



Notice of Intent to Adopt Rules

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

Revised August 2023

1. General Information

a. Agency/Board Name*		
Wyoming Department of Audit		
b. Agency/Board Address	c. City	d. Zip Code
2300 Capitol Ave. 2nd Floor	Cheyenne	82002
e. Name of Agency Liaison	f. Agency Liaison Telephone Number	
Jeremiah Bishop	307-777-7797	
g. Agency Liaison Email Address		
wyomingbankingdivision@wyo.gov		
h. Date of Public Notice	i. Comment Period End Date	
06/30/2026	08/19/2026	
j. Public Comment URL or Email Address:		
wyomingbankingdivision@wyo.gov		
k. Program		
Banking Division		
Amended Program Name (if applicable):		

* ☐ 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 Legislative Chapter Number and Year Enacted:	Chapter:	Year:
	75	2026

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Chapter Number: 20	Chapter Name: Special Purpose Depository Institutions	☒ New ☐ Amended ☐ Repealed
	Amended Chapter Name (if applicable):	
Chapter Number:	Chapter Name:	☐ New ☐ Amended ☐ Repealed
	Amended Chapter Name (if applicable):	
Chapter Number:	Chapter Name:	☐ New ☐ Amended ☐ Repealed
	Amended Chapter Name (if applicable):	
Chapter Number:	Chapter Name:	☐ New ☐ Amended ☐ Repealed
	Amended Chapter Name (if applicable):	
Chapter Number:	Chapter Name:	☐ New ☐ Amended ☐ Repealed
	Amended Chapter Name (if applicable):	
Chapter Number:	Chapter Name:	☐ New ☐ Amended ☐ Repealed
	Amended Chapter Name (if applicable):	

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): ☐ The proposed rules meet, but do not exceed, minimum federal requirements. ☐ 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: ☐ To the Agency at the physical and/or email address listed in Section 1 above. ☐ 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.

<i>Printed Name of Authorized Individual</i>	Jeremiah Bishop
<i>Title of Authorized Individual</i>	Banking Commissioner
<i>Date of Authorization</i>	06/29/2026



STATE OF WYOMING

DEPARTMENT OF AUDIT

DIVISION OF BANKING
(307) 777-7797 wyoingbankingdivision@wyo.gov

Mark Gordon
Governor

Justin Chavez
Director

Jeremiah Bishop
Commissioner

STATEMENT OF PRINCIPAL REASONS

Amending Chapter 20 – Special Purpose Depository Institutions

The Wyoming Legislature amended the special purpose depository institution laws during the 2026 budget session (SF0055). SF0055 amended Wyoming Statutes § 13-12-110, initial capital requirements; 13-12-116, certificate of authority to commence business; and other amendments. The amendment to Wyoming Statute § 13-12-116 changed the process of the Commissioner issuing a certificate of authority to operate to a chartered special purpose depository institution. The amendment moved the requirements issued by the Commissioner, such as paying in capital, adopting policies and resolutions, and other items, from before the certificate of authority to after receiving the certificate but prior to commencing business. SF0055 created Wyoming Statute § 13-12-116(b) which directs the Commissioner to determine the requirements by rule in accordance with this act that shall be met for an approved special purpose depository institution to commence business. SF0055 also amended Wyoming Statute § 13-12-116(c) by stating that if a special purpose depository institution fails to commence business in compliance with the requirements imposed by the Commissioner under subsection (b) within one year after the issuance of a certificate of authority to operate by the Commissioner, the charter and the certificate of authority shall expire. In response to these changes, the Wyoming Department of Audit, Division of Banking proposes to amend Chapter 20 – Special Purpose Depository Institutions pursuant to rulemaking authority set forth in Wyoming Statute § 13-12-116(b).



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 shall be 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. Reference to a particular federal law or rule in this Chapter shall not be construed to imply that other laws or rules not referenced are inapplicable.
- (e) A special purpose depository institution may request the Commissioner to provide guidance on the applicability of a specific federal law under subsection (d) of this section.

Section 2. Capital and Surplus/Operating Expenses.

- (a) Consistent with W.S. 13-12-110(b) and subsection (d) of this section, 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) Prior to commencing business under W.S. 13-12-116, a special purpose depository institution must satisfy the initial capital and surplus requirements of 13-12-110(b). Undivided profits must equal the lesser of either:

- (i) The operating expense estimates submitted under W.S. 13-12-111(b); or
- (ii) An alternative amount determined by the Commissioner based on the review of the institution's projected risk profile.

(d) In establishing a capital requirement under this section, the Commissioner shall consider the following factors holistically, accounting for the non-leveraged nature of the institution and the impact of operational risk and impact on earnings:

- (i) Peer institutions of the special purpose depository institution, which may include custodial banks and national trust banks;
- (ii) The activities and risks posed by the business plan and financial projections of the special purpose depository institution;
- (iii) The prompt corrective action tier 1 leverage ratio;
- (iv) The non-leveraged nature of deposits related to custodial, fiduciary and trust accounts administered by the institution, consistent with 12 C.F.R. § 217.10 as of October 1, 2020, and the treatment of custodial, fiduciary and trust deposits under the supplementary leverage ratio for custodial banks;
- (v) Current market conditions, including capital requirements of recently-chartered de novo banks; and
- (vi) Potential costs of a receivership, as specified by § 5 of this Chapter.

(e) As used in this Chapter, "custodial bank" means a depository institution predominantly engaged in custody, safekeeping, and asset servicing activities, consistent with the Economic Growth, Regulatory Relief and Consumer Protection Act (132 Stat. 1296, 1359).

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) The articles of incorporation of the institution plus any filing fee required by the Secretary of State, or existing incorporation documents as 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 institution a 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 financial statement of a person with a proposed controlling interest in the special purpose depository institution, as defined in § 5(a) of this Chapter;

(xi) Identification of all prospective investors in the proposed institution, and other information as the Commissioner may require, including information regarding non-United States citizens;

(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, as well as 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 and 6-5-303. 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.

(e) As appropriate and consistent with safe and sound banking practices, the capital structure of a special purpose depository institution shall favor common stock.

Section 4. Recovery/Resolution Planning.

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

(b) A draft recovery and resolution plan shall generally encompass the requirements of a national bank recovery plan and the "targeted resolution plan" specified by 12 C.F.R. § 243.6, as of June 1, 2020. The plan shall outline potential recovery actions to address significant financial or operational stress that could threaten the safe and sound operation of the institution, as well as and strategies for orderly disposition of the institution without the need for the appointment of a receiver, including actions under § 5 of this Chapter. A plan shall also 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 plan. The 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 recovery and resolution plan and determine whether it appropriately addresses the risks inherent in a potential recovery or resolution scenario. 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 financial system from material risks. The board of directors of the institution shall review the draft 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 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 recovery and 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 recovery and resolution plan.

(f) A recovery and resolution plan, or draft plan, filed with the Commissioner shall be confidential. A recovery and resolution plan may be disclosed in a confidential format to other governmental agencies, self-regulatory organizations or persons assisting with the recovery or resolution of an institution, as deemed appropriate by the Commissioner.

Section 5. Supervision of Controlling Interests; Affiliate Relationships.

(a) As used in this Chapter, "controlling interest in a special purpose depository institution" means a circumstance when a person, directly or indirectly, or acting through or in concert with one or more persons:

(i) Owns, controls, or has the power to vote 25 percent or more of any class of voting securities of the institution;

(ii) Controls in any manner the election of a majority of the directors of the institution;

(iii) Have the power to exercise a controlling influence over the management or policies of the institution.

(b) A person with a controlling interest in a special purpose depository institution shall:

(i) Submit annual audited financial statements, and as otherwise reasonably required by the Commissioner;

(ii) Provide a description of all affiliated or parent entities and their relationships with the institution, including annual updates;

(iii) Serve as a source of strength for the institution, which may include capital plans, maintenance agreements or agreements for resource-sharing, as required by the Commissioner.

(c) The Commissioner may require a legal entity with a controlling interest in a special purpose depository institution to execute a tax allocation agreement with the institution that expressly states that an agency relationship exists between the person and the institution with respect to tax assets generated by the institution, and that these assets are held in trust by the person for the benefit of the institution and will be promptly remitted to the institution. The tax allocation agreement may also provide that the amount and timing of any payments or refunds to the institution by the person should be no less favorable than if the institution were a separate taxpayer.

(d) A person who meets the definition of a "commercial firm" under the Dodd-Frank Wall Street Reform and Consumer Protection Act (124 Stat. 1376, 1596–97), shall not obtain a controlling interest in a special purpose depository institution.

(e) If the Commissioner finds that it is in the public interest and has reasonable cause to believe it is necessary to protect the customers of a special purpose depository institution, the Commissioner may:

(i) Conduct an examination of a legal entity with a controlling interest in a special purpose depository institution or otherwise require information from the person;

(ii) Require a person with a controlling interest in a special purpose depository institution to divest or sever their relationship with the institution, if necessary to maintain safety and soundness.

(f) If a person with a controlling interest in a special purpose depository institution is subject to supervision by another state or federal banking regulator, the Commissioner may

reasonably exempt the person from this section to facilitate coordinated supervision as appropriate.

(g) Consistent with § 1(d) of this Chapter, 12 C.F.R. § 223.1 *et seq.*, as of October 1, 2020, shall apply to special purpose depository institutions.

(h) As used in this section, "person" means as defined in Wyo. Stat. § 8-1-102(a)(vi).

Section 6. 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 and the Commissioner shall stand in the place of the institution. Constructive notice provided by the filing made under W.S. 13-4-303(a) shall be deemed to 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 must present their claim for determination. The Commissioner shall also mail notice to creditors as required by W.S. 13-4-402 and other applicable law.

(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, shall govern 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 shall 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, as defined in subsection (k) of this section, to the extent those expenses exceed pledged capital or a surety bond;

(ii) Customer claims relating to deposits, custodial, fiduciary and trust assets, as well as any claims of the Federal Reserve System;

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

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

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

(vi) Shareholders of the institution.

(k) "Administrative expenses" mean those costs incurred by the Commissioner under W.S. 13-4-501 in maintaining institution operations, preserving assets, resolving the affairs of the institution and other related activities. 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, trust 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) Collect 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;

(v) Deposit all receivership funds collected from the liquidation of the institution with a Wyoming bank or trust company;

(vi) Avoid fraudulent transfers or other transfers made in contemplation or in close proximity to the receivership, and recover these assets as provided by law; and

(vii) Take other necessary actions to efficiently and prudently complete a receivership.

(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. To carry out this section, the Commissioner may employ all rights, privileges and powers exercised by the Federal Deposit Insurance Corporation under federal law and the common law of receiverships as applied by courts to banks, when not inconsistent with this Chapter and Wyoming law.

(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, fiduciary or trust capacity are not part of the institution's general assets and liabilities held in connection with its other business and shall not be a source for payment of unrelated claims of creditors and other claimants if the following requirements are met:

(i) Appropriate segregation from institution assets;

(ii) Appropriate recordkeeping relating to custodial, fiduciary and trust accounts;

(iii) The structure of the custodial, fiduciary or trust relationship generally meets all other applicable legal requirements.

(q) Immediately upon taking possession of a special purpose depository institution, the Commissioner shall transfer the institution's custodial, trust 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, to the extent reasonably possible, shall act to recover missing, unavailable or pledged deposits, custodial or fiduciary assets for the benefit of customers or the receivership.

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

Section 7. Anti-Money Laundering, Customer Identification and Sanctions Compliance.

(a) A special purpose depository institution shall maintain a written compliance program covering the topics set forth in subsection (a) of this section, commensurate with the risk profile of the institution, as determined by the Commissioner. The program shall:

(i) Be approved initially by the board of directors and reviewed on an annual basis by the board for potential updates;

(ii) Require annual, written risk assessments, which shall be approved by the board and noted in the minutes of the board; and

(iii) Establish a written training program, which shall include annual training for directors, officers, and other key personnel which are in a position to promote institutional compliance.

(b) The board of directors of a special purpose depository institution shall approve all new products and services before launch, and assess material risks and the means by which the institution can satisfy compliance obligations with respect to each product and service.

(c) The board of directors shall also establish and update clear risk appetite standards for special purpose depository institution activities each year, with periodic reporting of anti-money laundering, customer identification and sanctions key risk indicators, key performance indicators, remedial action status, evolving regulatory issues and industry best practices.

(d) A special purpose depository institution shall conduct annual independent testing by qualified personnel with respect to its anti-money laundering, customer identification and sanctions controls, unless granted an exemption by the Commissioner.

(e) In the event of the discovery of any violation of state or federal law relating to anti-money laundering, customer identification or sanctions, a special purpose depository institution shall immediately inform the Division and the appropriate federal agency on a confidential basis relating to the circumstances of the violation, irrespective of whether disclosure is otherwise required under federal law.

(f) If engaged in digital asset activities, a special purpose depository institution shall maintain a digital asset analytics provider to assist with anti-money laundering, customer

identification and sanctions compliance. Alternatively, an institution may develop an in-house solution that is comparable to available third-party solutions if approved by the Commissioner.

(g) A special purpose depository institution shall conduct a source of funds review for each customer using a risk-focused approach.

(h) Special purpose depository institutions may provide digital asset transfers to external, non-custodial addresses from institution accounts. As used in this subsection, "non-custodial" means not held by a supervised financial institution in the United States or a foreign jurisdiction that has an effective anti-money laundering framework. Non-custodial transfers shall occur as follows:

(i) In the context of transfers from a customer account with an institution to a non-custodial address held by an institution customer, each institution shall appropriately screen for ownership of the counterparty address, with auditable processes in place to recreate the methods through which the bank conducted screening, and appropriate escalation processes in the event that the bank identifies a change in ownership of the wallet address.

(ii) In the context of transfers from a customer account with an institution to a non-custodial address held by a non-customer, the institution shall employ a risk-based approach, which may include pre-authorization and appropriate screening before the transfer shall take place.

(j) The Commissioner shall conduct transaction testing of the digital asset transactions of a special purpose depository institution on a regular basis, commensurate with the activities of the institution and supervisory manuals, policies and procedures.

Section 8. 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/president of the special purpose depository institution and at least one (1) of the other officers listed in

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

Section 9. Investments and Liquid Assets.

(a) Consistent with W.S. 13-12-105(b)(iii) and this section, a special purpose depository institution may, in addition to Federal Reserve Bank balances, maintain unencumbered liquid assets 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) Securities issued by a U.S. federal or state government agency or government sponsored enterprise which are investment grade;
- (iv) Investments specified by W.S. 13-3-302;
- (v) Other investments which are determined by the Commissioner to be substantially similar to the assets described in this subsection or permissible under safe and sound banking practices.

(b) The investments specified by subsection (a) of this section shall be level 1 high-quality liquid assets, as defined in 12 C.F.R. § 249.20, as of October 1, 2020, unless otherwise approved by the Commissioner.

(c) 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 § 11(e)(ii) of this Chapter.

(d) The Commissioner shall ensure generally that the duration of investments specified by subsection (a) of this section matches the duration of deposit liabilities of the special purpose depository institution. An institution shall ensure the investments specified by subsection (a) of this section are managed prudently, consistent with safe and sound banking practices, in a manner that:

- (i) Addresses interest rate risk, including repricing, basis, yield curve and option risk;
- (ii) Prevents mismatching; and

(iii) Accounts for potential stress scenarios.

(e) A special purpose depository institution shall maintain a comprehensive policy on investments, liquidity risk, interest rate risk and other related issues that is reviewed during each examination.

(f) After consulting with a special purpose depository institution, the Commissioner may use real-time supervisory technology that permits monitoring of the investments and liquidity position of the institution.

Section 10. 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 or digital asset activities more generally. Information subject to an information sharing agreement with another government agency shall remain confidential and shall be only used for the purposes specified in the agreement.

Section 11. 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 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 law 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, trust 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, trust, fiduciary or related 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 W.S. 13-12-103(b) and (c) and § 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; or

(B) 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 (e)(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 through:

(I) Failure to maintain clear, appropriate segregation of custodial, trust and fiduciary assets from institution assets; and

(II) Failure to ensure that all custodial, trust 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 12. 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, trust 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 13. 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.

(c) A special purpose depository institution shall maintain policies and conduct appropriate market surveillance to prevent, detect and combat manipulative or illegal trading practices in traditional and digital asset markets.

(d) A special purpose depository institution shall not engage in a narrowly focused business model that involves taking deposits from institutional investors and investing all or substantially all of the proceeds in balances within the Federal Reserve System or similar means as a pass-through investment entity. The following apply:

(i) As used in this subsection, "narrowly focused business model" means a circumstance in which custodial, fiduciary, trust or other financial activities (as defined in 12 U.S.C. § 1843(k)(4), excluding the pass-through investment activities described above), do not constitute a substantial majority of the business model of the special purpose depository institution.

(ii) The Commissioner shall interpret this provision in the same manner as custodial banks, which are authorized under federal law not to provide the same range or scale of traditional commercial or retail banking products as are provided by other banking organizations.

Section 14. Requirements to Commence Business

(a) A special purpose depository institution shall not commence business until meeting the following requirements:

(i) Certify that all of the capital stock subscriptions be paid in full and in cash and result in total capital funds in an amount that meets the requirements of W.S. 13-12-110. This amount shall be determined by the Commissioner and shall be communicated to the institution in writing within ten (10) days of receiving a Certificate of Authority;

(ii) Provide a completed asset pledge or surety bond in amount determined by the Commissioner, as required by W.S. 13-12-118. The amount shall be communicated to the institution in writing within ten (10) days of receiving a Certificate of Authority;

(iii) Certify that, except as specified in the charter application, no person, corporation, or related interest may purchase more than ten (10) percent of the outstanding shares of stock of the initial issue without the prior written approval of the Commissioner;

(iv) Certify that the organizers of the special purpose depository institution, and their affiliates, shall purchase no more shares of stock in the initial offering of the institution's stock than indicated in the charter application without the prior written approval of the Commissioner;

(v) Confirm that the special purpose depository institution is wholly-owned by its founders and investors and certify that the institution will comply with W.S. 13-2-303 before any increase or reduction in capital stock and W.S. 13-2-304 before any transfer of voting ownership interests;

(vi) Submit for approval any agreement or plan describing the issuance of stock options in the special purpose depository institution to key employees and/or officers of the institution;

(vii) Submit to the Commissioner for prior approval any deviation from any capital raise that was previously reviewed by the Commissioner, including the terms of the stock warrants issued to the incorporators;

(viii) Provide a description of proposed insurance relating to the institution, including appropriate directors' and officers' liability, errors and omissions liability, premises coverage, information technology infrastructure and activities liability, other traditional bank coverages, as required by W.S. 13-12-119(e) and the Commissioner;

(ix) Confirm that the Commissioner shall receive advance notice of any changes to the positions of Chief Executive Officer, Chief Financial Officer, Chief Information Security Officer, Chief Technology Officer, Chief Compliance Officer, or any other executive officer during the first three years of operation, along with a complete biographical and financial report from any new executive officer;

(x) Confirm that the Commissioner shall receive advance notice of any changes to directors prior to the special purpose depository institution's opening and during the

first three years of operation, along with a complete biographical and financial report from any new director and the director oath required by W.S. 13-2-401;

(xi) Confirm that, within twelve (12) months of commencing business, all directors without prior experience as bank directors will receive and complete directors' training, as approved by the Commissioner;

(xii) Certify that the special purpose depository institution shall notify the Commissioner of any proposed major deviation or material change from the business plan initially submitted with the charter application. The institution shall provide this notice at least sixty (60) days prior to the proposed implementation of any such deviations or changes and shall obtain an approval or non-objection letter from the Commissioner prior to implementation of any material deviations or changes. Unless the institution received the aforementioned approval or non-objection letter, the institution shall operate within the parameters of the initial business plan for the first three years of operations;

(xiii) Confirm the implementation and testing of a core banking system, as well as the remediation of material issues or deficiencies identified during implementation and testing;

(xiv) Provide executed copies of any intercompany or affiliate agreements, including shared services;

(xv) Provide a list of all third-party vendors and executed copies of all critical third-party vendor contracts;

(xvi) Confirm establishment of an account relationship with the Federal Reserve Bank of Kansas City, a correspondent relationship, or another banking relationship which will result in the Bank engaging in banking business;

(xvii) Adopt, by resolution of the special purpose depository institution Board of Directors, operating policies that govern, capital, investments, asset/liability management, audit, information systems and technology, business continuity, security, disaster recover, conflicts of interest, Bank Secrecy Act/anti money laundering/sanctions, and any other policy required by the Commissioner;

(xviii) Provide a completed policy inventory;

(xix) Provide completed risk assessments that at a minimum include cybersecurity and Bank Secrecy Act and provide the internal audit plan which includes the audit schedule, risk assessment of activities, and system for remediation of audit findings;

(xx) Submit the following resolutions adopted by the Board of Directors:

(A) A resolution committing to maintain the institution's total capital at specific levels determined by the Commissioner during the first three years of operation, unless prior approval is obtained from the Commissioner, and further committing to maintain

capital levels thereafter at levels consistent with the published policies of the Commissioner and safe and sound banking practices;

(B) A resolution committing that the special purpose depository institution will not pay and or accrue any dividends or incentive bonuses above the executive officer bonus structure during the first three years of operations without the prior approval of the Commissioner, if applicable;

(C) A resolution to not pay or accrue any additional fees to directors or committee members, except what was outlined in the charter application, during the first three years of operations without prior approval from the Commissioner; and

(D) A resolution committing that each director shall regularly attend board meetings. Any director that does not attend at least seventy-five (75) percent of Board meetings may be asked to resign unless compelling circumstances exist;

(xxi) Confirm that, during the first three years of operation, the special purpose depository institution shall submit quarterly cash flow statements that illustrate the institution's sources and uses of funds, in addition to required call reports and other information provided to the Commissioner;

(xxii) Confirm that, after the special purpose depository institution opens, it shall provide to the Commissioner quarterly variance reports that compare the budget to actual performance for the first three years of operation. The budget should be derived from the business plan and pro-forma financial statements submitted as part of the charter application. Variance reports should include all material line items listed on the statements of condition and statements of income and expenses. The variance report should include explanations for any line item with a variance of more than twenty (20) percent;

(xxiii) Confirm that the special purpose depository institution shall adopt and implement appropriate procedures to ensure ongoing compliance with all applicable federal and state laws, regulations, and rules;

(xxiv) Confirm that the special purpose depository institution will provide a draft resolution and recovery plan within six months of commencing business; and

(xxv) Satisfy all other items as required by the Commissioner that are specific to the business plan or planned operations of the special purpose depository institution. The Commissioner shall communicate these other requirements to the institution in writing within ten (10) days of receiving a Certificate of Authority.

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~~ shall be 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. Reference to a particular federal law or rule in this Chapter shall not be construed to imply that other laws or rules not referenced are inapplicable.
- (e) A special purpose depository institution may request the Commissioner to provide guidance on the applicability of a specific federal law under subsection (d) of this section.

Section 2. Capital and Surplus/Operating Expenses.

- (a) Consistent with W.S. 13-12-110(b) and subsection (d) of this section, 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.~~ Prior to commencing business under W.S. 13-12-116, a special purpose depository institution must satisfy the initial capital and surplus requirements of W.S. 13-12-110(b). Undivided profits must equal the lesser of either:

(i) The operating expense estimates submitted under W.S. 13-12-111(b); or

(ii) An alternative amount determined by the Commissioner based on the review of the institution's projected risk profile.

(d) In establishing a capital requirement under this section, the Commissioner shall consider the following factors holistically, accounting for the non-leveraged nature of the institution and the impact of operational risk and impact on earnings:

(i) Peer institutions of the special purpose depository institution, which may include custodial banks and national trust banks;

(ii) The activities and risks posed by the business plan and financial projections of the special purpose depository institution;

(iii) The prompt corrective action tier 1 leverage ratio;

(iv) The non-leveraged nature of deposits related to custodial, fiduciary and trust accounts administered by the institution, consistent with 12 C.F.R. § 217.10 as of October 1, 2020, and the treatment of custodial, fiduciary and trust deposits under the supplementary leverage ratio for custodial banks;

(v) Current market conditions, including capital requirements of recently-chartered de novo banks; and

(vi) Potential costs of a receivership, as specified by § 5 of this Chapter.

(e) As used in this Chapter, "custodial bank" means a depository institution predominantly engaged in custody, safekeeping, and asset servicing activities, consistent with the Economic Growth, Regulatory Relief and Consumer Protection Act (132 Stat. 1296, 1359).

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) The articles of incorporation of the institution plus any filing fee required by the Secretary of State, or existing incorporation documents as 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 institution a 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 financial statement of a

person with a proposed controlling interest in the special purpose depository institution, as defined in § 5(a) of this Chapter;

(xi) Identification of all prospective investors in the proposed institution, and other information as the Commissioner may require, including information regarding non-United States citizens;

(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, as well as 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 and 6-5-303. 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.

(e) As appropriate and consistent with safe and sound banking practices, the capital structure of a special purpose depository institution shall favor common stock.

Section 4. Recovery/Resolution Planning.

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

(b) A draft recovery and resolution plan shall generally encompass the requirements of a national bank recovery plan and the "targeted resolution plan" specified by 12 C.F.R. § 243.6, as of June 1, 2020. The plan shall outline potential recovery actions to address significant financial or operational stress that could threaten the safe and sound operation of the institution, as well as and strategies for orderly disposition of the institution without the need for the

appointment of a receiver, including actions under § 5 of this Chapter. A plan shall also 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 plan. The 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 recovery and resolution plan and determine whether it appropriately addresses the risks inherent in a potential recovery or resolution scenario. 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 financial system from material risks. The board of directors of the institution shall review the draft 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 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 recovery and 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 recovery and resolution plan.

(f) A recovery and resolution plan, or draft plan, filed with the Commissioner shall be confidential. A recovery and resolution plan may be disclosed in a confidential format to other governmental agencies, self-regulatory organizations or persons assisting with the recovery or resolution of an institution, as deemed appropriate by the Commissioner.

Section 5. Supervision of Controlling Interests; Affiliate Relationships.

(a) As used in this Chapter, "controlling interest in a special purpose depository institution" means a circumstance when a person, directly or indirectly, or acting through or in concert with one or more persons:

(i) Owns, controls, or has the power to vote 25 percent or more of any class of voting securities of the institution;

(ii) Controls in any manner the election of a majority of the directors of the institution;

(iii) Have the power to exercise a controlling influence over the management or policies of the institution.

(b) A person with a controlling interest in a special purpose depository institution shall:

(i) Submit annual audited financial statements, and as otherwise reasonably required by the Commissioner;

(ii) Provide a description of all affiliated or parent entities and their relationships with the institution, including annual updates;

(iii) Serve as a source of strength for the institution, which may include capital plans, maintenance agreements or agreements for resource-sharing, as required by the Commissioner.

(c) The Commissioner may require a legal entity with a controlling interest in a special purpose depository institution to execute a tax allocation agreement with the institution that expressly states that an agency relationship exists between the person and the institution with respect to tax assets generated by the institution, and that these assets are held in trust by the person for the benefit of the institution and will be promptly remitted to the institution. The tax allocation agreement may also provide that the amount and timing of any payments or refunds to the institution by the person should be no less favorable than if the institution were a separate taxpayer.

(d) A person who meets the definition of a "commercial firm" under the Dodd-Frank Wall Street Reform and Consumer Protection Act (124 Stat. 1376, 1596–97), shall not obtain a controlling interest in a special purpose depository institution.

(e) If the Commissioner finds that it is in the public interest and has reasonable cause to believe it is necessary to protect the customers of a special purpose depository institution, the Commissioner may:

(i) Conduct an examination of a legal entity with a controlling interest in a special purpose depository institution or otherwise require information from the person;

(ii) Require a person with a controlling interest in a special purpose depository institution to divest or sever their relationship with the institution, if necessary to maintain safety and soundness.

(f) If a person with a controlling interest in a special purpose depository institution is subject to supervision by another state or federal banking regulator, the Commissioner may reasonably exempt the person from this section to facilitate coordinated supervision as appropriate.

(g) Consistent with § 1(d) of this Chapter, 12 C.F.R. § 223.1 *et seq.*, as of October 1, 2020, shall apply to special purpose depository institutions.

(h) As used in this section, "person" means as defined in Wyo. Stat. § 8-1-102(a)(vi).

Section 6. 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 and the Commissioner shall stand in the place of the institution. Constructive notice provided by the filing made under W.S. 13-4-303(a) shall be deemed to 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 must present their claim for determination. The Commissioner shall also mail notice to creditors as required by W.S. 13-4-402 and other applicable law.

(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, shall govern 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 shall 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, as defined in subsection (k) of this section, to the extent those expenses exceed pledged capital or a surety bond;

(ii) Customer claims relating to deposits, custodial, fiduciary and trust assets, as well as any claims of the Federal Reserve System;

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

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

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

(vi) Shareholders of the institution.

(k) "Administrative expenses" mean those costs incurred by the Commissioner under W.S. 13-4-501 in maintaining institution operations, preserving assets, resolving the affairs of the institution and other related activities. 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, trust 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) Collect 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;

(v) Deposit all receivership funds collected from the liquidation of the institution with a Wyoming bank or trust company;

(vi) Avoid fraudulent transfers or other transfers made in contemplation or in close proximity to the receivership, and recover these assets as provided by law; and

(vii) Take other necessary actions to efficiently and prudently complete a receivership.

(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. To carry out this section, the Commissioner may employ all rights, privileges and powers exercised by the Federal Deposit Insurance Corporation under federal law and the common law of receiverships as applied by courts to banks, when not inconsistent with this Chapter and Wyoming law.

(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, fiduciary or trust capacity are not part of the institution's general assets and liabilities held in connection with its other business and shall not be a source for payment of unrelated claims of creditors and other claimants if the following requirements are met:

(i) Appropriate segregation from institution assets;

(ii) Appropriate recordkeeping relating to custodial, fiduciary and trust accounts;

(iii) The structure of the custodial, fiduciary or trust relationship generally meets all other applicable legal requirements.

(q) Immediately upon taking possession of a special purpose depository institution, the Commissioner shall transfer the institution's custodial, trust 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, to the extent reasonably possible, shall act to recover missing, unavailable or pledged deposits, custodial or fiduciary assets for the benefit of customers or the receivership.

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

Section 7. Anti-Money Laundering, Customer Identification and Sanctions Compliance.

(a) A special purpose depository institution shall maintain a written compliance program covering the topics set forth in subsection (a) of this section, commensurate with the risk profile of the institution, as determined by the Commissioner. The program shall:

(i) Be approved initially by the board of directors and reviewed on an annual basis by the board for potential updates;

(ii) Require annual, written risk assessments, which shall be approved by the board and noted in the minutes of the board; and

(iii) Establish a written training program, which shall include annual training for directors, officers, and other key personnel which are in a position to promote institutional compliance.

(b) The board of directors of a special purpose depository institution shall approve all new products and services before launch, and assess material risks and the means by which the institution can satisfy compliance obligations with respect to each product and service.

(c) The board of directors shall also establish and update clear risk appetite standards for special purpose depository institution activities each year, with periodic reporting of anti-money laundering, customer identification and sanctions key risk indicators, key performance indicators, remedial action status, evolving regulatory issues and industry best practices.

(d) A special purpose depository institution shall conduct annual independent testing by qualified personnel with respect to its anti-money laundering, customer identification and sanctions controls, unless granted an exemption by the Commissioner.

(e) In the event of the discovery of any violation of state or federal law relating to anti-money laundering, customer identification or sanctions, a special purpose depository

institution shall immediately inform the Division and the appropriate federal agency on a confidential basis relating to the circumstances of the violation, irrespective of whether disclosure is otherwise required under federal law.

(f) If engaged in digital asset activities, a special purpose depository institution shall maintain a digital asset analytics provider to assist with anti-money laundering, customer identification and sanctions compliance. Alternatively, an institution may develop an in-house solution that is comparable to available third-party solutions if approved by the Commissioner.

(g) A special purpose depository institution shall conduct a source of funds review for each customer using a risk-focused approach.

(h) Special purpose depository institutions may provide digital asset transfers to external, non-custodial addresses from institution accounts. As used in this subsection, "non-custodial" means not held by a supervised financial institution in the United States or a foreign jurisdiction that has an effective anti-money laundering framework. Non-custodial transfers shall occur as follows:

(i) In the context of transfers from a customer account with an institution to a non-custodial address held by an institution customer, each institution shall appropriately screen for ownership of the counterparty address, with auditable processes in place to recreate the methods through which the bank conducted screening, and appropriate escalation processes in the event that the bank identifies a change in ownership of the wallet address.

(ii) In the context of transfers from a customer account with an institution to a non-custodial address held by a non-customer, the institution shall employ a risk-based approach, which may include pre-authorization and appropriate screening before the transfer shall take place.

(j) The Commissioner shall conduct transaction testing of the digital asset transactions of a special purpose depository institution on a regular basis, commensurate with the activities of the institution and supervisory manuals, policies and procedures.

Section 8. 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/president of the special purpose depository institution and at least one (1) of the other officers listed in paragraphs (a)(ii) through (a)(v) of this section directs, controls and coordinates the activities of the institution for a majority of a calendar year.

Section 9. Investments and Liquid Assets.

(a) Consistent with W.S. 13-12-105(b)(iii) and this section, a special purpose depository institution may, in addition to Federal Reserve Bank balances, maintain unencumbered liquid assets 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) Securities issued by a U.S. federal or state government agency or government sponsored enterprise which are investment grade;
- (iv) Investments specified by W.S. 13-3-302;
- (v) Other investments which are determined by the Commissioner to be substantially similar to the assets described in this subsection or permissible under safe and sound banking practices.

(b) The investments specified by subsection (a) of this section shall be level 1 high-quality liquid assets, as defined in 12 C.F.R. § 249.20, as of October 1, 2020, unless otherwise approved by the Commissioner.

(c) 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 § 11(e)(ii) of this Chapter.

(d) The Commissioner shall ensure generally that the duration of investments specified by subsection (a) of this section matches the duration of deposit liabilities of the special purpose depository institution. An institution shall ensure the investments specified by subsection (a) of this section are managed prudently, consistent with safe and sound banking practices, in a manner that:

option risk;

- (i) Addresses interest rate risk, including repricing, basis, yield curve and

- (ii) Prevents mismatching; and

- (iii) Accounts for potential stress scenarios.

(e) A special purpose depository institution shall maintain a comprehensive policy on investments, liquidity risk, interest rate risk and other related issues that is reviewed during each examination.

(f) After consulting with a special purpose depository institution, the Commissioner may use real-time supervisory technology that permits monitoring of the investments and liquidity position of the institution.

Section 10. 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 or digital asset activities more generally. Information subject to an information sharing agreement with another government agency shall remain confidential and shall be only used for the purposes specified in the agreement.

Section 11. 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 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 law 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, trust 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, trust, fiduciary or related 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 W.S. 13-12-103(b) and (c) and § 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; or

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

(~~C~~ B) 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 (e)(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 through:

(I) Failure to maintain clear, appropriate segregation of custodial, trust and fiduciary assets from institution assets; and

(II) Failure to ensure that all custodial, trust 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 12. 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, trust 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 13. 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.

(c) A special purpose depository institution shall maintain policies and conduct appropriate market surveillance to prevent, detect and combat manipulative or illegal trading practices in traditional and digital asset markets.

(d) A special purpose depository institution shall not engage in a narrowly focused business model that involves taking deposits from institutional investors and investing all or substantially all of the proceeds in balances within the Federal Reserve System or similar means as a pass-through investment entity. The following apply:

(i) As used in this subsection, "narrowly focused business model" means a circumstance in which custodial, fiduciary, trust or other financial activities (as defined in 12 U.S.C. § 1843(k)(4), excluding the pass-through investment activities described above), do not

constitute a substantial majority of the business model of the special purpose depository institution.

(ii) The Commissioner shall interpret this provision in the same manner as custodial banks, which are authorized under federal law not to provide the same range or scale of traditional commercial or retail banking products as are provided by other banking organizations.

Section 14. Requirements to Commence Business

(a) A special purpose depository institution shall not commence business until meeting the following requirements:

(i) Certify that all of the capital stock subscriptions be paid in full and in cash and result in total capital funds in an amount that meets the requirements of W.S. 13-12-110. This amount shall be determined by the Commissioner and shall be communicated to the institution in writing within ten (10) days of receiving a Certificate of Authority;

(ii) Provide a completed asset pledge or surety bond in amount determined by the Commissioner, as required by W.S. 13-12-118. The amount shall be communicated to the institution in writing within ten (10) days of receiving a Certificate of Authority;

(iii) Certify that, except as specified in the charter application, no person, corporation, or related interest may purchase more than ten (10) percent of the outstanding shares of stock of the initial issue without the prior written approval of the Commissioner;

(iv) Certify that the organizers of the special purpose depository institution, and their affiliates, shall purchase no more shares of stock in the initial offering of the institution's stock than indicated in the charter application without the prior written approval of the Commissioner;

(v) Confirm that the special purpose depository institution is wholly-owned by its founders and investors and certify that the institution will comply with W.S. 13-2-303 before any increase or reduction in capital stock and W.S. 13-2-304 before any transfer of voting ownership interests;

(vi) Submit for approval any agreement or plan describing the issuance of stock options in the special purpose depository institution to key employees and/or officers of the institution;

(vii) Submit to the Commissioner for prior approval any deviation from any capital raise that was previously reviewed by the Commissioner, including the terms of the stock warrants issued to the incorporators;

(viii) Provide a description of proposed insurance relating to the institution, including appropriate directors' and officers' liability, errors and omissions liability, premises coverage, information technology infrastructure and activities liability, other traditional bank coverages, as required by W.S. 13-12-119(e) and the Commissioner;

(ix) Confirm that the Commissioner shall receive advance notice of any changes to the positions of Chief Executive Officer, Chief Financial Officer, Chief Information Security Officer, Chief Technology Officer, Chief Compliance Officer, or any other executive officer during the first three years of operation, along with a complete biographical and financial report from any new executive officer;

(x) Confirm that the Commissioner shall receive advance notice of any changes to directors prior to the special purpose depository institution's opening and during the first three years of operation, along with a complete biographical and financial report from any new director and the director oath required by W.S. 13-2-401;

(xi) Confirm that, within twelve (12) months of commencing business, all directors without prior experience as bank directors will receive and complete directors' training, as approved by the Commissioner;

(xii) Certify that the special purpose depository institution shall notify the Commissioner of any proposed major deviation or material change from the business plan initially submitted with the charter application. The institution shall provide this notice at least sixty (60) days prior to the proposed implementation of any such deviations or changes and shall obtain an approval or non-objection letter from the Commissioner prior to implementation of any material deviations or changes. Unless the institution received the aforementioned approval or non-objection letter, the institution shall operate within the parameters of the initial business plan for the first three years of operations;

(xiii) Confirm the implementation and testing of a core banking system, as well as the remediation of material issues or deficiencies identified during implementation and testing;

(xiv) Provide executed copies of any intercompany or affiliate agreements, including shared services;

(xv) Provide a list of all third-party vendors and executed copies of all critical third-party vendor contracts;

(xvi) Confirm establishment of an account relationship with the Federal Reserve Bank of Kansas City, a correspondent relationship, or another banking relationship which will result in the Bank engaging in banking business;

(xvii) Adopt, by resolution of the special purpose depository institution Board of Directors, operating policies that govern, capital, investments, asset/liability management, audit, information systems and technology, business continuity, security, disaster recover, conflicts of interest, Bank Secrecy Act/anti money laundering/sanctions, and any other policy required by the Commissioner;

(xviii) Provide a completed policy inventory;

(xix) Provide completed risk assessments that at a minimum include cybersecurity and Bank Secrecy Act and provide the internal audit plan which includes the audit schedule, risk assessment of activities, and system for remediation of audit findings;

(xx) Submit the following resolutions adopted by the Board of Directors:

(A) A resolution committing to maintain the institution's total capital at specific levels determined by the Commissioner during the first three years of operation, unless prior approval is obtained from the Commissioner, and further committing to maintain capital levels thereafter at levels consistent with the published policies of the Commissioner and safe and sound banking practices;

(B) A resolution committing that the special purpose depository institution will not pay and or accrue any dividends or incentive bonuses above the executive officer bonus structure during the first three years of operations without the prior approval of the Commissioner, if applicable;

(C) A resolution to not pay or accrue any additional fees to directors or committee members, except what was outlined in the charter application, during the first three years of operations without prior approval from the Commissioner; and

(D) A resolution committing that each director shall regularly attend board meetings. Any director that does not attend at least seventy-five (75) percent of Board meetings may be asked to resign unless compelling circumstances exist;

(xxi) Confirm that, during the first three years of operation, the special purpose depository institution shall submit quarterly cash flow statements that illustrate the institution's sources and uses of funds, in addition to required call reports and other information provided to the Commissioner;

(xxii) Confirm that, after the special purpose depository institution opens, it shall provide to the Commissioner quarterly variance reports that compare the budget to actual performance for the first three years of operation. The budget should be derived from the business plan and pro-forma financial statements submitted as part of the charter application. Variance reports should include all material line items listed on the statements of condition and statements of income and expenses. The variance report should include explanations for any line item with a variance of more than twenty (20) percent;

(xxiii) Confirm that the special purpose depository institution shall adopt and implement appropriate procedures to ensure ongoing compliance with all applicable federal and state laws, regulations, and rules;

(xxiv) Confirm that the special purpose depository institution will provide a draft resolution and recovery plan within six months of commencing business; and

(xxv) Satisfy all other items as required by the Commissioner that are specific to the business plan or planned operations of the special purpose depository institution. The

Commissioner shall communicate these other requirements to the institution in writing within ten (10) days of receiving a Certificate of Authority.