

**Effective 5/4/2022**

## **Chapter 62 Digital Asset Management Act**

### **Part 1 General Provisions**

#### **13-62-101 Definitions.**

As used in this chapter:

- (1) "Agent" means a person who is authorized to act on behalf of an owner with respect to a digital asset.
- (2) "Control" means:
  - (a) an owner or an agent has the exclusive legal authority to conduct a transaction relating to the digital asset, including by means of a private key or the use of a multi-signature arrangement the owner or agent authorizes; or
  - (b) a secured party has created a smart contract which gives the secured party exclusive legal authority to conduct a transaction relating to a digital security.
- (3)
  - (a) "Digital asset" means a representation of economic, proprietary, or access rights that is stored in a computer readable format.
  - (b) "Digital asset" includes:
    - (i) a digital user asset; or
    - (ii) a digital security.
- (4) "Digital security" means a digital asset which constitutes a security, as that term is defined in Section 70A-8-101.
- (5)
  - (a) "Digital user asset" means a digital asset that is used or bought primarily for consumptive, personal, or household purposes.
  - (b) "Digital user asset" includes an open blockchain token.
  - (c) "Digital user asset" does not include a digital security.
- (6) "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 or more private keys are required to conduct a transaction.
- (7) "Private key" means a unique element of cryptographic data, 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.
- (8) "Smart contract" means a transaction 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 a digital asset, or issuing executable instructions for these actions, based on the occurrence or nonoccurrence of specified conditions.

Enacted by Chapter 448, 2022 General Session

#### **13-62-102 Ownership of digital assets.**

- (1) Digital securities are intangible personal property and shall be considered securities and investment property for purposes of this chapter, Title 70A, Chapter 8, Uniform Commercial Code - Investment Securities, and Title 70A, Chapter 9a, Uniform Commercial Code - Secured Transactions.
- (2) An owner of a digital user asset may demonstrate ownership of the digital user asset through control.
- (3) Nothing in this chapter shall be interpreted to restrict or impair an owner's right to own a digital asset.

Enacted by Chapter 448, 2022 General Session