

# Onward & Westward: WY for Blockchain, Digital Assets, & FinTech

## Wyoming FinTech & Digital Asset Legislation

Wyoming has enacted 13 bills in 2018-19 relating to financial technology and digital assets, providing the greatest amount of legal certainty of any U.S. jurisdiction for FinTech businesses and regulators. Wyoming consulted with federal agencies, Wall Street and other prominent law firms, law professors, banks, financial services firms, digital asset developers and consumer advocates in developing this best-in-class legal framework.

### **SF 125- Digital Assets (Legal Status, UCC & Custody)**

First U.S. jurisdiction to conclusively establish the legal status of digital assets (virtual currency, digital securities, and utility tokens), and to provide a clear framework for custody, lending and other securities/commodities transactions. Also implemented rules on how competing claims for these assets would be dealt with and how they would likely be treated in bankruptcy.

### **HB 74- Special Purpose Depository Institutions**

New type of bank tailored to integrate digital assets into the financial system and the patchwork of U.S. securities/commodities laws. This new bank makes it possible for blockchain companies to functionally operate in the United States with access to the payment system and less risk of forced account closure. This institution resolves many other known legal issues and provides an institutional-friendly vehicle for custody. Institution also has special regulatory status in other state and federal laws as a bank.

### **HB 57- Financial Technology Sandbox**

Supervised regulatory environment for businesses to test innovative financial products and services with a specific waiver of existing laws. Authorizes reciprocity with overseas sandboxes and allows businesses to operate in multiple sandbox jurisdictions.

### **SF 111- Property Tax Exemption**

Virtual currency is exempt from property taxes in Wyoming.

### **Additional Highlights**

- (1) Authorizes certified/uncertified shares of stock to be issued by business entities on a distributed ledger;
- (2) Authorizes other corporate recordkeeping/activities to take place on a distributed ledger;
- (3) Special utility agreements for virtual currency miners;
- (4) Money transmission exemption for virtual currency; and
- (5) Framework for utility tokens with a consumptive purpose.

## Wyoming's Pioneering Business Environment

Further differentiating Wyoming is the state's strong business, privacy, tax, and trust laws. Wyoming has earned a pristine business reputation and aims to uphold it through strong relationships with other states, federal agencies, and foreign regulators. Wyoming has an innovative and flexible approach and partners with regulated entities to ensure high standards of compliance and solvency. Regulators and the state legislature are genuinely responsive and accessible.

**BUSINESS:** 2nd most popular jurisdiction for corporate formation. New Chancery Court for efficient resolution of business/trust/financial disputes with expert judges.

**PRIVACY & TRUSTS:** Popular with wealth management professionals as an attractive situs for individual trusts, family trust companies and public trust companies. Allows dynasty trusts and trust structures that are adaptive to specialized needs.

**TAX:** No state personal or corporate income tax. Among the lowest U.S. tax burden.

Wyoming is the U.S. capital of digital assets and FinTech and is uniquely positioned to take a global lead in this industry. The state is stewarding the move of proven FinTech & digital asset funds/companies to the state while growing jobs and building sustained economic advancement.

