

## RÉSUMÉ DIGEST

ACT 509 (HB 802)

2022 Regular Session

Wright

New law defines "custody services", "financial institution", "self-assessment", "trust company", and "virtual currency".

New law authorizes a financial institution or trust company to provide virtual currency custody services, if the financial institution or trust company has adequate protocols in place to effectively manage risks and comply with provisions of new law. Further authorizes a financial institution or trust company to provide virtual currency custody services through third-party service providers.

In addition to the protocols required pursuant to new law, a financial institution or trust company that provides virtual currency custody services is required to do all of the following:

- (1) Implement effective risk management systems and controls to measure and monitor relevant risks.
- (2) Confirm that it has adequate insurance coverage for such services.
- (3) Maintain a service provider oversight program.

New law authorizes a financial institution or trust company, consistent with authority provided through the entity's charter, to provide virtual currency custody services in a nonfiduciary capacity and requires the financial institution or trust company to take possession of the customer's assets for safekeeping while the customer retains direct control over the keys associated with his virtual currency.

New law authorizes a financial institution or trust company, consistent with authority provided through the entity's charter, to provide virtual currency custody services in a fiduciary capacity. Requires a financial institution or trust company acting in such capacity to possess trust powers as provided in existing law (R.S. 6:241, 575, and 731). Further requires its customers to transfer their virtual currency to the control of the financial institution or trust company.

New law authorizes a financial institution or trust company functioning in a fiduciary capacity to manage virtual currency assets as it would any other type of asset.

Effective August 1, 2022.

(Adds R.S. 6:1401-1402)