
HOUSE COMMITTEE AMENDMENTS

2022 Regular Session

Amendments proposed by House Committee on Commerce to Original House Bill No. 802
by Representative WrightAMENDMENT NO. 1

On page 1, line 3, change "through 1405" to "and 1402"

AMENDMENT NO. 2

On page 1, line 5, after "procedures;" delete the remainder of the line

AMENDMENT NO. 3

On page 1, at the beginning of line 6, delete "for rulemaking;"

AMENDMENT NO. 4

On page 1, line 9, change "through 1405" to "and 1402"

AMENDMENT NO. 5

On page 1, delete lines 10 through 19 in their entirety and insert in lieu thereof the following:

"CHAPTER 22. VIRTUAL CURRENCY CUSTODY SERVICES§1401. DefinitionsAs used in this Chapter, the following words have the following meanings:(1) "Bank" has the same meaning as provided for in R.S. 6:2.(2) "Custody services" means the role of a bank in the safekeeping and custody of various customer assets.(3) "Self-assessment" means either of the following:(a) A bank's voluntary, self-initiated internal assessment, audit, or review of the bank and its practices, policies, and procedures.(b) A bank's voluntary, self-initiated assessment, audit, or review of the practices, policies, and procedures of a person acting under contract, directly or indirectly, as the bank's service provider, including mortgage servicers and subservicers, credit and debit card processors, and providers of loan document systems.(4) "Virtual currency" means an electronic representation of value intended to be used as a medium of exchange, unit of account, or store of value. "Virtual currency" does not exist in a physical form; it is intangible and exists only on the blockchain or distributed ledger associated with a particular virtual currency. The owner of virtual currency holds cryptographic keys associated with the specific unit of virtual currency in a digital wallet, which allows the rightful owner of the virtual currency to access and utilize it.§1402. Provision of virtual currency custody servicesA. A bank may provide its customers with virtual currency custody services if the bank has adequate protocols in place to effectively manage risks and comply with applicable laws. Prior to a bank offering virtual currency custody services, the bank shall carefully examine the risks involved in offering such services through a methodical self-assessment process. If a bank decides to offer such services, the bank shall do all of the following:(1) Implement effective risk management systems and controls to measure, monitor, and control relevant risks associated with custody of digital assets such as virtual currency.

- 1 (2) Confirm that it has adequate insurance coverage for such services.
- 2 (3) Maintain a service provider oversight program to address risks to service
- 3 provider relationships as a result of engaging in virtual currency custody services.
- 4 B.(1) A bank may provide virtual currency custody services in either a
- 5 nonfiduciary or fiduciary capacity.
- 6 (2) In providing such services in a nonfiduciary capacity, the bank shall act
- 7 as a bailee, taking possession of the customer's asset for safekeeping while legal title
- 8 remains with the customer. The customer shall retain direct control over the keys
- 9 associated with his virtual currency.
- 10 (3) In providing such services in a fiduciary capacity, a bank is required to
- 11 possess trust powers as provided for in R.S. 6:731. Acting in a fiduciary capacity,
- 12 the bank shall require customers to transfer their virtual currencies to the control of
- 13 the bank by creating new private keys to be held by the bank. In its fiduciary
- 14 capacity, a bank shall have authority to manage virtual currency assets as it would
- 15 any other type of asset held in such capacity."

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17 AMENDMENT NO. 6

18 Delete pages 2 through 5 in their entirety