

HOUSE BILL NO. HB0070

Open blockchain tokens-exemptions.

Sponsored by: Representative(s) Lindholm, Brown, Clem,
Harshman, Larsen, Miller and Olsen and
Senator(s) Agar, Case, Driskill, Nethercott
and Rothfuss

A BILL

for

1 AN ACT relating to securities; providing that a person who
2 develops, sells or facilitates the exchange of an open
3 blockchain token is not subject to specified securities and
4 money transmission laws; making conforming amendments; and
5 providing for an effective date.

6

7 *Be It Enacted by the Legislature of the State of Wyoming:*

8

9 **Section 1.** W.S. 17-4-206 is created to read:

10

11 **17-4-206. Open blockchain token exemption.**

12

13 (a) A developer or seller of an open blockchain token
14 shall not be deemed the issuer of a security and shall not

1 be subject to the provisions of W.S. 17-4-301 through
2 17-4-510 if all of the following are met:

3

4 (i) The token has not been marketed by the
5 developer or seller as an investment;

6

7 (ii) The token is exchangeable for goods or
8 services; and

9

10 (iii) The developer or seller of the token has
11 not entered into a repurchase agreement of any kind or
12 entered into an agreement to locate a buyer for the token.

13

14 (b) A person who facilitates the exchange of an open
15 blockchain token shall not be deemed a broker-dealer or a
16 person who otherwise deals in securities under this chapter
17 and shall not be subject to the provisions of W.S. 17-4-301
18 through 17-4-510 if all of the following are met:

19

20 (i) The person has a reasonable and good faith
21 belief that a token subject to exchange:

22

1 (A) Conforms to the requirements of
2 paragraphs (a)(i) and (ii) of this section; and

3

4 (B) Is not the subject of a repurchase
5 agreement of any kind or the subject of an agreement to
6 locate a buyer for the token.

7

8 (ii) The person takes reasonably prompt action
9 to terminate the exchange of a token that does not conform
10 to the requirements of this subsection.

11

12 (c) As used in this section, "open blockchain token"
13 means a digital unit which is:

14

15 (i) Created:

16

17 (A) In response to the verification or
18 collection of a specified number of transactions relating
19 to a digital ledger or database;

20

21 (B) Based on random selection or the
22 possession or age of existing units; or

23

1 (C) Using any combination of the methods
2 specified in subparagraphs (A) and (B) of this paragraph.

3

4 (ii) Recorded in a digital ledger or database
5 which is chronological, consensus-based, decentralized and
6 mathematically verified in nature, especially relating to
7 the supply of units and their distribution; and

8

9 (iii) Capable of being traded or transferred
10 between persons without an intermediary or custodian of
11 value.

12

13 **Section 2.** W.S. 17-4-102(a)(iv)(D), (E), by creating
14 a new subparagraph (F), (xvii)(intro), (xxviii)(D), (E) and
15 by creating a new subparagraph (F) and 40-22-104(a)(iv),
16 (v) and by creating a new paragraph (vi) are amended to
17 read:

18

19 **17-4-102. Definitions.**

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21 (a) In this act, unless the context otherwise
22 requires:

23

1 (iv) "Broker-dealer" means a person engaged in
2 the business of effecting transactions in securities for
3 the account of others or for the person's own account. The
4 term does not include:

5

6 (D) An international banking institution;
7 ~~or~~

8

9 (E) A person excluded by rule adopted or
10 order issued under this act; ~~+~~ or

11

12 (F) A person who facilitates the exchange
13 of an open blockchain token, as defined in W.S.
14 17-4-206(c).

15

16 (xvii) "Issuer" means a person that issues or
17 proposes to issue a security, subject to W.S. 17-4-206(a)
18 and the following:

19

20 (xxviii) "Security" means a note; stock;
21 treasury stock; security future; bond; debenture; evidence
22 of indebtedness; certificate of interest or participation
23 in a profit-sharing agreement; collateral trust

1 certificate; preorganization certificate or subscription;
2 transferable share; investment contract; voting trust
3 certificate; certificate of deposit for a security; put,
4 call, straddle, option, or privilege on a security,
5 certificate of deposit, or group or index of securities,
6 including an interest therein or based on the value
7 thereof; put, call, straddle, option, or privilege entered
8 into on a national securities exchange relating to foreign
9 currency; or, in general, an interest or instrument
10 commonly known as a "security"; or a certificate of
11 interest or participation in, temporary or interim
12 certificate for, receipt for, guarantee of, or warrant or
13 right to subscribe to or purchase, any of the foregoing.

14 The term:

15

16 (D) Includes as an "investment contract" an
17 investment in a common enterprise with the expectation of
18 profits to be derived primarily from the efforts of a
19 person other than the investor and a "common enterprise"
20 means an enterprise in which the fortunes of the investor
21 are interwoven with those of either the person offering the
22 investment, a third party, or other investors; ~~and~~

23

1 (E) Includes as an "investment contract,"
2 among other contracts, an interest in a limited partnership
3 and a limited liability company and an investment in a
4 viatical settlement or similar agreement;~~;~~ and

5
6 (F) Does not include an open blockchain
7 token, as defined in W.S. 17-4-206(c).

8
9 **40-22-104. Exemptions.**

10
11 (a) This act shall not apply to:

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13 (iv) Banks, bank holding companies, credit
14 unions, building and loan associations, savings and loan
15 associations, savings banks or mutual banks organized under
16 the laws of any state or the United States provided that
17 they do not issue or sell payment instruments through
18 authorized delegates or subdelegates who are not banks,
19 bank holding companies, credit unions, building and loan
20 associations, savings and loan associations, savings banks
21 or mutual banks;~~and~~

22

1 (v) Electronic transfer of government benefits
2 for any federal, state or county governmental agency as
3 defined in Federal Reserve Board Regulation E by a
4 contractor for and on behalf of the United States or any
5 department, agency or instrumentality thereof, or any state
6 or any political subdivisions thereof; ~~or~~ or

7

8 (vi) A person who develops, sells or facilitates
9 the exchange of an open blockchain token, as defined in
10 W.S. 17-4-206(c).

11

12 **Section 3.** This act is effective July 1, 2018.

13

14

(END)