
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 nationwide,
2 but there is little regulation of the industry; and

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

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

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

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



1 companies in the State to better understand the cryptocurrency
2 industry and determine the best method for its regulation and
3 oversight; and

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

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

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

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

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

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

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