

Bill No.: SF0125 **Effective:** July 1, 2019
LSO No.: 19LSO-0608
Enrolled Act No.: SEA No. 0039
Chapter No.: 91
Prime Sponsor: Nethercott
Catch Title: **Digital assets-existing law.**
Subject: Nature of digital assets; Uniform Commercial Code; security interests; qualified custodians; custodial services; blockchain.

Summary/Major Elements:

- This act establishes the legal nature of digital assets within existing law, dividing these assets into three categories of intangible personal property and classifying these assets within the Uniform Commercial Code (UCC) as follows:
 - Digital consumer assets (*UCC: general intangibles*);
 - Digital securities (*UCC: securities and investment property*); and
 - Virtual currency (*UCC: money*).
- Specifies a method of perfection based on control relating to digital assets.
- Provides that a transferee of a digital asset takes the asset free of any security interest two years after the transferee takes the asset for value and does not have actual notice of an adverse claim.
- Authorizes banks to voluntarily provide custodial services for digital assets as provided by this act, consistent with the Securities and Exchange Commission's qualified custodian requirements.
- Clarifies a number of existing legal issues relating to the application of the SEC's qualified custodian requirements in the context of digital assets, including the nature of the custodial relationship and treatment of the assets, exclusive control of an asset, consumer protection, as well as ancillary and subsidiary proceeds derived from these assets.
- "Custodial services" is defined as the safekeeping and management of customer currency and digital assets through the exercise of fiduciary and trust powers as a custodian, including fund administration and the execution of customer instructions.

The above summary is not an official publication of the Wyoming Legislature and is not an official statement of legislative intent. While the Legislative Service Office endeavored to provide accurate information in this summary, it should not be relied upon as a comprehensive abstract of the bill.

- Imposes a supervisory fee on banks providing custodial services for digital assets to offset the Division of Banking's administrative costs.

Comments:

- Authorizes two (2) additional positions within the Division of Banking, funded by one hundred seventy-five thousand six hundred four dollars (\$175,604.00) in special revenue from the Financial Institutions Administration Account.

The above summary is not an official publication of the Wyoming Legislature and is not an official statement of legislative intent. While the Legislative Service Office endeavored to provide accurate information in this summary, it should not be relied upon as a comprehensive abstract of the bill.

Wyoming Blockchain Law
UCC Security Interest in Digital Assets
Bank Custody of Digital Assets
Effective Date: July 1, 2019

ORIGINAL SENATE
FILE NO. SF0125

ENGROSSED

ENROLLED ACT NO. 39, SENATE

SIXTY-FIFTH LEGISLATURE OF THE STATE OF WYOMING
2019 GENERAL SESSION

AN ACT relating to property; classifying digital assets within existing laws; specifying that digital assets are property within the Uniform Commercial Code; authorizing security interests in digital assets; establishing an opt-in framework for banks to provide custodial services for digital asset property as custodians; specifying standards and procedures for custodial services under this act; clarifying the jurisdiction of Wyoming courts relating to digital assets; authorizing a supervision fee; making an appropriation; authorizing positions; specifying applicability; authorizing the promulgation of rules; and providing for an effective date.

Be It Enacted by the Legislature of the State of Wyoming:

Section 1. W.S. 34-29-101 through 34-29-105 and 34.1-1-210 are created to read:

CHAPTER 29

DIGITAL ASSETS

34-29-101. Definitions.

(a) As used in this chapter:

(i) "Digital asset" means a representation of economic, proprietary or access rights that is stored in a computer readable format, and includes digital consumer assets, digital securities and virtual currency;

(ii) "Digital consumer asset" means a digital asset that is used or bought primarily for consumptive, personal or household purposes and includes:

ENROLLED ACT NO. 39, SENATE

SIXTY-FIFTH LEGISLATURE OF THE STATE OF WYOMING
2019 GENERAL SESSION

(A) An open blockchain token constituting intangible personal property as otherwise provided by law;

(B) Any other digital asset which does not fall within paragraphs (iii) and (iv) of this subsection.

(iii) "Digital security" means a digital asset which constitutes a security, as defined in W.S. 17-4-102(a)(xxviii), but shall exclude digital consumer assets and virtual currency;

(iv) "Virtual currency" means a digital asset that is:

(A) Used as a medium of exchange, unit of account or store of value; and

(B) Not recognized as legal tender by the United States government.

(b) The terms in paragraphs (a)(ii) through (iv) of this section are mutually exclusive.

34-29-102. Classification of digital assets as property; applicability to Uniform Commercial Code.

(a) Digital assets are classified in the following manner:

(i) Digital consumer assets are intangible personal property and shall be considered general intangibles, as defined in W.S. 34.1-9-102(a)(xlvi), only for the purposes of article 9 of the Uniform Commercial Code, title 34.1, Wyoming statutes;

ENROLLED ACT NO. 39, SENATE

SIXTY-FIFTH LEGISLATURE OF THE STATE OF WYOMING
2019 GENERAL SESSION

(ii) Digital securities are intangible personal property and shall be considered securities, as defined in W.S. 34.1-8-102(a)(xv), and investment property, as defined in W.S. 34.1-9-102(a)(xlix), only for the purposes of articles 8 and 9 of the Uniform Commercial Code, title 34.1, Wyoming statutes;

(iii) Virtual currency is intangible personal property and shall be considered money, notwithstanding W.S. 34.1-1-201(b)(xxiv), only for the purposes of article 9 of the Uniform Commercial Code, title 34.1, Wyoming statutes.

(b) Consistent with W.S. 34.1-8-102(a)(ix), a digital asset may be treated as a financial asset under that paragraph, pursuant to a written agreement with the owner of the digital asset. If treated as a financial asset, the digital asset shall remain intangible personal property.

(c) A bank providing custodial services under W.S. 34-29-104 shall be considered to meet the requirements of W.S. 34.1-8-102(a)(xiv).

(d) Classification of digital assets under this section shall be construed in a manner to give the greatest effect to this chapter, but shall not be construed to apply to any other asset.

34-29-103. Perfection of security interests in digital assets; financing statements.

(a) Notwithstanding the financing statement requirement specified by W.S. 34.1-9-310(a) as otherwise applied to general intangibles or any other provision of law, perfection of a security interest in a digital asset may be achieved through control, as defined in paragraph (e)(i) of

ENROLLED ACT NO. 39, SENATE

SIXTY-FIFTH LEGISLATURE OF THE STATE OF WYOMING
2019 GENERAL SESSION

this section. A security interest held by a secured party having control of a digital asset has priority over a security interest held by a secured party that does not have control of the asset.

(b) Before a secured party may take control of a digital asset under this section, the secured party shall enter into a control agreement with the debtor. A control agreement may also set forth the terms under which a secured party may pledge its security interest in the digital asset as collateral for another transaction.

(c) A secured party may file a financing statement with the secretary of state, including to perfect a security interest in proceeds from a digital asset pursuant to W.S. 34.1-9-315(d).

(d) Notwithstanding any other provision of law, including article 9 of the Uniform Commercial Code, title 34.1, Wyoming statutes, a transferee takes a digital asset free of any security interest two (2) years after the transferee takes the asset for value and does not have actual notice of an adverse claim. This subsection only applies to a security interest perfected by a method other than control.

(e) As used in this section:

(i) Consistent with subsection (f) of this section, "control" is equivalent to the term "possession" when used in article 9, title 34.1, Wyoming statutes and means the following:

(A) A secured party, or an agent, custodian, fiduciary or trustee of the party, has the exclusive legal authority to conduct a transaction relating to a digital

ENROLLED ACT NO. 39, SENATE

SIXTY-FIFTH LEGISLATURE OF THE STATE OF WYOMING
2019 GENERAL SESSION

asset, including by means of a private key or the use of a multi-signature arrangement authorized by the secured party;

(B) A smart contract created by a secured party which has the exclusive legal authority to conduct a transaction relating to a digital asset. As used in this subparagraph, "smart contract" means an automated transaction, as defined in W.S. 40-21-102(a)(ii), or any substantially similar analogue, which is comprised of code, script or programming language that executes the terms of an agreement, and which may include taking custody of and transferring an asset, or issuing executable instructions for these actions, based on the occurrence or nonoccurrence of specified conditions.

(ii) "Multi-signature arrangement" means a system of access control relating to a digital asset for the purposes of preventing unauthorized transactions relating to the asset, in which two (2) or more private keys are required to conduct a transaction, or any substantially similar analogue;

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

(A) Held by a person;

(B) Paired with a unique, publicly available element of cryptographic data; and

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

ENROLLED ACT NO. 39, SENATE

SIXTY-FIFTH LEGISLATURE OF THE STATE OF WYOMING
2019 GENERAL SESSION

(f) Perfection by control creates a possessory security interest and does not require physical possession. For purposes of article 9, title 34.1 and this section, a digital asset is located in Wyoming if the asset is held by a Wyoming custodian, the debtor or secured party is physically located in Wyoming or the debtor or secured party is incorporated or organized in Wyoming.

34-29-104. Digital asset custodial services.

(a) A bank may provide custodial services consistent with this section upon providing sixty (60) days written notice to the commissioner. The provisions of this section are cumulative and not exclusive as an optional framework for enhanced supervision of digital asset custody. If a bank elects to provide custodial services under this section, it shall comply with all provisions of this section.

(b) A bank may serve as a qualified custodian, as specified by the United States securities and exchange commission in 17 C.F.R. § 275.206(4)-2. In performing custodial services under this section, a bank shall:

(i) Implement all accounting, account statement, internal control, notice and other standards specified by applicable state or federal law and rules for custodial services;

(ii) Maintain information technology best practices relating to digital assets held in custody. The commissioner may specify required best practices by rule;

(iii) Fully comply with applicable federal anti-money laundering, customer identification and beneficial ownership requirements; and

ENROLLED ACT NO. 39, SENATE

SIXTY-FIFTH LEGISLATURE OF THE STATE OF WYOMING
2019 GENERAL SESSION

(iv) Take other actions necessary to carry out this section, which may include exercising fiduciary powers similar to those permitted to national banks and ensuring compliance with federal law governing digital assets classified as commodities.

(c) A bank providing custodial services shall enter into an agreement with an independent public accountant to conduct an examination conforming to the requirements of 17 C.F.R. § 275.206(4)-2(a)(4) and (6), at the cost of the bank. The accountant shall transmit the results of the examination to the commissioner within one hundred twenty (120) days of the examination and may file the results with the United States securities and exchange commission as its rules may provide. Material discrepancies in an examination shall be reported to the commissioner within one (1) day. The commissioner shall review examination results upon receipt within a reasonable time and during any regular examination conducted under W.S. 13-3-702.

(d) Digital assets held in custody under this section are not depository liabilities or assets of the bank. A bank, or a subsidiary, may register as an investment adviser, investment company or broker dealer as necessary. A bank shall maintain control over a digital asset while in custody. A customer shall elect, pursuant to a written agreement with the bank, one (1) of the following relationships for each digital asset held in custody:

(i) Custody under a bailment as a nonfungible or fungible asset. Assets held under this paragraph shall be strictly segregated from other assets; or

ENROLLED ACT NO. 39, SENATE

SIXTY-FIFTH LEGISLATURE OF THE STATE OF WYOMING
2019 GENERAL SESSION

(ii) Custody under a bailment pursuant to subsection (e) of this section.

(e) If a customer makes an election under paragraph (d)(ii) of this section, the bank may, based only on customer instructions, undertake transactions with the digital asset. A bank maintains control pursuant to subsection (d) of this section by entering into an agreement with the counterparty to a transaction which contains a time for return of the asset. The bank shall not be liable for any loss suffered with respect to a transaction under this subsection, except for liability consistent with fiduciary and trust powers as a custodian under this section.

(f) A bank and a customer shall agree in writing regarding the source code version the bank will use for each digital asset, and the treatment of each asset under the Uniform Commercial Code, title 34.1, Wyoming statutes if necessary. Any ambiguity under this subsection shall be resolved in favor of the customer.

(g) A bank shall provide clear, written notice to each customer, and require written acknowledgement, of the following:

(i) Prior to the implementation of any updates, material source code updates relating to digital assets held in custody, except in emergencies which may include security vulnerabilities;

(ii) The heightened risk of loss from transactions under subsection (e) of this section;

ENROLLED ACT NO. 39, SENATE

SIXTY-FIFTH LEGISLATURE OF THE STATE OF WYOMING
2019 GENERAL SESSION

(iii) That some risk of loss as a pro rata creditor exists as the result of custody as a fungible asset or custody under paragraph (d)(ii) of this section;

(iv) That custody under paragraph (d)(ii) of this section may not result in the digital assets of the customer being strictly segregated from other customer assets; and

(v) That the bank is not liable for losses suffered under subsection (e) of this section, except for liability consistent with fiduciary and trust powers as a custodian under this section.

(h) A bank and a customer shall agree in writing to a time period within which the bank must return a digital asset held in custody under this section. If a customer makes an election under paragraph (d)(ii) of this section, the bank and the customer may also agree in writing to the form in which the digital asset shall be returned.

(j) All ancillary or subsidiary proceeds relating to digital assets held in custody under this section shall accrue to the benefit of the customer, except as specified by a written agreement with the customer. The bank may elect not to collect certain ancillary or subsidiary proceeds, as long as the election is disclosed in writing. A customer who makes an election under paragraph (d)(i) of this section may withdraw the digital asset in a form that permits the collection of the ancillary or subsidiary proceeds.

(k) A bank shall not authorize or permit rehypothecation of digital assets under this section. The bank shall not engage in any activity to use or exercise discretionary authority relating to a digital asset except based on customer instructions.

ENROLLED ACT NO. 39, SENATE

SIXTY-FIFTH LEGISLATURE OF THE STATE OF WYOMING
2019 GENERAL SESSION

(m) A bank shall not take any action under this section which would likely impair the solvency or the safety and soundness of the bank, as determined by the commissioner after considering the nature of custodial services customary in the banking industry.

(n) Banks are not subject to the annual report license tax levied under W.S. 17-16-1630. In lieu of this tax and to offset the costs of supervision and administration of this section, a bank which provides custodial services under this section shall pay a supervision fee equal to two-tenths of one mill on the dollar (\$.0002) relating to assets held in custody under this section as of December 31 of each year, with payment of the supervision fee made on or before the following January 31. The supervision fee shall be deposited by the commissioner into the financial institutions administration account and may be expended for any purpose authorized for that account. Banks providing custodial services outside of this section shall not be required to pay this supervision fee.

(o) The commissioner may adopt rules to implement this section.

(p) As used in this section:

(i) "Bank" has the meaning ascribed to it in W.S. 13-1-101(a)(i);

(ii) "Commissioner" means the banking commissioner;

(iii) "Custodial services" means the safekeeping and management of customer currency and digital assets

ENROLLED ACT NO. 39, SENATE

SIXTY-FIFTH LEGISLATURE OF THE STATE OF WYOMING
2019 GENERAL SESSION

through the exercise of fiduciary and trust powers under this section as a custodian, and includes fund administration and the execution of customer instructions.

34-29-105. Jurisdiction of courts.

The courts of Wyoming shall have jurisdiction to hear claims in both law and equity relating to digital assets, including those arising from this chapter and the Uniform Commercial Code, title 34.1, Wyoming statutes.

34.1-1-210. Applicability of other sections.

Chapter 29, title 34, Wyoming statutes shall apply to this title.

Section 2. W.S. 13-2-101(a)(ix) is amended to read:

13-2-101. Generally.

(a) Each bank may:

(ix) Operate a trust department and exercise all powers enumerated by W.S. 13-5-101(b) and 34-29-104;

Section 3. If 2019 House Bill 0074 is enacted into law, the entity created by 2019 House Bill 0074 may exercise all powers set forth in W.S. 34-29-104 as created by this act.

Section 4. The department of audit is authorized two (2) additional full-time employees for the purposes of this act. There is appropriated one hundred seventy-five thousand six hundred four dollars (\$175,604.00) of special revenue funds from the financial institutions administration account to the department of audit. This appropriation shall be for

ORIGINAL SENATE
FILE NO. SF0125

ENGROSSED

ENROLLED ACT NO. 39, SENATE

SIXTY-FIFTH LEGISLATURE OF THE STATE OF WYOMING
2019 GENERAL SESSION

the period beginning with the effective date of this act and ending June 30, 2020.

Section 5. This act is effective July 1, 2019.

(END)

Speaker of the House

President of the Senate

Governor

TIME APPROVED: _____

DATE APPROVED: _____

I hereby certify that this act originated in the Senate.

Chief Clerk

Wyoming Blockchain Law
Money Transmitter Exemption for Virtual Currency
Enacted on March 7, 2018

ORIGINAL HOUSE
BILL NO. HB0019

ENROLLED ACT NO. 1, HOUSE OF REPRESENTATIVES

SIXTY-FOURTH LEGISLATURE OF THE STATE OF WYOMING
2018 BUDGET SESSION

AN ACT relating to trade and commerce; amending the Wyoming Money Transmitter Act to provide an exemption for virtual currency; and providing for an effective date.

Be It Enacted by the Legislature of the State of Wyoming:

Section 1. W.S. 40-22-102(a) by creating a new paragraph (xxii) and 40-22-104(a)(iv), (v) and by creating a new paragraph (vi) are amended to read:

40-22-102. Definitions.

(a) As used in this act:

(xxii) "Virtual currency" means any type of digital representation of value that:

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

(B) Is not recognized as legal tender by the United States government.

40-22-104. Exemptions.

(a) This act shall not apply to:

(iv) Banks, bank holding companies, credit unions, building and loan associations, savings and loan associations, savings banks or mutual banks organized under the laws of any state or the United States provided that they do not issue or sell payment instruments through authorized delegates or subdelegates who are not banks, bank holding companies, credit unions, building and loan

ORIGINAL HOUSE
BILL NO. HB0019

ENROLLED ACT NO. 1, HOUSE OF REPRESENTATIVES

SIXTY-FOURTH LEGISLATURE OF THE STATE OF WYOMING
2018 BUDGET SESSION

associations, savings and loan associations, savings banks or mutual banks;~~and~~

(v) Electronic transfer of government benefits for any federal, state or county governmental agency as defined in Federal Reserve Board Regulation E by a contractor for and on behalf of the United States or any department, agency or instrumentality thereof, or any state or any political subdivisions thereof;~~and~~ and

(vi) Buying, selling, issuing, or taking custody of payment instruments or stored value in the form of virtual currency or receiving virtual currency for transmission to a location within or outside the United States by any means.

ORIGINAL HOUSE
BILL NO. HB0019

ENROLLED ACT NO. 1, HOUSE OF REPRESENTATIVES

SIXTY-FOURTH LEGISLATURE OF THE STATE OF WYOMING
2018 BUDGET SESSION

Section 2. This act is effective immediately upon completion of all acts necessary for a bill to become law as provided by Article 4, Section 8 of the Wyoming Constitution.

(END)

Speaker of the House

President of the Senate

Governor

TIME APPROVED: _____

DATE APPROVED: _____

I hereby certify that this act originated in the House.

Chief Clerk

Wyoming Blockchain Law
Exemption of "Open Blockchain Tokens" from
Securities and Money Transmission Laws
Enacted: March 10, 2018

ORIGINAL HOUSE
BILL NO. HB0070

ENGROSSED

ENROLLED ACT NO. 27, HOUSE OF REPRESENTATIVES

SIXTY-FOURTH LEGISLATURE OF THE STATE OF WYOMING
2018 BUDGET SESSION

AN ACT relating to securities; providing that a person who develops, sells or facilitates the exchange of an open blockchain token is not subject to specified securities and money transmission laws; providing specified verification authority to the secretary of state and banking commissioner; making conforming amendments; and providing for an effective date.

Be It Enacted by the Legislature of the State of Wyoming:

Section 1. W.S. 17-4-206 is created to read:

17-4-206. Open blockchain token exemption.

(a) Except as otherwise provided by subsection (c) of this section, a developer or seller of an open blockchain token shall not be deemed the issuer of a security and shall not be subject to the provisions of W.S. 17-4-301 through 17-4-412 and 17-4-504 if all of the following are met:

(i) The developer or seller of the token, or the registered agent of the developer or seller, files a notice of intent with the secretary of state, as specified in subsection (d) of this section;

(ii) The purpose of the token is for a consumptive purpose, which shall only be exchangeable for, or provided for the receipt of, goods, services or content, including rights of access to goods, services or content; and

(iii) The developer or seller of the token did not sell the token to the initial buyer as a financial investment. This paragraph shall only be satisfied if:

ENROLLED ACT NO. 27, HOUSE OF REPRESENTATIVES

SIXTY-FOURTH LEGISLATURE OF THE STATE OF WYOMING
2018 BUDGET SESSION

(A) The developer or seller did not market the token as a financial investment; and

(B) At least one (1) of the following is true:

(I) The developer or seller of the token reasonably believed that it sold the token to the initial buyer for a consumptive purpose;

(II) The token has a consumptive purpose that is available at the time of sale and can be used at or near the time of sale for use for a consumptive purpose;

(III) If the token does not have a consumptive purpose available at the time of sale, the initial buyer of the token is prevented from reselling the token until the token is available for use for a consumptive purpose; or

(IV) The developer or seller takes other reasonable precautions to prevent buyers from purchasing the token as a financial investment.

(b) Except as otherwise provided by subsection (c) of this section, a person who facilitates the exchange of an open blockchain token shall not be deemed a broker-dealer or a person who otherwise deals in securities under this chapter and shall not be subject to the provisions of W.S. 17-4-301 through 17-4-412 and 17-4-504 if all of the following are met:

ENROLLED ACT NO. 27, HOUSE OF REPRESENTATIVES

SIXTY-FOURTH LEGISLATURE OF THE STATE OF WYOMING
2018 BUDGET SESSION

(i) The person, or the registered agent of the person, files a notice of intent with the secretary of state, as specified in subsection (d) of this section;

(ii) The person has a reasonable and good faith belief that a token subject to exchange conforms to the requirements of paragraphs (a)(i), (ii) and (iii) of this section; and

(iii) The person takes reasonably prompt action to terminate the exchange of a token that does not conform to the requirements of this subsection.

(c) Notwithstanding any other provision of law, a developer, seller or a person who facilitates the exchange of an open blockchain token is subject to the provisions of W.S. 17-4-501 through 17-4-503 and 17-4-505 through 17-4-510 only to the extent necessary to carry out those sections. The secretary of state shall have the authority provided under W.S. 17-4-601 through 17-4-613 to determine compliance with the provisions of this section, including whether a person qualifies for the exemptions set forth in this section. The evidentiary burdens specified in W.S. 17-4-503 shall apply in any proceeding initiated by the secretary of state pursuant to this subsection.

(d) A developer, seller or a person who facilitates the exchange of an open blockchain token, or the registered agent of the applicable person, shall electronically file a notice of intent with the secretary of state before the person shall qualify for an exemption under this section. The notice of intent shall contain the name of the person acting as a developer, seller or facilitator, the contact information of the person or the registered agent of the person and specify whether the person will be acting as a

ENROLLED ACT NO. 27, HOUSE OF REPRESENTATIVES

SIXTY-FOURTH LEGISLATURE OF THE STATE OF WYOMING
2018 BUDGET SESSION

developer, seller or facilitator. A secure form shall be made available by the office of the secretary of state on its internet website for this purpose.

(e) As used in this section, "open blockchain token" means a digital unit which is:

(i) Created:

(A) In response to the verification or collection of a specified number of transactions relating to a digital ledger or database;

(B) By deploying computer code to a blockchain network that allows for the creation of digital tokens or other units; or

(C) Using any combination of the methods specified in subparagraphs (A) and (B) of this paragraph.

(ii) Recorded in a digital ledger or database which is chronological, consensus-based, decentralized and mathematically verified in nature, especially relating to the supply of units and their distribution; and

(iii) Capable of being traded or transferred between persons without an intermediary or custodian of value.

Section 2. W.S. 17-4-102(a)(iv)(D), (E), by creating a new subparagraph (F), (xvii)(intro), (xxviii)(D), (E) and by creating a new subparagraph (F), 40-22-104(a)(iv), (v) and by creating a new paragraph (vi) and 40-22-126 by creating a new subsection (b) and by renumbering (b) through (f) as (c) through (g) are amended to read:

ENROLLED ACT NO. 27, HOUSE OF REPRESENTATIVES

SIXTY-FOURTH LEGISLATURE OF THE STATE OF WYOMING
2018 BUDGET SESSION

17-4-102. Definitions.

(a) In this act, unless the context otherwise requires:

(iv) "Broker-dealer" means a person engaged in the business of effecting transactions in securities for the account of others or for the person's own account. The term does not include:

(D) An international banking institution;
~~or~~

(E) A person excluded by rule adopted or order issued under this act; ~~or~~ or

(F) A person who facilitates the exchange of an open blockchain token, as defined in W.S. 17-4-206(e) and subject to W.S. 17-4-206(c).

(xvii) "Issuer" means a person that issues or proposes to issue a security, subject to W.S. 17-4-206(a) and (c) and the following:

(xxviii) "Security" means a note; stock; treasury stock; security future; bond; debenture; evidence of indebtedness; certificate of interest or participation in a profit-sharing agreement; collateral trust certificate; preorganization certificate or subscription; transferable share; investment contract; voting trust certificate; certificate of deposit for a security; put, call, straddle, option, or privilege on a security, certificate of deposit, or group or index of securities, including an interest therein or based on the value

ENROLLED ACT NO. 27, HOUSE OF REPRESENTATIVES

SIXTY-FOURTH LEGISLATURE OF THE STATE OF WYOMING
2018 BUDGET SESSION

thereof; put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency; or, in general, an interest or instrument commonly known as a "security"; or a certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing. The term:

(D) Includes as an "investment contract" an investment in a common enterprise with the expectation of profits to be derived primarily from the efforts of a person other than the investor and a "common enterprise" means an enterprise in which the fortunes of the investor are interwoven with those of either the person offering the investment, a third party, or other investors; ~~and~~

(E) Includes as an "investment contract," among other contracts, an interest in a limited partnership and a limited liability company and an investment in a viatical settlement or similar agreement; ~~and~~ and

(F) Does not include an open blockchain token, as defined in W.S. 17-4-206(e), except as provided by that section.

40-22-104. Exemptions.

(a) This act shall not apply to:

(iv) Banks, bank holding companies, credit unions, building and loan associations, savings and loan associations, savings banks or mutual banks organized under the laws of any state or the United States provided that they do not issue or sell payment instruments through

ENROLLED ACT NO. 27, HOUSE OF REPRESENTATIVES

SIXTY-FOURTH LEGISLATURE OF THE STATE OF WYOMING
2018 BUDGET SESSION

authorized delegates or subdelegates who are not banks, bank holding companies, credit unions, building and loan associations, savings and loan associations, savings banks or mutual banks;~~and~~

(v) Electronic transfer of government benefits for any federal, state or county governmental agency as defined in Federal Reserve Board Regulation E by a contractor for and on behalf of the United States or any department, agency or instrumentality thereof, or any state or any political subdivisions thereof;~~or~~ or

(vi) A person who develops, sells or facilitates the exchange of an open blockchain token, as defined in W.S. 17-4-206(e).

40-22-126. Unlicensed persons; verification authority regarding exemptions.

(b) If the commissioner has reason to believe a person is engaged in or is about to engage in any activity which would be subject to this act but for an exemption asserted pursuant to W.S. 40-22-104(a)(vi), and the commissioner has reason to believe the requirements of W.S. 40-22-104(a)(vi) have not been met, the commissioner may issue an order to show cause why an order to cease and desist the activity should not issue.

(c) ~~(b)~~ In an emergency, the commissioner may petition the district court for the issuance of a temporary restraining order.

(d) ~~(e)~~ An order to cease and desist becomes effective upon service upon the person.

ENROLLED ACT NO. 27, HOUSE OF REPRESENTATIVES

SIXTY-FOURTH LEGISLATURE OF THE STATE OF WYOMING
2018 BUDGET SESSION

(e) ~~(d)~~ An order to cease and desist remains effective and enforceable pending the completion of an administrative proceeding pursuant to W.S. 40-22-127 and 40-22-128.

(f) ~~(e)~~ A person served with an order to cease and desist for violating W.S. 40-22-103 may petition the district court for a judicial order setting aside, limiting, or suspending the enforcement, operation, or effectiveness of the order pending the completion of an administrative proceeding pursuant to W.S. 40-22-127 and 40-22-128.

(g) ~~(f)~~ The commissioner shall commence a contested case proceeding within twenty (20) days after issuing an order to cease and desist.

ORIGINAL HOUSE
BILL NO. HB0070

ENGROSSED

ENROLLED ACT NO. 27, HOUSE OF REPRESENTATIVES

SIXTY-FOURTH LEGISLATURE OF THE STATE OF WYOMING
2018 BUDGET SESSION

Section 3. This act is effective immediately upon completion of all acts necessary for a bill to become law as provided by Article 4, Section 8 of the Wyoming Constitution.

(END)

Speaker of the House

President of the Senate

Governor

TIME APPROVED: _____

DATE APPROVED: _____

I hereby certify that this act originated in the House.

Chief Clerk