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# HOUSE CONCURRENT RESOLUTION

REQUESTING THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS,  
FOLLOWING THE COMPLETION OF THE DEPARTMENT OF COMMERCE AND  
CONSUMER AFFAIRS' DIVISION OF FINANCIAL INSTITUTIONS' AND  
HAWAII TECHNOLOGY DEVELOPMENT CORPORATION'S STUDY, TO  
RECONSIDER ITS 2016 RULING ON ASSET RESERVE REQUIREMENTS  
FOR DIGITAL CURRENCY COMPANIES, VIRTUAL CURRENCY COMPANIES,  
AND CRYPTOCURRENCY COMPANIES TO CONDUCT BUSINESS IN HAWAII  
AND TO ALIGN THE STATE'S ASSET RESERVE REQUIREMENTS FOR  
THESE COMPANIES WITH THE ASSET RESERVE REQUIREMENTS IN  
OTHER STATES.

1           WHEREAS, cryptocurrency is an evolving technology globally  
2 with much still to be explored and assessed; and

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4           WHEREAS, both cryptocurrency and virtual currency are forms  
5 of digital currency, which is the blanket term used to describe  
6 all electronic money; and

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8           WHEREAS, according to the Federal Trade Commission,  
9 cryptocurrency is digital money, which means there is no  
10 physical coin or bill; rather, cryptocurrency is stored in a  
11 digital wallet, and either online, on a computer, or on other  
12 hardware; and

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14           WHEREAS, cryptocurrencies are not issued or backed by the  
15 United States government or any other government or central  
16 bank; and

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18           WHEREAS, in 2016, the Department of Commerce and Consumer  
19 Affairs' Division of Financial Institutions issued requirements  
20 for applicants that trade, transmit, or store digital currency  
21 in the State, including subjecting digital currency companies to  
22 licensing, asset reserve, and financial statement requirements,



1 and indicated that digital currency value is not a permissible  
2 investment under the Money Transmitters Act; and

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4 WHEREAS, the 2016 Division of Financial Institutions'  
5 requirements interpreted state law governing money transmitter  
6 businesses as applying to digital currency companies, which  
7 subjected these companies to licensing and asset reserve  
8 requirements that were too burdensome for them to do business in  
9 Hawaii; and

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11 WHEREAS, the Digital Currency Innovation Lab Pilot Program  
12 was created through a partnership between the Division of  
13 Financial Institutions and Hawaii Technology Development  
14 Corporation; and

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16 WHEREAS, under the Digital Currency Innovation Lab Pilot  
17 Program, it is illegal for digital currency companies to allow  
18 Hawaii-based consumers access to their platforms without a  
19 license unless a digital currency company is in the Digital  
20 Currency Innovation Lab; now, therefore,

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22 BE IT RESOLVED by the House of Representatives of the  
23 Thirty-first Legislature of the State of Hawaii, Regular Session  
24 of 2021, the Senate concurring, that the Department of Commerce  
25 and Consumer Affairs, following the completion of the Department  
26 of Commerce and Consumer Affairs' Division of Financial  
27 Institutions' and Hawaii Technology Development Corporation's  
28 study, is requested to reconsider its 2016 ruling on asset  
29 reserve requirements for digital currency companies, virtual  
30 currency companies, and cryptocurrency companies to conduct  
31 business in Hawaii and to align the State's asset reserve  
32 requirements for these companies with the asset reserve  
33 requirements in other states; and

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35 BE IT FURTHER RESOLVED that certified copies of this  
36 Concurrent Resolution be transmitted to the Director of Commerce  
37 and Consumer Affairs; Commissioner of Financial Institutions;  
38 and Executive Director and Chief Executive Officer of the Hawaii  
39 Technology and Development Corporation.

