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OFFICE OF THE LIEUTENANT GOVERNOR
ALASKA

MEMORANDUM

TO: Dean Fleer,
Department of Commerce, Community and Economic Development

FROM: April Simpson, Office of the Lieutenant Governor
465.4081

DATE: November 30, 2022

RE: Filed Permanent Regulations: Division of Banking and Securities

Department of Commerce, Community, and Economic Development regulations re: Virtual Currency (3 AAC 13.005 - .990)

Attorney General File:	2022200373
Regulation Filed:	11/30/2022
Effective Date:	1/1/2023
Print:	244, January 2023

cc with enclosures: Colleen Bailey, Department of Law
Judy Herndon, LexisNexis

ORDER ADOPTING CHANGES TO REGULATIONS
OF THE DEPARTMENT OF COMMERCE, COMMUNITY AND
ECONOMIC DEVELOPMENT
DIVISION OF BANKING AND SECURITIES

The attached 3 pages of regulations, adding virtual currency to regulated transmission, is adopted and certified to be a correct copy of the regulation changes that the Division of Banking and Securities adopts under the authority of AS 06.55.103, AS 06.55.501, AS 44.33.020 and after compliance with the Administrative Procedure Act (AS 44.62), specifically including notice under AS 44.62.190 and 44.62.200 and opportunity for public comment under AS 44.62.210.

This action is not expected to require an increased appropriation.

Although no public comments were received, the Division of Banking and Securities paid special attention to the cost to private persons of the regulatory action being taken.

The regulation changes adopted under this order take effect on January 1, 2023, as provided in AS 44.62.180.

Date: 10/5/22

Robert H. Schmidt, Director
Division of Banking and Securities

April Simpson for

I, Kevin Meyer, Lieutenant Governor for the State of Alaska, certify that on November 30 2022 at 1:05 P.m., I filed the attached regulations according to the provisions of AS 44.62.040 - 44.62.120.

for Lieutenant Governor Kevin Meyer

Effective: January 1, 2023

Register: 244, January 2023

FOR DELEGATION OF THE LIEUTENANT GOVERNOR'S AUTHORITY

I, KEVIN MEYER, LIEUTENANT GOVERNOR OF THE STATE OF ALASKA, designate the following state employees to perform the Administrative Procedures Act filing functions of the Office of the Lieutenant Governor:

Josh Applebee, Chief of Staff
Kady Levale, Notary Administrator
April Simpson, Regulations and Initiatives Specialist

IN TESTIMONY WHEREOF, I have signed and affixed the Seal of the State of Alaska, in Juneau, on December 11th, 2018.

KEVIN MEYER
LIEUTENANT GOVERNOR

3 AAC 13 is amended by adding new sections to read:

3 AAC 13.005. Virtual currency as money transmission. An activity or transaction that would be covered as money transmission remains covered as money transmission if that activity or transaction is in the form of virtual currency. (Eff. 1/1/2023, Register 244)

Authority: AS 06.55.990

3 AAC 13.006. Money transmitters who only conduct virtual currency activity or transactions. Beginning January 1, 2023, a person who is engaging in activities or transactions for which a license is required under AS 06.55 with activity or transactions in the form of virtual currency, shall submit an application for licensure through the registry. The department considers a person to be engaging in activities for which a license is required under AS 06.55 if the person is conducting money transmission and that activity or transaction is in the form of virtual currency being transmitted to, from, or within the state. A limited licensing agreement, as related to virtual currency activity, entered into with the state shall be void and removed from the registry. (Eff. 1/1/2023, Register 244)

Authority: AS 06.55.101 AS 06.55.102 AS 06.55.990

3 AAC 13.810 is amended to read:

3 AAC 13.810. Additional permissible investments. In addition to the assets and securities listed in AS 06.55.502, a permissible investment for the purposes of AS 06.55 includes

(1) commercial paper within the top three rating categories of a nationally recognized rating service; [AND]

(2) interest-bearing bills, notes, or bonds that bear a rating within the top three rating categories of a nationally recognized rating service**; and**

(3) virtual currency for outstanding obligations denominated in the same virtual currency. (Eff. 7/12/2008, Register 187; am 1/1/2023, Register 244)

Authority: AS 06.55.501 AS 06.55.502 AS 44.33.020

3 AAC 13.990 is repealed and readopted to read:

3 AAC 13.990. Definitions. In AS 06.55 and this chapter,

(1) "business day" means a day other than Saturday, Sunday, or a state or federal holiday;

(2) "department" means the Department of Commerce, Community, and Economic Development;

(3) "Form MU1" means the uniform money services license application developed and used by the registry;

(4) "monetary value" has the meaning of AS 06.55.990(10) and includes virtual currency;

(5) "registry" means the Nationwide Multistate Licensing System and Registry; in this paragraph, "Nationwide Multistate Licensing System and Registry" means a licensing system developed by the Conference of State Bank Supervisors and the American Association of Residential Registry, LLC, or a successor or an affiliated entity, for the licensing and registration of persons in the mortgage and other financial services industries;

(6) "virtual currency"

(A) means a digital representation of value that is used as a medium of exchange, unit of account, or store of value; and is not money, whether or not denominated in money;

(B) does not include

(i) a transaction in which a merchant grants, as part of an affinity or rewards program, value that cannot be taken from or exchanged with the merchant, bank credit, or virtual currency; or

(ii) a digital representation of value issued by or on behalf of a publisher and used solely within an online game, game platform, or family of games sold by the same publisher or offered on the same game platform. (Eff. 7/12/22008, Register 187; am 11/22/2017, Register 224; am 1/1/2023, Register 244)

Authority:

AS 06.55.102	AS 06.55.203	AS 06.55.405
AS 06.55.103	AS 06.55.204	AS 06.55.820
AS 05.55.105	AS 06.55.403	AS 06.55.990
AS 06.55.106	AS 06.55.404	AS 44.33.020