

Draft Only
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**SUMMARY of
PROCEEDINGS**



**SELECT COMMITTEE ON BLOCKCHAIN, FINANCIAL TECHNOLOGY AND
DIGITAL INNOVATION TECHNOLOGY**

COMMITTEE MEETING INFORMATION

May 22, 2020 | 12:30 PM

Online only

The meeting will be held remotely due to the COVID-19 health emergency
Cheyenne, Wyoming

COMMITTEE MEMBERS PRESENT

Senator Chris Rothfuss, Co-chairman
Representative Jared Olsen, Co-chairman
Senator Dan Dockstader
Senator Ogden Driskill
Senator Tara Nethercott
Representative Mike Greear
Representative Tyler Lindholm
Representative Mike Yin
Matthew D. Kaufman
Caitlin Long
Joel Revill

LEGISLATIVE SERVICE OFFICE STAFF

David Hopkinson, Staff Attorney
Kelley Shepp, Research Analyst

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EXECUTIVE SUMMARY

The Select Committee on Blockchain, Financial Technology and Digital Innovation Technology (Committee) met online for one day to receive updates from state agencies and stakeholders related to digital property and related topics.

CALL TO ORDER

Co-Chairman Rothfuss called the meeting to order at 12:30 PM. The following sections summarize the Committee proceedings by topic. Please refer to ([Appendix 1-01](#)) to review the Committee Meeting Agenda.

TASK FORCE UPDATES

Division of Banking

Albert Forkner, Commissioner, Division of Banking and Chris Land, General Counsel, Division of Banking gave the Committee an update on Financial Technology (FinTech) activities in Wyoming ([Appendix 2-02](#)) including Special Purpose Depository Institution (SPDI) applications, emergency rules, and stakeholder engagement. Commissioner Forkner noted that the Division has accepted one application for a SPDI and have two additional applications waiting to be filed.

Commissioner Forkner explained that the Division has joined the Global Financial Innovation Network, a worldwide association of FinTech regulators along with the American Consumer Financial Innovation Network, the association of state regulators.

Commissioner Forkner and Mr. Land also discussed the FinTech sandbox law recently enacted. Commissioner Forkner noted that while the Division has been in discussions with companies about the FinTech sandbox, there have not been any applications at this time. Commissioner Forkner discussed other sandbox jurisdictions including Arizona, Florida, Utah, and West Virginia.

Commissioner Forkner and Mr. Land presented information related to regulating digital assets ([Appendix 2-01](#)), FinTech in Wyoming ([Appendix 2-03](#)), Know Your Customer (KYC), and Anti-Money Laundering (AML) issues.

Secretary of State

Karen Wheeler, Deputy Secretary of State and Kelly Janes, Compliance Division Director, Secretary of State's Office, provided the Committee with an update on blockchain activities including utility tokens and FinTech sandboxes ([Appendix 2-04](#)). Ms. Janes discussed implementing rules for the sandboxes and noted that the Secretary of State's Office has received 4 requests for the sandbox application. Ms. Janes also discussed the fee for notice of intent to file applications and noted that the number of filings has declined.

Deputy Wheeler discussed the Secretary of State's efforts to implement a blockchain filing system and application programming interface (API) development but noted that due to COVID-19 and the upcoming elections the project has been placed on hold.

Public Comment

The following individuals provided public comment in the following order:

Scott Meier, Wyoming Banking Association
 Jin VanStee, IBM
 Christopher Allen, Blockchain Commons

Task Force Action

Representative Lindholm moved that the Committee appoint a subcommittee to work with the Division of Banking on draft legislation related to digital identity, KYC, and AML issues for the Committee to consider. The motion was adopted by a voice vote.

DIGITAL PROPERTY UPDATES

Christopher Allen, Blockchain Commons, discussed the disclosure of private cryptographic keys ([Appendix 4-01](#)) and asked the Committee to reintroduce 2020 HB0041 as it is important to the security of blockchain technology and digital identity.

Mr. Allen also discussed issues regarding digital assets and custody, including the need for more clarification, and the need for technological adjustments related to custody regulation. Additionally, Mr. Allen commented on cryptocurrency payments to attorneys, the decentralized registration of companies and registered agents.

Emma Channing, ConsenSys, provided the Committee an update of the recent activities of ConsenSys ([Appendix 4-02](#)). Ms. Channing also discussed the benefits of asset digitization, issues with SPDI's in Wyoming, benefits of using municipal bonds, and allowing blockchain based property records.

Mr. Pope, CPA, discussed real estate tokenization ([Appendix 4-03](#)) and asked the Committee to work toward allowing the direct tokenization of real property. Mr. Pope explained the current status of real estate tokenization, benefits and barriers, and the next steps to take moving forward.

Marco Santori, Kraken, explained that his company would like to establish a business footprint in Wyoming and is working with the Division of Banking to submit an application for a SPDI.

Public Comment

The following individual provided public comment:

Bob Cornish, Anderson Kill

COUNTY CLERK UPDATES

The Committee did not hear testimony regarding county clerk updates. However, the Carbon and Teton County Clerks provided the following information ([Appendix 6-03](#))([Appendix 6-02](#)).

MEETING ADJOURNMENT

There being no further business, Co-Chairman Rothfuss adjourned the meeting at 5:30 PM.

Respectfully submitted,

Co-Chairman Jared Olsen

Committee Meeting Materials Index

Index Number	Agenda Item	Document Description	Document Provider
1-01		Agenda	LSO
2-01	Task Force Updates	Regulating Digital Assets	Division of Banking
2-02	Task Force Updates	Select Committee Update	Division of Banking
2-03	Task Force Updates	Wyoming's Ecosystem for Fintech	Division of Banking
2-04	Task Force Updates	Secretary of State Update	Secretary of State
4-01	Digital Property Updates	Blockchain Commons Letter	Christopher Allen
4-02	Digital Property Updates	ConsenSys	Emma Channing
4-03	Digital Property Updates	Real Estate Tokenization	David Pope
6-02	County Clerk Updates	Carbon County update	Gwynn Bartlett, Carbon County Clerk
6-03	County Clerk Updates	Teton County Update	Sherry Daigle, Teton County C