20 *obligation imposed by this section, other than subsections 3, 6 and*
21 *7, until the Department has acted on the application.*

22 **Sec. 47.** *As used in sections 47 to 52, inclusive, of this act,*
23 *"enforcement measure" means an action to:*

24 *1. Suspend or revoke a license or a registration under this*
25 *chapter;*

26 *2. Order a person to cease and desist from doing virtual-*
27 *currency business activity with or on behalf of a resident;*

28 *3. Request the court to appoint a receiver for the assets of a*
29 *person doing virtual-currency business activity with or on behalf*
30 *of a resident;*

31 *4. Request the court to issue temporary, preliminary or*
32 *permanent injunctive relief against a person doing virtual-*
33 *currency business activity with or on behalf of a resident;*

34 *5. Assess a penalty under section 49 of this act;*

35 *6. Recover on the security under section 34 of this act and*
36 *initiate a plan to distribute the proceeds for the benefit of a*
37 *resident injured by a violation of this chapter or law of this State*
38 *other than this chapter which applies to virtual-currency business*
39 *activity with or on behalf of a resident; or*

40 *7. Impose necessary or appropriate conditions on the conduct*
41 *of virtual-currency business activity with or on behalf of a*
42 *resident.*

43 **Sec. 48.** *1. The Department may take an enforcement*
44 *measure against a licensee, registrant or person that is neither a*



1 *licensee nor registrant but is engaging in virtual-currency*
2 *business activity with or on behalf of a resident if:*

3 *(a) The licensee, registrant or person materially violates this*
4 *chapter, a regulation adopted or order issued under this chapter,*
5 *or law of this State other than this chapter which applies to*
6 *virtual-currency business activity of the violator with or on behalf*
7 *of a resident;*

8 *(b) The licensee, registrant or person does not cooperate*
9 *substantially with an examination or investigation by the*
10 *Department, fails to pay a fee or fails to submit a report or*
11 *documentation;*

12 *(c) The licensee, registrant or person, in the conduct of its*
13 *virtual-currency business activity with or on behalf of a resident,*
14 *engages in:*

15 *(1) An unsafe or unsound act or practice;*

16 *(2) An unfair or deceptive act or practice;*

17 *(3) Fraud or intentional misrepresentation;*

18 *(4) Another dishonest act; or*

19 *(5) Misappropriation of legal tender, virtual currency or*
20 *other value held by a fiduciary;*

21 *(d) An agency of the United States or another state takes an*
22 *action against the licensee, registrant or person which would*
23 *constitute an enforcement measure if the Department had taken*
24 *the action;*

25 *(e) The licensee, registrant or person is convicted of a crime*
26 *related to its virtual-currency business activity with or on behalf of*
27 *a resident or involving fraud or felonious activity that, as*
28 *determined by the Department, makes the licensee, registrant or*
29 *person unsuitable to engage in virtual-currency business activity;*
30 *or*

31 *(f) The licensee, registrant or person:*

32 *(1) Becomes insolvent;*

33 *(2) Makes a general assignment for the benefit of its*
34 *creditors;*

35 *(3) Becomes the debtor, alleged debtor, respondent or*
36 *person in a similar capacity in a case or other proceeding under*
37 *any bankruptcy, reorganization, arrangement, readjustment,*
38 *insolvency, receivership, dissolution, liquidation or similar law*
39 *and does not obtain from the court, within a reasonable time,*
40 *confirmation of a plan or dismissal of the case or proceeding; or*

41 *(4) Applies for or permits the appointment of a receiver,*
42 *trustee or other agent of a court for itself or for a substantial part*
43 *of its assets; or*

44 *(g) The licensee, registrant or person makes a material*
45 *misrepresentation to the Department.*



2. *On application and for good cause, the Department may:*

(a) *Extend the due date for filing a document or report under paragraph (b) of subsection 1; or*

(b) *Waive to the extent warranted by circumstances, such as a bona fide error notwithstanding reasonable procedures designed to prevent error, an enforcement measure under subsection 1 if the Department determines that the waiver will not adversely affect the likelihood of compliance with this chapter.*

3. *In an enforcement action related to operating without a license under this chapter or registration in this State, it is a defense to the action that the person has in effect a customer-identification program reasonably designed to identify whether a customer is a resident which failed to identify the particular customer as a resident.*

4. *A proceeding under this chapter is subject to chapter 233B of NRS.*

Sec. 49. 1. *If a person other than a licensee or registrant engages in virtual-currency business activity with or on behalf of a resident in violation of this chapter, the Department may assess a civil penalty against the person in an amount not to exceed \$50,000 for each day of violation.*

2. *If a licensee or registrant materially violates a provision of this chapter, the Department may assess a civil penalty in an amount not to exceed \$10,000 for each day of violation.*

3. *A civil penalty under this section continues to accrue until the earlier of:*

(a) *The date the violation ceases; or*

(b) *A date specified by the Department.*

Sec. 50. 1. *Revocation of a license under this chapter is effective against a licensee 1 day after the Department sends notice in a record of the revocation to the licensee, by a means reasonably selected for the notice to be received by the recipient in 1 day, to the address provided for receiving communications from the Department.*

2. *Suspension of a license under this chapter, suspension of a registration or an order to cease and desist is effective against a licensee, registrant or other person 1 day after the Department sends notice in a record of the suspension or order to the licensee, registrant or other person, by a means reasonably selected for the notice to be received by the recipient in 1 day, to the address provided for receiving communications from the Department or, if no address is provided, to the recipient's last known address. A suspension or order to cease and desist remains in effect until the earliest of:*



1 (a) Entry of an order by the Department under chapter 233B
2 of NRS setting aside or limiting the suspension or order;

3 (b) Entry of a court order setting aside or limiting the
4 suspension or order to cease and desist; or

5 (c) A date specified by the Department.

6 3. If, without reason to know of the Department's notice sent
7 under subsection 1 or 2, a licensee, registrant or other person does
8 not comply in accordance with the notice until the notice is
9 actually received at the address provided, the Department may
10 consider the delay in compliance in imposing a sanction for the
11 failure.

12 **Sec. 51.** The Department may enter into a consent order with
13 a person regarding an enforcement measure. The order may
14 provide that it does not constitute an admission of fact by a party.

15 **Sec. 52.** 1. Except as otherwise provided in this section, a
16 person does not have a right of action for violation of this chapter.

17 2. The Department may bring an action for restitution on
18 behalf of a resident if the Department proves economic injury due
19 to a violation of this chapter.

20 3. This section does not preclude an action by a resident to
21 enforce rights under the Uniform Supplemental Commercial Law
22 for the Uniform Regulation of Virtual-Currency Businesses Act or
23 any other law of this State other than this chapter.

24 **Sec. 53.** 1. A licensee or registrant shall provide to a
25 resident who uses the licensee's or registrant's products or service
26 the disclosures required by subsection 2 and any additional
27 disclosure the Department by regulation determines reasonably
28 necessary for the protection of residents. The Department shall
29 determine by regulation the time and form required for disclosure.
30 A disclosure required by this section must be made separately from
31 any other information provided by the licensee or registrant and in
32 a clear and conspicuous manner in a record the resident may
33 keep. A licensee or registrant may propose for the Department's
34 approval alternate disclosures as more appropriate for its virtual-
35 currency business activity with or on behalf of residents.

36 2. Before establishing a relationship with a resident, a
37 licensee or registrant shall disclose, to the extent applicable to the
38 virtual-currency business activity the licensee or registrant will
39 undertake with the resident:

40 (a) A schedule of fees and charges the licensee or registrant
41 may assess, the manner by which fees and charges will be
42 calculated if they are not set in advance and disclosed and the
43 timing of the fees and charges;

44 (b) Whether the product or service provided by the licensee or
45 registrant is covered by:



1 (1) A form of insurance or is otherwise guaranteed against
2 loss by an agency of the United States:

3 (I) Up to the full U.S. Dollar equivalent of virtual
4 currency placed under the control of or purchased from the
5 licensee or registrant as of the date of the placement or purchase,
6 including the maximum amount provided by insurance under the
7 Federal Deposit Insurance Corporation or otherwise available
8 from the Securities Investor Protection Corporation; or

9 (II) If not provided at the full U.S. Dollar equivalent of
10 virtual currency placed under the control of or purchased from the
11 licensee or registrant, the maximum amount of coverage for each
12 resident expressed in the U.S. Dollar equivalent of the virtual
13 currency; or

14 (2) Private insurance against theft or loss, including cyber
15 theft or theft by other means;

16 (c) The irrevocability of a transfer or exchange and any
17 exception to irrevocability;

18 (d) A description of:

19 (1) Liability for an unauthorized, mistaken or accidental
20 transfer or exchange;

21 (2) The resident's responsibility to provide notice to the
22 licensee or registrant of the transfer or exchange;

23 (3) The basis for any recovery by the resident from the
24 licensee or registrant;

25 (4) General error-resolution rights applicable to the
26 transfer or exchange; and

27 (5) The method for the resident to update the resident's
28 contact information with the licensee or registrant;

29 (e) That the date or time when the transfer or exchange is
30 made and the resident's account is debited may differ from the
31 date or time when the resident initiates the instruction to make the
32 transfer or exchange;

33 (f) Whether the resident has a right to stop a preauthorized
34 payment or revoke authorization for a transfer and the procedure
35 to initiate a stop-payment order or revoke authorization for a
36 subsequent transfer;

37 (g) The resident's right to receive a receipt, trade ticket or
38 other evidence of the transfer or exchange;

39 (h) The resident's right to at least 30 days' prior notice of a
40 change in the licensee's or registrant's fee schedule, other terms
41 and conditions of operating its virtual-currency business activity
42 with the resident and the policies applicable to the resident's
43 account; and

44 (i) That virtual currency is not legal tender.



1 3. Except as otherwise provided in subsection 4, at the
2 conclusion of a virtual-currency transaction with or on behalf of a
3 resident, a licensee or registrant shall provide the resident a
4 confirmation in a record which contains:

5 (a) The name and contact information of the licensee or
6 registrant, including information the resident may need to ask a
7 question or file a complaint;

8 (b) The type, value, date, precise time and amount of the
9 transaction; and

10 (c) The fee charged for the transaction, including any charge
11 for conversion of virtual currency to legal tender, bank credit or
12 other virtual currency.

13 4. If a licensee or registrant discloses that it will provide a
14 daily confirmation in the initial disclosure under subsection 3, the
15 licensee or registrant may elect to provide a single, daily
16 confirmation for all transactions with or on behalf of a resident on
17 that day instead of a per-transaction confirmation.

18 **Sec. 54. 1.** An applicant, before submitting an application,
19 and registrant, before registering, shall create and, during
20 licensure or registration, maintain in a record policies and
21 procedures for:

22 (a) An information-security and operational-security program;

23 (b) A business-continuity program;

24 (c) A disaster-recovery program;

25 (d) An anti-fraud program;

26 (e) An anti-money-laundering program;

27 (f) A program to prevent funding of terrorist activity; and

28 (g) A program designed to:

29 (1) Ensure compliance with this chapter, law of this State
30 other than this chapter and federal law which are relevant to the
31 virtual-currency business activity contemplated by the licensee or
32 registrant with or on behalf of residents; and

33 (2) Assist the licensee or registrant in achieving the
34 purposes of law of this State other than this chapter and federal
35 law if violation of that law has a remedy under this chapter.

36 2. Each policy required by subsection 1 must be in a record
37 and designed to be adequate for a licensee's or registrant's
38 contemplated virtual-currency business activity with or on behalf
39 of residents, considering the circumstances of all participants
40 and the safe operation of the activity. Each policy and
41 implementing procedure must be compatible with other policies
42 and the procedures implementing them and not conflict with
43 policies or procedures applicable to the licensee or registrant
44 under law of this State other than this chapter. A policy and
45 implementing procedure may be one in existence in the licensee's



1 *or registrant's virtual-currency business activity with or on behalf*
2 *of residents.*

3 *3. A licensee's or registrant's policy for detecting fraud must*
4 *include:*

5 *(a) Identification and assessment of the material risks of its*
6 *virtual-currency business activity related to fraud;*

7 *(b) Protection against any material risk related to fraud*
8 *identified by the Department or the licensee or registrant; and*

9 *(c) Periodic evaluation and revision of the anti-fraud*
10 *procedure.*

11 *4. A licensee's or registrant's policy for preventing money*
12 *laundering and financing of terrorist activity must include:*

13 *(a) Identification and assessment of the material risks of its*
14 *virtual-currency business activity related to money laundering and*
15 *financing of terrorist activity;*

16 *(b) Procedures, in accordance with federal law or guidance*
17 *published by federal agencies responsible for enforcing federal*
18 *law, pertaining to money laundering and financing of terrorist*
19 *activity; and*

20 *(c) Filing reports under the Bank Secrecy Act, 31 U.S.C. §§*
21 *5311 et seq., as amended, or 31 C.F.R. Chapter X, as amended,*
22 *and other federal or state laws pertaining to the prevention or*
23 *detection of money laundering or financing of terrorist activity.*

24 *5. A licensee's or registrant's information-security and*
25 *operational-security policy must include reasonable and*
26 *appropriate administrative, physical and technical safeguards to*
27 *protect the confidentiality, integrity and availability of any*
28 *nonpublic personal information or virtual currency it receives,*
29 *maintains or transmits.*

30 *6. A licensee or registrant is not required to file with the*
31 *Department a copy of a report it makes to a federal authority*
32 *unless the Department specifically requires filing.*

33 *7. A licensee's or registrant's protection policy under*
34 *subsection 5 for residents must include:*

35 *(a) Any action or system of records required to comply with*
36 *this chapter and law of this State other than this chapter*
37 *applicable to the licensee or registrant with respect to virtual-*
38 *currency business activity with or on behalf of a resident;*

39 *(b) A procedure for resolving disputes between the licensee or*
40 *registrant and a resident;*

41 *(c) A procedure for a resident to report an unauthorized,*
42 *mistaken or accidental virtual-currency business activity*
43 *transaction; and*

44 *(d) A procedure for a resident to file a complaint with the*
45 *licensee or registrant and for the resolution of the complaint in a*



1 *fair and timely manner with notice to the resident as soon as*
2 *reasonably practical of the resolution and the reasons for the*
3 *resolution.*

4 8. *After the policies and procedures required under this*
5 *section are created and approved by the Department and the*
6 *licensee or registrant, the licensee or registrant shall engage a*
7 *responsible individual with adequate authority and experience to*
8 *monitor each policy and procedure, publicize it as appropriate,*
9 *recommend changes as desirable and enforce it.*

10 9. *A licensee or registrant may:*

11 (a) *Request advice from the Department as to compliance with*
12 *this section; and*

13 (b) *With the Department's approval, outsource functions,*
14 *other than compliance, required under this section.*

15 10. *Failure of a particular policy or procedure adopted under*
16 *this section to meet its goals in a particular instance is not a*
17 *ground for liability of the licensee or registrant if the policy or*
18 *procedure was created, implemented and monitored properly.*
19 *Repeated failures of a policy or procedure are evidence that the*
20 *policy or procedure was not created or implemented properly.*

21 11. *Policies and procedures adopted under this section must*
22 *be disclosed separately from other disclosures made available to a*
23 *resident, in a clear and conspicuous manner and in the medium*
24 *through which the resident contacted the licensee or registrant.*

25 **Sec. 55. 1.** *An applicant, before submitting its application,*
26 *and a registrant, before registering, shall establish and maintain*
27 *in a record a policy or procedure designed to ensure compliance*
28 *with:*

29 (a) *This chapter; and*

30 (b) *Law of this State other than this chapter if:*

31 (1) *The other law is relevant to the virtual-currency*
32 *business activity contemplated by the licensee or registrant or the*
33 *scope of this chapter; or*

34 (2) *This chapter could assist in the purpose of the other law*
35 *because violation of the other law has a remedy under this*
36 *chapter.*

37 2. *A policy or procedure under subsection 1:*

38 (a) *Must be compatible, and not conflict, with requirements*
39 *applicable to a licensee or registrant under law of this State other*
40 *than this chapter and under federal law; and*

41 (b) *May be a policy or procedure in existence for the licensee's*
42 *or registrant's virtual-currency business activity with or on behalf*
43 *of a resident.*

44 3. *After the policies and procedures required under this*
45 *section are created by the licensee or registrant and approved by*



1 *the Department, the licensee or registrant shall engage a*
2 *responsible individual with adequate authority and experience to*
3 *monitor each policy or procedure, publicize it as appropriate,*
4 *recommend changes as desirable and enforce it.*

5 *4. A licensee or registrant may:*

6 *(a) Request advice from the Department as to compliance with*
7 *this section; and*

8 *(b) With the Department's approval, outsource functions,*
9 *other than compliance, required under this section.*

10 *5. Failure of a particular policy or procedure adopted under*
11 *this section to meet its goals in a particular instance is not a*
12 *ground for liability of the licensee or registrant if the policy or*
13 *procedure was created, implemented and monitored properly.*
14 *Repeated failures of a policy or procedure are evidence that the*
15 *policy or procedure was not created or implemented properly.*

16 **Sec. 56.** *In applying and construing this chapter,*
17 *consideration must be given to the need to promote uniformity of*
18 *the law with respect to its subject matter among the states that*
19 *enact it.*

20 **Sec. 57.** *This chapter modifies, limits or supersedes the*
21 *Electronic Signatures in Global and National Commerce Act, 15*
22 *U.S.C. §§ 7001, et seq., but does not modify, limit or supersede*
23 *section 101(c) of that act, 15 U.S.C. § 7001(c), or authorize*
24 *electronic delivery of any of the notices described in section 103(b)*
25 *of that act, 15 U.S.C. § 7003(b).*

26 **Sec. 58.** *1. A license issued under chapter 671 of NRS*
27 *which is in effect on September 30, 2019, remains in effect as a*
28 *license for its duration unless revoked or suspended by the*
29 *licensing authority that issued it. A person licensed under chapter*
30 *671 of NRS which does not intend to engage in virtual-currency*
31 *business activity is not required to inform the Department of its*
32 *intention.*

33 *2. If the Department denies, suspends or revokes a license*
34 *under this chapter or suspends or revokes a registration to conduct*
35 *virtual-currency business activity with or on behalf of a resident,*
36 *the denial, suspension or revocation may not be used as a ground*
37 *for suspension or revocation of a license granted under chapter*
38 *671 of NRS unless chapter 671 of NRS independently provides a*
39 *basis for action against the licensee or registrant.*

40 *3. This chapter applies to virtual-currency business activity*
41 *with or on behalf of a resident on or after October 1, 2019.*

42 *4. A person is deemed to be conducting unlicensed virtual-*
43 *currency business activity with or on behalf of a resident in*
44 *violation of this chapter if the person engages in virtual-currency*
45 *business activity on or after October 1, 2019, and the person does*



1 *not hold a license issued or recognized under this chapter, is not*
2 *exempt from this chapter and has not applied for a license or filed*
3 *a registration. This subsection includes a person that:*

4 *(a) Has obtained a license under chapter 671 of NRS, whether*
5 *or not chapter 671 of NRS covers virtual-currency business*
6 *activity, or holds a charter as a trust company from this State; and*

7 *(b) Does not have permission to engage in virtual-currency*
8 *business activity with or on behalf of a resident.*

9 **Sec. 59.** Title 59 of NRS is hereby amended by adding thereto
10 a new chapter to consist of the provisions set forth as sections 60 to
11 88, inclusive, of this act.

12 **Sec. 60.** *This chapter may be cited as the Uniform*
13 *Supplemental Commercial Law for the Uniform Regulation of*
14 *Virtual-Currency Businesses Act.*

15 **Sec. 61.** *As used in this chapter, unless the context otherwise*
16 *requires, the words and terms defined in sections 62 to 80,*
17 *inclusive, of this act have the meanings ascribed to them in those*
18 *sections.*

19 **Sec. 62.** *“Agreement” has the meaning ascribed to it in*
20 *NRS 104.1201.*

21 **Sec. 63.** *“Article 8” means NRS 104.8101 to 104.8511,*
22 *inclusive.*

23 **Sec. 64.** *“Control” has the meaning ascribed to it in section 6*
24 *of this act.*

25 **Sec. 65.** *“Entitlement holder” has the meaning ascribed to it*
26 *in NRS 104.8102.*

27 **Sec. 66.** *“Financial asset” has the meaning ascribed to it in*
28 *NRS 104.8102.*

29 **Sec. 67.** *“Hague Securities Convention” means the*
30 *Convention on the Law Applicable to Certain Rights in Respect of*
31 *Securities Held with an Intermediary, concluded July 5, 2006.*

32 **Sec. 68.** *“Licensee” has the meaning ascribed to it in section*
33 *12 of this act.*

34 **Sec. 69.** *“Record” has the meaning ascribed to it in section*
35 *14 of this act.*

36 **Sec. 70.** *“Registrant” has the meaning ascribed to it in*
37 *section 15 of this act.*

38 **Sec. 71.** *“Resident” has the meaning ascribed to it in section*
39 *18 of this act.*

40 **Sec. 72.** *“Securities account” has the meaning ascribed to it*
41 *in NRS 104.8501.*

42 **Sec. 73.** *“Securities intermediary” has the meaning ascribed*
43 *to it in NRS 104.8102.*

44 **Sec. 74.** *“Security” has the meaning ascribed to it in*
45 *NRS 104.8102.*



1 **Sec. 75.** *“Sign” has the meaning ascribed to it in section 20*
2 *of this act.*

3 **Sec. 76.** *“State” has the meaning ascribed to it in section 21*
4 *of this act.*

5 **Sec. 77.** *“Uniform Commercial Code jurisdiction” means a*
6 *state that has enacted Article 8 in substantially similar form.*

7 **Sec. 78.** *“Uniform Regulation of Virtual-Currency*
8 *Businesses Act” means sections 2 to 58, inclusive, of this act.*

9 **Sec. 79.** *“User” means a person for which a licensee or*
10 *registrant has control of virtual currency.*

11 **Sec. 80.** *“Virtual currency” has the meaning ascribed to it in*
12 *section 25 of this act.*

13 **Sec. 81.** *This chapter applies to:*

14 1. *A person or transaction governed by the Uniform*
15 *Regulation of Virtual-Currency Businesses Act; and*

16 2. *A user that is not a resident if the user or transaction with*
17 *the user would be governed by the Uniform Regulation of Virtual-*
18 *Currency Businesses Act if the user were a resident.*

19 **Sec. 82.** 1. *The relationship between a licensee or*
20 *registrant and a user must be evidenced by an agreement in a*
21 *record signed by the licensee or registrant and by the user. The*
22 *agreement:*

23 (a) *Must specify the jurisdiction whose law governs the*
24 *agreement;*

25 (b) *If governed by the law of a jurisdiction that is not a*
26 *Uniform Commercial Code jurisdiction, must:*

27 (1) *Specify a Uniform Commercial Code jurisdiction as the*
28 *securities intermediary’s jurisdiction for the purpose of Article 8;*
29 *and*

30 (2) *State that the law in force in the Uniform Commercial*
31 *Code jurisdiction under subparagraph (1) applies to all issues*
32 *specified in Article 2(1) of the Hague Securities Convention;*

33 (c) *Must state that:*

34 (1) *The licensee or registrant is a securities intermediary;*
35 (2) *The control of virtual currency by the licensee or*
36 *registrant for the benefit of the user creates a securities account of*
37 *which the user is the entitlement holder;*

38 (3) *The parties agree that the virtual currency is to be*
39 *treated as a financial asset credited or held for credit to the*
40 *securities account of the user; and*

41 (4) *The licensee or registrant will not grant a security*
42 *interest in virtual currency which the licensee or registrant is*
43 *obligated to maintain under subsection 1 of NRS 104.8504;*

44 (d) *May not provide a standard for the licensee or registrant to*
45 *comply with its duties under NRS 104.8501 to 104.8511, inclusive,*



1 *which is less protective of the user than the standard that would*
2 *apply under NRS 104.8501 to 104.8511, inclusive, in the absence*
3 *of an agreement concerning the standard; and*

4 *(e) May not provide that:*

5 *(1) The securities intermediary's jurisdiction for the*
6 *purpose of Article 8 is a jurisdiction that is not a Uniform*
7 *Commercial Code jurisdiction; or*

8 *(2) The law in force in a jurisdiction that is not a Uniform*
9 *Commercial Code jurisdiction applies to all issues specified in*
10 *Article 2(1) of the Hague Securities Convention.*

11 *2. To the extent that there is no agreement that complies with*
12 *subsection 1, the relationship between a licensee or registrant and*
13 *a user is determined as if the licensee or registrant and the user*
14 *have an agreement that complies with subsection 1 and specifies*
15 *that the law of this State governs the agreement.*

16 *3. The effect of this section may not be varied by agreement.*

17 **Sec. 83.** *1. A licensee or registrant shall maintain in a state*
18 *an office that complies with the second sentence of Article 4(1) of*
19 *the Hague Securities Convention.*

20 *2. The effect of this section may not be varied by agreement.*

21 **Sec. 84.** *Failure to comply with this chapter is a violation of*
22 *the Uniform Regulation of Virtual-Currency Businesses Act.*

23 **Sec. 85.** *Treatment of virtual currency as a financial asset*
24 *credited to a securities account under this chapter and Article 8*
25 *does not determine the characterization or treatment of the virtual*
26 *currency under any other statute or regulation.*

27 **Sec. 86.** *Unless displaced by the particular provisions of this*
28 *chapter, the principles of law and equity supplement this chapter.*

29 **Sec. 87.** *In applying and construing this chapter,*
30 *consideration must be given to the need to promote uniformity of*
31 *the law with respect to its subject matter among states that enact it.*

32 **Sec. 88.** *This chapter modifies, limits or supersedes the*
33 *Electronic Signatures in Global and National Commerce Act, 15*
34 *U.S.C. §§ 7001, et seq., but does not modify, limit or supersede*
35 *section 101(c) of that act, 15 U.S.C. § 7001(c), or authorize*
36 *electronic delivery of any of the notices described in section 103(b)*
37 *of that act, 15 U.S.C. § 7003(b).*

38 **Sec. 89.** NRS 239.010 is hereby amended to read as follows:

39 239.010 1. Except as otherwise provided in this section and
40 NRS 1.4683, 1.4687, 1A.110, 3.2203, 41.071, 49.095, 49.293,
41 62D.420, 62D.440, 62E.516, 62E.620, 62H.025, 62H.030, 62H.170,
42 62H.220, 62H.320, 75A.100, 75A.150, 76.160, 78.152, 80.113,
43 81.850, 82.183, 86.246, 86.54615, 87.515, 87.5413, 87A.200,
44 87A.580, 87A.640, 88.3355, 88.5927, 88.6067, 88A.345, 88A.7345,
45 89.045, 89.251, 90.730, 91.160, 116.757, 116A.270, 116B.880,



1 118B.026, 119.260, 119.265, 119.267, 119.280, 119A.280,
2 119A.653, 119B.370, 119B.382, 120A.690, 125.130, 125B.140,
3 126.141, 126.161, 126.163, 126.730, 127.007, 127.057, 127.130,
4 127.140, 127.2817, 128.090, 130.312, 130.712, 136.050, 159.044,
5 159A.044, 172.075, 172.245, 176.01249, 176.015, 176.0625,
6 176.09129, 176.156, 176A.630, 178.39801, 178.4715, 178.5691,
7 179.495, 179A.070, 179A.165, 179D.160, 200.3771, 200.3772,
8 200.5095, 200.604, 202.3662, 205.4651, 209.392, 209.3925,
9 209.419, 209.521, 211A.140, 213.010, 213.040, 213.095, 213.131,
10 217.105, 217.110, 217.464, 217.475, 218A.350, 218E.625,
11 218F.150, 218G.130, 218G.240, 218G.350, 228.270, 228.450,
12 228.495, 228.570, 231.069, 231.1473, 233.190, 237.300, 239.0105,
13 239.0113, 239B.030, 239B.040, 239B.050, 239C.140, 239C.210,
14 239C.230, 239C.250, 239C.270, 240.007, 241.020, 241.030,
15 241.039, 242.105, 244.264, 244.335, 247.540, 247.550, 247.560,
16 250.087, 250.130, 250.140, 250.150, 268.095, 268.490, 268.910,
17 271A.105, 281.195, 281.805, 281A.350, 281A.680, 281A.685,
18 281A.750, 281A.755, 281A.780, 284.4068, 286.110, 287.0338,
19 289.025, 289.080, 289.387, 289.830, 293.4855, 293.5002, 293.508,
20 293.504, 293.558, 293.906, 293.908, 293.910, 293B.135, 293D.510,
21 331.110, 332.061, 332.351, 333.333, 333.335, 338.070, 338.1379,
22 338.1593, 338.1725, 338.1727, 348.420, 349.597, 349.775, 353.205,
23 353A.049, 353A.085, 353A.100, 353C.240, 360.240, 360.247,
24 360.255, 360.755, 361.044, 361.610, 365.138, 366.160, 368A.180,
25 370.257, 370.327, 372A.080, 378.290, 378.300, 379.008, 379.1495,
26 385A.830, 385B.100, 387.626, 387.631, 388.1455, 388.259,
27 388.501, 388.503, 388.513, 388.750, 388A.247, 388A.249, 391.035,
28 391.120, 391.925, 392.029, 392.147, 392.264, 392.271, 392.315,
29 392.317, 392.325, 392.327, 392.335, 392.850, 394.167, 394.1698,
30 394.447, 394.460, 394.465, 396.3295, 396.405, 396.525, 396.535,
31 396.9685, 398A.115, 408.3885, 408.3886, 408.3888, 408.5484,
32 412.153, 416.070, 422.2749, 422.305, 422A.342, 422A.350,
33 425.400, 427A.1236, 427A.872, 432.028, 432.205, 432B.175,
34 432B.280, 432B.290, 432B.407, 432B.430, 432B.560, 432B.5902,
35 433.534, 433A.360, 437.145, 439.840, 439B.420, 440.170,
36 441A.195, 441A.220, 441A.230, 442.330, 442.395, 442.735,
37 445A.665, 445B.570, 449.209, 449.245, 449A.112, 450.140,
38 453.164, 453.720, 453A.610, 453A.700, 458.055, 458.280, 459.050,
39 459.3866, 459.555, 459.7056, 459.846, 463.120, 463.15993,
40 463.240, 463.3403, 463.3407, 463.790, 467.1005, 480.365, 480.940,
41 481.063, 481.091, 481.093, 482.170, 482.5536, 483.340, 483.363,
42 483.575, 483.659, 483.800, 484E.070, 485.316, 501.344, 503.452,
43 522.040, 534A.031, 561.285, 571.160, 584.655, 587.877, 598.0964,
44 598.098, 598A.110, 599B.090, 603.070, 603A.210, 604A.710,
45 612.265, 616B.012, 616B.015, 616B.315, 616B.350, 618.341,



1 618.425, 622.310, 623.131, 623A.137, 624.110, 624.265, 624.327,
2 625.425, 625A.185, 628.418, 628B.230, 628B.760, 629.047,
3 629.069, 630.133, 630.30665, 630.336, 630A.555, 631.368,
4 632.121, 632.125, 632.405, 633.283, 633.301, 633.524, 634.055,
5 634.214, 634A.185, 635.158, 636.107, 637.085, 637B.288, 638.087,
6 638.089, 639.2485, 639.570, 640.075, 640A.220, 640B.730,
7 640C.400, 640C.600, 640C.620, 640C.745, 640C.760, 640D.190,
8 640E.340, 641.090, 641.325, 641A.191, 641A.289, 641B.170,
9 641B.460, 641C.760, 641C.800, 642.524, 643.189, 644A.870,
10 645.180, 645.625, 645A.050, 645A.082, 645B.060, 645B.092,
11 645C.220, 645C.225, 645D.130, 645D.135, 645E.300, 645E.375,
12 645G.510, 645H.320, 645H.330, 647.0945, 647.0947, 648.033,
13 648.197, 649.065, 649.067, 652.228, 654.110, 656.105, 661.115,
14 665.130, 665.133, 669.275, 669.285, 669A.310, 671.170, 673.450,
15 673.480, 675.380, 676A.340, 676A.370, 677.243, 679B.122,
16 679B.152, 679B.159, 679B.190, 679B.285, 679B.690, 680A.270,
17 681A.440, 681B.260, 681B.410, 681B.540, 683A.0873, 685A.077,
18 686A.289, 686B.170, 686C.306, 687A.110, 687A.115, 687C.010,
19 688C.230, 688C.480, 688C.490, 689A.696, 692A.117, 692C.190,
20 692C.3507, 692C.3536, 692C.3538, 692C.354, 692C.420,
21 693A.480, 693A.615, 696B.550, 696C.120, 703.196, 704B.320,
22 704B.325, 706.1725, 706A.230, 710.159, 711.600, *and sections 40*
23 *and 43 of this act*, sections 35, 38 and 41 of chapter 478, Statutes of
24 Nevada 2011 and section 2 of chapter 391, Statutes of Nevada 2013
25 and unless otherwise declared by law to be confidential, all public
26 books and public records of a governmental entity must be open at
27 all times during office hours to inspection by any person, and may
28 be fully copied or an abstract or memorandum may be prepared
29 from those public books and public records. Any such copies,
30 abstracts or memoranda may be used to supply the general public
31 with copies, abstracts or memoranda of the records or may be used
32 in any other way to the advantage of the governmental entity or of
33 the general public. This section does not supersede or in any manner
34 affect the federal laws governing copyrights or enlarge, diminish or
35 affect in any other manner the rights of a person in any written book
36 or record which is copyrighted pursuant to federal law.

37 2. A governmental entity may not reject a book or record
38 which is copyrighted solely because it is copyrighted.

39 3. A governmental entity that has legal custody or control of a
40 public book or record shall not deny a request made pursuant to
41 subsection 1 to inspect or copy or receive a copy of a public book or
42 record on the basis that the requested public book or record contains
43 information that is confidential if the governmental entity can
44 redact, delete, conceal or separate the confidential information from



1 the information included in the public book or record that is not
2 otherwise confidential.

3 4. A person may request a copy of a public record in any
4 medium in which the public record is readily available. An officer,
5 employee or agent of a governmental entity who has legal custody
6 or control of a public record:

7 (a) Shall not refuse to provide a copy of that public record in a
8 readily available medium because the officer, employee or agent has
9 already prepared or would prefer to provide the copy in a different
10 medium.

11 (b) Except as otherwise provided in NRS 239.030, shall, upon
12 request, prepare the copy of the public record and shall not require
13 the person who has requested the copy to prepare the copy himself
14 or herself.

