
HOUSE CONCURRENT RESOLUTION

REQUESTING THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS'
DIVISION OF FINANCIAL INSTITUTIONS AND THE HAWAII
TECHNOLOGY DEVELOPMENT CORPORATION TO EXTEND THE DIGITAL
CURRENCY INNOVATION LAB PILOT PROJECT.

1 WHEREAS, cryptocurrency has grown in popularity and
2 acceptance nationwide, but there is little regulation of the
3 industry; and
4

5 WHEREAS, according to the Federal Trade Commission,
6 cryptocurrency is digital money, which is the blanket term used
7 to describe any money-like asset that is primarily managed,
8 stored, or exchanged using internet technology; and
9

10 WHEREAS, digital currency does not have a physical form
11 like banknotes or minted coins, are not typically issued or
12 backed by the United States government or any other government
13 or central bank, and are not considered legal tender in most
14 countries; and
15

16 WHEREAS, in 2016, the Department of Commerce and Consumer
17 Affairs' Division of Financial Institutions found that digital
18 currency transactions differ from money transmissions and that
19 subjecting digital currency companies, virtual currency
20 companies, and cryptocurrency companies to the licensing and
21 asset reserve scheme under the Money Transmitters Modernization
22 Act under chapter 489D, Hawaii Revised Statutes, made it too
23 burdensome for these companies to do business in the State; and
24

25 WHEREAS, the Division of Financial Institutions of the
26 Department of Commerce and Consumer Affairs and the Hawaii
27 Technology Development Corporation have jointly created a two-
28 year sandbox, called the Digital Currency Innovation Lab (DCIL)
29 pilot project, to allow for limited activity of digital currency
30 companies, virtual currency companies, and cryptocurrency
31 companies in the State to better understand the cryptocurrency



1 industry and determine the best method for its regulation and
2 oversight; and

3
4 WHEREAS, there are approximately sixty-one thousand digital
5 currency consumers who have completed more than \$611,000,000 in
6 transactions with the fifteen cryptocurrency-based companies
7 that have been accepted into the DCIL pilot project; and

8
9 WHEREAS, with the termination of the DCIL pilot project on
10 June 30, 2022, these digital currency consumers will have no
11 choice but to empty and close their digital wallets by
12 December 31, 2022; and

13
14 WHEREAS, the results of the DCIL pilot program has
15 confirmed the popularity and versatility of digital currency
16 transactions and the need for more comprehensive regulation of
17 digital currency; and

18
19 WHEREAS, the Legislature has yet to pass a measure that
20 either exempts digital currency from the Money Transmitters Act
21 or regulates digital currency within the State; now, therefore,

22
23 BE IT RESOLVED by the House of Representatives of the
24 Thirty-first Legislature of the State of Hawaii, Regular Session
25 of 2022, the Senate concurring, that the Department of Commerce
26 and Consumer Affairs' Division of Financial Institutions and
27 Hawaii Technology Development Corporation are requested to
28 extend the Digital Currency Innovation Lab pilot project for
29 another two years or until legislation is enacted that provides
30 for a digital currency licensure program, whichever occurs
31 first; and

32
33 BE IT FURTHER RESOLVED that certified copies of this
34 Concurrent Resolution be transmitted to the Commissioner of
35 Financial Institutions and Executive Director of the Hawaii
36 Technology Development Corporation.

37
38
39 OFFERED BY:



MAR 11 2022

