

BLOCKCHAIN PROVIDER REGISTRATION

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Trevor Lee

Senate Sponsor: _____

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 and renewal 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



28 [63N-16-403](#), Utah Code Annotated 1953



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

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

32 **Part 4. Noncustodial Blockchain Registry**

33 **63N-16-401. Definitions.**

34 (1) "Blockchain" means the same as that term is defined in Section [7-25-102](#).

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

37 (3) "Blockchain token" means the same as that term is defined in Section [7-25-102](#).

38 (4) "Noncustodial blockchain company" means a blockchain company that does not
39 have possession or control of a user's blockchain token.

40 (5) "Registry" means the Noncustodial Blockchain Registry described in Section
41 [63N-16-402](#).

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

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

45 **63N-16-402. Noncustodial Blockchain Registry -- Contents -- Rulemaking.**

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

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

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

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

52 (c) the date the noncustodial blockchain company is placed on the registry.

53 (3) The regulatory relief office may make rules in accordance with Title 63G, Chapter
54 3, Utah Administrative Rulemaking Act, to administer the registry.

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

56 **63N-16-403. Registry application -- Certificate -- Removal -- Notice.**

57 (1) (a) Subject to Subsection (1)(b), an applicant for placement on the registry shall
58 provide to the regulatory relief office an application in a form prescribed by the regulatory

59 relief office.

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 authorized agents in the state, if any;

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

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

67 blockchain company; and

68 (vi) a statement notifying the applicant that the applicant will be removed from the
69 registry if the applicant ceases to operate as a noncustodial blockchain company.

70 (2) Upon receipt of a completed application, the regulatory relief office shall:

71 (a) place the applicant on the registry; and

72 (b) issue a certificate of registration to the applicant.

73 (3) (a) After issuance of a certificate under Subsection (2), the regulatory relief office

74 shall include the noncustodial blockchain company on the registry unless, in accordance with

75 Subsection (4), the noncustodial blockchain company:

76 (i) requests removal from the registry in writing; or

77 (ii) notifies the regulatory relief office that the noncustodial blockchain company is no
78 longer functioning as a noncustodial blockchain company.

79 (b) Upon receipt of a request or notice described in Subsection (4), the regulatory relief
80 office shall remove the noncustodial blockchain company from the registry.

81 (4) A registered noncustodial blockchain company:

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

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