

BLOCKCHAIN PROVIDER REGISTRATION

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Trevor Lee

Senate Sponsor: Kirk A. Cullimore

LONG TITLE

General Description:

This bill creates the Noncustodial Blockchain Registry.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ creates the Noncustodial Blockchain Registry (registry) within the Utah Office of Regulatory Relief (office);
- ▶ describes registry application, renewal, and removal requirements;
- ▶ requires the office to issue a certificate of registration after placing an applicant on the registry;
- ▶ provides administrative rulemaking authority; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

63N-16-401, Utah Code Annotated 1953

63N-16-402, Utah Code Annotated 1953

63N-16-403, Utah Code Annotated 1953

29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **63N-16-401** is enacted to read:

Part 4. Noncustodial Blockchain Registry

63N-16-401. Definitions.

(1) "Blockchain company" means an entity that uses blockchain technology to facilitate financial transactions between users.

(2) "Noncustodial blockchain company" means a blockchain company that does not have possession or control of a user's private key.

(3) "Private key" means the same as that term is defined in Section [13-62-101](#).

(4) "Registry" means the Noncustodial Blockchain Registry described in Section [63N-16-402](#).

(5) "User" means a person who engages in a financial transaction through a blockchain company.

Section 2. Section **63N-16-402** is enacted to read:

63N-16-402. Noncustodial Blockchain Registry -- Contents -- Rulemaking.

(1) The regulatory relief office shall maintain a Noncustodial Blockchain Registry that lists noncustodial blockchain companies conducting business in the state.

(2) For each registered noncustodial blockchain company, the regulatory relief office shall include on the registry:

(a) the name of the noncustodial blockchain company; and

(b) the noncustodial blockchain company's authorized agents in the state, if any.

(3) The regulatory relief office may make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to administer the registry.

Section 3. Section **63N-16-403** is enacted to read:

63N-16-403. Registry application -- Certificate -- Renewal -- Removal -- Notice.

(1) (a) Subject to Subsection (1)(b), an applicant for placement on the registry shall

56 provide to the regulatory relief office:

57 (i) an application in a form prescribed by the regulatory relief office; and

58 (ii) a fee established by the regulatory relief office in accordance with Section

59 [63J-1-504.](#)

60 (b) The application shall include:

61 (i) a place for the name of the applicant, including any trade name used by the

62 applicant in the conduct of the applicant's business;

63 (ii) a place for a description of the activities conducted by the applicant in the state;

64 (iii) a place for the applicant to list the applicant's:

65 (A) authorized agents in the state, if any; and

66 (B) website URL;

67 (iv) a description of general noncustodial blockchain company activities;

68 (v) a place for the applicant to acknowledge that the applicant is a noncustodial

69 blockchain company; and

70 (vi) a statement notifying the applicant that the applicant may be removed from the

71 registry if the applicant:

72 (A) ceases to operate as a noncustodial blockchain company; or

73 (B) engages in unlawful activity.

74 (2) (a) Upon receipt of the application and fee described in Subsection (1), the

75 regulatory relief office shall:

76 (i) place the applicant on the registry; and

77 (ii) issue a certificate of registration to the applicant.

78 (b) A noncustodial blockchain company's registration expires one year after the day on

79 which the noncustodial blockchain company is placed on the registry.

80 (c) A noncustodial blockchain company may renew the noncustodial blockchain

81 company's registration by providing to the regulatory relief office:

82 (i) a renewal application in a form prescribed by the regulatory relief office; and

83 (ii) a renewal fee established by the regulatory relief office in accordance with Section
84 63J-1-504.

85 (3) A registered noncustodial blockchain company:

86 (a) shall immediately provide written notice to the regulatory relief office upon ceasing
87 to operate as a noncustodial blockchain company; and

88 (b) may request removal from the registry in writing.

89 (4) The regulatory relief office shall remove a registered noncustodial blockchain
90 company from the registry if:

91 (a) the noncustodial blockchain company's registration expires without renewal;

92 (b) the noncustodial blockchain company provides the notice or request described in
93 Subsection (3); or

94 (c) the regulatory relief office knows or has reason to know the noncustodial
95 blockchain company is engaging in unlawful activity.