
SENATE BILL NO. 360—SENATOR OHRENSCHALL

MARCH 22, 2023

JOINT SPONSORS: ASSEMBLYWOMEN BACKUS; AND COHEN

Referred to Committee on Judiciary

SUMMARY—Provides for the licensure and regulation of persons engaged in digital financial asset business activity. (BDR 59-887)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to digital financial assets; providing for the licensure and regulation of persons engaged in digital financial asset business activity; setting forth certain requirements concerning the operations of a person who is licensed to engage in digital financial asset business activity; providing penalties; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 **Sections 2-56** of this bill set forth the Digital Financial Asset Business Activity
2 Law, which, in general, requires persons engaged in certain business activity
3 involving digital financial assets to obtain a license from the Division of Financial
4 Institutions of the Department of Business and Industry.
5 **Section 9** of this bill defines “digital financial asset business activity” to mean,
6 in general: (1) exchanging, transferring or storing digital financial assets or
7 engaging in digital financial asset administration; (2) holding electronic precious
8 metals or electronic certificates representing interests in such metals on behalf of
9 another person or issuing shares or electronic certificates representing interests in
10 precious metals; or (3) exchanging digital representations of value used within
11 certain online games for a digital financial asset or legal tender or bank credit
12 offered by or on behalf of the publisher of the game. **Section 25** of this bill provides
13 that the provisions of this bill apply, with certain exceptions, to a person who
14 engages in digital financial asset business activity with or on behalf of a resident of
15 this State.
16 **Section 26** of this bill prohibits a person from engaging in digital financial asset
17 business activity unless the person has obtained a license from the Division or is



18 exempt from licensure. **Section 27** of this bill sets forth the application
19 requirements and procedures for a person to obtain a license to conduct digital
20 financial asset business activity. **Section 28** of this bill authorizes the Division to
21 issue a conditional license to an applicant who holds a license to engage in virtual-
22 currency business activity in the State of New York under certain circumstances.
23 **Section 29** of this bill requires an applicant to: (1) deposit with the Division and
24 maintain while licensed a surety bond; or (2) establish and maintain while licensed
25 a trust account. **Section 29** also requires an applicant to submit evidence of and
26 maintain while licensed a minimum amount of capital, as determined by the
27 Division. **Section 30** of this bill authorizes an applicant whose application is denied
28 to appeal the denial. **Section 31** of this bill sets forth requirements for renewing a
29 license to conduct digital financial asset business activity. **Section 32** of this bill
30 provides that a license is not transferable or assignable. **Section 33** of this bill
31 authorizes the Division to adopt regulations to implement the provisions of this bill.
32 **Section 34** of this bill: (1) requires the Division to provide certain guidance
33 concerning licensure upon request; and (2) authorizes the Division to issue advisory
34 opinions and other written guidance. **Section 35** of this bill authorizes the Division
35 to conduct certain examinations of a licensee.

36 **Section 36** of this bill requires a licensee to maintain certain records related to
37 the digital financial asset business activity of the licensee. **Section 37** of this bill
38 authorizes the Division to share certain information relating to a licensee with
39 certain state or federal regulatory bodies. **Sections 38 and 57** of this bill provide
40 that certain records relating to the licensure of a person engaged in digital financial
41 asset business activity are not public records.

42 **Section 39** of this bill requires a licensee to file with the Division a report of a
43 change in: (1) the information in an application; (2) the conduct of the digital
44 financial asset business activity of a licensee; and (3) an executive officer,
45 responsible individual or person in control of the licensee. **Section 40** of this bill
46 requires a person who intends to take control of a licensee to obtain the approval of
47 the Division and sets forth application procedures and requirements to obtain such
48 approval. **Section 41** of this bill sets forth similar requirements for a proposed
49 merger or consolidation of a licensee with another person.

50 **Sections 42-48** of this bill authorize the Division to take certain enforcement
51 actions against a person for certain violations of the provisions of this bill, which
52 may include, among other actions, the suspension or revocation of a license and the
53 imposition of civil penalties. **Section 49** of this bill requires a licensee to make
54 certain disclosures to a person who uses its products or services.

55 **Section 50** of this bill requires a licensee that has control of a digital financial
56 asset for one or more persons to maintain an amount of each type of digital
57 financial asset sufficient to satisfy the aggregate entitlements of the persons to the
58 type of digital financial asset. **Section 50** authorizes a licensee to fulfill this
59 requirement by entering into certain agreements with each resident for whom the
60 licensee has control of a digital financial asset. **Sections 51 and 52** of this bill
61 impose certain requirements on licensees with respect to the exchange of a digital
62 financial asset. **Section 53** of this bill requires a licensee to establish a toll-free
63 telephone line through which a resident may contact the licensee. **Section 54** of this
64 bill prohibits a licensee from taking certain actions involving stablecoins, unless the
65 issuer of the stablecoin meets certain requirements. **Sections 55 and 56** of this bill
66 require an applicant to create, and maintain during licensure, certain policies and
67 procedures.



THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Title 59 of NRS is hereby amended by adding
2 thereto a new chapter to consist of the provisions set forth as
3 sections 2 to 56, inclusive, of this act.

4 **Sec. 2.** *This chapter may be cited as the Digital Financial*
5 *Asset Business Activity Law.*

6 **Sec. 3.** *As used in this chapter, unless the context otherwise*
7 *requires, the words and terms defined in sections 4 to 24,*
8 *inclusive, of this act have the meanings ascribed to them in those*
9 *sections.*

10 **Sec. 4.** *“Applicant” means a person that applies for a license*
11 *under this chapter.*

12 **Sec. 5.** *“Bank” means a federally chartered or state-*
13 *chartered depository institution or holder of a charter granted by*
14 *the Office of the Comptroller of the Currency to a person engaged*
15 *in the business of banking other than deposit-taking. The term*
16 *does not include:*

17 1. *An industrial loan company, state-chartered trust company*
18 *or a limited-purpose trust company, unless the company is*
19 *incorporated as a bank or the Division has authorized the*
20 *company to engage in digital financial asset business activity; or*

21 2. *A trust company or limited-purpose trust company*
22 *chartered by a state with which this State does not have a*
23 *reciprocity agreement governing trust-company activities.*

24 **Sec. 6.** *“Control” means:*

25 1. *When used in reference to a transaction or relationship*
26 *involving a digital financial asset, the power to execute*
27 *unilaterally or prevent indefinitely a digital financial asset*
28 *transaction; and*

29 2. *When used in reference to a person, the direct or indirect*
30 *power to direct the management, operations or policies of the*
31 *person through legal or beneficial ownership of voting power in*
32 *the person or under a contract, arrangement or understanding.*

33 **Sec. 7.** *“Digital financial asset”:*

34 1. *Means a digital representation of value that:*

35 (a) *Is used as a medium of exchange, unit of account or store*
36 *of value; and*

37 (b) *Is not legal tender, whether or not denominated in legal*
38 *tender.*

39 2. *Does not include:*

40 (a) *A transaction in which a merchant grants, as part of an*
41 *affinity or rewards program, value that cannot be taken from or*



1 *exchanged with the merchant for legal tender, bank credit or a*
2 *digital financial asset; or*

3 *(b) A digital representation of value issued by or on behalf of a*
4 *publisher and used solely within an online game, game platform*
5 *or family of games sold by the same publisher or offered on the*
6 *same game platform.*

7 **Sec. 8.** *“Digital financial asset administration” means*
8 *issuing a digital financial asset with the authority to redeem the*
9 *digital financial asset for legal tender, bank credit or another*
10 *digital financial asset.*

11 **Sec. 9.** *“Digital financial asset business activity” means:*

12 *1. Exchanging, transferring or storing a digital financial*
13 *asset or engaging in digital financial asset administration,*
14 *whether directly or through an agreement with a digital financial*
15 *asset control services vendor;*

16 *2. Holding electronic precious metals or electronic*
17 *certificates representing interests in precious metals on behalf of*
18 *another person or issuing shares or electronic certificates*
19 *representing interests in precious metals; or*

20 *3. Exchanging one or more digital representations of value*
21 *used within one or more online games, game platforms or family*
22 *of games for:*

23 *(a) A digital financial asset offered by or on behalf of the same*
24 *publisher from which the original digital representation of value*
25 *was received; or*

26 *(b) Legal tender or bank credit outside the online game, game*
27 *platform or family of games offered by or on behalf of the same*
28 *publisher from which the original digital representation of value*
29 *was received.*

30 **Sec. 10.** *“Digital financial asset control services vendor”*
31 *means a person that has control of a digital financial asset solely*
32 *under an agreement with a person that, on behalf of another*
33 *person, assumes control of the digital financial asset.*

34 **Sec. 11.** *“Division” means the Division of Financial*
35 *Institutions of the Department of Business and Industry.*

36 **Sec. 12.** *“Exchange,” when used as a verb, means to assume*
37 *control of a digital financial asset from or on behalf of a resident,*
38 *at least momentarily, to sell, trade or convert:*

39 *1. A digital financial asset for legal tender, bank credit or one*
40 *or more forms of digital financial assets; or*

41 *2. Legal tender or bank credit for one or more forms of*
42 *digital financial assets.*

43 **Sec. 13.** *“Executive officer” means a natural person who is a*
44 *director, officer, manager, managing member, partner or trustee*
45 *of a person that is not a natural person.*



1 **Sec. 14. “Insolvent” means:**

- 2 1. *Having generally ceased to pay debts in the ordinary*
3 *course of business other than as a result of a bona fide dispute;*
4 2. *Being unable to pay debts as they become due; or*
5 3. *Being insolvent within the meaning of federal bankruptcy*
6 *law.*

7 **Sec. 15. “Legal tender” means a medium of exchange or**
8 *unit of value, including the coin or paper money of the United*
9 *States, issued by the United States or by another government.*

10 **Sec. 16. “Licensee” means a person licensed or conditionally**
11 *licensed under this chapter.*

12 **Sec. 17. “Record” means information that is inscribed on a**
13 *tangible medium or that is stored in an electronic or other medium*
14 *and is retrievable in perceivable form.*

15 **Sec. 18. “Resident”:**

16 1. *Means a person who:*

17 (a) *Is domiciled in this State;*

18 (b) *Is physically located in this State for more than 183 days of*
19 *the previous 365 days; or*

20 (c) *Has a place of business in this State; and*

21 2. *Includes a legal representative of a person that satisfies*
22 *subsection 1.*

23 **Sec. 19. “Responsible individual” means a natural person**
24 *who has direct control over, or significant management, policy*
25 *and decision-making authority with respect to, a licensee’s digital*
26 *financial asset business activity in this State.*

27 **Sec. 20. “Sign” means, with present intent to authenticate or**
28 *adopt a record:*

29 1. *To execute or adopt a tangible symbol; or*

30 2. *To attach to or logically associate with the record an*
31 *electronic symbol, sound or process.*

32 **Sec. 21. “State” means a state of the United States, the**
33 *District of Columbia, Puerto Rico, the United States Virgin*
34 *Islands or any territory or insular possession subject to the*
35 *jurisdiction of the United States.*

36 **Sec. 22. “Store,” except as used in the phrase “store of**
37 *value,” means to maintain control of a digital financial asset on*
38 *behalf of a resident by a person other than the resident. The terms*
39 *“storage” and “storing” have corresponding meanings.*

40 **Sec. 23. “Transfer” means to assume control of a digital**
41 *financial asset from or on behalf of a resident and to:*

42 1. *Credit the digital financial asset to the account of another*
43 *person;*

44 2. *Move the digital financial asset from one account of a*
45 *resident to another account of the same resident; or*



1 3. *Relinquish control of a digital financial asset to another*
2 *person.*

3 **Sec. 24.** *“U.S. Dollar equivalent of digital financial assets”*
4 *means the equivalent value of a particular digital financial asset*
5 *in United States dollars shown on a digital financial asset*
6 *exchange based in the United States for a particular date or period*
7 *specified in this chapter.*

8 **Sec. 25. 1.** *Except as otherwise provided in subsection 2,*
9 *this chapter governs the digital financial asset business activity of*
10 *a person, wherever located, that engages in or holds itself out as*
11 *engaging in the activity with or on behalf of a resident.*

12 2. *This chapter does not apply to the exchange, transfer or*
13 *storage of a digital financial asset or to digital financial asset*
14 *administration to the extent the application of this chapter*
15 *conflicts with the Electronic Fund Transfer Act, 15 U.S.C. §§*
16 *1693 et seq., as amended, and to the extent the Securities*
17 *Exchange Act of 1934, 15 U.S.C. §§ 78a et seq., as amended, the*
18 *Commodity Exchange Act, 7 U.S.C. §§ 1 et seq., as amended, or*
19 *chapter 90 of NRS govern the activity. This chapter does not apply*
20 *to activity by:*

21 (a) *The United States, a state, political subdivision of a state,*
22 *agency or instrumentality of federal, state or local government, or*
23 *a foreign government or a subdivision, department, agency or*
24 *instrumentality of a foreign government;*

25 (b) *A bank;*

26 (c) *A person whose participation in a payment system is limited*
27 *to providing processing, clearing or performing settlement services*
28 *solely for transactions between or among persons that are exempt*
29 *from the licensing requirements of this chapter;*

30 (d) *A person engaged in the business of dealing in foreign*
31 *exchange to the extent the person’s activity meets the definition in*
32 *31 C.F.R. § 1010.605(f)(1)(iv), as amended;*

33 (e) *A person that:*

34 (1) *Contributes only connectivity software or computing*
35 *power to securing a network that records transactions involving*
36 *digital financial assets, or to a protocol governing transfer of the*
37 *digital representation of value;*

38 (2) *Provides only data storage or security services for a*
39 *business engaged in digital financial asset business activity and*
40 *does not otherwise engage in digital financial asset business*
41 *activity on behalf of another person; or*

42 (3) *Provides only to a person otherwise exempt from this*
43 *chapter a digital financial asset as one or more enterprise*
44 *solutions used solely among each other and has no agreement or*



1 *relationship with a resident that is an end-user of a digital*
2 *financial asset;*

3 *(f) A person using a digital financial asset, including, without*
4 *limitation, creating, investing, buying or selling or obtaining a*
5 *digital financial asset as payment for the purchase or sale of goods*
6 *or services, solely:*

7 *(1) On its own behalf;*

8 *(2) For personal, family or household purposes; or*

9 *(3) For academic purposes;*

10 *(g) A person whose digital financial asset business activity*
11 *with or on behalf of residents is reasonably expected to be valued,*
12 *in the aggregate, on an annual basis at \$50,000 or less, measured*
13 *by the U.S. Dollar equivalent of digital financial assets;*

14 *(h) An attorney to the extent of providing escrow services to a*
15 *resident;*

16 *(i) A title insurance company to the extent of providing escrow*
17 *services to a resident;*

18 *(j) A securities intermediary, as defined in NRS 104.8102, or a*
19 *commodity intermediary, as defined in NRS 104.9102, that:*

20 *(1) Does not engage in the ordinary course of business in*
21 *digital financial asset business activity with or on behalf of a*
22 *resident in addition to maintaining securities accounts or*
23 *commodities accounts and is regulated as a securities intermediary*
24 *or commodity intermediary under federal law, law of this State*
25 *other than this chapter or law of another state; and*

26 *(2) Affords a resident protections comparable to those set*
27 *forth in section 50 of this act;*

28 *(k) A secured creditor under NRS 104.9101 to 104.9717,*
29 *inclusive, or creditor with a judicial lien or lien arising by*
30 *operation of law on collateral that is a digital financial asset, if the*
31 *digital financial asset business activity of the creditor is limited to*
32 *enforcement of the security interest in compliance with NRS*
33 *104.9101 to 104.9717, inclusive, or of the lien in compliance with*
34 *the law applicable to the lien;*

35 *(l) A digital financial asset control services vendor; or*

36 *(m) A person that:*

37 *(1) Does not receive compensation either directly or*
38 *indirectly for:*

39 *(I) Providing digital financial asset products or services;*

40 *or*

41 *(II) Conducting digital financial asset business activity;*

42 *or*

43 *(2) Is engaged in testing products or services with the*
44 *person's own funds.*



1 **Sec. 26.** *A person shall not engage in digital financial asset*
2 *business activity, or hold itself out as being able to engage in*
3 *digital financial asset business activity, with or on behalf of a*
4 *resident unless the person is:*

5 1. *Licensed in this State by the Division under section 27 or*
6 *28 of this act; or*

7 2. *Exempt from licensure under this chapter by subsection 2*
8 *of section 25 of this act.*

9 **Sec. 27.** 1. *An application for a license under this chapter:*

10 (a) *Must be made in a form and medium prescribed by the*
11 *Division; and*

12 (b) *Must provide the following information relevant to the*
13 *applicant's proposed digital financial asset business activity:*

14 (1) *The legal name of the applicant, each current or*
15 *proposed business United States Postal Service address of the*
16 *applicant and any fictitious or trade name the applicant uses or*
17 *plans to use in conducting its digital financial asset business*
18 *activity with or on behalf of a resident;*

19 (2) *The legal name, any former or fictitious name and the*
20 *residential and business United States Postal Service address of*
21 *each executive officer and responsible individual of the applicant,*
22 *and each person that has control of the applicant;*

23 (3) *A description of the current and former business of the*
24 *applicant for the 5 years before the application is submitted or, if*
25 *the business has operated for less than 5 years, for the time the*
26 *business has operated, including its products and services,*
27 *associated Internet website addresses and social media pages,*
28 *principal place of business, projected user base and specific*
29 *marketing targets;*

30 (4) *A list of:*

31 (I) *Each money-service or money-transmitter license the*
32 *applicant holds in another state;*

33 (II) *The date each license expires; and*

34 (III) *Any license revocation, license suspension or other*
35 *disciplinary action taken against the licensee in another state and*
36 *any license applications rejected by another state;*

37 (5) *A list of any criminal conviction, deferred prosecution*
38 *agreement and pending criminal proceeding in any jurisdiction*
39 *against:*

40 (I) *The applicant;*

41 (II) *Each executive officer of the applicant;*

42 (III) *Each responsible individual of the applicant;*

43 (IV) *Each person that has control over the applicant;*

44 *and*

45 (V) *Each person over which the applicant has control;*



1 (6) A list of any litigation, arbitration or administrative
2 proceeding in any jurisdiction in which the applicant, or an
3 executive officer or a responsible individual of the applicant, has
4 been a party for the 10 years before the application is submitted,
5 determined to be material in accordance with generally accepted
6 accounting principles and, to the extent the applicant would be
7 required to disclose the litigation, arbitration or administrative
8 proceeding in the applicant's audited financial statements, reports
9 to equity owners and similar statements or reports;

10 (7) A list of any bankruptcy or receivership proceeding in
11 any jurisdiction for the 10 years before the application is
12 submitted in which any of the following was a debtor:

13 (I) The applicant;

14 (II) An executive officer of the applicant;

15 (III) A responsible individual of the applicant;

16 (IV) A person that has control over the applicant; and

17 (V) Any person over which the applicant has control;

18 (8) The name and United States Postal Service address of
19 each bank in which the applicant plans to deposit funds obtained
20 by its digital financial asset business activity;

21 (9) The source of funds and credit to be used by the
22 applicant to conduct digital financial asset business activity with
23 or on behalf of a resident and documentation demonstrating that
24 the applicant has the capital required by section 29 of this act;

25 (10) The United States Postal Service address and the
26 electronic mail address to which communications from the
27 Division may be sent;

28 (11) The name, United States Postal Service address and
29 electronic mail address of the registered agent of the applicant in
30 this State;

31 (12) A copy of the certificate, or a detailed summary
32 acceptable to the Division, of coverage for each liability, casualty,
33 business-interruption or cyber-security insurance policy
34 maintained by the applicant for itself, an executive officer or
35 responsible individual of the applicant, or the applicant's users;

36 (13) If applicable, the date on which and the state where
37 the applicant is formed and a copy of a current certificate of good
38 standing issued by that state;

39 (14) If a person has control of the applicant and the
40 person's equity interests are publicly traded in the United States, a
41 copy of the audited financial statement of the person for the most
42 recent fiscal year or most recent report of the person filed under
43 section 13 of the Securities Exchange Act of 1934, 15 U.S.C. §
44 78m, as amended;



1 (15) If a person has control of the applicant and the
2 person's equity interests are publicly traded outside the United
3 States, a copy of the audited financial statement of the person for
4 the most recent fiscal year of the person or a copy of the most
5 recent documentation similar to that required in subparagraph
6 (14) filed with the foreign regulator in the domicile of the person;

7 (16) If the applicant is a partnership or a member-managed
8 limited-liability company, the names and United States Postal
9 Service addresses of the general partners or members, as
10 applicable;

11 (17) If the applicant is required to register with the
12 Financial Crimes Enforcement Network of the United States
13 Department of the Treasury as a money-service business, evidence
14 of the registration;

15 (18) A set of fingerprints for each executive officer and
16 responsible individual of the applicant;

17 (19) If available, for each executive officer and responsible
18 individual of the applicant, for the 10 years before the application
19 is submitted:

20 (I) Employment history; and

21 (II) History of any investigation of the executive officer
22 or responsible individual or legal proceeding to which the
23 executive officer or responsible individual was a party;

24 (20) The plans through which the applicant will meet its
25 obligations under sections 55 and 56 of this act; and

26 (21) Other information the Division reasonably requires by
27 regulation.

28 2. On receipt of a completed application:

29 (a) The Division shall investigate:

30 (1) The financial condition and responsibility of the
31 applicant;

32 (2) The relevant financial and business experience,
33 character and general fitness of the applicant; and

34 (3) The competence, experience, character and general
35 fitness of each executive officer, each responsible individual and
36 any person that has control of the applicant; and

37 (b) The Division may conduct an investigation of the business
38 premises of an applicant.

39 3. After completing the investigation required by subsection
40 2, the Division shall send the applicant notice of its decision to
41 approve, conditionally approve or deny the application. If the
42 Division does not receive notice from the applicant that the
43 applicant accepts conditions specified by the Division within 31
44 days following the Division's notice of the conditions, the
45 application is deemed withdrawn.



- 1 4. A license takes effect on the later of:
2 (a) The date on which the Division issues the license; or
3 (b) The date the licensee provides the security required by
4 section 29 of this act.

5 **Sec. 28. 1.** The Division may issue a conditional license to
6 an applicant who holds a license to engage in virtual-currency
7 business activity in the State of New York pursuant to Part 200 of
8 Title 23 of the New York Codes, Rules and Regulations if:

- 9 (a) The license was issued not later than January 1, 2023; and
10 (b) The applicant complies with the requirements of this
11 chapter.

12 2. A conditional license issued pursuant to subsection 1
13 expires upon:

- 14 (a) The issuance of an unconditional license to the applicant;
15 (b) The denial of the application of the applicant for licensure;

16 or

17 (c) The revocation of the license held by the applicant
18 pursuant to Part 200 of Title 23 of the New York Codes, Rules and
19 Regulations,

20 ↳ whichever occurs first.

21 **Sec. 29. 1.** Before a license is issued under this chapter:

22 (a) An applicant must deposit with the Division, and thereafter
23 maintain while licensed, a surety bond in a form and amount
24 determined by the Division for the protection of residents that
25 engage in digital financial asset business activity with the licensee;

26 (b) In lieu of a surety bond required pursuant to paragraph
27 (a), an applicant may establish, and maintain while licensed, a
28 trust account in a bank or trust company in this State approved by
29 the Division in an amount determined by the Division for the
30 protection of residents that engage in digital financial asset
31 business activity with the licensee;

32 (c) Security deposited under this section must be payable to
33 this State for the benefit of a claim against the licensee on account
34 of the licensee's digital financial asset business activity with or on
35 behalf of a resident;

36 (d) Security deposited under this section must cover claims for
37 the period the Division specifies by regulation and for an
38 additional period the Division specifies after the licensee ceases to
39 engage in digital financial asset business activity with or on behalf
40 of a resident;

41 (e) For good cause, the Division may require the licensee to
42 increase the amount of security deposited under this section, and
43 the licensee shall deposit the additional security not later than 15
44 days after the licensee receives notice in a record of the required
45 increase;



1 (f) For good cause, the Division may permit a licensee to
2 substitute or deposit an alternate form of security satisfactory to
3 the Division if the licensee at all times complies with this section;

4 (g) A claimant does not have a direct right to recover against
5 security deposited under this section; and

6 (h) Only the Division may recover against the security, and the
7 Division may retain the recovery for not longer than 5 years and
8 may process claims and distribute recoveries to claimants in
9 accordance with chapter 671 of NRS.

10 2. In addition to the security required by subsection 1, a
11 licensee, at the time of application for a license under this chapter,
12 shall submit to the Division evidence of and at all times maintain
13 capital in an amount and form as the Division determines is
14 sufficient to ensure the financial integrity of the licensee and its
15 ongoing operations based on an assessment of the specific risks
16 applicable to the licensee. In determining the amount of capital
17 that a licensee is required to maintain pursuant to this subsection,
18 the Division may consider, without limitation:

19 (a) The composition of the total assets of the licensee,
20 including, without limitation, the position, size, liquidity, risk
21 exposure and price volatility of each type of asset;

22 (b) The composition of the total liabilities of the licensee,
23 including the size and timing of repayment of each type of
24 liability;

25 (c) The actual and excepted volume of the digital financial
26 asset business activity of the licensee;

27 (d) The amount of leverage employed by the licensee;

28 (e) The liquidity position of the licensee;

29 (f) The financial protection provided by the securities
30 deposited pursuant to subsection 1;

31 (g) The types of entities to be serviced by the licensee;

32 (h) The types of products or services to be offered by the
33 licensee; and

34 (i) Arrangements adopted by the licensee for the protection of
35 its customers in the event of that the licensee becomes insolvent.

36 3. Except as otherwise provided in subsection 4, the capital
37 required by subsection 2 must be held, in proportions determined
38 by the Division, in the form of cash, digital financial assets or
39 highly rated and highly liquid investments or securities. The value
40 of any digital financial asset held for the purposes of satisfying the
41 requirements of subsection 2 must be measured by the average
42 value of the digital financial asset in U.S. dollar equivalent of
43 digital financial assets over the immediately preceding 6 months.

44 4. Any digital financial asset over which a licensee has
45 control for a resident entitled to the protections of section 50 of



1 *this act does not constitute capital for the purposes of satisfying*
2 *the requirements of subsection 2.*

3 *5. For good cause, the Division may require a licensee to*
4 *increase the capital required to be maintained pursuant to*
5 *subsection 2. The licensee shall submit to the Division evidence*
6 *that it has the additional capital not later than 15 days after the*
7 *licensee receives notice in a record of the required increase.*

8 **Sec. 30.** *1. Absent good cause, the Division shall issue a*
9 *license to an applicant if the applicant complies with this chapter.*

10 *2. An applicant may, pursuant to chapter 233B of NRS,*
11 *appeal a denial of its application under section 27 of this act not*
12 *later than 30 days after the Division notifies the applicant of the*
13 *denial.*

14 **Sec. 31.** *1. Subject to subsection 7, not later than 15 days*
15 *before the anniversary date of issuance of its license under this*
16 *chapter, a licensee may apply for renewal of the license by*
17 *submitting to the Division a renewal report under subsection 2.*

18 *2. A renewal report required by subsection 1 must be*
19 *submitted in a form and medium prescribed by the Division. The*
20 *report must contain:*

21 *(a) A copy of the licensee's most recent:*

22 *(1) Reviewed annual financial statement if the licensee's*
23 *digital financial asset business activity in this State was \$2,000,000*
24 *or less for the fiscal year ending before the anniversary date of*
25 *issuance of its license under this chapter; or*

26 *(2) Audited annual financial statement if the licensee's*
27 *digital financial asset business activity in this State amounted to*
28 *more than \$2,000,000 for the fiscal year ending before the*
29 *anniversary date;*

30 *(b) If a person other than a natural person has control of the*
31 *licensee, a copy of the person's most recent:*

32 *(1) Reviewed annual financial statement if the person's*
33 *gross revenue was \$2,000,000 or less in the previous fiscal year,*
34 *measured as of the anniversary date of issuance of its license*
35 *under this chapter; or*

36 *(2) Audited consolidated annual financial statement if the*
37 *person's gross revenue was more than \$2,000,000 in the previous*
38 *fiscal year, measured as of the anniversary date of issuance of its*
39 *license under this chapter;*

40 *(c) A description of any:*

41 *(1) Material change in the financial condition of the*
42 *licensee;*

43 *(2) Material litigation involving the licensee or an executive*
44 *officer or responsible individual of the licensee;*



1 (3) *Federal or state investigation involving the licensee;*
2 *and*

3 (4) *Data security breach involving the licensee;*

4 (d) *Information or records required by section 39 of this act*
5 *the licensee has not reported to the Division;*

6 (e) *The number of digital financial asset business activity*
7 *transactions with or on behalf of residents for the period since,*
8 *subject to subsection 7, the later of the date the license was issued*
9 *or the date the last renewal report was submitted;*

10 (f) *The:*

11 (1) *Amount of U.S. Dollar equivalent of digital financial*
12 *assets in the control of the licensee at, subject to subsection 7, the*
13 *end of the last month that ends not later than 30 days before the*
14 *date of the renewal report; and*

15 (2) *Total number of residents for whom the licensee had*
16 *control of U.S. Dollar equivalent of digital financial assets on that*
17 *date;*

18 (g) *Evidence that the licensee is in compliance with section 50*
19 *of this act;*

20 (h) *Evidence that the licensee is in compliance with section 29*
21 *of this act; and*

22 (i) *A list of each location where the licensee operates its digital*
23 *financial asset business activity.*

24 3. *If a licensee does not timely comply with subsection 1, the*
25 *Division may use enforcement measures provided under sections*
26 *42 to 48, inclusive, of this act. Notice or hearing is not required for*
27 *a suspension or revocation of a license under this chapter for*
28 *failure to file a renewal report.*

29 4. *If the Division suspends or revokes a license under this*
30 *chapter for noncompliance with subsection 1, the Division may*
31 *end the suspension or rescind the revocation and notify the*
32 *licensee of the action if, subject to subsection 7, not later than 20*
33 *days after the license was suspended or revoked, the licensee:*

34 (a) *Files a renewal report; and*

35 (b) *Pays any penalty assessed under section 45 of this act.*

36 5. *The Division shall give prompt notice to a licensee of the*
37 *lifting of a suspension or rescission of a revocation after the*
38 *licensee complies with subsection 4.*

39 6. *Suspension or revocation of a license under this section*
40 *does not invalidate a transfer or exchange of digital financial*
41 *assets for or on behalf of a resident made during the suspension or*
42 *revocation and does not insulate the licensee from liability under*
43 *this chapter.*

44 7. *For good cause, the Division may extend a period under*
45 *this section.*



1 8. A licensee that does not comply with this section shall
2 cease operations with or on behalf of a resident on or before the
3 anniversary date of issuance of its license under this chapter.

4 **Sec. 32.** A license under this chapter is not transferable or
5 assignable.

6 **Sec. 33.** The Division may adopt regulations to implement
7 the provisions of this chapter.

8 **Sec. 34.** 1. A person may submit to the Division a request
9 on a form prescribed by the Division for guidance concerning the
10 conditions of licensure that may be applied to the person. Such a
11 request must contain:

12 (a) Information concerning the proposed digital financial
13 asset business activities of the person;

14 (b) Any information deemed necessary by the Division to
15 determine the amount of capital that the applicant would be
16 required to maintain pursuant to section 29 of this act if issued a
17 license; and

18 (c) Any other information that the Division may require.

19 2. The Division shall inform a person who submits a request
20 pursuant to subsection 1 of:

21 (a) The amount of capital the person would be required to
22 maintain pursuant to section 29 of this act if the person is issued a
23 license; and

24 (b) Any other requirements that may be imposed on the person
25 if the person is issued a license.

26 3. The Division may issue an advisory opinion or other
27 written guidance to a person who submits to the Division, on a
28 form and in a manner prescribed by the Division, a request for
29 such an advisory opinion or guidance regarding any requirement
30 of this chapter.

31 4. The Division shall make any advisory opinion or written
32 guidance issued pursuant to subsection 3 available to the public
33 on the Internet website of the Division. The Division shall redact
34 any information contained in such an advisory opinion or written
35 guidance that is confidential pursuant to section 38 of this act.

36 **Sec. 35.** 1. The Division may, at any time, conduct an
37 examination of a licensee or agent of a licensee to determine
38 whether the business of the licensee is being conducted in a lawful
39 manner and whether all digital financial asset business activity of
40 the licensee is properly accounted for. Such an examination may
41 include, without limitation, an examination of the business of the
42 licensee or agent and any office located within or outside this
43 State at which the licensee or agent conducts digital financial
44 asset business activity.



1 2. *The licensee or agent and each director, officer and*
2 *employee of the licensee or agent shall make freely available to the*
3 *Division the accounts, documents, files, information and other*
4 *records requested by the Division that are in his or her possession*
5 *or control and shall facilitate the examination conducted by the*
6 *Division pursuant to subsection 1.*

7 3. *The Division may examine a licensee or an agent of a*
8 *licensee without prior notice to the licensee or agent.*

9 4. *Information obtained during an examination conducted by*
10 *the Division pursuant to this section may be disclosed only as*
11 *provided in section 38 of this act.*

12 **Sec. 36. 1.** *A licensee shall maintain, for all digital*
13 *financial asset business activity with or on behalf of a resident 5*
14 *years after the date of the activity, a record of:*

15 (a) *Each transaction of the licensee with or on behalf of the*
16 *resident or for the licensee's account in this State, including:*

17 (1) *The identity of the resident;*

18 (2) *The form of the transaction;*

19 (3) *The amount, date and payment instructions given by the*
20 *resident; and*

21 (4) *The account number, name and United States Postal*
22 *Service address of the resident and, to the extent feasible, other*
23 *parties to the transaction;*

24 (b) *The aggregate number of transactions and aggregate value*
25 *of transactions by the licensee with or on behalf of the resident*
26 *and for the licensee's account in this State, expressed in U.S.*
27 *Dollar equivalent of digital financial assets for the previous 12*
28 *calendar months;*

29 (c) *Each transaction in which the licensee exchanges one form*
30 *of digital financial asset for legal tender or another form of digital*
31 *financial asset with or on behalf of the resident;*

32 (d) *A general ledger posted at least monthly that lists all assets,*
33 *liabilities, capital, income and expenses of the licensee;*

34 (e) *Each business call report the licensee is required to create*
35 *or provide to the Division;*

36 (f) *Bank statements and bank reconciliation records for the*
37 *licensee and the name, account number and United States Postal*
38 *Service address of each bank the licensee uses in the conduct of its*
39 *digital financial asset business activity with or on behalf of the*
40 *resident; and*

41 (g) *A report of any dispute with the resident.*

42 2. *A licensee shall maintain records required by subsection 1*
43 *in a form that enables the Division to determine whether the*
44 *licensee is in compliance with this chapter, any court order and*
45 *any law of this State other than this chapter.*



1 3. *If a licensee maintains records outside this State that*
2 *pertain to transactions with or on behalf of a resident, the licensee*
3 *shall make the records available to the Division not later than 3*
4 *days after the request or, on a determination of good cause by the*
5 *Division, at a later time.*

6 4. *All records maintained by a licensee are subject to*
7 *inspection by the Division.*

8 **Sec. 37.** *Subject to section 38 of this act and law of this State*
9 *other than this chapter concerning privacy, consumer financial*
10 *privacy, data protection, privilege and confidentiality, the Division*
11 *may cooperate, coordinate, jointly examine, consult and share*
12 *records and other information with the appropriate regulatory*
13 *agency of another state, a self-regulatory organization, a federal*
14 *or state regulator of banking or nondepository providers or a*
15 *regulator of a jurisdiction outside the United States concerning*
16 *the affairs and conduct of a licensee in this State.*

17 **Sec. 38.** 1. *Except as otherwise provided in subsection 3,*
18 *information not contained in a report otherwise available to the*
19 *public or reports obtained by the Division from an applicant or*
20 *licensee, information contained in or related to an examination,*
21 *investigation, or operating or condition report prepared by, on*
22 *behalf of, or for the use of the Division, and other financial and*
23 *operating information, is confidential and is not a public record*
24 *pursuant to chapter 239 of NRS.*

25 2. *A trade secret of an applicant or a licensee is confidential*
26 *and is not a public record pursuant to chapter 239 of NRS.*

27 3. *Subsection 1 does not prohibit disclosure of:*
28 (a) *General information about a licensee's digital financial*
29 *asset business activity with or on behalf of a resident;*
30 (b) *A list of persons licensed under this chapter; or*
31 (c) *Aggregated financial data concerning licensees in this*
32 *State.*

33 **Sec. 39.** 1. *Each licensee shall file with the Division a*
34 *report of:*

35 (a) *A material change in information in the application for a*
36 *license under this chapter or the most recent renewal report of the*
37 *licensee under this chapter;*

38 (b) *A material change in the licensee's business for the*
39 *conduct of its digital financial asset business activity with or on*
40 *behalf of a resident; and*

41 (c) *A change of an executive officer, responsible individual or*
42 *person in control of the licensee.*

43 2. *Absent good cause, a report required by subsection 1 must*
44 *be filed not later than 15 days after the change.*



1 **Sec. 40. 1.** *As used in this section, “proposed person to be*
2 *in control” means the person that would control a licensee after a*
3 *proposed transaction that would result in a change in control of*
4 *the licensee.*

5 **2.** *The following rules apply in determining whether a person*
6 *has control over a licensee:*

7 **(a)** *There is a rebuttable presumption of control if the person’s*
8 *voting power in the licensee constitutes or will constitute at least*
9 *25 percent of the total voting power of the licensee.*

10 **(b)** *There is a rebuttable presumption of control if:*

11 **(1)** *The person’s voting power in another person constitutes*
12 *or will constitute at least 10 percent of the total voting power of the*
13 *other person; and*

14 **(2)** *The other person’s voting power in the licensee*
15 *constitutes at least 25 percent of the total voting power of the*
16 *licensee.*

17 **(c)** *There is no presumption of control solely because a natural*
18 *person is an executive officer of the licensee.*

19 **3.** *At least 30 days before a proposed change in control of a*
20 *licensee, the proposed person to be in control shall submit to the*
21 *Division in a record:*

22 **(a)** *An application in a form and medium prescribed by the*
23 *Division;*

24 **(b)** *The information and records that section 27 of this act*
25 *would require if the proposed person to be in control already had*
26 *control of the licensee; and*

27 **(c)** *A license application under section 27 of this act by the*
28 *proposed person to be in control.*

29 **4.** *The Division, in accordance with section 27 of this act,*
30 *shall approve, conditionally approve or deny an application for a*
31 *change in control of a licensee. The Division, in a record, shall*
32 *send notice of its decision to the licensee and the person that*
33 *would be in control if the Division had approved the change in*
34 *control. If the Division denies the application, the licensee shall*
35 *abandon the proposed change in control or cease digital financial*
36 *asset business activity with or on behalf of residents.*

37 **5.** *If the Division applies a condition to approval of a change*
38 *in control of a licensee and the Division does not receive notice of*
39 *the applicant’s acceptance of the condition specified by the*
40 *Division not later than 31 days after the Division sends notice of*
41 *the condition, the application is deemed denied. If the application*
42 *is deemed denied, the licensee shall abandon the proposed change*
43 *in control or cease digital financial asset business activity with or*
44 *on behalf of residents.*



1 6. *Submission in good faith of records required by subsection*
2 *3 relieves the proposed person to be in control from any obligation*
3 *imposed by this section other than subsections 4, 5 and 8 until the*
4 *Division has acted on the application.*

5 7. *The Division may revoke or modify a decision under*
6 *subsection 4, after notice and opportunity to be heard, if, in its*
7 *judgment, revocation or modification is consistent with this*
8 *chapter.*

9 8. *If a change in control of a licensee requires approval of an*
10 *agency of this State and the action of the other agency conflicts*
11 *with that of the Division, the Division shall confer with the other*
12 *agency. If the proposed change in control cannot be completed*
13 *because the conflict cannot be resolved, the licensee shall abandon*
14 *the change in control or cease digital financial asset business*
15 *activity with or on behalf of residents.*

16 **Sec. 41.** *1. At least 30 days before a proposed merger or*
17 *consolidation of a licensee with another person, the licensee shall*
18 *submit to the Division in a record:*

19 (a) *An application in a form and medium prescribed by the*
20 *Division;*

21 (b) *The plan of merger or consolidation in accordance with*
22 *subsection 5; and*

23 (c) *The information required by section 27 of this act*
24 *concerning the person that would be the surviving entity in the*
25 *proposed merger or consolidation.*

26 2. *If a proposed merger or consolidation would change the*
27 *control of a licensee, the licensee shall comply with this section*
28 *and section 40 of this act.*

29 3. *The Division, in accordance with section 27 of this act,*
30 *shall approve, conditionally approve or deny an application for*
31 *approval of a merger or consolidation of a licensee. The Division,*
32 *in a record, shall send notice of its decision to the licensee and the*
33 *person that would be the surviving entity. If the Division denies*
34 *the application, the licensee shall abandon the merger or*
35 *consolidation or cease digital financial asset business activity with*
36 *or on behalf of residents.*

37 4. *The Division may revoke or modify a decision under*
38 *subsection 3, after notice and opportunity to be heard, if, in its*
39 *judgment, revocation or modification is consistent with this*
40 *chapter.*

41 5. *A plan of merger or consolidation of a licensee with*
42 *another person must:*

43 (a) *Describe the effect of the proposed transaction on the*
44 *licensee's conduct of digital financial asset business activity with*
45 *or on behalf of residents;*



1 (b) Identify each person to be merged or consolidated and the
2 person that would be the surviving entity; and

3 (c) Describe the terms and conditions of the merger or
4 consolidation and the mode of carrying it into effect.

5 6. If a merger or consolidation of a licensee and another
6 person requires approval of an agency of this State and the action
7 of the other agency conflicts with that of the Division, the Division
8 shall confer with the other agency. If the proposed merger or
9 consolidation cannot be completed because the conflict cannot be
10 resolved, the licensee shall abandon the merger or consolidation
11 or cease digital financial asset business activity with or on behalf
12 of residents.

13 7. The Division may condition approval of an application
14 under subsection 1. If the Division does not receive notice from
15 the parties that the parties accept the Division's condition not later
16 than 31 days after the Division sends notice in a record of the
17 condition, the application is deemed denied. If the application is
18 deemed denied, the licensee shall abandon the merger or
19 consolidation or cease digital financial asset business activity with
20 or on behalf of residents.

21 8. If a licensee acquires substantially all the assets of a
22 person, whether or not the person's license was approved by the
23 Division, the transaction is subject to this section.

24 9. Submission in good faith of the records required by
25 subsection 5 relieves the proposed surviving entity from any
26 obligation imposed by this section, other than subsections 3, 6 and
27 7, until the Division has acted on the application.

28 **Sec. 42.** As used in sections 42 to 48, inclusive, of this act,
29 "enforcement measure" means an action to:

30 1. Suspend or revoke a license under this chapter;

31 2. Order a person to cease and desist from doing digital
32 financial asset business activity with or on behalf of a resident;

33 3. Request the court to appoint a receiver for the assets of a
34 person doing digital financial asset business activity with or on
35 behalf of a resident;

36 4. Request the court to issue temporary, preliminary or
37 permanent injunctive relief against a person doing digital
38 financial asset business activity with or on behalf of a resident;

39 5. Assess a penalty under section 45 of this act;

40 6. Recover on the security under section 29 of this act and
41 initiate a plan to distribute the proceeds for the benefit of a
42 resident injured by a violation of this chapter or law of this State
43 other than this chapter which applies to digital financial asset
44 business activity with or on behalf of a resident;



1 7. *Impose necessary or appropriate conditions on the conduct*
2 *of digital financial asset business activity with or on behalf of a*
3 *resident; or*

4 8. *Bring an action for restitution on behalf of a resident if the*
5 *Division proves economic injury as a result of a violation of this*
6 *chapter.*

7 **Sec. 43. 1.** *The Division may take an enforcement measure*
8 *against a licensee or person that is not a licensee but is engaging*
9 *in digital financial asset business activity with or on behalf of a*
10 *resident if:*

11 (a) *The licensee or person materially violates this chapter, a*
12 *regulation adopted or order issued under this chapter, or law of*
13 *this State other than this chapter which applies to digital financial*
14 *asset business activity of the violator with or on behalf of a*
15 *resident;*

16 (b) *The licensee or person does not cooperate substantially*
17 *with an examination or investigation by the Division or fails to*
18 *submit a report or documentation;*

19 (c) *The licensee or person, in the conduct of its digital*
20 *financial asset business activity with or on behalf of a resident,*
21 *engages in:*

22 (1) *An unsafe or unsound act or practice;*

23 (2) *An unfair or deceptive act or practice;*

24 (3) *Fraud or intentional misrepresentation; or*

25 (4) *Misappropriation of legal tender, a digital financial*
26 *asset or other value held by a fiduciary;*

27 (d) *An agency of the United States or another state takes an*
28 *action against the licensee or person which would constitute an*
29 *enforcement measure if the Division had taken the action;*

30 (e) *The licensee or person is convicted of a crime related to its*
31 *digital financial asset business activity with or on behalf of a*
32 *resident or involving fraud or felonious activity that, as*
33 *determined by the Division, makes the licensee or person*
34 *unsuitable to engage in digital financial asset business activity;*

35 (f) *The licensee or person:*

36 (1) *Becomes insolvent;*

37 (2) *Makes a general assignment for the benefit of its*
38 *creditors;*

39 (3) *Becomes the debtor, alleged debtor, respondent or*
40 *person in a similar capacity in a case or other proceeding under*
41 *any bankruptcy, reorganization, arrangement, readjustment,*
42 *insolvency, receivership, dissolution, liquidation or similar law*
43 *and does not obtain from the court, within a reasonable time,*
44 *confirmation of a plan or dismissal of the case or proceeding; or*



1 (4) *Applies for or permits the appointment of a receiver,*
2 *trustee or other agent of a court for itself or for a substantial part*
3 *of its assets; or*

4 (g) *The licensee or person makes a material misrepresentation*
5 *to the Division.*

6 2. *On application and for good cause, the Division may:*

7 (a) *Extend the due date for submitting a report or*
8 *documentation under paragraph (b) of subsection 1; or*

9 (b) *Waive to the extent warranted by circumstances, such as a*
10 *bona fide error notwithstanding reasonable procedures designed*
11 *to prevent error, an enforcement measure under subsection 1 if*
12 *the Division determines that the waiver will not adversely affect*
13 *the likelihood of compliance with this chapter.*

14 3. *In an enforcement action related to operating without a*
15 *license under this chapter in this State, it is a defense to the action*
16 *that the person has in effect a customer-identification program*
17 *reasonably designed to identify whether a customer is a resident*
18 *which failed to identify the particular customer as a resident.*

19 4. *A proceeding under this chapter is subject to chapter 233B*
20 *of NRS.*

21 **Sec. 44.** 1. *Except as otherwise provided in subsection 2,*
22 *the Division may take an enforcement measure only after notice*
23 *and opportunity for a hearing appropriate in the circumstances.*

24 2. *The Division may take an enforcement measure, other*
25 *than the imposition of a civil penalty:*

26 (a) *Without prior notice if the circumstances require the action*
27 *to be taken before notice can be given;*

28 (b) *After notice and without a prior hearing if the*
29 *circumstances require the action to be taken before a hearing can*
30 *be held; or*

31 (c) *After notice and without a hearing if the licensee or person*
32 *who is engaging in digital financial asset business activity with, or*
33 *on behalf of, a resident does not timely request a hearing.*

34 3. *A licensee or other person against whom an enforcement*
35 *measure is taken under the circumstances in paragraph (a) or (b)*
36 *of subsection 2 is entitled to an expedited hearing after the*
37 *enforcement action is taken.*

38 **Sec. 45.** 1. *If a person other than a licensee engages in*
39 *digital financial asset business activity with or on behalf of a*
40 *resident in violation of this chapter, the Division may assess a civil*
41 *penalty against the person in an amount not to exceed \$100,000*
42 *for each day of violation.*

43 2. *If a licensee materially violates a provision of this chapter,*
44 *the Division may assess a civil penalty in an amount not to exceed*
45 *\$20,000 for each day of violation.*



1 3. A civil penalty under this section continues to accrue until
2 the date the violation ceases.

3 **Sec. 46.** 1. Revocation of a license under this chapter is
4 effective against a licensee 1 day after the Division sends notice in
5 a record of the revocation to the licensee, by a means reasonably
6 selected for the notice to be received by the recipient in 1 day, to
7 the address provided for receiving communications from the
8 Division.

9 2. Suspension of a license under this chapter or an order to
10 cease and desist is effective against a licensee or other person 1
11 day after the Division sends notice in a record of the suspension or
12 order to the licensee or other person, by a means reasonably
13 selected for the notice to be received by the recipient in 1 day, to
14 the address provided for receiving communications from the
15 Division or, if no address is provided, to the recipient's last known
16 address. A suspension or order to cease and desist remains in
17 effect until the earliest of:

18 (a) Entry of an order by the Division under chapter 233B of
19 NRS setting aside or limiting the suspension or order;

20 (b) Entry of a court order setting aside or limiting the
21 suspension or order to cease and desist; or

22 (c) A date specified by the Division.

23 3. If, without reason to know of the Division's notice sent
24 under subsection 1 or 2, a licensee or other person does not
25 comply in accordance with the notice until the notice is actually
26 received at the address provided, the Division may consider the
27 delay in compliance in imposing a sanction for the failure.

28 **Sec. 47.** The Division may enter into a consent order with a
29 person regarding an enforcement measure. The order may provide
30 that it does not constitute an admission of fact by a party.

31 **Sec. 48.** 1. Except as otherwise provided in this section, a
32 person does not have a right of action for violation of this chapter.

33 2. This section does not preclude an action by a resident to
34 enforce rights under section 50 of this act or any other law of this
35 State other than this chapter.

36 **Sec. 49.** 1. A licensee shall provide to a resident who uses
37 the licensee's products or service the disclosures required by
38 subsection 2 and any additional disclosure the Division by
39 regulation determines reasonably necessary for the protection of
40 residents. The Division shall determine by regulation the time and
41 form required for disclosure. A disclosure required by this section
42 must be made separately from any other information provided by
43 the licensee and in a clear and conspicuous manner in a record
44 the resident may keep. A licensee may propose for the Division's



1 *approval alternate disclosures as more appropriate for its digital*
2 *financial asset business activity with or on behalf of residents.*

3 2. *Before engaging in digital financial asset business activity*
4 *with a resident, a licensee shall disclose, to the extent applicable to*
5 *the digital financial asset business activity the licensee will*
6 *undertake with the resident:*

7 (a) *A schedule of fees and charges the licensee may assess, the*
8 *manner by which fees and charges will be calculated if they are*
9 *not set in advance and disclosed and the timing of the fees and*
10 *charges;*

11 (b) *Whether the product or service provided by the licensee is*
12 *covered by:*

13 (I) *A form of insurance or is otherwise guaranteed against*
14 *loss by an agency of the United States;*

15 (I) *Up to the full U.S. Dollar equivalent of digital*
16 *financial assets placed under the control of or purchased from the*
17 *licensee as of the date of the placement or purchase, including the*
18 *maximum amount provided by insurance under the Federal*
19 *Deposit Insurance Corporation or otherwise available from the*
20 *Securities Investor Protection Corporation; or*

21 (II) *If not provided at the full U.S. Dollar equivalent of*
22 *digital financial assets placed under the control of or purchased*
23 *from the licensee, the maximum amount of coverage for each*
24 *resident expressed in the U.S. Dollar equivalent of the digital*
25 *financial asset; or*

26 (2) *Private insurance against theft or loss, including cyber*
27 *theft or theft by other means;*

28 (c) *If the product or service provided by the licensee is covered*
29 *by any insurance described in paragraph (b), the material terms of*
30 *the policy of insurance, including, without limitation, the specific*
31 *insured risks and any maximum coverage limits that may result in*
32 *partial coverage of a digital financial asset of the resident;*

33 (d) *The irrevocability of a transfer or exchange and any*
34 *exception to irrevocability;*

35 (e) *A description of:*

36 (1) *The liability of the licensee for an unauthorized,*
37 *mistaken or accidental transfer or exchange;*

38 (2) *The resident's responsibility to provide notice to the*
39 *licensee of an unauthorized, mistaken or accidental transfer or*
40 *exchange;*

41 (3) *The basis for any recovery by the resident from the*
42 *licensee in the event of an unauthorized, mistaken or accidental*
43 *transfer or exchange;*

44 (4) *General error-resolution rights applicable to an*
45 *unauthorized, mistaken or accidental transfer or exchange; and*



1 (5) *The method for the resident to update the resident's*
2 *contact information with the licensee;*

3 (f) *That the date or time when the transfer or exchange is*
4 *made and the resident's account is debited may differ from the*
5 *date or time when the resident initiates the instruction to make the*
6 *transfer or exchange;*

7 (g) *Whether the resident has a right to stop a preauthorized*
8 *payment or revoke authorization for a transfer and the procedure*
9 *to initiate a stop-payment order or revoke authorization for a*
10 *subsequent transfer;*

11 (h) *The resident's right to receive a receipt, trade ticket or*
12 *other evidence of the transfer or exchange;*

13 (i) *The resident's right to at least 14 days' prior notice of a*
14 *change in the licensee's fee schedule, other terms and conditions*
15 *of operating its digital financial asset business activity with the*
16 *resident and the policies applicable to the resident's account;*

17 (j) *That no digital financial asset is currently recognized as*
18 *legal tender by this State or the United States; and*

19 (k) *Information concerning recent service outages which:*

20 (1) *Must include, without limitation, a list of each instance*
21 *in the immediately preceding 12 months in which the services of*
22 *the licensee were unavailable to 10,000 or more customers seeking*
23 *to engage in digital financial asset business activity due to a*
24 *service outage on the part of the licensee; and*

25 (2) *May include, without limitation, any steps the licensee*
26 *has taken to resolve the underlying causes of the service outages*
27 *listed pursuant to subparagraph (1).*

28 3. *Except as otherwise provided in subsection 4, at the*
29 *conclusion of a digital financial asset transaction with or on*
30 *behalf of a resident, a licensee shall provide the resident a*
31 *confirmation in a record which contains:*

32 (a) *The name and contact information of the licensee,*
33 *including the toll-free telephone number of the telephone line*
34 *required by section 53 of this act;*

35 (b) *The type, value, date, precise time and amount of the*
36 *transaction; and*

37 (c) *The fee charged for the transaction, including any charge*
38 *for conversion of a digital financial asset to legal tender, bank*
39 *credit or other digital financial asset, as well as any indirect*
40 *charges.*

41 4. *If a licensee discloses that it will provide a daily*
42 *confirmation in the initial disclosure under subsection 3, the*
43 *licensee may elect to provide a single, daily confirmation for all*
44 *transactions with or on behalf of a resident on that day instead of*
45 *a per-transaction confirmation.*



1 **Sec. 50. 1.** *A licensee that has control of a digital financial*
2 *asset for one or more persons shall maintain in its control an*
3 *amount of each type of digital financial asset sufficient to satisfy*
4 *the aggregate entitlements of the persons to the type of digital*
5 *financial asset.*

6 2. *If a licensee violates subsection 1, the property interests of*
7 *the persons in the digital financial asset are pro rata property*
8 *interests in the type of digital financial asset to which the persons*
9 *are entitled, without regard to the time the persons became entitled*
10 *to the digital financial asset or the licensee obtained control of the*
11 *digital financial asset.*

12 3. *A digital financial asset maintained for the purposes of*
13 *compliance with subsection 1 is:*

- 14 (a) *Held for the persons entitled to the digital financial asset;*
- 15 (b) *Not property of the licensee; and*
- 16 (c) *Not subject to the claims of creditors of the licensee.*

17 4. *A licensee may comply with the requirements of subsection*
18 *1 by entering into an agreement with each resident for whom the*
19 *licensee has control of a digital financial asset which is evidenced*
20 *in a record signed by the licensee and the resident and which*
21 *states that:*

22 (a) *The digital financial asset controlled by the licensee on*
23 *behalf of the resident will be treated as a financial asset under*
24 *NRS 104.8101 to 104.8511, inclusive;*

25 (b) *The licensee is a securities intermediary under NRS*
26 *104.8101 to 104.8511, inclusive, with respect to any digital*
27 *financial asset under control of the licensee on behalf of the*
28 *resident; and*

29 (c) *The account or wallet of the resident provided by or*
30 *through the licensee is a securities account under NRS 104.8101*
31 *to 104.8511, inclusive.*

32 **Sec. 51. 1.** *Except as otherwise provided in subsection 2, a*
33 *licensee shall, before listing or offering a digital financial asset as*
34 *available to be exchanged by the licensee on behalf of a resident:*

35 (a) *Provide to the Division a written disclosure of all material*
36 *facts relating to any conflict of interest associated with the licensee*
37 *and the digital financial asset;*

38 (b) *Identify the likelihood that the digital financial asset would*
39 *be deemed a security by state or federal regulators;*

40 (c) *Conduct a comprehensive risk assessment designed to*
41 *ensure consumers are adequately protected from risks relating to:*

- 42 (1) *Cyber-security;*
- 43 (2) *Malfeasance, including, without limitation, theft;*
- 44 (3) *Code or protocol defects; and*



1 (4) *Markets for digital financial assets, including, without*
2 *limitation, price manipulation and fraud.*

3 (d) *Establish policies and procedures for the reevaluation of*
4 *the appropriateness of the continued listing or offering of the*
5 *digital financial asset which must include, without limitation, an*
6 *evaluation of whether material changes have occurred;*

7 (e) *Establish policies and procedures to cease listing or*
8 *offering the digital financial asset which must include, without*
9 *limitation, notification to affected consumers and counterparties;*
10 *and*

11 (f) *Submit to the Division, on a form prescribed by the*
12 *Division, a certification that the licensee has taken the actions*
13 *described in paragraphs (a) to (e), inclusive.*

14 2. *A licensee is not required to comply with the requirements*
15 *set forth in subsection 1 before listing or offering for exchange*
16 *any digital financial asset that has been approved by the New York*
17 *State Department of Financial Services for listing in the State of*
18 *New York before January 1, 2023, by a person who is licensed to*
19 *engage in virtual-currency business activity pursuant to Part 200*
20 *of Title 23 of the New York Codes, Rules and Regulations.*

21 3. *If the Division determines that a licensee has listed or*
22 *offered a digital financial asset as available for exchange in*
23 *violation of subsection 1, the Division:*

24 (a) *Shall order the licensee to cease listing or offering the*
25 *digital financial asset; and*

26 (b) *May assess a civil penalty of not more than \$20,000 for*
27 *each day the violation occurs.*

28 4. *Failure of a particular policy or procedure adopted under*
29 *this section to meet its goals in a particular instance is not a*
30 *ground for liability of the licensee if the policy or procedure was*
31 *created, implemented and monitored properly. Repeated failures*
32 *of a policy or procedure are evidence that the policy or procedure*
33 *was not created or implemented properly.*

34 5. *As used in this section, “conflict of interest” means any*
35 *interest of a licensee or a natural person associated with a licensee*
36 *involving a digital financial asset that could reasonably be*
37 *considered to affect the ability of a licensee to render an impartial*
38 *recommendation.*

39 **Sec. 52.** 1. *A licensee shall make every effort to execute*
40 *each request by a resident to exchange a digital financial asset*
41 *fully and promptly.*

42 2. *A licensee who exchanges a digital financial asset for or*
43 *with a resident shall use reasonable diligence to ascertain the best*
44 *market for a digital financial asset and exchange the digital*
45 *financial asset in that market so that the outcome to the resident is*



1 *as favorable as possible under prevailing market conditions. In*
2 *determining whether a licensee has complied with the provisions*
3 *of this subsection, the Division shall consider, without limitation:*

- 4 (a) *The character of the market for the digital financial asset;*
- 5 (b) *The size and type of the transaction;*
- 6 (c) *The number of markets checked by the licensee; and*
- 7 (d) *The accessibility of appropriate pricing for the digital*
8 *financial asset.*

9 3. *In a transaction involving an exchange for or with a*
10 *resident, a licensee shall not interject a third party between the*
11 *licensee and the best market for the digital financial asset in a*
12 *manner inconsistent with this section.*

13 4. *A licensee who cannot execute an exchange for or with a*
14 *resident directly with a market and employs other means to*
15 *execute the exchange does not violate the provisions of this section*
16 *if the licensee can show that the means employed were appropriate*
17 *under the circumstances to ensure an execution that is*
18 *advantageous to the resident.*

19 **Sec. 53.** 1. *A licensee shall establish and maintain a toll-*
20 *free telephone line through which a resident can contact the*
21 *licensee for issues involving customer service and receive live*
22 *customer assistance. The telephone line must be operative 24*
23 *hours per day on Monday through Saturday, with any federal*
24 *holidays excepted.*

25 2. *A licensee shall prominently display on the Internet*
26 *website of the licensee the toll-free telephone number of the*
27 *telephone line established and maintained pursuant to*
28 *subsection 1.*

29 **Sec. 54.** 1. *A licensee shall not exchange, transfer or store*
30 *a digital financial asset that is a stablecoin or engage in digital*
31 *financial asset administration, whether directly or through an*
32 *agreement with a digital financial asset control services vendor,*
33 *involving a digital financial asset that is a stablecoin unless the*
34 *issuer of the stablecoin:*

- 35 (a) *Is a licensee or a bank; and*
- 36 (b) *At all times owns eligible securities having an aggregate*
37 *market value computed in accordance with generally accepted*
38 *accounting principles of not less than the aggregate amount of all*
39 *its outstanding stablecoins issued or sold in the United States.*

40 2. *The Division shall adopt regulations setting forth the*
41 *securities that constitute eligible securities for the purposes of*
42 *subsection 1.*

43 3. *As used in this section:*

- 44 (a) *“Nominal redemption value” means the value at which a*
45 *digital financial asset can be:*



1 (1) *Readily converted, on demand at the time of issuance,*
2 *into United States dollars or any other national or state currency*
3 *or a monetary equivalent; or*

4 (2) *Otherwise accepted in payment or to satisfy debts*
5 *denominated in United States dollars or any national or state*
6 *currency.*

7 (b) *“Stablecoin” means a digital financial asset that is:*

8 (1) *Denominated in or pegged to the United States dollar or*
9 *another national or state currency; and*

10 (2) *Issued with a fixed nominal redemption value or with*
11 *the intent of establishing a reasonable expectation or belief among*
12 *the general public that the digital financial asset will retain a*
13 *nominal redemption value that is so stable as to render the*
14 *nominal redemption value effectively fixed.*

15 **Sec. 55. 1.** *An applicant, before submitting an application,*
16 *shall create and, during licensure, maintain in a record policies*
17 *and procedures for:*

18 (a) *An information security and operational security program;*

19 (b) *A business continuity program;*

20 (c) *A disaster recovery program;*

21 (d) *An anti-fraud program;*

22 (e) *An anti-money laundering program;*

23 (f) *A program to prevent funding of terrorist activity; and*

24 (g) *A program designed to:*

25 (1) *Ensure compliance with this chapter, law of this State*
26 *other than this chapter and federal law which is relevant to the*
27 *digital financial asset business activity contemplated by the*
28 *licensee with or on behalf of residents; and*

29 (2) *Assist the licensee in achieving the purposes of law of*
30 *this State other than this chapter and federal law if violation of*
31 *that law has a remedy under this chapter.*

32 2. *Each policy required by subsection 1 must be in a record*
33 *and designed to be adequate for a licensee’s contemplated digital*
34 *financial asset business activity with or on behalf of residents,*
35 *considering the circumstances of all participants and the safe*
36 *operation of the activity. Each policy and implementing procedure*
37 *must be compatible with other policies and the procedures*
38 *implementing them and not conflict with policies or procedures*
39 *applicable to the licensee under law of this State other than this*
40 *chapter. A policy and implementing procedure may be one in*
41 *existence in the licensee’s digital financial asset business activity*
42 *with or on behalf of residents.*

43 3. *A licensee’s policy for detecting fraud must include:*

44 (a) *Identification and assessment of the material risks of its*
45 *digital financial asset business activity related to fraud, including,*



1 *without limitation, any form of market manipulation or insider*
2 *training by the licensee or any employee or customer of the*
3 *licensee;*

4 *(b) Protection against any material risk related to fraud*
5 *identified by the Division or the licensee; and*

6 *(c) Periodic evaluation and revision of the anti-fraud*
7 *procedure.*

8 *4. A licensee's policy for preventing money laundering and*
9 *financing of terrorist activity must include:*

10 *(a) Identification and assessment of the material risks of its*
11 *digital financial asset business activity related to money*
12 *laundering and financing of terrorist activity;*

13 *(b) Procedures, in accordance with federal law or guidance*
14 *published by federal agencies responsible for enforcing federal*
15 *law, pertaining to money laundering and financing of terrorist*
16 *activity; and*

17 *(c) Filing reports under the Bank Secrecy Act, 31 U.S.C. §§*
18 *5311 et seq., as amended, or 31 C.F.R. Chapter X, as amended,*
19 *and other federal or state laws pertaining to the prevention or*
20 *detection of money laundering or financing of terrorist activity.*

21 *5. A licensee's information security and operational security*
22 *policy must include reasonable and appropriate administrative,*
23 *physical and technical safeguards to protect the confidentiality,*
24 *integrity and availability of any nonpublic personal information or*
25 *digital financial asset it receives, maintains or transmits.*

26 *6. A licensee is not required to file with the Division a copy of*
27 *a report it makes to a federal authority unless the Division*
28 *specifically requires filing.*

29 *7. A licensee's protection policy under subsection 5 for*
30 *residents must include:*

31 *(a) Any action or system of records required to comply with*
32 *this chapter and law of this State other than this chapter*
33 *applicable to the licensee with respect to digital financial asset*
34 *business activity with or on behalf of a resident;*

35 *(b) A procedure for resolving disputes between the licensee*
36 *and a resident;*

37 *(c) A procedure for a resident to report an unauthorized,*
38 *mistaken or accidental digital financial asset business activity*
39 *transaction; and*

40 *(d) A procedure for a resident to file a complaint with the*
41 *licensee and for the resolution of the complaint in a fair and*
42 *timely manner with notice to the resident as soon as reasonably*
43 *practical of the resolution and the reasons for the resolution.*

44 *8. A licensee's program described in paragraph (g) of*
45 *subsection 1 must include policies and procedures to minimize the*



1 *probability that the licensee facilitates the exchange of*
2 *unregistered securities.*

3 *9. After the policies and procedures required under this*
4 *section are created and approved by the Division and the licensee,*
5 *the licensee shall engage a responsible individual with adequate*
6 *authority and experience to monitor each policy and procedure,*
7 *publicize it as appropriate, recommend changes as desirable and*
8 *enforce it.*

9 *10. A licensee may:*

10 *(a) Request advice from the Division as to compliance with this*
11 *section; and*

12 *(b) With the Division's approval, outsource functions, other*
13 *than compliance, required under this section.*

14 *11. Failure of a particular policy or procedure adopted under*
15 *this section to meet its goals in a particular instance is not a*
16 *ground for liability of the licensee if the policy or procedure was*
17 *created, implemented and monitored properly. Repeated failures*
18 *of a policy or procedure are evidence that the policy or procedure*
19 *was not created or implemented properly.*

20 *12. Policies and procedures adopted under this section must*
21 *be disclosed separately from other disclosures made available to a*
22 *resident, in a clear and conspicuous manner and in the medium*
23 *through which the resident contacted the licensee.*

24 **Sec. 56. 1.** *An applicant, before submitting its application,*
25 *shall establish and maintain in a record a policy or procedure*
26 *designed to ensure compliance with:*

27 *(a) This chapter; and*

28 *(b) Law of this State other than this chapter if:*

29 *(1) The other law is relevant to the digital financial asset*
30 *business activity contemplated by the licensee or the scope of this*
31 *chapter; or*

32 *(2) This chapter could assist in the purpose of the other law*
33 *because violation of the other law has a remedy under this*
34 *chapter.*

35 *2. A policy or procedure under subsection 1:*

36 *(a) Must be compatible, and not conflict, with requirements*
37 *applicable to a licensee under law of this State other than this*
38 *chapter and under federal law; and*

39 *(b) May be a policy or procedure in existence for the licensee's*
40 *digital financial asset business activity with or on behalf of a*
41 *resident.*

42 *3. After the policies and procedures required under this*
43 *section are created by the licensee and approved by the Division,*
44 *the licensee shall engage a responsible individual with adequate*
45 *authority and experience to monitor each policy or procedure,*



1 *publicize it as appropriate, recommend changes as desirable and*
2 *enforce it.*

3 *4. A licensee may:*

4 *(a) Request advice from the Division as to compliance with this*
5 *section; and*

6 *(b) With the Division's approval, outsource functions, other*
7 *than compliance, required under this section.*

8 *5. Failure of a particular policy or procedure adopted under*
9 *this section to meet its goals in a particular instance is not a*
10 *ground for liability of the licensee if the policy or procedure was*
11 *created, implemented and monitored properly. Repeated failures*
12 *of a policy or procedure are evidence that the policy or procedure*
13 *was not created or implemented properly.*

14 **Sec. 57.** NRS 239.010 is hereby amended to read as follows:

15 239.010 1. Except as otherwise provided in this section and
16 NRS 1.4683, 1.4687, 1A.110, 3.2203, 41.0397, 41.071, 49.095,
17 49.293, 62D.420, 62D.440, 62E.516, 62E.620, 62H.025, 62H.030,
18 62H.170, 62H.220, 62H.320, 75A.100, 75A.150, 76.160, 78.152,
19 80.113, 81.850, 82.183, 86.246, 86.54615, 87.515, 87.5413,
20 87A.200, 87A.580, 87A.640, 88.3355, 88.5927, 88.6067, 88A.345,
21 88A.7345, 89.045, 89.251, 90.730, 91.160, 116.757, 116A.270,
22 116B.880, 118B.026, 119.260, 119.265, 119.267, 119.280,
23 119A.280, 119A.653, 119A.677, 119B.370, 119B.382, 120A.640,
24 120A.690, 125.130, 125B.140, 126.141, 126.161, 126.163, 126.730,
25 127.007, 127.057, 127.130, 127.140, 127.2817, 128.090, 130.312,
26 130.712, 136.050, 159.044, 159A.044, 172.075, 172.245, 176.015,
27 176.0625, 176.09129, 176.156, 176A.630, 178.39801, 178.4715,
28 178.5691, 179.495, 179A.070, 179A.165, 179D.160, 200.3771,
29 200.3772, 200.5095, 200.604, 202.3662, 205.4651, 209.392,
30 209.3923, 209.3925, 209.419, 209.429, 209.521, 211A.140,
31 213.010, 213.040, 213.095, 213.131, 217.105, 217.110, 217.464,
32 217.475, 218A.350, 218E.625, 218F.150, 218G.130, 218G.240,
33 218G.350, 224.240, 226.300, 228.270, 228.450, 228.495, 228.570,
34 231.069, 231.1473, 232.1369, 233.190, 237.300, 239.0105,
35 239.0113, 239.014, 239B.026, 239B.030, 239B.040, 239B.050,
36 239C.140, 239C.210, 239C.230, 239C.250, 239C.270, 239C.420,
37 240.007, 241.020, 241.030, 241.039, 242.105, 244.264, 244.335,
38 247.540, 247.550, 247.560, 250.087, 250.130, 250.140, 250.150,
39 268.095, 268.0978, 268.490, 268.910, 269.174, 271A.105, 281.195,
40 281.805, 281A.350, 281A.680, 281A.685, 281A.750, 281A.755,
41 281A.780, 284.4068, 284.4086, 286.110, 286.118, 287.0438,
42 289.025, 289.080, 289.387, 289.830, 293.4855, 293.5002, 293.503,
43 293.504, 293.558, 293.5757, 293.870, 293.906, 293.908, 293.910,
44 293B.135, 293D.510, 331.110, 332.061, 332.351, 333.333, 333.335,
45 338.070, 338.1379, 338.1593, 338.1725, 338.1727, 348.420,



1 349.597, 349.775, 353.205, 353A.049, 353A.085, 353A.100,
2 353C.240, 360.240, 360.247, 360.255, 360.755, 361.044, 361.2242,
3 361.610, 365.138, 366.160, 368A.180, 370.257, 370.327, 372A.080,
4 378.290, 378.300, 379.0075, 379.008, 379.1495, 385A.830,
5 385B.100, 387.626, 387.631, 388.1455, 388.259, 388.501, 388.503,
6 388.513, 388.750, 388A.247, 388A.249, 391.033, 391.035,
7 391.0365, 391.120, 391.925, 392.029, 392.147, 392.264, 392.271,
8 392.315, 392.317, 392.325, 392.327, 392.335, 392.850, 393.045,
9 394.167, 394.16975, 394.1698, 394.447, 394.460, 394.465,
10 396.1415, 396.1425, 396.143, 396.159, 396.3295, 396.405, 396.525,
11 396.535, 396.9685, 398A.115, 408.3885, 408.3886, 408.3888,
12 408.5484, 412.153, 414.280, 416.070, 422.2749, 422.305,
13 422A.342, 422A.350, 425.400, 427A.1236, 427A.872, 432.028,
14 432.205, 432B.175, 432B.280, 432B.290, 432B.4018, 432B.407,
15 432B.430, 432B.560, 432B.5902, 432C.140, 432C.150, 433.534,
16 433A.360, 439.4941, 439.4988, 439.840, 439.914, 439A.116,
17 439A.124, 439B.420, 439B.754, 439B.760, 439B.845, 440.170,
18 441A.195, 441A.220, 441A.230, 442.330, 442.395, 442.735,
19 442.774, 445A.665, 445B.570, 445B.7773, 447.345, 449.209,
20 449.245, 449.4315, 449A.112, 450.140, 450B.188, 450B.805,
21 453.164, 453.720, 458.055, 458.280, 459.050, 459.3866, 459.555,
22 459.7056, 459.846, 463.120, 463.15993, 463.240, 463.3403,
23 463.3407, 463.790, 467.1005, 480.535, 480.545, 480.935, 480.940,
24 481.063, 481.091, 481.093, 482.170, 482.368, 482.5536, 483.340,
25 483.363, 483.575, 483.659, 483.800, 484A.469, 484B.830,
26 484B.833, 484E.070, 485.316, 501.344, 503.452, 522.040,
27 534A.031, 561.285, 571.160, 584.655, 587.877, 598.0964, 598.098,
28 598A.110, 598A.420, 599B.090, 603.070, 603A.210, 604A.303,
29 604A.710, 612.265, 616B.012, 616B.015, 616B.315, 616B.350,
30 618.341, 618.425, 622.238, 622.310, 623.131, 623A.137, 624.110,
31 624.265, 624.327, 625.425, 625A.185, 628.418, 628B.230,
32 628B.760, 629.047, 629.069, 630.133, 630.2671, 630.2672,
33 630.2673, 630.30665, 630.336, 630A.327, 630A.555, 631.332,
34 631.368, 632.121, 632.125, 632.3415, 632.3423, 632.405, 633.283,
35 633.301, 633.4715, 633.4716, 633.4717, 633.524, 634.055,
36 634.1303, 634.214, 634A.169, 634A.185, 635.111, 635.158,
37 636.262, 636.342, 637.085, 637.145, 637B.192, 637B.288, 638.087,
38 638.089, 639.183, 639.2485, 639.570, 640.075, 640.152, 640A.185,
39 640A.220, 640B.405, 640B.730, 640C.580, 640C.600, 640C.620,
40 640C.745, 640C.760, 640D.135, 640D.190, 640E.225, 640E.340,
41 641.090, 641.221, 641.2215, 641.325, 641A.191, 641A.217,
42 641A.262, 641B.170, 641B.281, 641B.282, 641C.455, 641C.760,
43 641D.260, 641D.320, 642.524, 643.189, 644A.870, 645.180,
44 645.625, 645A.050, 645A.082, 645B.060, 645B.092, 645C.220,
45 645C.225, 645D.130, 645D.135, 645G.510, 645H.320, 645H.330,



1 647.0945, 647.0947, 648.033, 648.197, 649.065, 649.067, 652.126,
2 652.228, 653.900, 654.110, 656.105, 657A.510, 661.115, 665.130,
3 665.133, 669.275, 669.285, 669A.310, 671.170, 673.450, 673.480,
4 675.380, 676A.340, 676A.370, 677.243, 678A.470, 678C.710,
5 678C.800, 679B.122, 679B.124, 679B.152, 679B.159, 679B.190,
6 679B.285, 679B.690, 680A.270, 681A.440, 681B.260, 681B.410,
7 681B.540, 683A.0873, 685A.077, 686A.289, 686B.170, 686C.306,
8 687A.060, 687A.115, 687B.404, 687C.010, 688C.230, 688C.480,
9 688C.490, 689A.696, 692A.117, 692C.190, 692C.3507, 692C.3536,
10 692C.3538, 692C.354, 692C.420, 693A.480, 693A.615, 696B.550,
11 696C.120, 703.196, 704B.325, 706.1725, 706A.230, 710.159,
12 711.600, *and sections 35 and 38 of this act*, sections 35, 38 and 41
13 of chapter 478, Statutes of Nevada 2011 and section 2 of chapter
14 391, Statutes of Nevada 2013 and unless otherwise declared by law
15 to be confidential, all public books and public records of a
16 governmental entity must be open at all times during office hours to
17 inspection by any person, and may be fully copied or an abstract or
18 memorandum may be prepared from those public books and public
19 records. Any such copies, abstracts or memoranda may be used to
20 supply the general public with copies, abstracts or memoranda of the
21 records or may be used in any other way to the advantage of the
22 governmental entity or of the general public. This section does not
23 supersede or in any manner affect the federal laws governing
24 copyrights or enlarge, diminish or affect in any other manner the
25 rights of a person in any written book or record which is
26 copyrighted pursuant to federal law.

27 2. A governmental entity may not reject a book or record
28 which is copyrighted solely because it is copyrighted.

29 3. A governmental entity that has legal custody or control of a
30 public book or record shall not deny a request made pursuant to
31 subsection 1 to inspect or copy or receive a copy of a public book or
32 record on the basis that the requested public book or record contains
33 information that is confidential if the governmental entity can
34 redact, delete, conceal or separate, including, without limitation,
35 electronically, the confidential information from the information
36 included in the public book or record that is not otherwise
37 confidential.

38 4. If requested, a governmental entity shall provide a copy of a
39 public record in an electronic format by means of an electronic
40 medium. Nothing in this subsection requires a governmental entity
41 to provide a copy of a public record in an electronic format or by
42 means of an electronic medium if:

- 43 (a) The public record:
44 (1) Was not created or prepared in an electronic format; and
45 (2) Is not available in an electronic format; or



1 (b) Providing the public record in an electronic format or by
2 means of an electronic medium would:

3 (1) Give access to proprietary software; or

4 (2) Require the production of information that is confidential
5 and that cannot be redacted, deleted, concealed or separated from
6 information that is not otherwise confidential.

7 5. An officer, employee or agent of a governmental entity who
8 has legal custody or control of a public record:

9 (a) Shall not refuse to provide a copy of that public record in the
10 medium that is requested because the officer, employee or agent has
11 already prepared or would prefer to provide the copy in a different
12 medium.

13 (b) Except as otherwise provided in NRS 239.030, shall, upon
14 request, prepare the copy of the public record and shall not require
15 the person who has requested the copy to prepare the copy himself
16 or herself.

17 **Sec. 58.** 1. Notwithstanding the provisions of section 26 of
18 this act, a person who, on or before January 1, 2025, is engaged in
19 digital financial asset business activity with or on behalf of a
20 resident and who has submitted an application for licensure pursuant
21 to section 27 of this act may continue to engage in digital financial
22 asset business activity while the application is pending approval or
23 denial.

24 2. As used in this section:

25 (a) "Digital financial asset business activity" has the meaning
26 ascribed to it in section 9 of this act.

27 (b) "Resident" has the meaning ascribed to it in section 18 of
28 this act.

29 **Sec. 59.** 1. This section becomes effective upon passage and
30 approval.

31 2. Sections 1 to 58, inclusive, of this act become effective:

32 (a) Upon passage and approval for the purpose of adopting any
33 regulations, accepting applications for licensure pursuant to section
34 27 of this act and performing any other preparatory administrative
35 tasks that are necessary to carry out the provisions of this act; and

36 (b) On January 1, 2025, for all other purposes.



