

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

H

D

HOUSE BILL 1029
PROPOSED COMMITTEE SUBSTITUTE H1029-PCS30607-BBf-30

Short Title: NC Digital Asset and Stablecoin Act.

(Public)

Sponsors:

Referred to:

April 22, 2026

1 A BILL TO BE ENTITLED
2 AN ACT TO ENACT THE NORTH CAROLINA DIGITAL ASSET AND STABLECOIN
3 ACT, AS RECOMMENDED BY THE HOUSE SELECT COMMITTEE ON
4 BLOCKCHAIN AND DIGITAL ASSETS.

5 The General Assembly of North Carolina enacts:

6
7 **PART I. DIGITAL ASSET FINANCIAL ACT**

8 **SECTION 1.(a)** Chapter 53 of the General Statutes is amended by adding a new
9 Article to read:

10 "Article 26.

11 "Digital Asset Financial Act.

12 **"§ 53-441. Definitions.**

13 The following definitions apply in this Article:

- 14 (1) Control. – A person has control if the person satisfies the requirements of
15 G.S. 25-12-105.
- 16 (2) Custody of a digital asset. – The legal relationship in which a financial
17 institution holds digital assets on behalf of a customer as bailee or trustee by
18 maintaining possession or control of the digital assets and any associated keys,
19 such that the digital assets remain the property of the customer, are not assets
20 or liabilities of the financial institution, and are not available to satisfy claims
21 of the financial institution's creditors.
- 22 (3) Customer. – A person for which a financial institution provides digital asset
23 services, including a digital asset account holder or a person on whose behalf
24 the financial institution acts in a fiduciary capacity.
- 25 (4) Digital asset. – A natively electronic asset that confers economic, proprietary,
26 or access rights and is recorded or stored in a blockchain, cryptographically
27 secured distributed ledger, or similar technology. A digital asset is personal
28 property.
- 29 (5) Digital asset custody services. – The safekeeping, administration, or control
30 of digital assets on behalf of customers by a financial institution, including
31 any of the following:
- 32 a. Holding, controlling, or maintaining access to private keys necessary
33 to transfer, encumber, or otherwise exercise control over digital assets
34 belonging to or benefiting a customer.
- 35 b. Maintaining digital assets in an omnibus, pooled, or segregated
36 account structure on behalf of one or more customers.



* H 1 0 2 9 - P C S 3 0 6 0 7 - B B F - 3 0 *

- 1 c. Exercising control over digital assets through any technical protocol,
2 smart contract, multi-signature arrangement, or contractual
3 mechanism that functionally restricts or directs the disposition of a
4 customer's digital assets.
- 5 (6) Digital asset services. – Any services involving digital assets offered by a
6 financial institution, including digital asset custody services, staking services,
7 and digital asset transaction services.
- 8 (7) Digital asset transaction services. – Services that facilitate the execution of
9 digital asset purchase or sale transactions on behalf of a customer.
- 10 (8) Exercise of an act of ownership interest. – Includes the following actions by a
11 customer relating to a digital asset account:
- 12 a. Conducting a transaction with digital assets in the account, including
13 buying or selling digital assets.
- 14 b. Depositing into or withdrawing from a digital asset account fiat
15 currency or other property, whether by a one-time transaction or a
16 recurring transaction.
- 17 c. Electronically accessing the digital asset account.
- 18 d. Conducting any activity with respect to another digital asset account
19 or any other property held with the same financial institution.
- 20 e. Taking any other action that reasonably demonstrates to the financial
21 institution that the customer knows that the digital asset account exists.
- 22 (9) Fiduciary capacity. – Acting with trust powers under State law to provide
23 digital asset services on behalf of a customer, including the discretionary
24 management or administration of digital assets subject to fiduciary duties.
- 25 (10) Financial institution. – A bank chartered under State law or a credit union
26 organized under State law.
- 27 (11) Keys. – A pair of cryptographic codes associated with a digital asset wallet,
28 consisting of a public key and a private key. The public key enables the receipt
29 of digital assets and the verification of digital signatures. The private key
30 enables the control, transfer, or management of digital assets within the wallet.
- 31 (12) Non-fiduciary capacity. – Providing digital asset custody services solely for
32 safekeeping, without discretionary authority to manage or transfer the assets
33 and with legal title and control of the assets remaining with the customer.
- 34 (13) Regulating authority. – Either of the following:
- 35 a. In the case of a State-chartered bank, the Commissioner of Banks.
- 36 b. In the case of a State-organized credit union, the Administrator of
37 Credit Unions.
- 38 (14) Slashing. – A penalty imposed by a blockchain protocol that results in the
39 forfeiture or reduction of staked digital assets or rewards due to validator
40 misconduct or failure.
- 41 (15) Staking. – Committing digital assets to a blockchain network to participate in
42 the network's operations by validating transactions, proposing and attesting to
43 blocks, and securing the network.
- 44 (16) Staking rewards. – Any interest, yield, or other compensation earned by a
45 customer through staking digital assets on a blockchain network.
- 46 (17) Subcustodian. – A third party that a financial institution uses to hold digital
47 assets on the financial institution's behalf as part of providing custody services
48 to a customer.
- 49 (18) Wallet. – A digital interface or physical device that stores digital assets or
50 private keys, enabling the owner to securely manage, transfer, and maintain
51 independent control over their digital assets.

1 **"§ 53-442. Digital asset custody services.**

2 (a) Notification. – A financial institution intending to offer digital asset custody services
3 shall notify the regulating authority in writing before initiating these services. The written notice
4 shall be provided to the regulating authority at least 60 days before the financial institution's
5 commencement of custody services and shall include any information required by the regulating
6 authority to evaluate the financial institution's plans, policies, and procedures for compliance
7 with this section.

8 (b) Fiduciary Capacity. – A financial institution shall not begin offering digital asset
9 custody services in a fiduciary capacity without first obtaining the written approval of the
10 regulating authority. In applying for approval, the financial institution shall demonstrate that it
11 has satisfied all requirements to exercise trust powers and that it has the necessary expertise,
12 policies, and procedures in place to safely conduct fiduciary digital asset custody services. The
13 regulating authority has the discretion to condition or limit the scope of a financial institution's
14 authority to engage in fiduciary digital asset custody services and may impose any supervisory
15 conditions deemed necessary to ensure the safety and soundness of the financial institution and
16 the protection of customer assets. Additionally, if a financial institution provides digital asset
17 custody services in a fiduciary capacity and uses a subcustodian for those assets, the financial
18 institution shall provide notice to the regulating authority of its use of a subcustodian for fiduciary
19 custody.

20 (c) Fiduciary and Non-Fiduciary Capacity. – A financial institution may directly provide
21 digital asset custody services to its customers and may provide digital asset custody services in
22 either a fiduciary capacity or a non-fiduciary capacity, subject to the following provisions:

23 (1) Fiduciary capacity. – A financial institution shall not provide digital asset
24 custody services in a fiduciary capacity unless it is authorized to exercise trust
25 powers under State law. A financial institution acting in a fiduciary capacity
26 shall exercise this authority in accordance with all applicable fiduciary duties
27 and standards, including those governing trustees, custodians, and agents
28 under State law.

29 (2) Non-fiduciary capacity. – A financial institution may provide digital asset
30 custody services in a non-fiduciary capacity without being authorized to
31 exercise trust powers. When acting in a non-fiduciary capacity, the financial
32 institution shall act solely as a custodian for safekeeping purposes and shall
33 not exercise discretionary authority over the customer's digital assets. The
34 financial institution may act only upon the written instructions of the customer
35 and shall not independently manage, transfer, or dispose of the digital assets.

36 (d) Customer Agreement and Disclosures. – A financial institution shall enter into a
37 written custodial agreement with each customer before undertaking digital asset custody services.
38 The custodial agreement shall specify whether the financial institution is acting in a fiduciary
39 capacity or a non-fiduciary capacity for that customer. The agreement shall also include the
40 following written disclosures in a clear and conspicuous manner:

41 (1) Digital assets held in custody by the financial institution are not deposits,
42 obligations, or other liabilities of the institution.

43 (2) Digital assets in custody are not insured by the Federal Deposit Insurance
44 Corporation (FDIC), the National Credit Union Administration (NCUA), or
45 any other federal or State deposit insurance or share insurance program.

46 (e) Pooled or Segregated Custody Permitted. – A financial institution may hold digital
47 assets of multiple customers in a pooled custody arrangement or may segregate digital assets by
48 individual customer, in accordance with its custodial agreements. Pooled custody is permitted so
49 long as the financial institution maintains accurate records identifying each customer's interest in
50 the digital assets. A financial institution may segregate a customer's digital assets in a separate

1 account or digital wallet upon a customer's request or as required by the custodial agreement or
2 other law.

3 (f) Asset Reserve Requirement. – A financial institution providing digital asset custody
4 services shall at all times maintain control over a quantity of each type of digital asset in its
5 custody that equals or exceeds the total quantity of that digital asset owed to customers or
6 required to be held on behalf of customers. In no event shall the financial institution hold less
7 than a one hundred percent (100%) reserve of each digital asset owed or attributable to its
8 customers, and the financial institution's aggregate holdings of each digital asset shall at all times
9 be equal to or greater than the total amount of that asset that the financial institution owes to its
10 customers. Pooled custody of assets, as provided in subsection (e) of this section, shall not relieve
11 the financial institution of the requirement to individually account for and fully reserve each type
12 of digital asset for the benefit of customers under this subsection.

13 (g) Independent Annual Audits. – A financial institution engaging in digital asset custody
14 services shall undergo an independent audit of its custodial activities and holdings at least once
15 every fiscal year. The audit shall be conducted by a qualified independent auditor and shall verify
16 that the financial institution's actual holdings of each digital asset exceed the amount of that
17 digital asset that the institution owes to or holds for customers. The financial institution shall
18 provide the results of each annual audit to the regulating authority within five days of receiving
19 the results and shall make the audit results available to its customers upon request.

20 **"§ 53-443. Subcustody of digital assets.**

21 (a) A financial institution may utilize one or more subcustodians to assist in providing
22 digital asset custody services to its customers. The engagement of a subcustodian does not require
23 a separate consent from the customer, so long as the use of subcustodians is disclosed in the
24 customer's custodial agreement. The use of a subcustodian does not relieve the financial
25 institution of its duties as custodian, and the financial institution remains responsible to the
26 customer for the custody of the digital assets.

27 (b) A financial institution may place digital assets into subcustody only with one of the
28 following entities:

29 (1) A bank chartered under the laws of this State, another state, or the United
30 States.

31 (2) A special purpose depository institution chartered under the laws of another
32 state.

33 (3) A trust company or other company authorized under Article 24 of this
34 Chapter.

35 (c) A financial institution shall execute a written agreement with each subcustodian it
36 uses. Each agreement shall delineate the rights and responsibilities of the financial institution and
37 the subcustodian and require compliance with this section. The financial institution shall make a
38 subcustodial agreement available to the regulating authority for review upon request.

39 (d) A financial institution placing digital assets in subcustody shall at all times retain
40 control and custody of those assets. The subcustodial arrangement shall be structured so that the
41 financial institution remains the custodial recordholder of the assets on behalf of its customers
42 and the digital assets remain the property of the financial institution's customers.

43 (e) For each digital asset held in subcustody, the financial institution shall require the
44 subcustodian to maintain at least a one hundred percent (100%) reserve of that asset by type. The
45 amount of each type of digital asset held by the subcustodian shall at all times equal or exceed
46 the amount of that asset credited to the financial institution's customers. Different types of digital
47 assets shall not be commingled for reserve purposes, and assets held by a subcustodian on behalf
48 of one financial institution shall not be commingled with assets held on behalf of any other
49 financial institution or person.

50 (f) A financial institution shall only utilize a subcustodian that maintains insurance
51 coverage sufficient to protect against the loss of digital assets due to cybersecurity breaches, theft,

1 or other similar events. The financial institution shall ensure that the subcustodian's insurance
2 remains in effect and adequate to cover the value of assets held in subcustody.

3 (g) Digital assets held in subcustody shall be included in the scope of the financial
4 institution's annual independent audits under G.S. 53-442(g). All records relating to digital assets
5 held in subcustody are subject to examination by the regulating authority to the same extent as
6 records relating to digital assets held directly by the financial institution.

7 **"§ 53-444. Staking of digital assets.**

8 (a) Regulatory Notification and Approval. – A financial institution shall notify the
9 regulating authority in writing of its intent to offer staking services at least 60 days before
10 initiating these services. The written notice shall include any information that the regulating
11 authority requires to evaluate the financial institution's plans, policies, and procedures for
12 conducting staking in a safe and sound manner. A financial institution shall not begin staking
13 digital assets in a fiduciary capacity on behalf of a customer without first obtaining the written
14 approval of the regulating authority.

15 (b) Staking Services. – A financial institution may stake digital assets held in custody on
16 behalf of its customers. Staking services may be provided with respect to digital assets held in
17 either a fiduciary capacity or non-fiduciary capacity, subject to the requirements of this section.
18 Unless otherwise instructed by the customer, a financial institution may include a customer's
19 digital assets in its staking program by default, so long as the customer has been given the
20 required disclosures and an opportunity to opt out as described in subsection (c) of this section.

21 (c) Customer Disclosures and Opt-Out. – Before initiating staking services for any
22 customer's digital assets, a financial institution shall provide the customer with a clear and
23 conspicuous written disclosure of the terms and conditions of the staking program, including the
24 following:

- 25 (1) Automatic staking and opt-out. – That the financial institution may
26 automatically stake digital assets in the customer's account unless the
27 customer affirmatively opts out of participation.
- 28 (2) Risks of staking. – The key risks associated with staking, such as the potential
29 for loss of staked assets or rewards due to slashing or other network events,
30 and cybersecurity or operational risks inherent in the staking process.
- 31 (3) Lock-up periods. – Any applicable lock-up, unbonding, or notice period
32 before staked assets can be withdrawn or transferred and the implications of
33 this period for the customer's access to the customer's assets.
- 34 (4) Customer rights. – The customer's rights and obligations related to the staking
35 service, including the right to discontinue participation in staking at any time
36 and the entitlement to receive staking rewards earned on the customer's assets.
- 37 (5) Fees. – The amount or rate of any fees or commissions that the financial
38 institution deducts from staking rewards as compensation for providing the
39 staking service.

40 (d) Customer Ownership and Off-Balance Sheet Status. – A digital asset that a financial
41 institution stakes on behalf of a customer remains the property of the customer. Staked customer
42 assets, and any staking rewards associated with those assets, shall not be recorded as assets or
43 liabilities on the financial institution's balance sheet. The financial institution shall ensure that
44 staked assets are safeguarded and not subject to any lien, security interest, or claim of the
45 financial institution's creditors. A financial institution shall not encumber, hypothecate, or
46 otherwise use a customer's staked assets for any purpose except for facilitating staking on the
47 relevant blockchain or distributed ledger and shall not expose the assets to risk of loss except to
48 the extent inherent in the normal operation of the staking process.

49 (e) Use of Subcustodians for Staking. – A financial institution may utilize one or more
50 subcustodians to facilitate the staking of digital assets on behalf of its customers. The financial
51 institution shall at all times retain control over the staked assets and maintain appropriate

1 oversight of the staking process. The use of a subcustodian for staking does not relieve the
2 financial institution of its duties to the customer under this section, and the financial institution
3 remains responsible for ensuring compliance with all requirements of this section. A subcustodial
4 arrangement for staking shall be executed in a written agreement that delineates the rights and
5 responsibilities of the financial institution and the subcustodian.

6 (f) Reserve Requirements for Staked Assets. – In addition to complying with the reserve
7 requirements of this Article, a financial institution shall ensure that a sufficient portion of each
8 digital asset type remains unstaked or otherwise available to promptly meet customer withdrawal
9 requests, subject to any staking lock-up or unbonding periods disclosed to the customer pursuant
10 to subsection (c) of this section.

11 (g) Staking Rewards to Customers. – All rewards, yield, or other benefits earned from
12 the staking of a customer's digital assets shall accrue to the benefit of that customer. A financial
13 institution may deduct a reasonable fee or commission from staking rewards only if that fee has
14 been disclosed to the customer in advance in writing. Except as otherwise agreed in writing by
15 the customer, the financial institution shall credit all net staking rewards, after the deduction of
16 any disclosed fees, to the customer's account in the same type of digital asset that generated the
17 rewards. These credits shall be made within a reasonable period after the rewards are received or
18 become available to the financial institution.

19 (h) Audits, Risk Management, and Insurance. – A financial institution's staking activities
20 shall be included within the scope of its independent annual audits under G.S. 53-442(g). The
21 financial institution shall implement and maintain written internal policies and procedures to
22 effectively identify, monitor, and manage risks associated with staking, including operational
23 risks, cybersecurity threats, slashing, and other risks associated with staking services. The
24 financial institution shall maintain insurance coverage adequate to protect against potential losses
25 arising from staking activities, including losses attributable to slashing, cybersecurity breaches,
26 theft, or similar events, and shall ensure this coverage remains in effect and sufficient to cover
27 the current value of assets staked on behalf of its customers. All records relating to the financial
28 institution's staking services shall be available for independent audit and examination by the
29 regulating authority, consistent with the treatment of non-staked custodial asset records.

30 **"§ 53-445. Digital asset transaction services.**

31 (a) Regulatory Notice. – A financial institution intending to engage in digital asset
32 transaction services under this section shall provide at least 60 days' written notice of its intent
33 to the regulating authority. The financial institution may commence these services only after the
34 notice period has elapsed unless the regulating authority allows an earlier date.

35 (b) Fiduciary Capacity. – A financial institution may engage in digital asset transaction
36 services when acting in a fiduciary capacity on behalf of a customer, subject to the requirements
37 of this section.

38 (c) Customer Disclosures. – A financial institution shall disclose to its customer, before
39 or at the time of a digital asset transaction, the following disclosures in a clear and conspicuous
40 manner:

41 (1) The methodology or basis used to determine the execution price of the digital
42 asset transaction.

43 (2) Any spreads, fees, commissions, or other charges that will be applied to the
44 transaction.

45 (3) The expected time line for settlement of the transaction and for the digital
46 asset to be available in the customer's account.

47 (d) Customer Instruction or Discretionary Authority. – A financial institution shall
48 execute a digital asset transaction only if one or more of the following applies:

49 (1) The transaction is executed pursuant to the express instruction of the
50 customer.

1 (2) The transaction is executed in the exercise of discretionary investment
2 authority granted to the financial institution under the governing fiduciary
3 instrument or other law.

4 (e) Counterparties. – A financial institution shall facilitate digital asset transactions only
5 with counterparties who are also authorized to engage in digital asset transaction services under
6 this Article or other state or federal law.

7 (f) Prohibition on Proprietary Trading. – A financial institution engaging in digital asset
8 transaction services under this section shall act solely in a fiduciary capacity for the benefit of its
9 customers and shall not engage in proprietary trading of digital assets. No purchase or sale of a
10 digital asset shall be made for the financial institution's own account under the authority of this
11 section, and all transactions shall be solely for the account of, or benefit of, a customer.

12 (g) Use of Subcustodians and Execution Agents. – A financial institution engaging in
13 digital asset transaction services under this section may utilize subcustodians or third-party
14 execution agents to execute transactions on behalf of its customers. The financial institution may
15 delegate discretionary authority to these subcustodians or agents regarding the timing, sequence,
16 and venue of transaction execution. This delegation shall comply with the fiduciary
17 responsibilities of the financial institution. The financial institution shall perform due diligence
18 and maintain continuous monitoring of every subcustodian or execution agent to ensure
19 compliance with this Article and the protection of digital assets. Delegation of authority under
20 this subsection does not relieve the financial institution of its fiduciary obligations or its
21 responsibility to comply with this Article.

22 (h) Custody of Assets Post-Transaction. – A financial institution that purchases a digital
23 asset under this section shall ensure that the asset is transferred into the financial institution's
24 custody as soon as commercially practicable after execution of the transaction. All digital assets
25 so acquired shall be held in custody in accordance with the fiduciary custody standards
26 established in this Article and maintained under the financial institution's control consistent with
27 its fiduciary obligations.

28 (i) Record Keeping and Oversight. – For each digital asset purchase or sale executed
29 under this section, the financial institution shall create and retain a record of the transaction,
30 including the date and time of execution; the type and amount of digital asset purchased or sold;
31 the price at which the transaction was executed; the identity of the counterparty; any execution
32 agent used; and all fees, commissions, or spreads charged. These records shall be maintained for
33 at least five years and shall be made available to the regulating authority upon request or during
34 examination.

35 **"§ 53-446. Anti-money laundering, cybersecurity, and other compliance requirements.**

36 (a) Compliance. – A financial institution shall comply with all federal and State laws
37 governing its digital asset services. These laws include the federal Bank Secrecy Act (31 U.S.C.
38 § 5311 et seq.) and its implementing regulations, customer due diligence requirements issued by
39 the U.S. Department of the Treasury's Financial Crimes Enforcement Network, sanctions
40 regulations administered by the U.S. Department of the Treasury's Office of Foreign Assets
41 Control (OFAC), and data security and privacy laws, such as the Gramm-Leach-Bliley Act (15
42 U.S.C. § 6801 et seq.) and its implementing regulations.

43 (b) Anti-Money Laundering Program. – A financial institution shall establish and
44 maintain an anti-money laundering compliance program that is risk-based and commensurate
45 with the nature and scope of the financial institution's digital asset services. The program shall
46 include all of the following:

47 (1) A system of internal controls to ensure ongoing compliance with the Bank
48 Secrecy Act and other applicable anti-money laundering requirements.

49 (2) Independent testing for compliance to be conducted by qualified internal audit
50 personnel or an independent party.

1 (3) Appropriate risk-based procedures for conducting ongoing customer due
2 diligence, including monitoring of customer transactions and updating
3 customer information as necessary.

4 (c) Cybersecurity Program. – A financial institution shall implement and maintain a
5 written cybersecurity program designed to ensure the security of the financial institution's digital
6 asset services systems and protect the confidentiality, integrity, and availability of customer
7 digital assets and related information. The cybersecurity program shall be commensurate with
8 the financial institution's size and complexity and the sensitivity of its operations and shall align
9 with federal cybersecurity standards for institutions, including the guidelines of the Federal
10 Financial Institutions Examination Council (FFIEC) Information Technology Examination
11 Handbook and the framework established by the National Institute of Standards and Technology
12 (NIST). The program shall include administrative, technical, and physical safeguards to protect
13 against anticipated threats or hazards and unauthorized access to or theft of customer assets or
14 information.

15 (d) Incident Notification. – A financial institution shall notify the regulating authority of
16 any material cybersecurity incident as soon as possible, but in no event later than 72 hours after
17 discovering the incident. This notice shall provide a description of the incident and its likely
18 impact on the financial institution and its customers, in accordance with any notification
19 procedures prescribed by the regulating authority. For purposes of this subsection, a "material
20 cybersecurity incident" means a cybersecurity breach or event that materially compromises the
21 security, confidentiality, or integrity of the financial institution's information systems or the
22 digital assets under its control.

23 (e) Record Keeping. – A financial institution shall maintain detailed records of its
24 compliance efforts under this section, including all policies, procedures, risk assessments, audit
25 reports, and training materials related to its anti-money laundering and cybersecurity programs.
26 All records and supporting documentation shall be retained for at least five years and shall be
27 made available for inspection by the regulating authority upon request or during an examination.

28 (f) Program Oversight Personnel. – A financial institution shall designate qualified
29 individuals responsible for overseeing the institution's anti-money laundering and cybersecurity
30 programs. The designated anti-money laundering compliance officer and the designated
31 cybersecurity program officer shall have the expertise, authority, and resources to administer
32 their respective programs and to enforce compliance with all applicable laws. A financial
33 institution shall promptly report to the Commissioner the names and contact information of these
34 designated individuals and shall notify the Commissioner of any change in these designations.

35 **"§ 53-447. Prohibition on rehypothecation.**

36 A financial institution shall not rehypothecate a customer's digital assets.

37 **"§ 53-448. Unclaimed digital assets.**

38 Digital assets held by a financial institution under this Article that are presumed abandoned
39 are subject to Article 4 of Chapter 116B of the General Statutes. For purposes of that Article, a
40 financial institution holding digital assets is a holder as defined in G.S. 116B-52, and the
41 customer is an apparent owner as defined in G.S. 116B-52.

42 **"§ 53-449. Rulemaking.**

43 The State Banking Commission and Credit Union Commission may adopt rules to
44 implement, clarify, and enforce the requirements of this Article. These rules may include more
45 specific standards for anti-money laundering, cybersecurity, and customer due diligence
46 programs. The State Banking Commission and Credit Union Commission may also issue
47 advisory guidance to assist financial institutions in complying with this Article.

48 **"§ 53-450. Enforcement and supervisory authority.**

49 (a) Grounds. – In addition to the powers under Chapters 53C and 54 of the General
50 Statutes, the regulating authority may exercise the enforcement powers set forth in this section,
51 if the regulating authority determines that a financial institution has done any of the following:

- 1 (1) Violated any provision of this Article or rule adopted or order issued under it.
2 (2) Engaged in any unsafe or unsound practice in connection with its digital asset
3 services.
4 (3) Operated in a manner that threatens the safety or security of a customer's
5 digital assets.

6 (b) Temporary Emergency Orders. – If the regulating authority determines that a
7 financial institution has engaged in any misconduct described in subsection (a) of this section
8 and this misconduct is likely to cause immediate and irreparable harm to its customers or the
9 public, the regulating authority may issue a temporary emergency order. This order may direct
10 the financial institution to immediately cease and desist from the activity and take any other
11 action necessary to prevent or mitigate the harm. A temporary emergency order is effective upon
12 service on the financial institution. A financial institution subject to a temporary emergency order
13 shall be given the opportunity for an expedited hearing. A financial institution has 10 days after
14 the issuance of a temporary emergency order to request a hearing. Upon receipt of the financial
15 institution's request, a hearing shall be held within 10 days of the request to determine whether
16 the order should be stayed, modified, or made permanent. If no hearing is requested within the
17 initial 10-day period, or if the financial institution fails to appear at the scheduled hearing, the
18 temporary emergency order remains in effect until the regulating authority either lifts it or
19 replaces it with a cease and desist order under subsection (c) of this section.

20 (c) Cease and Desist Orders. – The regulating authority may, after notice and an
21 opportunity for hearing, issue an order requiring a financial institution to cease and desist from
22 any activity described in subsection (a) of this section. The regulating authority shall serve upon
23 the financial institution a written notice describing the alleged misconduct and specifying a time
24 and place for a hearing to be held within 15 days of the notice, at which the financial institution
25 may present evidence or argument. If the regulating authority finds that the financial institution
26 has engaged in the alleged misconduct, the regulating authority may issue a cease and desist order
27 ordering the financial institution to immediately discontinue the misconduct and take affirmative
28 action, if necessary, to prevent its recurrence.

29 (d) Suspension or Revocation of Digital Asset Service Authority. – If, after notice and an
30 opportunity for hearing, the regulating authority determines that a financial institution has
31 engaged in any misconduct described in subsection (a) of this section, the regulating authority
32 may suspend or revoke the institution's authority to provide digital asset services under this
33 Article. A notice of intent to suspend or revoke shall be served upon the financial institution,
34 stating the grounds for the action and setting a hearing at which the financial institution may
35 show cause why its authority should not be suspended or revoked. A suspension or revocation
36 issued under this subsection becomes effective only after the financial institution has been given
37 notice, an opportunity for a hearing, and a written decision by the regulating authority affirming
38 the grounds for the suspension or revocation.

39 (e) Civil Penalty. – In addition to or instead of an order described in this section, the
40 regulating authority may impose a civil penalty for any misconduct described in subsection (a)
41 of this section. For the first offense, the civil penalty shall not exceed five thousand dollars
42 (\$5,000) per violation. For each subsequent offense, the penalty shall not exceed ten thousand
43 dollars (\$10,000) per violation. Each act or omission that is found to constitute a violation is a
44 separate violation for purposes of assessing civil penalties. The regulating authority shall give
45 written notice to the financial institution of the proposed civil penalty, identifying the misconduct
46 and the amount of the penalty, and shall inform the financial institution of its right to request a
47 hearing on the civil penalty in accordance with subsection (f) of this section.

48 (f) Hearing and Appeal Rights. – A financial institution subject to an enforcement action
49 under this section is entitled to a hearing of the regulating authority's decision. Upon request by
50 the financial institution, the Commissioner shall conduct an administrative hearing within 15
51 days of the request. The financial institution may present evidence and argument at the hearing,

1 and the regulating authority shall issue a written final decision or order based on the record of
 2 the proceeding. A bank may appeal a final decision or order of the Commissioner of Banks to
 3 the State Banking Commission, in accordance with G.S. 53C-2-6, and a credit union may appeal
 4 a final decision or order of the Administrator of Credit Unions to the Credit Union Commission,
 5 in accordance with G.S. 54-109.92(k). The filing of an appeal operates as an automatic stay of
 6 the regulating authority's order, unless the reviewing commission, upon motion of the regulating
 7 authority, finds that a stay would pose a substantial risk to the public interest."

8 **SECTION 1.(b)** G.S. 116B-52 reads as rewritten:

9 **"§ 116B-52. Definitions.**

10 ~~In this Chapter:~~ The following definitions apply in this Chapter:

11 (1) "Apparent owner" means a person whose name appears on the records of a
 12 holder as the person entitled to property held, issued, or owing by the holder.

13 ...

14 (2a) "Digital asset" is as defined in G.S. 53-441.

15 (2b) "Digital asset account" means an account, wallet, or other custodial
 16 arrangement maintained by an apparent owner with a holder that may contain
 17 one or more types of digital assets.

18 ...

19 (3a) "Exercise of an act of ownership interest" is as defined in G.S. 53-441.

20 ...

21 (5) "Holder" means a person obligated to hold for the account of or deliver or pay
 22 to the owner property that is subject to this Chapter.

23 ...

24 (6a) "Keys" is as defined in G.S. 53-441.

25 ...

26 (11b) "Qualified custodian" means a person selected by the Treasurer to receive and
 27 hold digital assets presumed abandoned under this Chapter that meets one or
 28 more of the following criteria:

29 a. A federal or state-chartered bank, trust company, or special purpose
 30 depository institution that is licensed or authorized to offer custody
 31 services for digital assets.

32 b. A company possessing a license granted by this State or another state
 33 that offers custody services for digital assets.

34 c. An entity that qualifies as a "financial institution" under 31 C.F.R. §
 35 1010.100 and is subject to the anti-money laundering obligations of
 36 the federal Bank Secrecy Act, 31 U.S.C. § 5311 et seq.

37"

38 **SECTION 1.(c)** G.S. 116B-53 reads as rewritten:

39 **"§ 116B-53. Presumptions of abandonment.**

40 ...

41 (c) Property is presumed abandoned if it is unclaimed by the apparent owner during the
 42 time set forth below for the particular property:

43 ...

44 (15a) Property held in a digital asset account, five years after the earliest of the
 45 following dates:

46 a. The date of the last exercise of an act of ownership interest by the
 47 apparent owner.

48 b. The date a second consecutive communication from the holder to the
 49 apparent owner is returned to the holder as undeliverable to the
 50 apparent owner.

1 c. The date the holder discontinued communications to the apparent
2 owner.

3 The five-year period under this subdivision is tolled upon the apparent owner's
4 exercise of an act of ownership interest or any written, oral, or electronic
5 communication from the apparent owner to the holder. The holder shall
6 maintain a record of this communication.

7 "

8 **SECTION 1.(d)** G.S. 116B-59 reads as rewritten:

9 **"§ 116B-59. Notice by holders to apparent owners.**

10 (a) Repealed by Session Laws 2017-134, s. 2(a), effective October 1, 2017, and
11 applicable to property presumed abandoned on or after that date.

12 (a1) A holder of property that is presumed abandoned and ~~that is either (i) a security or~~
13 ~~other equity interest in a business association, including a security entitlement under Article 8 of~~
14 ~~Chapter 25 of the General Statutes, that is valued at twenty-five dollars (\$25.00) or more or (ii)~~
15 ~~property, other than a security or other equity interest in a business association, including a~~
16 ~~security entitlement under Article 8 of Chapter 25 of the General Statutes, that is valued at fifty~~
17 ~~dollars (\$50.00) or more shall send written notice by first-class mail to the apparent owner not~~
18 ~~more than 120 days or less than 60 days before filing the report required by this Article. The~~
19 ~~holder shall exercise reasonable care to ascertain that it is sending the written notice to the~~
20 ~~apparent owner's correct address. A holder may authorize a third party to perform the duties~~
21 ~~required by this subsection. Notwithstanding any third party authorization, the holder bears~~
22 ~~responsibility for a failure to comply with this section.~~The holder shall send notice by one or both
23 of the following methods:

24 (1) If the holder, in the regular course of business, sends physical mail to the
25 apparent owner, sending written notice by first-class mail to the apparent
26 owner's last known mailing address.

27 (2) If the holder, in the regular course of business, sends electronic
28 communications to the apparent owner, sending notice by email, push
29 notification, text message, or other electronic communication method to the
30 apparent owner at the electronic address or through the communication
31 channel maintained in the holder's records for the apparent owner.

32 The holder shall exercise reasonable care to ascertain that the notice is directed to the apparent
33 owner's correct address, whether physical or electronic, and shall maintain a record of the notice,
34 regardless of how the notice is delivered.

35 (b) Repealed by Session Laws 2017-134, s. 2(a), effective October 1, 2017, and
36 applicable to property presumed abandoned on or after that date.

37 (c) ~~The written~~A notice to apparent owners required under this section must contain all
38 of the following:

39 (1) A statement that, according to the records of the holder, property is being held
40 to which the addressee appears entitled and the amount or description of the
41 property.

42 (2) The name, address, and contact information of the person holding the property
43 and any necessary information regarding changes of name and address of the
44 holder.

45 (3) The date the holder intends to submit the report required under this Article
46 and a statement that, if satisfactory proof of claim is not presented by the
47 owner to the holder within 30 days of that date, then property will be placed
48 in the custody of the Treasurer, to whom all further claims shall be directed.

49 (4) A statement that, once property is placed in the custody of the Treasurer, all
50 interest, dividends, income, and gains earned on the property will remain with

1 the Treasurer, even if the owner subsequently reclaims the property from the
2 Treasurer.

3 (d) With the written consent of the Treasurer, this section may be waived, in whole or in
4 part, for good cause shown and upon conditions and terms that are prescribed by the Treasurer.

5 (e) A holder may authorize a third party to perform the duties required by this section.
6 Nevertheless, the holder bears responsibility for a failure to comply with this section."

7 **SECTION 1.(e)** G.S. 116B-60 reads as rewritten:

8 "**§ 116B-60. Report of abandoned property; certification by holders with tax return.**

9 (a) A holder of property presumed abandoned shall file a report in an electronic format
10 prescribed by the Treasurer concerning the property. Holders shall file an electronic certification
11 and verification in order to comply with subsection (f) of this section. A holder may authorize a
12 third party to perform the duties required by this subsection. Notwithstanding any third-party
13 authorization, the holder bears responsibility for a failure to comply with this section.

14 (b) For amounts due to the apparent owner of property of the value of ~~fifty dollars~~
15 ~~(\$50.00)~~ twenty-five dollars (\$25.00) or more, more and for any amount due to the apparent
16 owner of property subject to G.S. 116B-53(c)(4), (5), (5a), or (15a), the report must be verified
17 and must contain the following, if known by the holder:

18 (1) Except with respect to a traveler's check or money order, full name, last known
19 address, social security number or taxpayer identification number, date of
20 birth, drivers license or state identification number, and email address of each
21 person who, from the records of the holder of the property, appears to be the
22 apparent owner of the property.

23 (2) A description of the property, the identification number, if any, and the
24 property amount.

25 (3) Repealed by Session Laws 2011-230, s. 4, effective October 1, 2011.

26 (4) In the case of an amount held or owing under an annuity or a life or
27 endowment insurance policy, the full name and last known address, social
28 security number or taxpayer identification number, date of birth, drivers
29 license or state identification number, and email address of the annuitant or
30 insured and of the beneficiary.

31 (5) The date, if any, on which the property became payable, demandable, or
32 returnable, and the date of the last transaction or communication with the
33 apparent owner with respect to the property.

34 (6) Other information that the Treasurer by rule prescribes as necessary for the
35 administration of this Chapter.

36 (b1) With the exception of property subject to ~~G.S. 116B-53(c)(4), 116B-53(c)(5), and~~
37 ~~116B-53(c)(5a),~~ G.S. 116B-53(c)(4), (5), (5a), or (15a), amounts due an apparent owner less than
38 ~~fifty dollars (\$50.00)~~ twenty-five dollars (\$25.00) may be reported in an aggregate amount
39 without furnishing any of the information required by subsection (b) of this section.

40"

41 **SECTION 1.(f)** Article 4 of Chapter 116B of the General Statutes is amended by
42 adding a new section to read:

43 "**§ 116B-61.1. Delivery of abandoned digital assets.**

44 (a) A holder of property held in a digital asset account that is presumed abandoned under
45 G.S. 116B-53(c)(15a) shall report the property to the Treasurer pursuant to G.S. 116B-60. If the
46 digital asset account contains digital assets and the holder has the necessary private key or other
47 means required to transfer the digital assets, the holder shall deliver the digital assets in their
48 native form to a qualified custodian designated by the Treasurer. The holder shall provide the
49 Treasurer with proof of delivery upon request.

50 (b) If the holder does not have the necessary private key or is otherwise unable to transfer
51 the digital assets to the qualified custodian, the holder shall maintain the digital assets until the

1 necessary key becomes available or the holder is otherwise able to transfer the digital assets to
2 the qualified custodian. If the holder later transfers the digital assets to the Treasurer, the holder
3 shall report the digital assets in subsequent reports filed under G.S. 116B-60.

4 (c) If the Treasurer determines that a reported digital asset cannot be accepted for custody
5 by the qualified custodian designated by the Treasurer, is of de minimis or nominal value, or that
6 the costs of custody, transfer, or administration would exceed the value of the digital asset, the
7 Treasurer may direct the holder to liquidate the digital asset and deliver the net proceeds to the
8 Treasurer. The Treasurer may also identify classes or types of digital assets that are exempt from
9 delivery or that are subject to liquidation upon reporting. The Treasurer is not liable for any loss,
10 income, or gain for digital assets liquidated under this subsection.

11 (d) A holder that delivers digital assets or pays proceeds to the Treasurer in good faith
12 pursuant to this section is relieved of all liability arising after the delivery or payment with respect
13 to the digital assets delivered or proceeds paid, in accordance with G.S. 116B-63."

14 **SECTION 1.(g)** Article 4 of Chapter 116B of the General Statutes is amended by
15 adding a new section to read:

16 **"§ 116B-61.2. Staking of unclaimed digital assets.**

17 (a) The Treasurer may stake digital assets held pursuant to this Article on one or more
18 blockchain networks, subject to both of the following conditions:

19 (1) The Treasurer shall maintain sufficient unstaked reserves of each digital asset
20 type to satisfy claims from apparent owners presenting proof of ownership,
21 taking into account any applicable lock-up or unbonding periods.

22 (2) If an apparent owner makes a valid claim while the claimed digital assets are
23 staked and subject to a lock-up or unbonding period, the Treasurer shall notify
24 the claimant of the lock-up or unbonding period and shall promptly transfer
25 the digital assets or their equivalent value at the end of the period.

26 (b) All rewards, yield, or other benefits earned from staking under this section shall
27 accrue to the benefit of the State."

28 **SECTION 1.(h)** G.S. 116B-65 reads as rewritten:

29 **"§ 116B-65. Public sale of abandoned property.**

30 ...

31 (d) Digital assets delivered to the Treasurer or to a qualified custodian designated by the
32 Treasurer shall be maintained in their native form for a minimum period of three years after
33 delivery. Following the completion of the three-year holding period, the Treasurer may arrange
34 for the sale of the digital assets.

35 If the apparent owner of digital assets makes a claim during the period in which the digital
36 assets are still maintained in their native form, the Treasurer shall, at the election of the apparent
37 owner, either transfer the digital assets in their native form to a custodian selected by the apparent
38 owner or arrange for the sale of the digital assets and remit the net proceeds to the apparent
39 owner.

40 The Treasurer shall not sell a digital asset for less than the prevailing market price at the time
41 of sale. If a digital asset does not have a prevailing market price or the Treasurer does not have a
42 means of determining the prevailing market price, the Treasurer may sell the digital asset by any
43 commercially reasonable method.

44 After the expiration of the three-year holding period, a person making a claim is entitled to
45 receive the digital assets, if they still remain in the custody of the Treasurer, or the net proceeds
46 received from a sale, less any fees and expenses incurred in the sale."

47 **SECTION 1.(i)** G.S. 36F-2(10) reads as rewritten:

48 "(10) Digital asset. – An electronic record in which an individual has a right or
49 interest. The term does not include an underlying asset or liability unless the
50 asset or liability is itself an electronic record. This term does not include a
51 digital asset, as defined in G.S. 53-441."

- 1 (10) Payment stablecoin. – A digital asset (i) that is designed or marketed to be
2 used as a means of payment or settlement, (ii) the issuer of which undertakes
3 to convert, redeem, or repurchase for a fixed amount of monetary value, and
4 (iii) that is not legal tender, a deposit, or a security registered under federal
5 securities laws.
- 6 (11) Payment stablecoin issuer. – A person that issues a payment stablecoin.
- 7 (12) Permitted payment stablecoin issuer. – A licensed stablecoin issuer that is
8 licensed or authorized under this Article or a federally qualified payment
9 stablecoin issuer chartered or licensed pursuant to the GENIUS Act.
- 10 (13) Person. – An individual, partnership, corporation, limited liability company,
11 association, trust, or other legal entity.
- 12 (14) Primary federal payment stablecoin regulator. – A federal agency that is the
13 primary regulator of a category of permitted payment stablecoin issuers
14 pursuant to section 2(25) of the GENIUS Act.
- 15 (15) Principal office. – A principal place of business consisting of at least one
16 enclosed room or building of stationary construction in which all of the books,
17 records, and files pertaining to the issuance of payment stablecoins issued
18 under this Article are maintained.

19 **"§ 53-463. License or authorization requirement.**

20 (a) Unlawful Issuance Without Authority. – No person shall issue, circulate, offer, or
21 redeem a payment stablecoin in North Carolina unless the person is a permitted payment
22 stablecoin issuer.

23 (b) General License Requirement for Issuers. – A person with a consolidated total
24 outstanding issuance of payment stablecoins of not more than ten billion dollars
25 (\$10,000,000,000) that seeks to issue a payment stablecoin in this State shall obtain a license as
26 a licensed stablecoin issuer from the Commissioner unless the person is otherwise authorized to
27 issue a payment stablecoin.

28 (c) Authorization of Trust Companies. – The Commissioner may authorize a trust
29 company chartered in this State to issue payment stablecoins without obtaining a license under
30 this Article if the trust company submits an application to expand its business activities to include
31 the issuance of payment stablecoins. A State trust company authorized under this subsection shall
32 comply, on a continuing basis, with every operational, reserve, disclosure, redemption, and
33 consumer protection requirement of this Article and the rules adopted under it as though it were
34 a licensed stablecoin issuer. The trust company shall periodically report to the Commissioner,
35 and the Commissioner may initiate an examination.

36 (d) Reciprocity for State Qualified Issuers. – A state qualified payment stablecoin issuer
37 licensed by and subject to supervision of another state payment stablecoin regulator that has filed
38 a current certification of substantial similarity under the GENIUS Act may issue payment
39 stablecoins in this State without obtaining a separate license, so long as the issuer gives written
40 notice to the Commissioner and complies with this Article and with the consumer protection laws
41 of this State.

42 (e) Insured Depository Institutions and Insured Credit Unions. – The following
43 provisions apply for specific issuers and institutions:

- 44 (1) Subsidiary issuance. – A State chartered insured depository institution or State
45 chartered insured credit union may issue payment stablecoins only through a
46 subsidiary that is a licensed stablecoin issuer under this Article unless the
47 institution obtains direct issuance approval under subdivision (2) of this
48 subsection.
- 49 (2) Direct issuance approval. – The Commissioner may, upon application,
50 authorize a State chartered insured depository institution or State chartered

- 1 insured credit union to issue payment stablecoins in its own name if the
2 Commissioner finds that both of the following apply:
- 3 a. The institution has received written approval from its primary federal
4 banking regulator to engage in payment stablecoin activities.
- 5 b. The institution will comply, on a continuing basis, with every
6 operational, reserve, disclosure, redemption, and consumer protection
7 requirement of this Article and the rules adopted under it as though it
8 were a licensed stablecoin issuer.
- 9 The institution shall periodically report to the Commissioner, and the
10 Commissioner may initiate an examination.
- 11 (3) Federal and State parity. – Nothing in this subsection relieves an institution or
12 its subsidiary of any requirement imposed by its primary federal banking
13 regulator or limits the Commissioner's authority to enforce State consumer
14 protection laws pursuant to section 7(f) of the GENIUS Act.
- 15 (f) Foreign Entity. – The following provisions apply to a foreign entity:
- 16 (1) Permitted pathways. – An entity organized under the laws of a foreign country
17 shall not offer or issue payment stablecoins to persons in this State unless
18 either of the following applies:
- 19 a. The entity has incorporated or organized a subsidiary or affiliate in the
20 United States and that subsidiary or affiliate has obtained either a
21 provisional license issued under subdivision (2) of this subsection or a
22 full license as a licensed stablecoin issuer under this Article and has a
23 principal office in the United States. The principal office shall not be
24 located at an individual's home or residence.
- 25 b. The entity is registered with the Office of the Comptroller of the
26 Currency pursuant to section 18 of the GENIUS Act and the Secretary
27 of the Treasury has determined that the entity's home country
28 regulatory framework is comparable.
- 29 (2) Provisional license. – Upon determining that a license application submitted
30 under G.S. 53-464 is complete, the Commissioner may issue a provisional
31 license authorizing limited issuance for a period not exceeding six months,
32 renewable once, subject to conditions the Commissioner prescribes to protect
33 consumers.
- 34 (3) Expedited review. – The Commissioner shall approve, provisionally license,
35 or deny an application submitted under G.S. 53-464 within 120 days after the
36 application is deemed complete unless the applicant consents to an extension.
- 37 (4) Technical assistance. – The Commissioner shall publish application guidance
38 and shall offer pre-filing meetings to assist prospective applicants in
39 understanding the requirements of this Article.
- 40 (5) Effect of license. – A foreign entity, or its United States subsidiary or affiliate,
41 that holds a provisional license or a full license issued under this Article is
42 deemed a permitted payment stablecoin issuer for the duration of the license
43 and may offer or issue payment stablecoins to persons in this State subject to
44 the terms of the license.
- 45 (6) Wind-down authority. – The Commissioner may grant a transitional
46 exemption from this subsection to a foreign entity, not exceeding 12 months,
47 solely to facilitate orderly compliance or to wind down.
- 48 **"§ 53-464. Licensing of issuers, application, and qualifications.**
- 49 (a) Authority of Commissioner. – The Commissioner shall do the following:

- 1 (1) Administer a licensing program for payment stablecoin issuers, issue licenses,
2 conduct oversight, and issue orders necessary to implement and enforce this
3 Article.
- 4 (2) Each year on the date prescribed by the Secretary of the Treasury, the
5 Commissioner shall file the certification of substantial similarity required by
6 section 4(b)(3) of the GENIUS Act and shall maintain objective criteria for
7 that certification.
- 8 (b) Eligible Applicants. – The following are eligible applicants for an issuer license:
- 9 (1) A corporation or limited liability company organized under the laws of any
10 state or of the United States that is neither an insured depository institution
11 nor an insured credit union may apply for a license as a licensed stablecoin
12 issuer.
- 13 (2) An insured depository institution or insured credit union chartered in this State
14 may elect to apply for a license under this section and, upon licensure, shall
15 comply with all provisions of this Article that apply to a licensed stablecoin
16 issuer.
- 17 (3) A United States subsidiary or affiliate of a foreign organized entity that
18 satisfies G.S. 53-463(f).
- 19 (c) Commissioner's Participation in Nationwide Registry. – The Commissioner may
20 participate in the Nationwide Mortgage Licensing System and Registry also known as the
21 Nationwide Multistate Licensing System and Registry, including the State Examination System
22 and any other electronic or successor systems developed and maintained by the Conference of
23 State Bank Supervisors for the licensing, registration, and supervision of persons under this
24 Article, pursuant to 12 U.S.C. § 5102(6) and 12 C.F.R. Part 1008. The Commissioner may
25 establish relationships or contracts with the Nationwide Multistate Licensing System and
26 Registry or other persons designated by it to collect and maintain records and process fees. For
27 the purpose of participating in the Nationwide Multistate Licensing System and Registry, the
28 Commissioner may waive or modify, in whole or in part, any or all of the requirements as
29 reasonably necessary to participate in the Nationwide Multistate Licensing System and Registry.
- 30 (d) Application Contents. – An applicant shall apply through the Nationwide Mortgage
31 Licensing System and Registry on a form acceptable to the Commissioner and include, at a
32 minimum, the following:
- 33 (1) Legal name, any assumed business names, principal office address, mailing
34 address, email, social security or taxpayer identification number, and form and
35 jurisdiction of organization.
- 36 (2) Identities and background information for each director, executive officer, and
37 person owning ten percent (10%) or more of voting power. Background
38 information shall include, at a minimum, all of the following:
- 39 a. Business history.
- 40 b. A description of any injunctions or administrative orders by a state or
41 federal authority to which the person is or has been subject.
- 42 c. Any conviction, within the past 10 years, of a misdemeanor involving
43 any fraud, false statement or omission, any theft or wrongful taking of
44 property, bribery, perjury, forgery, counterfeiting, extortion, or
45 conspiracy to commit any of these offenses, or involving any financial
46 service or business related to financial services.
- 47 d. Any felony conviction.
- 48 (3) A business plan describing the proposed payment stablecoin, technology
49 platform, markets served, and risk management framework.
- 50 (4) Policies demonstrating the applicant's ability to comply with the reserve,
51 redemption, disclosure, anti-money laundering, sanctions compliance,

- 1 operational risk, cybersecurity, and business continuity requirements of this
2 Article.
- 3 (5) Evidence of financial resources and capitalization sufficient to operate in a
4 safe and sound manner and meet the capital and liquidity standards issued by
5 the Commissioner under subsection (h) of this section.
- 6 (6) A detailed description of the organizational structure of the applicant,
7 including the identity of parent companies or subsidiaries, and the disclosure
8 of any parent company or subsidiary that is publicly traded on a stock
9 exchange.
- 10 (7) The applicant's consent to a federal and State criminal history record check
11 and a set of the applicant's fingerprints in a form acceptable to the
12 Commissioner. In the case of an applicant that is a person other than an
13 individual, each individual who has control of the applicant shall consent to a
14 federal and State criminal history record check and submit a set of that
15 individual's fingerprints pursuant to this subdivision.
- 16 (8) A copy of the applicant's most recent audited financial statement prepared in
17 accordance with generally accepted accounting principles, including the
18 balance sheet, statement of income or loss, statement of changes in
19 shareholder equity, if applicable, statement of changes in financial position,
20 and the applicant's audited financial statements for the immediately preceding
21 two-year period. However, if the applicant is a wholly owned subsidiary of a
22 corporation, the applicant may submit either the parent corporation's
23 consolidated audited financial statements for the current year and for the
24 immediately preceding two-year period or the parent corporation's Form 10K
25 reports filed with the United States Securities and Exchange Commission for
26 the prior three years instead of the applicant's financial statements. If the
27 applicant is a wholly owned subsidiary of a corporation having its principal
28 place of business outside the United States, similar documentation filed with
29 the parent corporation's non-United States regulator may be submitted to
30 satisfy this subdivision.
- 31 (9) Copies of all filings, if any, made by the applicant with the United States
32 Securities and Exchange Commission, or with a similar regulator in a country
33 other than the United States, within the year preceding the date of filing of the
34 application.
- 35 (10) Any additional information the Commissioner requires.
- 36 (e) Standards for Approval. – The Commissioner shall approve an application only upon
37 finding all of the following:
- 38 (1) The applicant possesses capital and liquidity not less than the minimum
39 standards issued under subsection (h) of this section and adequate for its risk
40 profile.
- 41 (2) The applicant can maintain eligible reserves equal to one hundred percent
42 (100%) of outstanding payment stablecoins and can honor redemptions at par
43 on demand.
- 44 (3) The applicant has adopted effective programs for compliance with the Bank
45 Secrecy Act, 31 U.S.C. § 5311 et seq., anti-money laundering, sanctions
46 screening, operational risk, cybersecurity, and business continuity.
- 47 (4) The applicant's officers, directors, and principal owners have the competence,
48 experience, and integrity to operate the business in a safe, sound, and lawful
49 manner.
- 50 (5) That neither the applicant nor any controlling person is identified on the
51 Specially Designated Nationals and Blocked Persons List prepared by the

1 Unites States Department of the Treasury and the United States Department
2 of State subject to Presidential Executive Order No. 13224, Blocking Property
3 and Prohibiting Transactions With Persons Who Commit, Threaten to
4 Commit, or Support Terrorism.

5 (6) Licensure will not adversely affect the safety and soundness of the financial
6 system of this State.

7 (f) Decision Period and Provisional License. – The Commissioner shall approve,
8 provisionally license, or deny a completed application not later than 120 days after deeming it
9 complete. The Commissioner may issue a provisional license for a period not exceeding six
10 months, renewable once, subject to conditions necessary to protect consumers. The
11 Commissioner may require additional information and may require the amendment of the
12 application in the course of the investigation. An applicant's failure to furnish all required
13 information within 30 days after filing the application or within 30 days of a request by the
14 Commissioner for additional information may be considered an abandonment of the application.
15 In the course of the investigation, the Commissioner may conduct an on-site examination of the
16 applicant, the reasonable cost of which shall be borne by the applicant. An applicant may
17 withdraw a license application at any time before a decision is made on the initial license
18 application. Any licensing fees paid by the applicant are nonrefundable.

19 (g) Ongoing Obligations of Licensees. – A licensed stablecoin issuer shall do all of the
20 following:

21 (1) Maintain continuous compliance with this Article and rules adopted under it.

22 (2) File with the Commissioner a monthly certificate, signed by the chief
23 executive officer and chief financial officer, affirming that the issuer at all
24 times maintained one-to-one eligible reserves during the preceding month,
25 along with the public reserve report required by G.S. 53-465.

26 (3) Obtain an annual examination of reserves by a registered public accounting
27 firm and provide the report to the Commissioner within 10 days of receipt.

28 (4) Provide the Commissioner with a copy of the licensee's annual audited
29 statement of financial condition prepared in accordance with generally
30 accepted accounting principles not more than 120 days after the end of the
31 licensee's fiscal year.

32 (5) Provide the Commissioner not less than 30 days' prior written notice of any
33 change in control.

34 (6) Provide the Commissioner not less than 30 days' prior written notice of any
35 action or circumstance that would cause the consolidated total issuance of
36 payment stablecoins issued by the licensee to exceed ten billion dollars
37 (\$10,000,000,000). Upon receiving this notice the Commissioner shall, within
38 60 days, submit a petition to the Secretary of the Treasury and the Comptroller
39 of the Currency under section 4(c)(2) of the GENIUS Act requesting that
40 primary prudential oversight of the issuer remains with the State of North
41 Carolina. The licensee shall cooperate fully with the Commissioner and
42 provide any information the Commissioner deems necessary to support the
43 petition. Until the Secretary or the Comptroller issues a final determination,
44 the licensee remains subject to this Article. If the petition is denied, the
45 Commissioner shall coordinate with the appropriate federal regulator to
46 facilitate an orderly transition within the time frame prescribed by the
47 GENIUS Act.

48 (7) Renew its license annually on a date set by the Commissioner and pay any
49 required annual assessment.

50 (h) Capital, Liquidity, and Risk-Management Standards. – The Commission shall by rule
51 establish minimum capital requirements, liquidity and interest rate risk standards, and operational

1 risk and information technology risk standards for licensed stablecoin issuers. The standards shall
 2 meet or exceed the requirements of section 4(a)(4) of the GENIUS Act and shall ensure the
 3 issuer's ability to redeem payment stablecoins and operate in a safe and sound manner.

4 (i) Fees. – The Commission may by rule prescribe application, licensing, renewal,
 5 examination, and supervision fees in amounts sufficient to cover the costs of administering and
 6 enforcing this Article.

7 (j) Initial Application Fee. – Each application for initial licensure shall be accompanied
 8 by a nonrefundable filing fee of two thousand five hundred dollars (\$2,500).

9 (k) Reporting. – No later than 60 days after the calendar quarter has ended, licensees shall
 10 file a quarterly call report in a form prescribed by the Commissioner through the Nationwide
 11 Multistate Licensing System and Registry, which shall include the number and amount of
 12 payment stablecoins issued.

13 (l) Annual Assessment. – For the purpose of meeting the cost of regulation under this
 14 Article, each licensee shall pay to the Commissioner an annual assessment as provided in this
 15 subsection. The annual assessment shall consist of a base amount of five thousand dollars
 16 (\$5,000) for volumes of no more than one million dollars (\$1,000,000) plus an additional sum,
 17 calculated on the payment stablecoins issued and outstanding reported by the licensee for the
 18 previous calendar year. The cumulative assessment shall be calculated as follows:

<u>Payment Stablecoins in U.S. Dollar Volume</u>	<u>Per U.S. Dollar</u>
<u>\$1,000,001 to \$5,000,000</u>	<u>\$0.0008</u>
<u>\$5,000,001 to \$10,000,000</u>	<u>\$0.0006</u>
<u>\$10,000,001 to \$50,000,000</u>	<u>\$0.00004</u>
<u>More than \$50,000,000</u>	<u>\$0.0000006</u>

25
 26 The Commissioner may collect the assessment provided for in this subsection annually or in
 27 periodic installments as approved by the State Banking Commission.

28 (m) Annual Renewal. – All licenses issued by the Commissioner under this Article expire
 29 annually on December 31 following issuance or on any other date determined by the
 30 Commissioner. A license may be renewed on or after November 1 of each year by complying
 31 with the requirements of this section. The application for renewal shall demonstrate that the
 32 licensee continues to meet the initial minimum standards for licensure under this Article and has
 33 paid all required fees and assessments.

34 (n) Late Renewal. – If a license is not renewed prior to the expiration date, then the
 35 licensee shall pay five hundred dollars (\$500.00) as a nonrefundable late fee. In the event a
 36 licensee fails to obtain a reinstatement of the license prior to March 1, the Commissioner shall
 37 require the licensee to comply with the requirements for the initial issuance of a license under
 38 this Article.

39 **"§ 53-465. Permissible activities; reserve and custody requirements.**

40 (a) Permissible Activities. – A licensed stablecoin issuer may engage only in the
 41 following activities and any activities directly related to these activities:

- 42 (1) Issuing payment stablecoins in exchange for United States dollars or other
 43 eligible reserve assets.
- 44 (2) Redeeming payment stablecoins.
- 45 (3) Purchasing, selling, holding, and safeguarding eligible reserve assets backing
 46 the payment stablecoins.
- 47 (4) Providing custodial or safekeeping services for payment stablecoins or the
 48 associated cryptographic keys.
- 49 (5) If the issuer is a subsidiary of an insured depository institution or insured
 50 credit union, providing custodial or safekeeping services for reserve assets on
 51 behalf of the parent institution in connection with the stablecoin program.

- 1 (6) Any other activity the Commissioner expressly authorizes in writing as
2 directly incidental to the issuance or redemption of payment stablecoins.
- 3 (b) Prohibited Activities. – A licensed stablecoin issuer shall not do any of the following:
4 (1) Engage in commercial lending, securities dealing, or derivatives dealing using
5 any reserve asset or the proceeds thereof.
6 (2) Engage in proprietary trading of any asset that is not an eligible reserve asset.
7 (3) Purchase or hold, for its own account, any security or instrument issued by an
8 affiliate except on market terms permitted by the Commissioner.
9 (4) Condition the availability of any product or service on a customer's purchase,
10 holding, or use of a payment stablecoin.
- 11 (c) Reserve Requirements and Asset Management. – The following reserve and asset
12 management requirements apply:
- 13 (1) A licensed stablecoin issuer shall at all times maintain eligible reserve assets
14 having an aggregate nominal value not less than one hundred percent (100%)
15 of the outstanding payment stablecoins issued by it.
16 (2) The issuer shall monitor daily the value of its outstanding payment stablecoins
17 and the value of its eligible reserve assets. If reserves fall below one hundred
18 percent (100%), the issuer shall immediately notify the Commissioner and
19 restore full coverage without delay. Failure to restore reserves within five
20 business days is grounds for the summary suspension of any license issued
21 under this Article.
22 (3) Except as permitted in this Article, an issuer shall not pledge, hypothecate,
23 lend, or otherwise encumber any reserve asset.
- 24 (d) Redemption Obligations. – The following redemption obligations apply:
25 (1) A licensed stablecoin issuer shall publicly disclose its redemption policy in a
26 clear and conspicuous manner. The redemption policy shall establish clear and
27 conspicuous procedures for the timely redemption of outstanding payment
28 stablecoins at par value of the U.S. dollar.
29 (2) A licensed stablecoin issuer shall publicly, clearly, and conspicuously disclose
30 in plain language all fees associated with purchasing or redeeming the
31 payment stablecoins. A licensed stablecoin issuer may change these fees so
32 long as it gives seven days' prior notice to holders of the payment stablecoin.
33 (3) An issuer shall honor redemption requests for any quantity of payment
34 stablecoins and shall not impose a minimum redemption threshold that is
35 unreasonable or that prevents an ordinary holder from redeeming.
36 (4) Failure to timely redeem a payment stablecoin after receipt of a complete
37 redemption request is grounds for the summary suspension of any license
38 issued under this Article.
39 (5) In the event of significant market stress or a redemption spike, as defined by
40 rule, the issuer may request that the Commissioner authorize a temporary
41 extension to the redemption period to facilitate orderly liquidation. The
42 Commissioner may grant the request if the Commissioner finds there is
43 significant market stress or a redemption spike and the issuer has given
44 advance notice to holders of the payment stablecoin describing the basis and
45 duration of the requested extension.
- 46 (e) Custody, Segregation, and Priority of Reserves. – Reserve assets shall be held in
47 custodial or trust accounts in the United States with insured depository institutions, insured credit
48 unions, State chartered trust companies that are approved to operate in the State by the
49 Commissioner, Federal Reserve Banks, or other custodians approved by the Commissioner to
50 hold reserve assets and shall be segregated from the issuer's operational funds and other property.
51 Reserve assets shall be held for the collective benefit of payment stablecoin holders. Payment

1 stablecoin holders hold equitable title to the reserve assets. Reserve assets shall not be treated as
2 property of the issuer. In any receivership, insolvency, or similar proceeding under State law,
3 payment stablecoin holders have a first priority perfected security interest in the reserve assets,
4 and those assets shall not be available to satisfy claims of the licensed stablecoin issuer's
5 creditors.

6 (f) Disclosure, Reporting, and Attestations. – The following requirements apply:

7 (1) Not later than 10 days after the end of each calendar month, a licensed
8 stablecoin issuer shall publish on its public website a report that states both of
9 the following:

10 a. The aggregate number of payment stablecoins outstanding.

11 b. The composition and total nominal value of the eligible reserve assets
12 backing those payment stablecoins, including, for each category, the
13 average remaining maturity and the geographic location of custody.

14 (2) The chief executive officer and the chief financial officer shall sign and file
15 with the Commissioner, on the same schedule, a certificate affirming that the
16 issuer maintained at least one hundred percent (100%) eligible reserve assets
17 during the preceding month.

18 (3) The licensed stablecoin issuer shall obtain an annual examination of its reserve
19 assets by an independent public accounting firm and file the report with the
20 Commissioner not later than 10 days after receipt or any shorter period
21 prescribed by federal regulation.

22 (4) The Commission may by rule require additional reports, including immediate
23 notice of large withdrawals or material changes in reserve composition.

24 **§ 53-466. Compliance with federal law governing interest, yield, and rewards.**

25 (a) Compliance with Federal Law. – A licensed stablecoin issuer shall comply with any
26 applicable federal law governing the payment, provision, promise, or offering of interest, yield,
27 rewards, rebates, incentives, or other consideration in connection with a payment stablecoin. This
28 section does not create an independent State prohibition or authorization regarding those
29 practices.

30 (b) Definition. – For purposes of this section, "applicable federal law" means any statute
31 enacted by Congress or final rule published in the Federal Register that is binding on permitted
32 payment stablecoin issuers. This term does not include a proposed rule, notice of proposed
33 rulemaking, guidance document, or supervisory letter that has not been finalized through
34 notice-and-comment rulemaking.

35 **§ 53-467. Anti-money laundering; customer identification; sanctions compliance.**

36 (a) Bank Secrecy Act Status. – A licensed stablecoin issuer is a "financial institution" for
37 purposes of the Bank Secrecy Act, 31 U.S.C. § 5311 et seq., and the regulations of the U.S.
38 Department of the Treasury.

39 (b) Anti-Money Laundering Program. – Each licensed stablecoin issuer shall establish
40 and maintain a written, risk-based anti-money laundering program that satisfies 31 C.F.R. §
41 1022.210 and includes all of the following:

42 (1) Internal policies, procedures, and controls designed to prevent the issuer from
43 being used to facilitate money laundering, terrorist financing, proliferation
44 financing, or other illicit finance.

45 (2) Designation of a qualified compliance officer.

46 (3) Independent testing of the program at least annually, with the results reported
47 to senior management and made available to the Commissioner.

48 (c) Customer Identification Program. – A licensed stablecoin issuer shall implement and
49 follow a customer identification program that meets 31 U.S.C. § 5318(l) and 31 C.F.R. §
50 1010.312. At a minimum, the issuer shall obtain and verify the name, date of birth, address, and

1 other identifying information of each customer and shall retain those records for the period
2 required by federal regulation.

3 (d) Sanctions Compliance. – A licensed stablecoin issuer shall comply with all economic
4 sanctions laws administered by the Office of Foreign Assets Control. Compliance shall include
5 all of the following:

6 (1) Screening customers and transactions against all applicable sanctions lists at
7 onboarding and on a periodic basis.

8 (2) Blocking or rejecting transactions and freezing property as required.

9 (3) Filing any required reports with the Office of Foreign Assets Control in the
10 manner and time frame prescribed by federal regulation.

11 (e) Suspicious Activity and Currency Transaction Reports. – A licensed stablecoin issuer
12 shall file Suspicious Activity Reports and Currency Transaction Reports with the Financial
13 Crimes Enforcement Network as required by 31 C.F.R. Chapter X.

14 (f) Record Keeping. – A licensed stablecoin issuer shall maintain all books, accounts,
15 customer identification, transaction records for the periods required by 31 C.F.R. Part 1022, and
16 other records and shall make those records available to the Commissioner upon request.
17 Maintenance of the documents required by this subsection in the form of any digital or electronic
18 medium constitutes compliance with this subsection so long as the records remain readily
19 convertible into legible, tangible documents and are treated as originals for the purposes of any
20 examination or investigation conducted pursuant to this Article. All records required to be
21 maintained shall be secured against unauthorized access and damage and may be maintained at
22 a location outside this State so long as they are made accessible to the Commissioner upon
23 request.

24 (g) Exemption from State Money Transmission Licensure. – The issuance of a payment
25 stablecoin is not money transmission under Article 16B of this Chapter. A licensed stablecoin
26 issuer is not required to obtain a State money transmitter license with respect to activities
27 conducted in compliance with this Article. A licensed stablecoin issuer may be required to obtain
28 a money transmitter license if it engages in the business of money transmission.

29 (h) Applicability of Other Anti-Money Laundering Statutes. – Nothing in this section
30 limits the applicability of other State anti-money laundering statutes or rules to a licensed
31 stablecoin issuer.

32 (i) Notice of Federal Enforcement Action. – A licensed stablecoin issuer shall notify the
33 Commissioner in writing not later than five business days after the issuer receives notice that it
34 is the subject of any federal investigation, consent order, or enforcement action relating to
35 anti-money laundering, customer identification, or sanctions compliance.

36 **"§ 53-468. Supervision; examinations; reporting.**

37 (a) Examination Authority. – The Commissioner may examine each licensed stablecoin
38 issuer at any time and shall conduct a full scope examination at least once every 24 months. The
39 Commissioner shall not conduct more than two examinations in any 12-month period unless the
40 Commissioner determines that extraordinary circumstances warrant additional review.
41 Examinations may be conducted on-site or remotely and shall address, at a minimum, the
42 following: (i) the issuer's financial condition; (ii) compliance with this Article and federal law;
43 (iii) reserve sufficiency; (iv) corporate governance and internal controls; (v) information
44 technology and cybersecurity safeguards; (vi) anti-money laundering, sanctions, and consumer
45 protection programs; and (vii) any other factor affecting safety, soundness, or consumer
46 protection. The Commissioner shall have full and immediate access to the issuer's books, records,
47 systems, officers, employees, and agents and may administer oaths and subpoena witnesses and
48 documents.

49 For purposes of investigating violations or complaints arising under this Article, or for the
50 purposes of examination, the Commissioner may review, investigate, or examine any licensee,
51 individual, or person subject to this Article as often as necessary in order to carry out the purposes

1 of this Article. The Commissioner may interview the officers, principals, persons with control,
2 employees, independent contractors, agents, and customers of the licensee or person concerning
3 their business. The Commissioner may direct, subpoena, or order the attendance of and examine
4 under oath all persons whose testimony may be required about the business or subject matter of
5 any examination or investigation and may direct, subpoena, or order the person to produce books,
6 accounts, records, files, and any other documents the Commissioner deems relevant to the
7 inquiry. The licensee shall respond to any information requests from the Commissioner within
8 20 days, or a lesser time if specifically requested for good cause, to do either of the following:

9 (1) Respond to inquiries from the Commissioner or the Commissioner's designee
10 regarding any complaints filed against the licensee that allege or appear to
11 involve any violation of this Article or any rule affecting payment stablecoin
12 issuance.

13 (2) Respond to and cooperate fully with notices from the Commissioner or the
14 Commissioner's designee relating to the scheduling and conducting of an
15 examination or investigation under this Article.

16 (b) Confidentiality and Information Sharing. – All applications, information, reports, and
17 other confidential supervisory information are not public records and shall be kept confidential
18 as provided by G.S. 53C-2-7(b), except as specifically authorized by this Article or by other law.
19 The Commissioner may furnish confidential supervisory information to, and accept confidential
20 supervisory information from, the Board of Governors of the Federal Reserve System, the Office
21 of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the National
22 Credit Union Administration, the U.S. Department of the Treasury, or any state or foreign
23 financial services regulator pursuant to a written information sharing agreement or memorandum
24 of understanding, or as otherwise provided by G.S. 53C-2-7(d).

25 (c) Annual Commissioner Certification. – Not later than 180 days after the initial
26 certification required by G.S. 53-464(a)(2), and annually thereafter, the Commissioner shall file
27 with the Secretary of the Treasury and the Comptroller of the Currency the written certification
28 described in section 7(d)(1) of the GENIUS Act. Each authorized or licensed stablecoin issuer
29 shall, upon the Commissioner's request, provide any reports, data, and attestations that the
30 Commissioner requires to complete the certification.

31 (d) Reports and Notices. – In addition to the monthly certificate and annual audit required
32 by G.S. 53-464 and the reserve disclosures required by G.S. 53-465, a licensed stablecoin issuer
33 shall file any periodic or ad hoc reports concerning its financial condition, risk exposures,
34 cybersecurity incidents, material litigation, or other matters that the Commission prescribes by
35 rule or the Commissioner prescribes by order. A licensed stablecoin issuer shall give the
36 Commissioner prompt written notice of any federal or State enforcement action or investigation
37 relating to anti-money laundering, sanctions, consumer protection, cybersecurity, or safety and
38 soundness matters.

39 (e) Books, Records, and Retention. – A licensed stablecoin issuer shall maintain
40 complete books, records, and digital asset logs of its payment stablecoin business for not less
41 than five years, or for a longer period if required by federal regulation, and shall produce those
42 records to the Commissioner upon request. It shall maintain these materials in an electronic
43 format reasonably accessible to the Commissioner upon request through secure transmission
44 methods, subject to applicable confidentiality protections and appropriate cybersecurity
45 safeguards.

46 (f) Change of Control and Cessation of Business. – Licenses issued pursuant to this
47 Article are not assignable without the approval of the Commissioner. A licensed stablecoin issuer
48 shall give not less than 30 days' prior written notice to the Commissioner of any proposed change
49 in control. The Commissioner may require an application for approval of the new controlling
50 party and shall apply the standards set forth in G.S. 53-464. A licensed stablecoin issuer that
51 intends to cease operations shall submit to the Commissioner, at least 30 days in advance, a

1 wind-down plan that provides for the orderly redemption of all outstanding payment stablecoins
2 and the protection of consumers. The issuer shall carry out the plan under the Commissioner's
3 supervision.

4 (g) Joint or Coordinated Examinations. – The Commissioner may conduct joint, alternate,
5 or coordinated examinations or enforcement actions with any federal banking agency or other
6 state or federal regulator having jurisdiction over a licensed stablecoin issuer or its affiliates. To
7 minimize operational friction and prevent duplicative efforts, the Commissioner shall, to the
8 extent practicable, rely on existing supervisory reports, independent audit reports, including
9 System and Organization Controls 1 and 2 reports, and examinations performed by federal
10 regulators or other state regulators. The Commissioner shall not initiate a redundant examination
11 or information request unless the Commissioner determines that existing materials are
12 insufficient to assess compliance with this Article or the safety and soundness of a licensed
13 stablecoin issuer.

14 **"§ 53-469. Enforcement; suspension; revocation.**

15 (a) General Enforcement Authority. – The Commissioner may take any action necessary
16 or appropriate to enforce this Article, any rule adopted or order issued under it, or any condition
17 of a license and to protect payment stablecoin holders and the public.

18 (b) Cease and Desist Orders. – If the Commissioner determines that a person has violated
19 this Article or engaged in an unsafe or unsound practice, the Commissioner may issue a written
20 order requiring the person to cease and desist from the violation or practice and to take affirmative
21 corrective action. If the Commissioner finds that a violation or practice poses an immediate threat
22 to the public, the Commissioner may issue a summary cease and desist order effective upon
23 service. The respondent may request an expedited hearing, which shall be held within 15 days of
24 the request.

25 (c) Civil Penalties. – For each violation of this Article, or rule adopted or order issued
26 under it, the Commissioner may assess a civil penalty of up to the greater of one hundred
27 thousand dollars (\$100,000) per violation or twice the amount of the benefit gained or loss
28 avoided by the violator. For a willful or repeated violation, the Commissioner may assess a
29 penalty of up to the greater of three hundred thousand dollars (\$300,000) per violation or three
30 times the benefit gained or loss avoided by the violator.

31 (d) Restitution and Disgorgement. – The Commissioner may order any person that
32 violates this Article to make restitution to affected customers and to disgorge any ill-gotten gains.

33 (e) Removal and Prohibition of Individuals. – The Commissioner may suspend, remove,
34 or permanently prohibit from participation in the business of any licensed stablecoin issuer in
35 this State any officer, director, employee, or controlling individual who violates this Article,
36 engages in unsafe or unsound conduct, breaches a fiduciary duty, or does not meet the
37 requirements of this Article.

38 (f) License Suspension, Conditioning, Denial, or Revocation. – The Commissioner may
39 suspend, condition, deny, or revoke a license for material or repeated violations, unsafe or
40 unsound practices, or failure to satisfy any requirement of this Article.

41 (g) Receivership or Conservatorship. – If the Commissioner determines that a licensed
42 stablecoin issuer is insolvent or in an unsafe condition that cannot be promptly corrected, the
43 Commissioner may petition the superior court for the appointment of a receiver or conservator.
44 The court may appoint (i) the Federal Deposit Insurance Corporation, if and to the extent
45 permitted by State law and accepted by the Corporation, (ii) a receiver appointed under Article
46 38 of Chapter 1 of the General Statutes, or (iii) any other person the court finds qualified,
47 including a receiver designated under Chapter 53C of the General Statutes. The receiver or
48 conservator shall marshal the licensed stablecoin issuer's reserve assets, protect payment
49 stablecoin holders, and carry out an orderly redemption or wind down under the supervision of
50 the court and the Commissioner.

1 (h) Judicial Enforcement. – The Commissioner may bring a civil action in Wake County
2 Superior Court to obtain an injunction, enforce any order, or collect any civil penalty imposed
3 under this Article.

4 (i) Due Process Procedures. – Except for summary cease and desist orders issued under
5 subsection (b) of this section, the Commissioner shall serve a written notice of charges and shall
6 provide the respondent an opportunity for a contested case hearing conducted in accordance with
7 Article 3A of Chapter 150B of the General Statutes. A person aggrieved may appeal the
8 Commissioner's order to the State Banking Commission as provided by G.S. 53C-2-6(b) and
9 thereafter may seek judicial review under Article 4 of Chapter 150B of the General Statutes.
10 Filing a petition for judicial review does not stay the order unless a stay is granted by the
11 reviewing court.

12 (j) Unlicensed Activity; Criminal Penalty. – A person that issues or purports to issue a
13 payment stablecoin in this State without the required license is subject to a cease and desist order
14 and the civil penalties authorized under subsection (c) of this section. In addition, any person that
15 knowingly and willingly violates any provision of this Article for which a penalty is not
16 specifically provided is guilty of a Class 1 misdemeanor. The Commissioner may also seek
17 injunctive relief.

18 (k) False Statements. – A person that knowingly makes a false entry or statement in any
19 record or report required by this Article, or that knowingly submits false information to the
20 Commissioner, violates this Article and is subject to the civil penalties in subsection (c) of this
21 section and to any applicable criminal penalties.

22 (l) Private Civil Liability. – This Article does not create a private right of action. Nothing
23 in this Article limits any existing right of action under other law.

24 (m) Consent Orders. – The Commissioner may enter into a consent order with any person
25 to resolve a matter arising under this Article. A consent order has the same force and effect as an
26 order issued after a hearing.

27 (n) Criminal Referral. – If the Commissioner believes that conduct in violation of this
28 Article constitutes a crime, the Commissioner may refer the matter to the appropriate law
29 enforcement or prosecutorial agency for criminal prosecution, subject to G.S. 53C-2-7(d) and
30 (e).

31 **"§ 53-470. Coordination with federal regulators and interoperability.**

32 (a) Memoranda of Understanding and Joint Supervision. – The Commissioner may enter
33 into memoranda of understanding with any federal agency and may conduct joint, alternate, or
34 coordinated examinations and enforcement actions pursuant to G.S. 53-469 and sections 7(b) and
35 (c) of the GENIUS Act.

36 (b) Compliance with Federal Interoperability Standards. – Each licensed stablecoin issuer
37 shall implement and comply with any technical or operational interoperability standard or
38 guidance that the Secretary of the Treasury, the Board of Governors of the Federal Reserve
39 System, or any successor federal authority issues under section 11 of the GENIUS Act. The
40 Commission shall by rule adopt these standards as requirements under this Article, and the
41 Commissioner shall enforce these standards.

42 (c) Interoperability Information. – The Commissioner may require a licensed stablecoin
43 issuer to submit reports or data concerning the interoperability of its payment stablecoin with
44 payment systems or other stablecoins as contemplated by section 8(c) of the GENIUS Act and
45 shall transmit this information to the Secretary of the Treasury upon request.

46 (d) Federal Reserve Master Account Coordination. – When a licensed stablecoin issuer
47 applies for a master account or other Federal Reserve payment service, the Commissioner shall
48 coordinate with the Federal Reserve to facilitate the review and shall provide supervisory
49 information as permitted by law. Any guidance or coordination under this subsection is subject
50 to, and shall not conflict with, criteria issued by the Board of Governors pursuant to section 12
51 of the GENIUS Act.

1 (e) Federal Priority and Minimum Standards. – If a direct conflict arises between a
2 requirement of this Article and a requirement of federal law that applies to a licensed stablecoin
3 issuer, the federal requirement prevails to the minimum extent of the conflict. The Commissioner
4 shall interpret and apply this Article so that its requirements meet or exceed the minimum
5 standards established under federal law for payment stablecoin issuers at all times.

6 **"§ 53-471. Rulemaking authority.**

7 (a) The Commission may adopt rules to implement and enforce this Article; the rules
8 shall meet or exceed the coordination and interoperability standards contained in sections 8 and
9 11 of the GENIUS Act. All rules shall meet or exceed the minimum requirements of the GENIUS
10 Act and any successor federal law and shall take into account technological developments,
11 evolving industry practice, and supervisory experience.

12 (b) The Commissioner may recommend a proposed rule, including a proposed
13 amendment to a rule, to the Commission. The Commission shall consider the Commissioner's
14 recommendation at a regularly scheduled meeting before voting on adoption.

15 (c) The Commission shall periodically review and, when warranted, amend the rules
16 adopted under this Article to remain aligned with federal regulations and to respond to emerging
17 risks.

18 (d) The Commissioner may issue emergency rules when immediate regulation is
19 necessary to address a new risk.

20 **"§ 53-472. Emergency powers.**

21 In the event of a natural disaster or other national, regional, State, or local emergency, the
22 Commissioner may temporarily waive or suspend requirements for compliance with this Article
23 until the disaster or emergency declaration is lifted by the responsible governmental authority.

24 **"§ 53-473. Commissioner's report.**

25 The Commissioner shall provide a semiannual report to the State Banking Commission
26 regarding the status of all licenses issued, examinations conducted, and enforcement actions
27 taken under this Article during the reporting period. The report shall be provided in a manner
28 consistent with applicable confidentiality requirements for supervisory and examination
29 information."

30 **SECTION 2.(b)** Not later than six months after the effective date of this section, the
31 State Banking Commission shall, upon the recommendation of the Commissioner of Banks,
32 adopt rules addressing, at a minimum, the following: application procedures, capital and liquidity
33 standards, detailed reserve asset requirements, reporting formats, and any other matter that this
34 act assigns to the Commission for specification.

35 **SECTION 2.(c)** The Commissioner of Banks shall file its first certification under
36 G.S. 53-464(a)(2) within 12 months of the effective date of this section.

37 **SECTION 2.(d)** A foreign entity, as defined by G.S. 53-462, that, on the effective
38 date of this section, issues a payment stablecoin accessible by residents of this State and that does
39 not meet the requirements of G.S. 53-463(f)(1) shall, not later than 12 months after that date,
40 become a permitted payment stablecoin issuer under G.S. 53-463(f) or cease offering its payment
41 stablecoin in this State and shall provide holders of the payment stablecoin notice of their
42 redemption rights.

43 **SECTION 2.(e)** This section becomes effective the earlier of January 18, 2027, or
44 120 days after the date on which the primary federal payment stablecoin regulators issue any
45 final regulations implementing the GENIUS Act. The Commissioner of Banks shall notify the
46 Revisor of Statutes of the issuance date of these regulations.

47
48 **PART III. SEVERABILITY AND EFFECTIVE DATE**

49 **SECTION 3.(a)** If any provision of this act, or the application of any provision of
50 this act to any person or circumstance, is held invalid by a court of competent jurisdiction, the

1 remainder of the act and the application of its other provisions to other persons or circumstances
2 shall not be affected by it. The provisions of this act are declared to be severable.
3 **SECTION 3.(b)** Except as otherwise provided, this act is effective when it becomes
4 law.