

North carolina new specific bitcoin bill



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Bill approved by North Carolina House seeks to enact Money Transmitters Act.

A new bill has been approved by the North Carolina House of Representatives for specific regulation of digital currencies such as bitcoin and has been moved to the state of Senate for further deliberation.

House Bill 289 seeks to enact the North Carolina Money Transmitters Act, which would specifically address the transmission of virtual currencies such as bitcoin.

The bill was submitted by Stephen M. Ross, who is a Republican Representative and who also serves as a vice president and investment officer at Wells Fargo.

He filed the bill on behalf of the North Carolina's Commissioner of Banks (NCCOB).

A spokesman for North Carolina's Commissioner of Banks stated, " Like existing law, the bill requires bitcoin transmitter to obtain a license from our office.

The Bill, however, clarifies that only virtual currency transmission involving a personal, family or household purpose (as opposed to business-oriented transmission) is subject to the Money Transmitters Act. It also defines virtual currency consistently with federal financial regulation."

The existing Money Transmitters Act, which was enacted in 2001, already regulates non- bank companies that engage in the business of transmitting

funds on behalf of others in a bid to prevent money laundering and financing of terrorist activities.

In a summary, which was amended by North Carolina's General Assembly, it was stated that the House Bill 289 would replace the current statutory article with a new one, incorporating much of the existing law and shed additional clarity on specific features requested by the NCOOB.

“ These [virtual currency] payment systems are currently subject to the act, but industry has requested clarification of the law to take into account the changes that have occurred since the law was written.

It would exclude certain business-to- business money transmission activity. It would revise the cost structure by replacing the examination fee and annual renewal fee with an annual assessment based on North Carolina transmission volume. It would convert the annual license into a perpetual license.”

The Bill was approved by the House of Representatives on 12th of May, with 117 votes in favor and one against.

The passage of the bill through North Carolina House of Representatives comes amid growing activity among state legislators in the United States in regards to digital currency.

A spokesman for the NCOOB stated about the effort began following FinCEN's 2014 guidance for money service businesses, when asked about the timing of bill submission,

“ In 2014, we began receiving applications for virtual currency license under the Money Transmitters Act. At that time, we realized that while virtual currency transmission was subject to the existing MTA, that version of the law left many issues unresolved.”

The spokesman also explained that the agency initially started to approach digital currency oversight through rule- making, but ultimately decided to pursue a legislative route.