



## Notice of Intent to Adopt Rules

A copy of the proposed rules may be obtained at <http://rules.wyo.gov>

Revised July 2019

### **1. General Information**

a. Agency/Board Name*		
b. Agency/Board Address	c. City	d. Zip Code
e. Name of Agency Liaison	f. Agency Liaison Telephone Number	
g. Agency Liaison Email Address		
h. Date of Public Notice	i. Comment Period End Date	
j. Public Comment URL or Email Address:		
k. Program		
* <input type="checkbox"/> By checking this box, the agency is indicating it is exempt from certain sections of the Administrative Procedure Act including public comment period requirements. Please contact the agency for details regarding these rules.		

**2. Legislative Enactment** For purposes of this Section 2, "new" only applies to regular non-emergency rules promulgated in response to a Wyoming legislative enactment not previously addressed in whole or in part by prior rulemaking and does not include rules adopted in response to a federal mandate.

a. Are these non-emergency regular rules new as per the above description and the definition of "new" in Chapter 1 of the Rules on Rules?

☐ No. ☐ Yes. If the rules are new, please provide the Chapter Numbers and Years Enacted (e.g. 2015 Session Laws Chapter 154):

**3. Rule Type and Information** For purposes of this Section 3, "New" means an emergency or regular rule that has never been previously created.

a. Provide the Chapter Number, Title\* and Proposed Action for Each Chapter. Please use the "Additional Rule Information" form to identify additional rule chapters.

Chapter Number:	Chapter Name:	<input type="checkbox"/> New <input type="checkbox"/> Amended <input type="checkbox"/> Repealed
Chapter Number:	Chapter Name:	<input type="checkbox"/> New <input type="checkbox"/> Amended <input type="checkbox"/> Repealed
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Chapter Number:	Chapter Name:	<input type="checkbox"/> New <input type="checkbox"/> Amended <input type="checkbox"/> Repealed
Chapter Number:	Chapter Name:	<input type="checkbox"/> New <input type="checkbox"/> Amended <input type="checkbox"/> Repealed

\* If the name of a chapter of rules is changing, please provide the NEW chapter name in parenthesis following the OLD chapter name. *Example:* Old Chapter Name: General Provisions; New Chapter Name: General Provisions and Requirements. This would appear as "General Provisions (General Provisions and Requirements)."

#### **4. Public Comments and Hearing Information**

a. A public hearing on the proposed rules has been scheduled. ☐ No. ☐ Yes. Please complete the boxes below.

Date:	Time:	City:	Location:

b. What is the manner in which interested persons may present their views on the rulemaking action?

☐ By submitting written comments to the Agency at the physical and/or email address listed in Section 1 above.

☐ At the following URL: \_\_\_\_\_

A public hearing will be held if requested by 25 persons, a government subdivision, or by an association having not less than 25 members. Requests for a public hearing may be submitted:

☐ To the Agency at the physical and/or email address listed in Section 1 above.

☐ At the following URL: \_\_\_\_\_

c. Any person may urge the Agency not to adopt the rules and request the Agency to state its reasons for overruling the consideration urged against adoption. Requests for an agency response must be made prior to, or within thirty (30) days after adoption, of the rule, addressed to the Agency and Agency Liaison listed in Section 1 above.

#### **5. Federal Law Requirements**

a. These rules are created/amended/repealed to comply with federal law or regulatory requirements. ☐ No. ☐ Yes. Please complete the boxes below.

Applicable Federal Law or Regulation Citation:	
Indicate one (1):	
<input type="checkbox"/> The proposed rules meet, but do not exceed, minimum federal requirements.	
<input type="checkbox"/> The proposed rules exceed minimum federal requirements.	
Any person wishing to object to the accuracy of any information provided by the Agency under this item should submit their objections prior to final adoption to:	
<input type="checkbox"/> To the Agency at the physical and/or email address listed in Section 1 above.	
<input type="checkbox"/> At the following URL: _____	

#### **6. State Statutory Requirements**

a. Indicate one (1):

☐ The proposed rule change *MEETS* minimum substantive statutory requirements.

☐ The proposed rule change *EXCEEDS* minimum substantive statutory requirements. Please attach a statement explaining the reason that the rules exceed the requirements.

b. ☐ The Agency has completed a takings assessment as required by W.S. 9-5-304. A copy of the assessment used to evaluate the proposed rules may be obtained:

☐ By contacting the Agency at the physical and/or email address listed in Section 1 above.

☐ At the following URL: \_\_\_\_\_

## **7. Additional APA Provisions**

a. Complete all that apply in regards to uniform rules:

☐ These rules are not impacted by the uniform rules identified in the Administrative Procedure Act, W.S. 16-3-103(j).

☐ The following chapters do not differ from the uniform rules identified in the Administrative Procedure Act, W.S. 16-3-103(j):

\_\_\_\_\_  
(Provide chapter numbers)

☐ These chapters differ from the uniform rules identified in the Administrative Procedure Act, W.S. 16-3-103(j) (see Statement of Principal Reasons).

\_\_\_\_\_  
(Provide chapter numbers)

b. Checklist

☐ The Statement of Principal Reasons is attached to this Notice and, in compliance with *Tri-State Generation and Transmission Association, Inc. v. Environmental Quality Council*, 590 P.2d 1324 (Wyo. 1979), includes a brief statement of the substance or terms of the rule and the basis and purpose of the rule.

☐ If applicable: In consultation with the Attorney General's Office, the Agency's Attorney General representative concurs that strike and underscore is not required as the proposed amendments are pervasive (Chapter 3, *Types of Rules Filings*, Section 1, Proposed Rules, of the Rules on Rules).

## **8. Authorization**

a. I certify that the foregoing information is correct.

*Printed Name of Authorized Individual*

*Title of Authorized Individual*

*Date of Authorization*



# STATE OF WYOMING

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## DEPARTMENT OF AUDIT

**DIVISION OF BANKING**  
Phone: (307) 777-7797 Fax: (307) 777-3555

**Mark Gordon**  
Governor

**Jeffrey C. Vogel**  
Director

**Albert L. Forkner**  
Commissioner

### STATEMENT OF PRINCIPAL REASONS

#### Special Purpose Depository Institutions

In 2019, the Wyoming Legislature enacted HB 74, which authorized the chartering of special purpose depository institutions (SPDIs). These new institutions are banks that receive deposits and conduct other incidental activities, including custodial services and asset management. It is likely that many SPDIs will focus heavily on digital assets, including virtual currency and digital securities.

SPDIs resemble custody banks that operate in traditional financial markets today. The role of a custody bank usually focuses on storing assets, fiduciary management, asset transactions and providing an 'on/off' ramp to securities markets, commodities markets and customer bank accounts. SPDIs also may serve as a vehicle for business cash management, operational accounts, and any other purpose permitted by HB 74.

The Division has spent months consulting with other government agencies, law firms, the financial services industry, potential SPDI applicants and other stakeholders regarding potential rules. These discussions included fees, application requirements, incidental activities, management, receivership/resolution procedures and other provisions of the legislation that required further clarification.

Chapters 3 and 20 of the attached rules this work and are intended to address the issues most relevant to the application and chartering process of an SPDI. The Division previously adopted two sets of similar emergency rules relating to the SPDI in late 2019 and early 2020. The second set of emergency rules expires in June 2020.

The Division is moving forward with additional rulemaking now to put permanent rules in place as the chartering process moves forward with applicants. The Division will likely make amendments to the attached rules in late 2020 after development of our supervisory procedures/manuals for the SPDI.

#### Trust Companies

Chapter 3 of these rules also amends trust company fee provisions. The rules establish fees for the acquisition/merger of a Wyoming trust company. These fees are similar to corresponding bank fees, but in the case of the merger of two trust companies, the Division would incur fewer costs.



## **Chapter 3**

### **Fees**

#### **Section 1. Authority; Scope.**

This Chapter is promulgated pursuant to Wyoming Statute ("W.S.") 13-1-603(d) (fees generally), W.S. 13-3-702 (bank supervisory fee), W.S. 13-5-410 (powers of the Commissioner regarding supervised trust companies), W.S. 13-7-603 (savings and loan association supervisory fee), W.S. 13-12-111(c) (special purpose depository institution charter application fee), W.S. 13-12-119(c) and (d) (special purpose depository institution examination and supervisory fees), W.S. 13-12-126 (special purpose depository institution rules) and W.S. 34-29-104(n) (digital asset custody).

#### **Section 2. Bank and Savings and Loan Association Supervisory Fees.**

(a) Except as otherwise provided by subsection (e) of this section, the Commissioner shall collect from every bank for supervision of such bank and every savings and loan association for supervision of such association an amount determined by the total resources of such bank and savings and loan association, as of reports of condition at the end of June and December of each year. The fees for all banks and saving and loan associations shall be based upon the total resources as follows:

- (i) \$0 to \$1,500,000: 0.0013328 of total assets.
- (ii) \$1,500,001 to \$15,000,000: \$1,999.20, plus 0.0001666 of the excess over \$1,500,000.
- (iii) \$15,000,001 to \$25,000,000: \$4,248.33, plus 0.000159936 of the excess over \$15,000,000.
- (iv) \$25,000,001 to \$50,000,000: \$5,847.69, plus 0.00013328 of the excess over \$25,000,000.
- (v) \$50,000,001 to \$75,000,000: \$9,179.69, plus 0.000119952 of the excess over \$50,000,000.
- (vi) \$75,000,001 to \$150,000,000: \$12,178.49, plus 0.00009996 of the excess over \$75,000,000.
- (vii) \$150,000,001 to \$1,000,000,000: \$19,675.49, plus 0.0000733040 of the excess over \$150,000,000.
- (viii) \$1,000,000,001 to \$3,000,000,000: \$81,983.86, plus 0.0000659736 of the excess over \$1,000,000,000.
- (ix) \$3,000,000,001 to \$5,000,000,000: \$213,931.06, plus 0.0000659736 of the excess over \$3,000,000,000.

(x) \$5,000,000,001 and over: \$324,106.97, plus 0.000055022 of the excess over \$5,000,000,000.

(b) Except as otherwise provided by this section, not later than the last day of January and July in each year, every bank and savings and loan association shall:

(i) Compute the semi-annual supervisory fee based upon the report of condition next preceding, on forms established by the Commissioner, and

(ii) Submit to the Commissioner such report of condition together with payment of the semi-annual fee as so computed.

(c) Miscellaneous bank fees:

(i) Bank charter application: \$15,000.

(ii) Emergency bank charter application: \$4,000.

(iii) Interim charter for which a public hearing is waived: \$4,000.

(iv) Branch application: \$1,000.

(v) Out-of-state acquisition of a Wyoming bank: \$7,500.

(vi) Operating subsidiary application: \$700.

(vii) Additional examination fee when examined more than twice per year: \$50.00/examiner/day.

(viii) Change in place of business: \$2,500.

(ix) Merger or conversion into state bank application: \$2,500.

(x) Each additional bank established by merger or consolidation application: \$1,250.

(xi) Acquisition of bank by bank holding companies: \$4,500.

(d) The following fees are applicable to special purpose depository institutions:

(i) Bank charter application: \$50,000.

(ii) Examination costs: \$35 per examiner hour, plus per diem or actual travel expenses, as determined by the Commissioner.

(iii) Application for certificate of dissolution: \$1,000.

(iv) Overdue report: \$250 per business day in which the report is late.

(e) The supervisory fee established in subsection (a) of this section shall exclude off-balance sheet digital assets. If a bank pays the supervisory fee established by W.S. 34-29-104(n) or subsection (g) of this section and that fee is:

(i) Greater than the fee established by subsection (a) of this section, the fee established by subsection (a) is waived.

(ii) Less than the fee established by subsection (a) of this section, the supervisory fee paid under W.S. 34-29-104(n) or subsection (g) of this section shall be deducted from the fee payable under subsection (a).

(f) To ensure consistency with existing bank fee payment schedules, the two tenths of one mill on the dollar (\$.0002) supervision fee established by W.S. 34-29-104(n) shall be paid as follows:

(i) One-tenth of one mill on the dollar (\$.0001) of off-balance sheet digital assets as of December 31 of each year, payable by the following January 31; and

(ii) One-tenth of one mill on the dollar (\$.0001) of off-balance sheet digital assets as of June 30 of each year, payable by the following July 31.

(g) Each bank that administers off-balance sheet digital assets, but which does not pay the fee established by W.S. 34-29-104(n), shall pay a supervision fee of one-tenth and eighty-six hundredths of one mill on the dollar (\$.000186) of off-balance sheet digital assets. To ensure consistency with existing bank fee payment schedules, this supervision fee shall be paid as follows:

(i) Ninety-three hundredths of one mill on the dollar (\$.000093) of off-balance sheet digital assets as of December 31 of each year, payable by the following January 31; and

(ii) Ninety-three hundredths of one mill on the dollar (\$.000093) of off-balance sheet digital assets as of June 30 of each year, payable by the following July 31.

(h) Other fees established by subsection (c) of this section shall apply to special purpose depository institutions.

### **Section 3. Trust Company Fees.**

(a) The Commissioner shall collect from every chartered trust company for supervision of such trust company an amount determined by the total assets of the company as of December 31 of each year as follows:

(i) For a company with total assets less than three million dollars (\$3,000,000), a supervisory fee of \$7,500 shall be paid no later than January 31 each year.

(ii) For a company with total assets greater than three million dollars (\$3,000,000), a supervisory fee of \$12,500 shall be paid no later than January 31 of each year.

(b) The Trust Company Resolution Fund shall be funded with twenty-five percent (25%) of the annual supervisory fee paid by each chartered trust company.

(i) The amount shall be paid in each year until the Resolution Fund reaches a balance of one million dollars (\$1,000,000).

(ii) Once the Resolution Fund reaches a balance of one million dollars (\$1,000,000), the Commissioner may lower the supervisory fee, at his discretion, that each chartered trust company pays by the portion of the fee designated for the Resolution Fund.

(c) A chartered family trust company may apply to the Commissioner to establish a Trust Service Office. A fee of one thousand dollars (\$1,000) shall accompany the Trust Service Office application.

(d) A Letter of Assurance from the Commissioner may be issued for a family trust company that does not apply for a Wyoming charter. A fee of two hundred fifty dollars (\$250) shall accompany the request for such Letter of Assurance.

(e) Miscellaneous trust company fees:

- (i) Public and family trust company charter application: \$15,000.
- (ii) Voluntary dissolution of trust company: \$1,500.
- (iii) Conversion from trust company to chartered family trust company: \$10,000.
- (iv) Fee for failure to submit required reports: \$25/day overdue.
- (v) Merger application: \$1,500.
- (vi) Out-of-state acquisition of a Wyoming trust company: \$7,500.



## Chapter 3

### Fees

#### Section 1. Authority; Scope.

~~This Chapter is promulgated in part pursuant to Wyoming Statute 13-1-603(d) (fees generally), W.S. 13-3-702 (bank Supervisory fee), W.S. 13-5-110 (trust Company supervisory fee), W.S. 13-5-213 (family trust company supervisory fee), W.S. 13-7-603 (savings and loan association supervisory fee).~~

This Chapter is promulgated pursuant to Wyoming Statute ("W.S.") 13-1-603(d) (fees generally), W.S. 13-3-702 (bank supervisory fee), W.S. 13-5-410 (powers of the Commissioner regarding supervised trust companies), W.S. 13-7-603 (savings and loan association supervisory fee), W.S. 13-12-111(c) (special purpose depository institution charter application fee), W.S. 13-12-119(c) and (d) (special purpose depository institution examination and supervisory fees), W.S. 13-12-126 (special purpose depository institution rules) and W.S. 34-29-104(n) (digital asset custody).

#### Section 2. Bank and Savings and Loan Association Supervisory Fees.

(a) Except as otherwise provided by subsection (e) of this section, the Commissioner shall collect from every bank for supervision of such bank and every savings and loan association for supervision of such association an amount determined by the total resources of such bank and savings and loan association, as of reports of condition at the end of June and December of each year. The fees for all banks and saving and loan associations shall be based upon the total resources as follows:

- (i) ~~\$0-0~~ to \$1,500,000: 0.0013328 of total assets.
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- (iii) \$15,000,001 to \$25,000,000: \$4,248.33, plus 0.000159936 of the excess over \$15,000,000.
- (iv) \$25,000,001 to \$50,000,000: \$5,847.69, plus 0.00013328 of the excess over \$25,000,000.
- (v) \$50,000,001 to \$75,000,000: \$9,179.69, plus 0.000119952 of the excess over \$50,000,000.
- (vi) \$75,000,001 to \$150,000,000: \$12,178.49, plus 0.00009996 of the excess over \$75,000,000.
- (vii) \$150,000,001 ~~and over to \$1,000,000,000:~~ \$19,675.49, plus 0.0000733040 of the excess over \$150,000,000.

(viii) \$1,000,000,001 to \$3,000,000,000: \$81,983.86, plus 0.0000659736 of the excess over \$1,000,000,000.

(ix) \$3,000,000,001 to \$5,000,000,000: \$213,931.06, plus 0.0000659736 of the excess over \$3,000,000,000.

(x) \$5,000,000,001 and over: \$324,106.97, plus 0.000055022 of the excess over \$5,000,000,000.

(b) Except as otherwise provided by this section, not later than the last day of January and July in each year, every bank and savings and loan association shall:

(i) Compute the semi-annual supervisory fee based upon the report of condition next preceding, on forms established by the Commissioner, and

(ii) Submit to the Commissioner such report of condition together with payment of the semi-annual fee as so computed.

(c) Miscellaneous bank fees:

(i) Bank charter application: \$15,000.

(ii) Emergency bank charter application: \$4,000.

(iii) Interim charter for which a public hearing is waived: \$4,000.

(iv) Branch application: \$1,000.

(v) Out-of-state acquisition of a Wyoming bank: \$7,500.

(vi) Operating subsidiary application: \$700.

(vii) Additional examination fee when examined more than twice per year: \$50.00/examiner/day.

(viii) Change in place of business: \$2,500.

(ix) Merger or conversion into state bank application: \$2,500.

(x) Each additional bank established by merger or consolidation application: \$1,250.

(xi) Acquisition of bank by bank holding companies: \$4,500.

(d) The following fees are applicable to special purpose depository institutions:

(i) Bank charter application: \$50,000.

(ii) Examination costs: \$35 per examiner hour, plus per diem or actual travel expenses, as determined by the Commissioner.

(iii) Application for certificate of dissolution: \$1,000.

(iv) Overdue report: \$250 per business day in which the report is late.

(e) The supervisory fee established in subsection (a) of this section shall exclude off-balance sheet digital assets. If a bank pays the supervisory fee established by W.S. 34-29-104(n) or subsection (g) of this section and that fee is:

(i) Greater than the fee established by subsection (a) of this section, the fee established by subsection (a) is waived.

(ii) Less than the fee established by subsection (a) of this section, the supervisory fee paid under W.S. 34-29-104(n) or subsection (g) of this section shall be deducted from the fee payable under subsection (a).

(f) To ensure consistency with existing bank fee payment schedules, the two tenths of one mill on the dollar (\$.0002) supervision fee established by W.S. 34-29-104(n) shall be paid as follows:

(i) One-tenth of one mill on the dollar (\$.0001) of off-balance sheet digital assets as of December 31 of each year, payable by the following January 31; and

(ii) One-tenth of one mill on the dollar (\$.0001) of off-balance sheet digital assets as of June 30 of each year, payable by the following July 31.

(g) Each bank that administers off-balance sheet digital assets, but which does not pay the fee established by W.S. 34-29-104(n), shall pay a supervision fee of one-tenth and eighty-six hundredths of one mill on the dollar (\$.000186) of off-balance sheet digital assets. To ensure consistency with existing bank fee payment schedules, this supervision fee shall be paid as follows:

(i) Ninety-three hundredths of one mill on the dollar (\$.000093) of off-balance sheet digital assets as of December 31 of each year, payable by the following January 31; and

(ii) Ninety-three hundredths of one mill on the dollar (\$.000093) of off-balance sheet digital assets as of June 30 of each year, payable by the following July 31.

(h) Other fees established by subsection (c) of this section shall apply to special purpose depository institutions.

### **Section 3. Trust Company Fees.**

(a) The Commissioner shall collect from every chartered trust company for supervision of such trust company an amount determined by the total assets of the company as of December 31 of each year as follows:

(i) For a company with total assets less than three million dollars (\$3,000,000), a supervisory fee of \$7,500 shall be paid no later than January 31 each year.

(ii) For a company with total assets greater than three million dollars (\$3,000,000), a supervisory fee of \$12,500 shall be paid no later than January 31 of each year.

(b) The Trust Company Resolution Fund shall be funded with twenty-five percent (25%) of the annual supervisory fee paid by each chartered trust company.

(i) The amount shall be paid in each year until the Resolution Fund reaches a balance of one million dollars (\$1,000,000).

(ii) Once the Resolution Fund reaches a balance of one million dollars (\$1,000,000), the Commissioner may lower the supervisory fee, at his discretion, that each chartered trust company pays by the portion of the fee designated for the Resolution Fund.

(c) A chartered family trust company may apply to the Commissioner to establish a Trust Service Office. A fee of one thousand dollars (\$1,000) shall accompany the Trust Service Office application.

(d) A Letter of Assurance from the Commissioner may be issued for a family trust company that does not apply for a Wyoming charter. A fee of two hundred fifty dollars (\$250) shall accompany the request for such Letter of Assurance.

(e) Miscellaneous trust company fees:

(i) Public and family trust company charter application: \$15,000.

(ii) Voluntary dissolution of trust company: \$1,500.

(iii) Conversion from trust company to chartered family trust company: \$10,000.

(iv) Fee for failure to submit required reports: \$25/day overdue.

(v) Merger application: \$1,500.

(vi) Out-of-state acquisition of a Wyoming trust company: \$7,500.

## **Chapter 20**

### **Special Purpose Depository Institutions**

#### **Section 1. Authority; Scope; Applicability of Other Rules; Federal Law.**

- (a) This Chapter is promulgated pursuant to Wyoming Statute ("W.S.") 13-12-126.
- (b) This Chapter governs special purpose depository institutions, as defined in W.S. 13-1-101(a)(xvi).
- (c) The rules of the Board and the Division, except as provided in this subsection and to the extent not inconsistent with W.S. 13-12-101 through 13-12-126, shall apply to special purpose depository institutions. The term "bank" or "financial institution" in other rules shall be reasonably construed to include special purpose depository institutions, as determined by the Commissioner. Chapter 4, §§ 5 and 6 of the Rules of the Division shall not apply to special purpose depository institutions.
- (d) Consistent with W.S. 13-12-107, a special purpose depository institution is subject to all applicable federal laws relating to insured depository institutions which are consistent with the powers, limitations and other characteristics specified by W.S. 13-12-101 through 13-12-126 and this Chapter, as determined by the Commissioner. A special purpose depository institution may request the Commissioner to provide guidance on the applicability of a specific federal law.

#### **Section 2. Capital and Surplus/Operating Expenses.**

- (a) Consistent with W.S. 13-12-110(b), a special purpose depository institution shall have initial capital, subscribed for as fully paid stock, which is commensurate with the risk profile and proposed activities of the institution, as determined by the Commissioner. A special purpose depository institution shall also maintain a capital plan analyzing capital needs based on initial requirements, projected growth and the availability of capital from identified sources. The plan may include a moratorium on the payment of dividends during a specified future period. The initial capital required by this subsection shall be subscribed and fully paid in at the time the institution applies for a certificate of authority under W.S. 13-12-116, but prior to this time, as part of the charter application of the institution, the incorporators shall present evidence that the required capital will be available if a charter is granted, which may include letters of commitment, as required by the Commissioner.
- (b) After a special purpose depository institution has commenced operations, the Commissioner may require the institution to modify its capital levels based on the size, risk profile or activities of the institution. To the extent possible, the Commissioner will give the institution a sufficient period to implement a modified capital requirement. The Commissioner retains the authority to require a modification of capital within sixty (60) days, consistent with W.S. 13-4-203, if conditions warrant.
- (c) A special purpose depository institution shall have a paid-up surplus fund of not less than three (3) years of operating expenses prior to applying for a certificate of authority under W.S. 13-12-116.

### **Section 3. Application Requirements.**

(a) To be accepted for filing, a special purpose depository institution charter application shall be comprised of the following information:

- (i) The signatures of all incorporators, verifying the contents of the application;
- (ii) Three (3) signed, original copies of the articles of incorporation of the institution plus any filing fee required by the Secretary of State, or existing incorporation documents required by the Commissioner;
- (iii) The final bylaws or draft bylaws proposed for adoption either by the incorporators simultaneously with incorporation or by the board of directors of the proposed special purpose depository institution at its first meeting, indicating which method will be used to adopt the bylaws;
- (iv) The capital plan of the institution;
- (v) Evidence satisfactory to the Commissioner that the proposed special purpose depository institution will be able to obtain private insurance as specified by W.S. 13-12-119(e) upon chartering, including coverage types, coverage limits and any conditions relating to payment of claims;
- (vi) The name, proposed title, physical address and biographical sketch of each individual proposed to serve as an executive officer or director of the institution during the first year of operations, demonstrating sufficient experience, ability and standing to afford the reasonable promise of successful operation, to the extent reasonably possible;
- (vii) A detailed business plan, which shall include:
  - (A) All proposed activities of the special purpose depository institution, including identification of likely customers, a marketing plan and business projections based on statistical data or other accepted business methods;
  - (B) A business risk assessment, consistent with subparagraphs (a) and (c) of this paragraph;
  - (C) A comprehensive estimate of operating expenses for the first three (3) years of operation, consistent with subparagraph (A) of this paragraph;
  - (D) A complete proposal for compliance with this Chapter, W.S. 13-12-101 through 13-12-126 and all other applicable state and federal laws; and
  - (E) Other information material to the investigation and report of the Commissioner and the decision of the Board.

(viii) Evidence satisfactory to the Commissioner regarding the availability of a surety bond under W.S. 13-12-118(a), or a statement that the special purpose depository institution will irrevocably pledge assets to the Commissioner, as specified by W.S. 13-12-118(b);

(ix) If applicable, the designation of an agent for service of process which is described in Chapter 5, § 7 of the Rules of the Division;

(x) Information relating to corporate partnerships or affiliations, including a description of corporate interests and activities and the most recent audited financial statement of any business entity which has a twenty-five percent (25%) or greater ownership stake in the proposed institution;

(xi) Information relating to all prospective investors in the proposed institution who are not United States citizens, including the name of the natural person making an investment, date of birth, nationality and the mailing and physical address of the primary residence of the natural person;

(xii) Information relating to government agencies or self-regulatory organizations which the proposed special purpose depository institution may be subject to, whether state, federal or foreign, including activities which the agency or organization regulates or supervises, license numbers, license expiration dates and agency contact persons;

(xiii) Information sufficient to conduct a background investigation on proposed directors, officers and shareholders who control ten percent (10%) or more of the voting securities of the institution, in the manner required by the Commissioner; and

(xiv) Any other information required by law or requested by the Commissioner or Board which is material to the charter application or the future operation of the institution.

(b) The incorporators shall provide truthful and complete information in a charter application, in all accompanying materials and in communications relating to an application. The application and all accompanying materials shall be attested to under penalty of perjury pursuant to Wyo. Stat. § 6-5-301. The incorporators shall supplement an application, accompanying materials or any communication promptly when information in the application, materials or communication changes materially or if an error or omission is discovered.

(c) If an application is withdrawn at any time before a hearing of the Board, the filing fee shall be refunded to the applicant, reduced by the amount of all expenses authorized by W.S. 13-2-208.

(d) If a charter application is rejected by the Board, it shall be treated as if it were withdrawn at 5:00 p.m. Mountain Time on the last day of the thirty (30) day time period described in Chapter 5, § 3(e), Rules of the Division.

#### **Section 4. Resolution Plan/Required Insurance.**

(a) Not later than six (6) months after a special purpose depository institution commences operations, a draft resolution plan shall be submitted to the Commissioner for review.

(b) A draft resolution plan shall generally encompass the requirements of a "targeted resolution plan" specified by 12 C.F.R. § 243.6, as of July 1, 2020. A resolution plan shall identify at least two (2) business entities that could potentially acquire the special purpose depository institution, or any component of the institution, in the event of financial distress, receivership or another contingency warranting use of the resolution plan. The resolution plan shall include a procedure for quickly and safely transferring all assets of the institution to another entity and a procedure for liquidating the assets of the institution.

(c) The Commissioner, in consultation with the officers of the special purpose depository institution, shall review the draft resolution plan and determine whether it appropriately addresses the risks inherent in a potential resolution of the institution. The institution shall amend the draft plan as reasonably required by the Commissioner to protect the interests of the customers of the institution and to protect the state and national financial system from material risks. The board of directors of the institution shall review the draft resolution plan and approve a final plan within sixty (60) days of submission of a plan by the officers. After approval, the chief executive officer of the special purpose depository institution shall file the resolution plan with the Commissioner.

(d) After filing under subsection (c) of this section, the board of directors of a special purpose depository institution shall annually review and amend the resolution plan of the institution to account for material changes in each of the following areas:

- (i) Critical operations or core business lines, including information technology;
- (ii) Corporate structure, including interconnections and interdependencies with other business entities, management and succession planning;
- (iii) Deposits and assets under custody, assets under management or similar relationships;
- (iv) Funding, liquidity or capital needs or sources;
- (v) Changes in law or regulation; and
- (vi) Any other area determined to be relevant by the Commissioner.

(e) A plan amended under subsection (d) of this section shall be filed with the Commissioner within thirty (30) days of approval by the board of directors. In addition to the requirements of subsection (d) of this section, the Commissioner may, at any time, require the board of directors of a special purpose depository institution to review and amend its resolution plan.

(f) Chapter 1, § 4 of the Rules of the Division apply to resolution plans filed with the Commissioner under this section. A resolution plan may be disclosed to other governmental agencies, self-regulatory organizations or persons assisting with the resolution of an institution in a confidential format, as deemed appropriate by the Commissioner.



(g) Not more than forty-five (45) days after a charter has been approved by the Board, all executed insurance policies required by W.S. 13-12-119(e) shall be provided to the Commissioner.

## **Section 5. Receivership.**

(a) Subject to court supervision as otherwise required by law, the Commissioner is the receiver and resolution official for special purpose depository institutions, consistent with Wyo. Stat. 13-12-122 and 11 U.S.C. § 109(b)(2). As used in this Chapter, "receivership" means a liquidation conducted under W.S. 13-12-122.

(b) In the event of financial distress or another contingency warranting use of the resolution plan created under § 4 of this Chapter, the Commissioner shall, to the extent appropriate under the circumstances, use the plan for the resolution of the institution.

(c) If appropriate, the Commissioner may retain such staff and enter into contracts for professional services as are necessary to carry out a receivership. The Commissioner may retain services on a continuing retainer or on an as-needed basis.

(d) Persons who have claims against the special purpose depository institution may present claims, along with supporting documentation, for consideration by the Commissioner. The Commissioner shall determine the validity and approve the amounts of claims. All claims against the institution shall be fixed when the Commissioner takes possession of the institution. Constructive notice provided by the filing made under W.S. 13-4-303(a) shall satisfy the knowledge requirement of subsection (b) of that section.

(e) The Commissioner shall establish a date by which any person seeking to present a claim against the institution for consideration must present their claim for determination. The Commissioner shall also mail notice to creditors as required by Wyo. Stat. 13-4-402.

(f) The Commissioner shall allow any claim against the institution received on or before the deadline for presenting claims, if the claim is established to the Commissioner's satisfaction by the information on the institution's books and records or as otherwise submitted. The Commissioner may disallow any portion of any claim by a creditor or claim of a security interest, preference, set-off or priority which is not established to the satisfaction of the Commissioner.

(g) Wyoming law relating to the nature of digital assets under title 34.1, Wyoming statutes and W.S. 34-29-101 through 34-29-103, including security interests, governs claims made under this section, as well as the receivership of the institution.

(h) If a person with a claim against a special purpose depository institution also has an obligation owed to the institution, the claim and obligation will be set-off against the other and only the net balance remaining after set-off shall be considered as a claim, if the set-off is otherwise legally valid.

(j) The Commissioner shall pay expenses and claims in the following priority order:

(i) Administrative expenses of the Commissioner;

(ii) Claims of secured creditors and any preferences which may be required by W.S. 13-4-502;

(iii) Unsecured creditors of the institution, including secured creditors to the extent any claim exceeds a valid and enforceable security interest;

(iv) Creditors of the institution, if any, whose claims are subordinated to general creditor claims; and

(v) Shareholders of the institution.

(k) Administrative expenses mean those costs incurred by the Commissioner under W.S. 13-4-501 in maintaining operations as necessary and to preserve the assets of the institution while liquidating and resolving the affairs of the institution. Expenses include pre-receivership and post-receivership obligations that the Commissioner determines are necessary and appropriate to facilitate the orderly liquidation and resolution of the institution. Expenses shall also include:

(i) Expenses of the Commissioner and the costs of contracts entered into by the Commissioner for professional services relating to the receivership, including audit, accountancy, information technology, legal, fiduciary and real estate services, except for the cost of any continuing retainer paid by the Commissioner for professional services related to receivership that is not directly related to the receivership of a specific institution;

(ii) Expenses necessary for the continued operations of an institution during the receivership, including wages and salaries of employees, expenses for professional services, contractual rent pursuant to an existing lease or rental agreement and payments to third-party or affiliated service providers that, in the opinion of the Commissioner, are of benefit to the receivership until the date the Commissioner repudiates, terminates, cancels or otherwise discontinues the applicable contract.

(m) Subject to court supervision as otherwise required by law, in resolving the affairs of a special purpose depository institution, the Commissioner may:

(i) Take possession of the books, records, property and assets of the institution, including the value of collateral pledged by the institution, to the extent it exceeds a valid and enforceable security interest of a claim;

(ii) Collects all debts, dues and claims belonging to the institution, including claims remaining after set-off;

(iii) Sell or compromise all bad or doubtful debts, including fraudulent transfers;

(iv) Sell the real and personal property of the institution; and

(v) Deposit all receivership funds collected from the liquidation of the institution with a Wyoming bank.

(n) The Commissioner may exercise other rights, privileges and powers authorized by law, including the common law of receiverships as applied by courts to bank receiverships. The

Commissioner shall follow the procedure for bank receiverships used by the Federal Deposit Insurance Corporation.

(o) Subject to W.S. 13-4-506 and subsection (j) of this section, the Commissioner may make ratable dividends from available funds, based on the claims that have been proved to the Commissioner's satisfaction.

(p) Consistent with W.S. 34-29-104(d), assets held by a special purpose depository institution off-balance sheet in a custodial or fiduciary capacity, as designated on the institution's books and records, shall not be considered as part of the institution's general assets and liabilities held in connection with its other business and will not be considered a source for payment of unrelated claims of creditors and other claimants. Custodial and fiduciary assets shall be recoverable by customers in full, in the absence of institution mismanagement, misconduct or other similar activity. As used in this subsection, "designated on the institution's books and records" means the following:

- (i) Appropriate segregation from institution assets; and
- (ii) The structure of the custodial or fiduciary relationship meets all applicable legal requirements.

(q) Upon taking possession of a special purpose depository institution, the Commissioner shall transfer the institution's custodial or fiduciary appointments and accounts to successor custodians or fiduciaries, or if not practical, close the bank's fiduciary and custodial appointments and accounts and return assets to customers. The Commissioner shall conduct transfers under this subsection as quickly as possible to prevent or minimize disruption to customers.

(r) The Commissioner shall conclude a receivership as provided by W.S. 13-4-701.

## **Section 6. Directors; Officers; Operations in Wyoming.**

(a) A special purpose depository institution shall be managed by not less than five (5) directors, consistent with W.S. 13-2-401. An institution shall maintain the following executive officers, or functional equivalents, to manage its operations:

- (i) Chief executive officer/president;
- (ii) Chief operations officer;
- (iii) Chief compliance officer;
- (iv) Chief financial officer;
- (v) Chief technology/information security officer; and
- (vi) Any other officers deemed appropriate.

(b) As used in W.S. 13-12-103(d) and this section, "principal operating headquarters" means the location or locations in Wyoming where the chief executive officer of the special purpose depository institution and at least one (1) of the other officers listed in paragraphs (a)(i)

through (a)(v) of this section directs, controls and coordinates the activities of the institution for a majority of a calendar year.

#### **Section 7. Investments and Liquid Assets.**

(a) Consistent with W.S. 13-12-105(b)(iii), a special purpose depository institution may, in addition to other options, maintain unencumbered liquid assets and capital through investments in the following asset classes:

- (i) Obligations of the U.S. Treasury or other federal agencies;
- (ii) Obligations of a U.S. state or U.S. municipal government which are investment grade;
- (iii) Debt securities issued by a business entity which are investment grade;
- (iv) Securities issued by a U.S. federal or state government agency or government sponsored enterprise which are investment grade;
- (v) Gold, silver or other stable commodities;
- (vi) Investments specified by W.S. 13-3-302;
- (vii) Other investments which are determined by the Commissioner to be substantially similar to the assets described in this subsection.

(b) In the event of an emergency, the Commissioner may, after consulting with affected institutions, reasonably restrict special purpose depository institutions from investing in one or more of the asset classes described in subsection (a) of this section, or may reasonably modify the manner in which investments may take place. As used in this subsection, "emergency" means:

- (i) Illiquid or otherwise abnormally functioning markets, excluding digital asset markets, which pose a substantial and specific risk to an institution;
- (ii) An unsafe or unsound condition, as defined in § 8(a)(ii) of this Chapter.

#### **Section 8. Material Communications with Governmental Agencies; Agreements.**

(a) A special purpose depository institution, or the incorporators of a proposed institution, shall promptly disclose to the Commissioner in a confidential format any material communications with other governmental agencies or self-regulatory organizations, whether state, federal or foreign, which relate to the chartering, operation, licensure, activities, condition or legal compliance of the institution. The Commissioner shall maintain any communications received under this section in a confidential format.

(b) The Commissioner may enter into information sharing, branching, joint supervision or other agreements with government agencies or self-regulatory organizations relating to special purpose depository institutions.

#### **Section 9. Safety and Soundness.**

(a) The Commissioner retains the authority to take action under applicable state or federal law to address unsafe or unsound conditions, deficient capital levels, violations of law or conditions that may negatively impact the operations of the institution, customers of the institution or the state or national financial system.

(b) To mitigate legal and contractual risk to the institution, a special purpose depository institution shall ensure that the following contracts exclusively apply Wyoming and applicable federal law, with the venue of any litigation also in Wyoming:

(i) All customer agreements;

(ii) Any agreement governing a transaction that involves customer deposits, custodial or fiduciary assets, including qualified financial contracts, as defined in 12 U.S.C. § 1821(e)(8)(D), and transactions made under § 5, Chapter 19, Rules of the Division.

(c) Agreements under subsection (b) should generally include provisions specifying that the parties agree that, for the purposes of title 34.1, Wyoming statutes and W.S. 34-29-101 through 34-29-103, digital assets are located in Wyoming and that, if applicable, a possessory security interest exists. The Commissioner may make exceptions to the requirements of this subsection or subsection (b) of this section as necessary.

(d) A special purpose depository institution may, based on customer instructions or the scope of authority granted by a customer under W.S. 34-29-104 or § 5, Chapter 19, Rules of the Division, conduct custodial or fiduciary transactions with customer digital assets in a safe and sound manner, including lending of digital assets. A customer bears all risk of loss from these transactions, except for any liability of the special purpose depository institution relating to its fiduciary and trust powers. Consistent with § 3, 2019 Wyoming Session Laws, ch. 91 and W.S. 34-29-104, the lending prohibition in W.S. 13-12-103(c) shall not apply to custodial and fiduciary transactions undertaken by a special purpose depository institution to the extent that a transaction undertaken by the institution does not subject to the institution, as opposed to the customer, to credit risk.

(e) As used in this Chapter:

(i) "Failed" or "failure" means, consistent with W.S. § 13-12-122(b), a circumstance when a special purpose depository institution has not:

(A) Complied with the requirements of W.S. 13-12-105;

(B) Maintained a contingency account, as required by W.S. 13-12-106;

(C) Paid, in the manner commonly accepted by business practices, its legal obligations to customers on demand or to discharge any certificates of deposit, promissory notes, negotiable instruments or other indebtedness when due.

(ii) "Unsafe or unsound condition" means, consistent with W.S. §§ 13-12-122(b), a circumstance relating to a special purpose depository institution which is likely to:

(A) Cause the failure of the institution, as defined in paragraph (a)(i);

- (B) Cause a substantial dissipation of assets or earnings;
- (C) Substantially disrupt the services provided by the institution to customers;
- (D) Prejudice the interests of customers in any potential receivership, including:
  - (I) Failure to maintain clear, appropriate segregation of custodial and fiduciary assets from institution assets; and
  - (II) Failure to ensure that all custodial and fiduciary accounts and other aspects of the customer relationship meet all legal requirements.
- (E) Result in non-compliance with applicable state, federal or foreign law;
- (F) Otherwise substantially impact the operations of the institution, the interests of customers or the state or national financial system in a negative manner, in the determination of the Commissioner.

#### **Section 10. Reports and Examinations.**

- (a) Consistent with § 1(d) of this Chapter, a special purpose depository institution shall generally be supervised in the same manner as other state and national banks engaged in deposit-taking, custodial and fiduciary activities.
- (b) A special purpose depository institution shall submit electronic reports relating to the condition of the institution, in the manner and frequency required by the Commissioner.
- (c) The Commissioner shall conduct a full-scope, on-site examination of every special purpose depository institution not more frequently than every twelve (12) months, unless an unsafe or unsound condition exists.
- (d) The Commissioner shall develop and maintain manuals and procedures, including necessary ratings and policies, to ensure legal compliance, safe and sound operations and to set expectations for examinations and ongoing supervision.

#### **Section 11. Operations and Activities.**

- (a) Consistent with W.S. § 13-12-103(b) and subject to the approval of the Commissioner, a special purpose depository institution may engage in all activities permitted to state and national banks which are consistent with the safe and sound operation of the institution, with the exception of lending activities prohibited by W.S. 13-12-103(c) which subjects the institution to credit risk.
- (b) A special purpose depository institution shall consult with the Commissioner and seek any necessary approval, before engaging in a new substantial activity or line of business.

## **Chapter 20**

### **Special Purpose Depository Institutions**

#### **Section 1. Authority; Scope; Applicability of Other Rules; Federal Law.**

- (a) This Chapter is promulgated pursuant to Wyoming Statute ("W.S.") 13-12-126.
- (b) This Chapter governs special purpose depository institutions, as defined in W.S. 13-1-101(a)(xvi).
- (c) The rules of the Board and the Division, except as provided in this subsection and to the extent not inconsistent with W.S. 13-12-101 through 13-12-126, shall apply to special purpose depository institutions. The term "bank" or "financial institution" in other rules shall be reasonably construed to include special purpose depository institutions, as determined by the Commissioner. Chapter 4, §§ 5 and 6 of the Rules of the Division shall not apply to special purpose depository institutions.
- (d) Consistent with W.S. 13-12-107, a special purpose depository institution is subject to all applicable federal laws relating to insured depository institutions which are consistent with the powers, limitations and other characteristics specified by W.S. 13-12-101 through 13-12-126 and this Chapter, as determined by the Commissioner. A special purpose depository institution may request the Commissioner to provide guidance on the applicability of a specific federal law.

#### **Section 2. Capital and Surplus/Operating Expenses.**

- (a) Consistent with W.S. 13-12-110(b), a special purpose depository institution shall have initial capital, subscribed for as fully paid stock, which is commensurate with the risk profile and proposed activities of the institution, as determined by the Commissioner. A special purpose depository institution shall also maintain a capital plan analyzing capital needs based on initial requirements, projected growth and the availability of capital from identified sources. The plan may include a moratorium on the payment of dividends during a specified future period. The initial capital required by this subsection shall be subscribed and fully paid in at the time the institution applies for a certificate of authority under W.S. 13-12-116, but prior to this time, as part of the charter application of the institution, the incorporators shall present evidence that the required capital will be available if a charter is granted, which may include letters of commitment, as required by the Commissioner.
- (b) After a special purpose depository institution has commenced operations, the Commissioner may require the institution to modify its capital levels based on the size, risk profile or activities of the institution. To the extent possible, the Commissioner will give the institution a sufficient period to implement a modified capital requirement. The Commissioner retains the authority to require a modification of capital within sixty (60) days, consistent with W.S. 13-4-203, if conditions warrant.
- (c) A special purpose depository institution shall have a paid-up surplus fund of not less than three (3) years of operating expenses prior to applying for a certificate of authority under W.S. 13-12-116.

### **Section 3. Application Requirements.**

(a) To be accepted for filing, a special purpose depository institution charter application shall be comprised of the following information:

(i) The signatures of all incorporators, verifying the contents of the application;

(ii) Three (3) signed, original copies of the articles of incorporation of the institution plus any filing fee required by the Secretary of State, or existing incorporation documents required by the Commissioner;

(iii) The final bylaws or draft bylaws proposed for adoption either by the incorporators simultaneously with incorporation or by the board of directors of the proposed special purpose depository institution at its first meeting, indicating which method will be used to adopt the bylaws;

(iv) The capital plan of the institution;

(v) Evidence satisfactory to the Commissioner that the proposed special purpose depository institution will be able to obtain private insurance as specified by W.S. 13-12-119(e) upon chartering, including coverage types, coverage limits and any conditions relating to payment of claims;

(vi) The name, proposed title, physical address and biographical sketch of each individual proposed to serve as an executive officer or director of the institution during the first year of operations, demonstrating sufficient experience, ability and standing to afford the reasonable promise of successful operation, to the extent reasonably possible;

(vii) A detailed business plan, which shall include:

(A) All proposed activities of the special purpose depository institution, including identification of likely customers, a marketing plan and business projections based on statistical data or other accepted business methods;

(B) A business risk assessment, consistent with subparagraphs (a) and (c) of this paragraph;

(C) A comprehensive estimate of operating expenses for the first three (3) years of operation, consistent with subparagraph (A) of this paragraph;

(D) A complete proposal for compliance with this Chapter, W.S. 13-12-101 through 13-12-126 and all other applicable state and federal laws; and

(E) Other information material to the investigation and report of the Commissioner and the decision of the Board.



(viii) Evidence satisfactory to the Commissioner regarding the availability of a surety bond under W.S. 13-12-118(a), or a statement that the special purpose depository institution will irrevocably pledge assets to the Commissioner, as specified by W.S. 13-12-118(b);

(ix) If applicable, the designation of an agent for service of process which is described in Chapter 5, § 7 of the Rules of the Division;

(x) Information relating to corporate partnerships or affiliations, including a description of corporate interests and activities and the most recent audited financial statement of any business entity which has a twenty-five percent (25%) or greater ownership stake in the proposed institution;

(xi) Information relating to all prospective investors in the proposed institution who are not United States citizens, including the name of the natural person making an investment, date of birth, nationality and the mailing and physical address of the primary residence of the natural person;

(xii) Information relating to government agencies or self-regulatory organizations which the proposed special purpose depository institution may be subject to, whether state, federal or foreign, including activities which the agency or organization regulates or supervises, license numbers, license expiration dates and agency contact persons;

(xiii) Information sufficient to conduct a background investigation on proposed directors, officers and shareholders who control ten percent (10%) or more of the voting securities of the institution, in the manner required by the Commissioner; and

(xiv) Any other information required by law or requested by the Commissioner or Board which is material to the charter application or the future operation of the institution.

(b) The incorporators shall provide truthful and complete information in a charter application, in all accompanying materials and in communications relating to an application. The application and all accompanying materials shall be attested to under penalty of perjury pursuant to Wyo. Stat. § 6-5-301. The incorporators shall supplement an application, accompanying materials or any communication promptly when information in the application, materials or communication changes materially or if an error or omission is discovered.

(c) If an application is withdrawn at any time before a hearing of the Board, the filing fee shall be refunded to the applicant, reduced by the amount of all expenses authorized by W.S. 13-2-208.

(d) If a charter application is rejected by the Board, it shall be treated as if it were withdrawn at 5:00 p.m. Mountain Time on the last day of the thirty (30) day time period described in Chapter 5, § 3(e), Rules of the Division.

#### **Section 4. Resolution Plan/Required Insurance.**

(a) Not later than six (6) months after a special purpose depository institution commences operations, a draft resolution plan shall be submitted to the Commissioner for review.

(b) A draft resolution plan shall generally encompass the requirements of a "targeted resolution plan" specified by 12 C.F.R. § 243.6, as of July 1, 2020. A resolution plan shall identify at least two (2) business entities that could potentially acquire the special purpose depository institution, or any component of the institution, in the event of financial distress, receivership or another contingency warranting use of the resolution plan. The resolution plan shall include a procedure for quickly and safely transferring all assets of the institution to another entity and a procedure for liquidating the assets of the institution.

(c) The Commissioner, in consultation with the officers of the special purpose depository institution, shall review the draft resolution plan and determine whether it appropriately addresses the risks inherent in a potential resolution of the institution. The institution shall amend the draft plan as reasonably required by the Commissioner to protect the interests of the customers of the institution and to protect the state and national financial system from material risks. The board of directors of the institution shall review the draft resolution plan and approve a final plan within sixty (60) days of submission of a plan by the officers. After approval, the chief executive officer of the special purpose depository institution shall file the resolution plan with the Commissioner.

(d) After filing under subsection (c) of this section, the board of directors of a special purpose depository institution shall annually review and amend the resolution plan of the institution to account for material changes in each of the following areas:

(i) Critical operations or core business lines, including information technology;

(ii) Corporate structure, including interconnections and interdependencies with other business entities, management and succession planning;

(iii) Deposits and assets under custody, assets under management or similar relationships;

(iv) Funding, liquidity or capital needs or sources;

(v) Changes in law or regulation; and

(vi) Any other area determined to be relevant by the Commissioner.

(e) A plan amended under subsection (d) of this section shall be filed with the Commissioner within thirty (30) days of approval by the board of directors. In addition to the requirements of subsection (d) of this section, the Commissioner may, at any time, require the board of directors of a special purpose depository institution to review and amend its resolution plan.

(f) Chapter 1, § 4 of the Rules of the Division apply to resolution plans filed with the Commissioner under this section. A resolution plan may be disclosed to other governmental agencies, self-regulatory organizations or persons assisting with the resolution of an institution in a confidential format, as deemed appropriate by the Commissioner.

(g) Not more than forty-five (45) days after a charter has been approved by the Board, all executed insurance policies required by W.S. 13-12-119(e) shall be provided to the Commissioner.

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(b) In the event of financial distress or another contingency warranting use of the resolution plan created under § 4 of this Chapter, the Commissioner shall, to the extent appropriate under the circumstances, use the plan for the resolution of the institution.

(c) If appropriate, the Commissioner may retain such staff and enter into contracts for professional services as are necessary to carry out a receivership. The Commissioner may retain services on a continuing retainer or on an as-needed basis.

(d) Persons who have claims against the special purpose depository institution may present claims, along with supporting documentation, for consideration by the Commissioner. The Commissioner shall determine the validity and approve the amounts of claims. All claims against the institution shall be fixed when the Commissioner takes possession of the institution. Constructive notice provided by the filing made under W.S. 13-4-303(a) shall satisfy the knowledge requirement of subsection (b) of that section.

(e) The Commissioner shall establish a date by which any person seeking to present a claim against the institution for consideration must present their claim for determination. The Commissioner shall also mail notice to creditors as required by Wyo. Stat. 13-4-402.

(f) The Commissioner shall allow any claim against the institution received on or before the deadline for presenting claims, if the claim is established to the Commissioner's satisfaction by the information on the institution's books and records or as otherwise submitted. The Commissioner may disallow any portion of any claim by a creditor or claim of a security interest, preference, set-off or priority which is not established to the satisfaction of the Commissioner.

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(i) Appropriate segregation from institution assets; and

(ii) The structure of the custodial or fiduciary relationship meets all applicable legal requirements.

(q) Upon taking possession of a special purpose depository institution, the Commissioner shall transfer the institution's custodial or fiduciary appointments and accounts to successor custodians or fiduciaries, or if not practical, close the bank's fiduciary and custodial appointments and accounts and return assets to customers. The Commissioner shall conduct transfers under this subsection as quickly as possible to prevent or minimize disruption to customers.

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(ii) Chief operations officer;

(iii) Chief compliance officer;

(iv) Chief financial officer;

(v) Chief technology/information security officer; and

(vi) Any other officers deemed appropriate.

(b) As used in W.S. 13-12-103(d) and this section, "principal operating headquarters" means the location or locations in Wyoming where the chief executive officer of the special purpose depository institution and at least one (1) of the other officers listed in paragraphs (a)(i)

through (a)(v) of this section directs, controls and coordinates the activities of the institution for a majority of a calendar year.

#### **Section 7. Investments and Liquid Assets.**

(a) Consistent with W.S. 13-12-105(b)(iii), a special purpose depository institution may, in addition to other options, maintain unencumbered liquid assets and capital through investments in the following asset classes:

- (i) Obligations of the U.S. Treasury or other federal agencies;
- (ii) Obligations of a U.S. state or U.S. municipal government which are investment grade;
- (iii) Debt securities issued by a business entity which are investment grade;
- (iv) Securities issued by a U.S. federal or state government agency or government sponsored enterprise which are investment grade;
- (v) Gold, silver or other stable commodities;
- (vi) Investments specified by W.S. 13-3-302;
- (vii) Other investments which are determined by the Commissioner to be substantially similar to the assets described in this subsection.

(b) In the event of an emergency, the Commissioner may, after consulting with affected institutions, reasonably restrict special purpose depository institutions from investing in one or more of the asset classes described in subsection (a) of this section, or may reasonably modify the manner in which investments may take place. As used in this subsection, "emergency" means:

- (i) Illiquid or otherwise abnormally functioning markets, excluding digital asset markets, which pose a substantial and specific risk to an institution;
- (ii) An unsafe or unsound condition, as defined in § 8(a)(ii) of this Chapter.

#### **Section 8. Material Communications with Governmental Agencies; Agreements.**

(a) A special purpose depository institution, or the incorporators of a proposed institution, shall promptly disclose to the Commissioner in a confidential format any material communications with other governmental agencies or self-regulatory organizations, whether state, federal or foreign, which relate to the chartering, operation, licensure, activities, condition or legal compliance of the institution. The Commissioner shall maintain any communications received under this section in a confidential format.

(b) The Commissioner may enter into information sharing, branching, joint supervision or other agreements with government agencies or self-regulatory organizations relating to special purpose depository institutions.

#### **Section 9. Safety and Soundness.**

(a) The Commissioner retains the authority to take action under applicable state or federal law to address unsafe or unsound conditions, deficient capital levels, violations of law or conditions that may negatively impact the operations of the institution, customers of the institution or the state or national financial system.

(b) To mitigate legal and contractual risk to the institution, a special purpose depository institution shall ensure that the following contracts exclusively apply Wyoming and applicable federal law, with the venue of any litigation also in Wyoming:

(i) All customer agreements;

(ii) Any agreement governing a transaction that involves customer deposits, custodial or fiduciary assets, including qualified financial contracts, as defined in 12 U.S.C. § 1821(e)(8)(D), and transactions made under § 5, Chapter 19, Rules of the Division.

(c) Agreements under subsection (b) should generally include provisions specifying that the parties agree that, for the purposes of title 34.1, Wyoming statutes and W.S. 34-29-101 through 34-29-103, digital assets are located in Wyoming and that, if applicable, a possessory security interest exists. The Commissioner may make exceptions to the requirements of this subsection or subsection (b) of this section as necessary.

(d) A special purpose depository institution may, based on customer instructions or the scope of authority granted by a customer under W.S. 34-29-104 or § 5, Chapter 19, Rules of the Division, conduct custodial or fiduciary transactions with customer digital assets in a safe and sound manner, including lending of digital assets. A customer bears all risk of loss from these transactions, except for any liability of the special purpose depository institution relating to its fiduciary and trust powers. Consistent with § 3, 2019 Wyoming Session Laws, ch. 91 and W.S. 34-29-104, the lending prohibition in W.S. 13-12-103(c) shall not apply to custodial and fiduciary transactions undertaken by a special purpose depository institution to the extent that a transaction undertaken by the institution does not subject to the institution, as opposed to the customer, to credit risk.

(e) As used in this Chapter:

(i) "Failed" or "failure" means, consistent with W.S. § 13-12-122(b), a circumstance when a special purpose depository institution has not:

(A) Complied with the requirements of W.S. 13-12-105;

(B) Maintained a contingency account, as required by W.S. 13-12-106;

(C) Paid, in the manner commonly accepted by business practices, its legal obligations to customers on demand or to discharge any certificates of deposit, promissory notes, negotiable instruments or other indebtedness when due.

(ii) "Unsafe or unsound condition" means, consistent with W.S. §§ 13-12-122(b), a circumstance relating to a special purpose depository institution which is likely to:

(A) Cause the failure of the institution, as defined in paragraph (a)(i);

- (B) Cause a substantial dissipation of assets or earnings;
- (C) Substantially disrupt the services provided by the institution to customers;
- (D) Prejudice the interests of customers in any potential receivership, including:
- (I) Failure to maintain clear, appropriate segregation of custodial and fiduciary assets from institution assets; and
- (II) Failure to ensure that all custodial and fiduciary accounts and other aspects of the customer relationship meet all legal requirements.
- (E) Result in non-compliance with applicable state, federal or foreign law;
- (F) Otherwise substantially impact the operations of the institution, the interests of customers or the state or national financial system in a negative manner, in the determination of the Commissioner.

#### **Section 10. Reports and Examinations.**

- (a) Consistent with § 1(d) of this Chapter, a special purpose depository institution shall generally be supervised in the same manner as other state and national banks engaged in deposit-taking, custodial and fiduciary activities.
- (b) A special purpose depository institution shall submit electronic reports relating to the condition of the institution, in the manner and frequency required by the Commissioner.
- (c) The Commissioner shall conduct a full-scope, on-site examination of every special purpose depository institution not more frequently than every twelve (12) months, unless an unsafe or unsound condition exists.
- (d) The Commissioner shall develop and maintain manuals and procedures, including necessary ratings and policies, to ensure legal compliance, safe and sound operations and to set expectations for examinations and ongoing supervision.

#### **Section 11. Operations and Activities.**

- (a) Consistent with W.S. § 13-12-103(b) and subject to the approval of the Commissioner, a special purpose depository institution may engage in all activities permitted to state and national banks which are consistent with the safe and sound operation of the institution, with the exception of lending activities prohibited by W.S. 13-12-103(c) which subjects the institution to credit risk.
- (b) A special purpose depository institution shall consult with the Commissioner and seek any necessary approval, before engaging in a new substantial activity or line of business.