

MAR 08 2022

---

# SENATE 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



# S.C.R. NO. 30

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

