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# A BILL FOR AN ACT

RELATING TO VIRTUAL CURRENCY.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Section 489D-5, Hawaii Revised Statutes, is  
2 amended to read as follows:

3           "**§489D-5 Exclusions.** (a) This chapter shall not apply  
4 to:

- 5           (1) The United States or any department, agency, or  
6           instrumentality thereof;
- 7           (2) The United States Postal Service;
- 8           (3) The State or any political subdivisions thereof; [~~and~~]
- 9           (4) The electronic transfer of government benefits for any  
10           federal, state, or county governmental agency as  
11           defined in Consumer Financial Protection Bureau  
12           Regulation E, by a contractor for, and on behalf of  
13           the United States or any department, agency, or  
14           instrumentality thereof, or any state or any political  
15           subdivisions thereof [-]; and



1       (5) The electronic transfer of virtual currency through  
2       virtual currency companies and cryptocurrency  
3       companies.

4       (b) Authorized delegates of a licensee acting within the  
5 scope of authority conferred by a written contract under section  
6 489D-21 shall not be required to obtain a license pursuant to  
7 this chapter.

8       (c) For purposes of this section:

9       "Cryptocurrency" means a virtual currency that uses  
10 cryptography to secure transactions that are digitally recorded  
11 on a distributed ledger, such as a blockchain.

12       "Virtual currency" means a digital representation of value  
13 that is not a real currency that functions as a unit of account,  
14 a store of value, and a medium of exchange."

15       SECTION 2. Statutory material to be repealed is bracketed  
16 and stricken. New statutory material is underscored.

17       SECTION 3. This Act shall take effect upon its approval.



**S.B. NO.** 2697  
S.D. 1

**Report Title:**

Virtual Currency; Money Transmitters Act; Exclusion

**Description:**

Excludes the electronic transfer of virtual currency through virtual currency companies and cryptocurrency companies from the Money Transmitters Modernization Act. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

