

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 1029
Committee Substitute Favorable 5/12/26
PROPOSED COMMITTEE SUBSTITUTE H1029-PCS40744-BBf-31

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, control, or
30 custody of digital assets on behalf of customers by a financial institution,
31 including 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.



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

1 (18) Wallet. – A digital interface or physical device that stores digital assets or
2 private keys, enabling the owner to securely manage, transfer, and maintain
3 independent control over their digital assets.

4 **"§ 53-442. Digital asset custody services.**

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

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

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

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

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

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

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

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

49 (e) Pooled or Segregated Custody Permitted. – A financial institution may hold digital
50 assets of multiple customers in a pooled custody arrangement or may segregate digital assets by
51 individual customer, in accordance with its custodial agreements. Pooled custody is permitted so

1 long as the financial institution maintains accurate records identifying each customer's interest in
2 the digital assets. A financial institution may segregate a customer's digital assets in a separate
3 account or digital wallet upon a customer's request or as required by the custodial agreement or
4 other law.

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

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

23 **"§ 53-443. Subcustody of digital assets.**

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

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

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

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

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

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

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

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

1 of one financial institution shall not be commingled with assets held on behalf of any other
2 financial institution or person.

3 (f) A financial institution shall only utilize a subcustodian that maintains insurance
4 coverage sufficient to protect against the loss of digital assets due to cybersecurity breaches, theft,
5 or other similar events. The financial institution shall ensure that the subcustodian's insurance
6 remains in effect and adequate to cover the value of assets held in subcustody.

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

11 **"§ 53-444. Staking of digital assets.**

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

19 (b) Staking Services. – A financial institution may stake digital assets held in custody on
20 behalf of its customers. Staking services may be provided with respect to digital assets held in
21 either a fiduciary capacity or non-fiduciary capacity, subject to the requirements of this section.
22 Only if instructed by the customer, may a financial institution include a customer's digital assets
23 in its staking program.

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

27 (1) Risks of staking. – The key risks associated with staking, such as the potential
28 for loss of staked assets or rewards due to slashing or other network events,
29 and cybersecurity or operational risks inherent in the staking process.

30 (2) Lock-up periods. – Any applicable lock-up, unbonding, or notice period
31 before staked assets can be withdrawn or transferred and the implications of
32 this period for the customer's access to the customer's assets.

33 (3) Customer rights. – The customer's rights and obligations related to the staking
34 service, including the right to discontinue participation in staking at any time
35 and the entitlement to receive staking rewards earned on the customer's assets.

36 (4) Fees. – The amount or rate of any fees or commissions that the financial
37 institution deducts from staking rewards as compensation for providing the
38 staking service.

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

48 (e) Use of Subcustodians for Staking. – A financial institution may utilize one or more
49 subcustodians to facilitate the staking of digital assets on behalf of its customers. The financial
50 institution shall at all times retain control over the staked assets and maintain appropriate
51 oversight of the staking process. The use of a subcustodian for staking does not relieve the

1 financial institution of its duties to the customer under this section, and the financial institution
2 remains responsible for ensuring compliance with all requirements of this section. A subcustodial
3 arrangement for staking shall be executed in a written agreement that delineates the rights and
4 responsibilities of the financial institution and the subcustodian.

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

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

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

29 **"§ 53-445. Digital asset transaction services.**

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

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

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

- 40 (1) The methodology or basis used to determine the execution price of the digital
41 asset transaction.
- 42 (2) Any spreads, fees, commissions, or other charges that will be applied to the
43 transaction.
- 44 (3) The expected time line for settlement of the transaction and for the digital
45 asset to be available in the customer's account.

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

- 48 (1) The transaction is executed pursuant to the express instruction of the
49 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 offering digital asset
44 services shall establish and maintain an anti-money laundering compliance program that is
45 risk-based and commensurate with the nature and scope of the financial institution's digital asset
46 services. The program shall 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 offering digital asset services shall
5 implement and maintain a written cybersecurity program designed to ensure the security of the
6 financial institution's digital asset services systems and protect the confidentiality, integrity, and
7 availability of customer digital assets and related information. The cybersecurity program shall
8 be commensurate with the financial institution's size and complexity and the sensitivity of its
9 operations and shall align with federal cybersecurity standards for institutions, including the
10 guidelines of the Federal Financial Institutions Examination Council (FFIEC) Information
11 Technology Examination Handbook and the framework established by the National Institute of
12 Standards and Technology (NIST). The program shall include administrative, technical, and
13 physical safeguards to protect against anticipated threats or hazards and unauthorized access to
14 or theft of customer assets or information.

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

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

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

37 **"§ 53-447. Prohibition on rehypothecation.**

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

39 **"§ 53-448. Unclaimed digital assets.**

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

44 **"§ 53-449. Rulemaking.**

45 The State Banking Commission and Credit Union Commission may adopt rules to
46 implement, clarify, and enforce the requirements of this Article, so long as no rule adopted under
47 this section imposes a requirement on a digital asset activity that is more restrictive than
48 applicable federal law governing the same activity. These rules may include more specific
49 standards for anti-money laundering, cybersecurity, and customer due diligence programs. The
50 State Banking Commission and Credit Union Commission may also issue advisory guidance to
51 assist financial institutions in complying with this Article.

1 **"§ 53-450. Federal parity for digital asset activities.**

2 (a) A financial institution may engage in any digital asset activity that is authorized for
3 the institution under applicable federal law. To the extent a provision in this Article imposes a
4 requirement, condition, or limitation on a digital asset activity that is more restrictive than the
5 requirements imposed on that activity under applicable federal law, the federal requirement
6 governs.

7 (b) This section does not limit the regulating authority's power to examine the financial
8 institution, to enforce State consumer protection laws of general applicability, or to take action
9 against unsafe or unsound practices under G.S. 53-451.

10 **"§ 53-451. Enforcement and supervisory authority.**

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

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

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

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

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

1 (e) Civil Penalty. – In addition to or instead of an order described in this section, the
 2 regulating authority may impose a civil penalty for any misconduct described in subsection (a)
 3 of this section. For the first offense, the civil penalty shall not exceed five thousand dollars
 4 (\$5,000) per violation. For each subsequent offense, the penalty shall not exceed ten thousand
 5 dollars (\$10,000) per violation. For the purpose of assessing civil penalties, each act or omission
 6 is a separate violation. Aggregate technical or software errors resulting in no loss are a single
 7 violation. The regulating authority shall give written notice to the financial institution of the
 8 proposed civil penalty, identifying the misconduct and the amount of the penalty, and shall
 9 inform the financial institution of its right to request a hearing on the civil penalty in accordance
 10 with subsection (f) of this section.

11 (f) Hearing and Appeal Rights. – A financial institution subject to an enforcement action
 12 under this section is entitled to a hearing of the regulating authority's decision. Upon request by
 13 the financial institution, the Commissioner shall conduct an administrative hearing within 15
 14 days of the request. The financial institution may present evidence and argument at the hearing,
 15 and the regulating authority shall issue a written final decision or order based on the record of
 16 the proceeding. A bank may appeal a final decision or order of the Commissioner of Banks to
 17 the State Banking Commission, in accordance with G.S. 53C-2-6, and a credit union may appeal
 18 a final decision or order of the Administrator of Credit Unions to the Credit Union Commission,
 19 in accordance with G.S. 54-109.92(k). The filing of an appeal operates as an automatic stay of
 20 the regulating authority's order, unless the reviewing commission, upon motion of the regulating
 21 authority, finds that a stay would pose a substantial risk to the public interest.

22 (g) Notice and Cure. – Except in the case of a temporary emergency order issued under
 23 subsection (b) of this section, the regulating authority shall, prior to assessing a civil penalty
 24 under subsection (e) of this section, provide the financial institution with a written notice of
 25 violations. The notice shall specify the nature of the violation and provide the financial institution
 26 with a period of not less than 30 days to cure the violations. No civil penalty shall be assessed if
 27 the institution demonstrates to the satisfaction of the regulating authority that the violations have
 28 been cured within the specified timeframe.

29 **"§ 54-452. Confidentiality of records.**

30 All applications, information, reports, and other confidential supervisory information,
 31 including audit results and digital asset logs, obtained by the regulating authority under this
 32 Article are not public records and shall be kept confidential as provided by G.S. 53C-2-7(b) and
 33 G.S. 54-109.105."

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

35 **"§ 116B-52. Definitions.**

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

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

39 ...

40 (2a) "Digital asset" is as defined in G.S. 53-441.

41 (2b) "Digital asset account" means an account, wallet, or other custodial
 42 arrangement maintained by an apparent owner with a holder that may contain
 43 one or more types of digital assets.

44 ...

45 (3a) "Exercise of an act of ownership interest" is as defined in G.S. 53-441.

46 ...

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

49 ...

50 (6a) "Keys" is as defined in G.S. 53-441.

51 ...

1 (11b) "Qualified custodian" means a person selected by the Treasurer to receive and
2 hold digital assets presumed abandoned under this Chapter that meets one or
3 more of the following criteria:

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

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

9 c. An entity that qualifies as a "financial institution" under 31 C.F.R. §
10 1010.100 and is subject to the anti-money laundering obligations of
11 the federal Bank Secrecy Act, 31 U.S.C. § 5311 et seq.

12 "

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

14 **"§ 116B-53. Presumptions of abandonment.**

15 ...

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

18 ...

19 (15a) Property held in a digital asset account, five years after the earliest of the
20 following dates:

21 a. The date of the last exercise of an act of ownership interest by the
22 apparent owner.

23 b. The date a second consecutive written or electronic communication
24 from the holder to the apparent owner by first-class mail, email, or
25 electronic messaging service is returned to the holder as unclaimed by
26 or undeliverable to the apparent owner.

27 c. The date the holder discontinued written and electronic
28 communications to the apparent owner.

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

33 "

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

35 **"§ 116B-59. Notice by holders to apparent owners.**

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

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

- 1 (1) If the holder, in the regular course of business, sends physical mail to the
2 apparent owner, sending written notice by first-class mail to the apparent
3 owner's last known mailing address.
- 4 (2) If the holder, in the regular course of business, sends electronic
5 communications to the apparent owner, sending notice by email, push
6 notification, text message, or other electronic communication method to the
7 apparent owner at the electronic address or through the communication
8 channel maintained in the holder's records for the apparent owner.

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

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

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

- 16 (1) A statement that, according to the records of the holder, property is being held
17 to which the addressee appears entitled and the amount or description of the
18 property.
- 19 (2) The name, address, and contact information of the person holding the property
20 and any necessary information regarding changes of name and address of the
21 holder.
- 22 (3) The date the holder intends to submit the report required under this Article
23 and a statement that, if satisfactory proof of claim is not presented by the
24 owner to the holder within 30 days of that date, then property will be placed
25 in the custody of the Treasurer, to whom all further claims shall be directed.
- 26 (4) A statement that, once property is placed in the custody of the Treasurer, all
27 interest, dividends, income, and gains earned on the property will remain with
28 the Treasurer, even if the owner subsequently reclaims the property from the
29 Treasurer.

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

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

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

35 **"§ 116B-60. Report of abandoned property; certification by holders with tax return.**

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

42 (b) For amounts due to the apparent owner of property of the value of ~~fifty dollars~~
43 ~~(\$50.00) twenty-five dollars (\$25.00) or more, more and for any amount due to the apparent~~
44 owner of property subject to G.S. 116B-53(c)(4), (5), (5a), or (15a), the report must be verified
45 and must contain the following, if known by the holder:

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

- 1 (2) A description of the property, the identification number, if any, and the
2 property amount.
- 3 (3) Repealed by Session Laws 2011-230, s. 4, effective October 1, 2011.
- 4 (4) In the case of an amount held or owing under an annuity or a life or
5 endowment insurance policy, the full name and last known address, social
6 security number or taxpayer identification number, date of birth, drivers
7 license or state identification number, and email address of the annuitant or
8 insured and of the beneficiary.
- 9 (5) The date, if any, on which the property became payable, demandable, or
10 returnable, and the date of the last transaction or communication with the
11 apparent owner with respect to the property.
- 12 (6) Other information that the Treasurer by rule prescribes as necessary for the
13 administration of this Chapter.

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

18"

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

21 **"§ 116B-61.1. Delivery of abandoned digital assets.**

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

28 (b) If the holder does not have the necessary private key or is otherwise unable to transfer
29 the digital assets to the qualified custodian, the holder shall maintain the digital assets until the
30 necessary key becomes available or the holder is otherwise able to transfer the digital assets to
31 the qualified custodian. If the holder later transfers the digital assets to the Treasurer, the holder
32 shall report the digital assets in subsequent reports filed under G.S. 116B-60.

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

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

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

45 **"§ 116B-61.2. Staking of unclaimed digital assets.**

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

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

- 1 (1) Commission. – The North Carolina State Banking Commission.
2 (2) Commissioner. – The North Carolina Commissioner of Banks.
3 (3) Control. – A person has control of a stablecoin if the person satisfies the
4 requirements of G.S. 25-12-105.
5 (4) Custody of digital assets. – Defined in G.S. 53-441.
6 (5) Digital asset. – Defined in G.S. 53-441.
7 (6) Eligible reserve assets. – Liquid assets comprising only the following:
8 a. United States coins and currency, including Federal Reserve notes.
9 b. Demand deposits or other immediately withdrawable funds held in
10 accounts at insured depository institutions or insured credit unions.
11 c. United States Treasury bills, notes, or bonds with a remaining maturity
12 of 93 days or less.
13 d. Repurchase agreements with a maturity of seven days or less, the
14 underlying collateral of which consists solely of United States
15 Treasury securities with a remaining maturity of 93 days or less.
16 e. Reverse repurchase agreements with a maturity of seven days or less
17 that are fully collateralized by United States Treasury securities on an
18 overnight basis and cleared through a qualifying central counterparty
19 or equivalent secure mechanism.
20 f. Shares in money market funds that invest exclusively in assets
21 described in sub-subdivisions a. through d. of this subdivision.
22 g. Balances held at the Federal Reserve.
23 (7) Foreign entity. – An entity organized under the laws of a foreign country.
24 (8) GENIUS Act. – The Guiding and Establishing National Innovation for U.S.
25 Stablecoins Act, Pub. L. No. 119-27, as amended.
26 (9) Licensed stablecoin issuer. – A payment stablecoin issuer that is legally
27 incorporated or organized under the laws of the United States or any state and
28 holds a license issued under this Article; the term is equivalent to a state
29 qualified payment stablecoin issuer under federal law.
30 (10) Payment stablecoin. – A digital asset (i) that is designed or marketed to be
31 used as a means of payment or settlement, (ii) the issuer of which undertakes
32 to convert, redeem, or repurchase for a fixed amount of monetary value, and
33 (iii) that is not legal tender, a deposit, or a security registered under federal
34 securities laws.
35 (11) Payment stablecoin issuer. – A person that issues a payment stablecoin.
36 (12) Permitted payment stablecoin issuer. – A licensed stablecoin issuer that is
37 licensed or authorized under this Article or a federally qualified payment
38 stablecoin issuer chartered or licensed pursuant to the GENIUS Act.
39 (13) Person. – An individual, partnership, corporation, limited liability company,
40 association, trust, or other legal entity.
41 (14) Primary federal payment stablecoin regulator. – A federal agency that is the
42 primary regulator of a category of permitted payment stablecoin issuers
43 pursuant to section 2(25) of the GENIUS Act.
44 (15) Principal office. – A principal place of business consisting of at least one
45 enclosed room or building of stationary construction in which all of the books,
46 records, and files pertaining to the issuance of payment stablecoins issued
47 under this Article are maintained.

48 **"§ 53-463. License or authorization requirement.**

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

1 **(b) General License Requirement for Issuers.** – A person with a consolidated total
2 outstanding issuance of payment stablecoins of not more than ten billion dollars
3 (\$10,000,000,000) that seeks to issue a payment stablecoin in this State shall obtain a license as
4 a licensed stablecoin issuer from the Commissioner unless the person is otherwise authorized to
5 issue a payment stablecoin.

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

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

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

22 **(1) Subsidiary issuance.** – A State chartered insured depository institution or State
23 chartered insured credit union may issue payment stablecoins only through a
24 subsidiary that is a licensed or authorized stablecoin issuer unless the
25 institution obtains direct issuance approval under subdivision (2) of this
26 subsection.

27 **(2) Direct issuance approval.** – The Commissioner may, upon application,
28 authorize a State chartered insured depository institution or State chartered
29 insured credit union to issue payment stablecoins in its own name if the
30 Commissioner finds that both of the following apply:

31 a. The institution has received written approval from its primary federal
32 banking regulator to engage in payment stablecoin activities.

33 b. The institution will comply, on a continuing basis, with every
34 operational, reserve, disclosure, redemption, and consumer protection
35 requirement of this Article and the rules adopted under it as though it
36 were a licensed stablecoin issuer.

37 The institution shall periodically report to the Commissioner, and the
38 Commissioner may initiate an examination.

39 **(3) Federal and State parity.** – Nothing in this subsection relieves an institution or
40 its subsidiary of any requirement imposed by its primary federal banking
41 regulator or limits the Commissioner's authority to enforce State consumer
42 protection laws pursuant to section 7(f) of the GENIUS Act.

43 **(f) Foreign Entity.** – The following provisions apply to a foreign entity:

44 **(1) Permitted pathways.** – An entity organized under the laws of a foreign country
45 shall not offer or issue payment stablecoins to persons in this State unless
46 either of the following applies:

47 a. The entity has incorporated or organized a subsidiary or affiliate in the
48 United States and that subsidiary or affiliate has obtained either a
49 provisional license issued under subdivision (2) of this subsection or a
50 full license as a licensed stablecoin issuer under this Article and has a

- 1 principal office in the United States. The principal office shall not be
2 located at an individual's home or residence.
- 3 b. The entity is registered with the Office of the Comptroller of the
4 Currency pursuant to section 18 of the GENIUS Act and the Secretary
5 of the Treasury has determined that the entity's home country
6 regulatory framework is comparable.
- 7 (2) Provisional license. – Upon determining that a license application submitted
8 under G.S. 53-464 is complete, the Commissioner may issue a provisional
9 license authorizing limited issuance for a period not exceeding six months,
10 renewable once, subject to conditions the Commissioner prescribes to protect
11 consumers.
- 12 (3) Expedited review. – The Commissioner shall approve, provisionally license,
13 or deny an application submitted under G.S. 53-464 within 120 days after the
14 application is deemed complete unless the applicant consents to an extension.
- 15 (4) Technical assistance. – The Commissioner shall publish application guidance
16 and shall offer pre-filing meetings to assist prospective applicants in
17 understanding the requirements of this Article.
- 18 (5) Effect of license. – A foreign entity, or its United States subsidiary or affiliate,
19 that holds a provisional license or a full license issued under this Article is
20 deemed a permitted payment stablecoin issuer for the duration of the license
21 and may offer or issue payment stablecoins to persons in this State subject to
22 the terms of the license.
- 23 (6) Wind-down authority. – The Commissioner may grant a transitional
24 exemption from this subsection to a foreign entity, not exceeding 12 months,
25 solely to facilitate orderly compliance or to wind down.
- 26 **§ 53-464. Licensing of issuers, application, and qualifications.**
- 27 (a) Authority of Commissioner. – The Commissioner shall do the following:
- 28 (1) Administer a licensing program for payment stablecoin issuers, issue licenses,
29 conduct oversight, and issue orders necessary to implement and enforce this
30 Article.
- 31 (2) Each year on the date prescribed by the Secretary of the Treasury, the
32 Commissioner shall file the certification of substantial similarity required by
33 section 4(b)(3) of the GENIUS Act and shall maintain objective criteria for
34 that certification.
- 35 (b) Eligible Applicants. – The following are eligible applicants for an issuer license:
- 36 (1) A corporation or limited liability company organized under the laws of any
37 state or of the United States that is neither an insured depository institution
38 nor an insured credit union may apply for a license as a licensed stablecoin
39 issuer.
- 40 (2) An insured depository institution or insured credit union chartered in this State
41 may elect to apply for a license under this section and, upon licensure, shall
42 comply with all provisions of this Article that apply to a licensed stablecoin
43 issuer.
- 44 (3) A United States subsidiary or affiliate of a foreign organized entity that
45 satisfies G.S. 53-463(f).
- 46 (c) Commissioner's Participation in Nationwide Registry. – The Commissioner may
47 participate in the Nationwide Mortgage Licensing System and Registry also known as the
48 Nationwide Multistate Licensing System and Registry, including the State Examination System
49 and any other electronic or successor systems developed and maintained by the Conference of
50 State Bank Supervisors for the licensing, registration, and supervision of persons under this
51 Article, pursuant to 12 U.S.C. § 5102(6) and 12 C.F.R. Part 1008. The Commissioner may

1 establish relationships or contracts with the Nationwide Multistate Licensing System and
2 Registry or other persons designated by it to collect and maintain records and process fees. For
3 the purpose of participating in the Nationwide Multistate Licensing System and Registry, the
4 Commissioner may waive or modify, in whole or in part, any or all of the requirements as
5 reasonably necessary to participate in the Nationwide Multistate Licensing System and Registry.

6 (d) Application Contents. – An applicant shall apply through the Nationwide Mortgage
7 Licensing System and Registry on a form acceptable to the Commissioner and include, at a
8 minimum, the following:

9 (1) Legal name, any assumed business names, principal office address, mailing
10 address, email, social security or taxpayer identification number, and form and
11 jurisdiction of organization.

12 (2) Identities and background information for each director, executive officer, and
13 person owning ten percent (10%) or more of voting power. Background
14 information shall include, at a minimum, all of the following:

15 a. Business history.

16 b. A description of any injunctions or administrative orders by a state or
17 federal authority to which the person is or has been subject.

18 c. Any conviction, within the past 10 years, of a misdemeanor involving
19 any fraud, false statement or omission, any theft or wrongful taking of
20 property, bribery, perjury, forgery, counterfeiting, extortion, or
21 conspiracy to commit any of these offenses, or involving any financial
22 service or business related to financial services.

23 d. Any felony conviction.

24 (3) A business plan describing the proposed payment stablecoin, technology
25 platform, markets served, and risk management framework.

26 (4) Policies demonstrating the applicant's ability to comply with the reserve,
27 redemption, disclosure, anti-money laundering, sanctions compliance,
28 operational risk, cybersecurity, and business continuity requirements of this
29 Article.

30 (5) Evidence of financial resources and capitalization sufficient to operate in a
31 safe and sound manner and meet the capital and liquidity standards issued by
32 the Commissioner under subsection (h) of this section.

33 (6) A detailed description of the organizational structure of the applicant,
34 including the identity of parent companies or subsidiaries, and the disclosure
35 of any parent company or subsidiary that is publicly traded on a stock
36 exchange.

37 (7) The applicant's consent to a federal and State criminal history record check
38 and a set of the applicant's fingerprints in a form acceptable to the
39 Commissioner. In the case of an applicant that is a person other than an
40 individual, each individual who has control of the applicant shall consent to a
41 federal and State criminal history record check and submit a set of that
42 individual's fingerprints pursuant to this subdivision.

43 (8) A copy of the applicant's most recent audited financial statement prepared in
44 accordance with generally accepted accounting principles, including the
45 balance sheet, statement of income or loss, statement of changes in
46 shareholder equity, if applicable, statement of changes in financial position,
47 and the applicant's audited financial statements for the immediately preceding
48 two-year period. However, if the applicant is a wholly owned subsidiary of a
49 corporation, the applicant may submit either the parent corporation's
50 consolidated audited financial statements for the current year and for the
51 immediately preceding two-year period or the parent corporation's Form 10K

1 reports filed with the United States Securities and Exchange Commission for
2 the prior three years instead of the applicant's financial statements. If the
3 applicant is a wholly owned subsidiary of a corporation having its principal
4 place of business outside the United States, similar documentation filed with
5 the parent corporation's non-United States regulator may be submitted to
6 satisfy this subdivision.

7 (9) Copies of all filings, if any, made by the applicant with the United States
8 Securities and Exchange Commission, or with a similar regulator in a country
9 other than the United States, within the year preceding the date of filing of the
10 application.

11 (10) Any additional information the Commissioner requires.

12 (e) Standards for Approval. – The Commissioner shall approve an application only upon
13 finding all of the following:

14 (1) The applicant possesses capital and liquidity not less than the minimum
15 standards issued under subsection (h) of this section and adequate for its risk
16 profile.

17 (2) The applicant can maintain eligible reserves equal to one hundred percent
18 (100%) of outstanding payment stablecoins and can honor redemptions at par
19 on demand.

20 (3) The applicant has adopted effective programs for compliance with the Bank
21 Secrecy Act, 31 U.S.C. § 5311 et seq., anti-money laundering, sanctions
22 screening, operational risk, cybersecurity, and business continuity.

23 (4) The applicant's officers, directors, and principal owners have the competence,
24 experience, and integrity to operate the business in a safe, sound, and lawful
25 manner.

26 (5) That neither the applicant nor any controlling person is identified on the
27 Specially Designated Nationals and Blocked Persons List prepared by the
28 United States Department of the Treasury and the United States Department
29 of State subject to Presidential Executive Order No. 13224, Blocking Property
30 and Prohibiting Transactions With Persons Who Commit, Threaten to
31 Commit, or Support Terrorism.

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

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

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

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

49 (2) File with the Commissioner a monthly certificate, signed by the chief
50 executive officer and chief financial officer, affirming that the issuer at all

- 1 times maintained one-to-one eligible reserves during the preceding month,
- 2 along with the public reserve report required by G.S. 53-465.
- 3 (3) Obtain an annual examination of reserves by a registered public accounting
- 4 firm and provide the report to the Commissioner within 10 days of receipt.
- 5 (4) Provide the Commissioner with a copy of the licensee's annual audited
- 6 statement of financial condition prepared in accordance with generally
- 7 accepted accounting principles not more than 120 days after the end of the
- 8 licensee's fiscal year.
- 9 (5) Provide the Commissioner not less than 30 days' prior written notice of any
- 10 change in control.
- 11 (6) Provide the Commissioner not less than 30 days' prior written notice of any
- 12 action or circumstance that would cause the consolidated total issuance of
- 13 payment stablecoins issued by the licensee to exceed ten billion dollars
- 14 (\$10,000,000,000). Upon receiving this notice the Commissioner shall, within
- 15 60 days, submit a petition to the Secretary of the Treasury and the Comptroller
- 16 of the Currency under section 4(c)(2) of the GENIUS Act requesting that
- 17 primary prudential oversight of the issuer remains with the State of North
- 18 Carolina. The licensee shall cooperate fully with the Commissioner and
- 19 provide any information the Commissioner deems necessary to support the
- 20 petition. Until the Secretary or the Comptroller issues a final determination,
- 21 the licensee remains subject to this Article. If the petition is denied, the
- 22 Commissioner shall coordinate with the appropriate federal regulator to
- 23 facilitate an orderly transition within the time frame prescribed by the
- 24 GENIUS Act.
- 25 (7) Renew its license annually on a date set by the Commissioner and pay any
- 26 required annual assessment.
- 27 (h) Capital, Liquidity, and Risk-Management Standards. – The Commission shall by rule
- 28 establish minimum capital requirements, liquidity and interest rate risk standards, and operational
- 29 risk and information technology risk standards for licensed stablecoin issuers. The standards shall
- 30 meet or exceed the requirements of section 4(a)(4) of the GENIUS Act and shall ensure the
- 31 issuer's ability to redeem payment stablecoins and operate in a safe and sound manner.
- 32 (i) Fees. – The Commission may by rule prescribe application, licensing, renewal,
- 33 examination, and supervision fees in amounts sufficient to cover the costs of administering and
- 34 enforcing this Article.
- 35 (j) Initial Application Fee. – Each application for initial licensure shall be accompanied
- 36 by a nonrefundable filing fee of two thousand five hundred dollars (\$2,500).
- 37 (k) Reporting. – No later than 60 days after the calendar quarter has ended, licensees shall
- 38 file a quarterly call report in a form prescribed by the Commissioner through the Nationwide
- 39 Multistate Licensing System and Registry, which shall include the number and amount of
- 40 payment stablecoins issued.
- 41 (l) Annual Assessment. – For the purpose of meeting the cost of regulation under this
- 42 Article, each licensee shall pay to the Commissioner an annual assessment as provided in this
- 43 subsection. The annual assessment shall consist of a base amount of five thousand dollars
- 44 (\$5,000) for volumes of no more than one million dollars (\$1,000,000) plus an additional sum,
- 45 calculated on the payment stablecoins issued and outstanding reported by the licensee for the
- 46 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>

1 (d) Redemption Obligations. – The following redemption obligations apply:

2 (1) A licensed stablecoin issuer shall publicly disclose its redemption policy in a
3 clear and conspicuous manner. The redemption policy shall establish clear and
4 conspicuous procedures for the timely redemption of outstanding payment
5 stablecoins at par value of the U.S. dollar.

6 (2) A licensed stablecoin issuer shall publicly, clearly, and conspicuously disclose
7 in plain language all fees associated with purchasing or redeeming the
8 payment stablecoins. A licensed stablecoin issuer may change these fees so
9 long as it gives seven days' prior notice to holders of the payment stablecoin.

10 (3) An issuer shall honor redemption requests for any quantity of payment
11 stablecoins and shall not impose a minimum redemption threshold that is
12 unreasonable or that prevents an ordinary holder from redeeming.

13 (4) Failure to timely redeem a payment stablecoin after receipt of a complete
14 redemption request is grounds for the summary suspension of any license
15 issued under this Article.

16 (5) In the event of significant market stress or a redemption spike, as defined by
17 rule, the issuer may request that the Commissioner authorize a temporary
18 extension to the redemption period to facilitate orderly liquidation. The
19 Commissioner may grant the request if the Commissioner finds there is
20 significant market stress or a redemption spike and the issuer has given
21 advance notice to holders of the payment stablecoin describing the basis and
22 duration of the requested extension. Any extension granted under this
23 subdivision is subject to all of the following:

24 a. The extension shall not exceed five business days.

25 b. The Commissioner shall issue the extension by written order setting
26 forth specific findings of fact supporting the determination of
27 significant market stress or a redemption spike and stating the duration
28 of the extension.

29 c. The written order shall be made available on the publicly accessible
30 website of the Commissioner no later than the close of the business on
31 the day the order is issued. The order shall remain publicly available
32 for not less than six months.

33 (e) Custody, Segregation, and Priority of Reserves. – Reserve assets shall be held in
34 custodial or trust accounts in the United States with insured depository institutions, insured credit
35 unions, State chartered trust companies that are approved to operate in the State by the
36 Commissioner, Federal Reserve Banks, or other custodians approved by the Commissioner to
37 hold reserve assets and shall be segregated from the issuer's operational funds and other property.
38 Reserve assets shall be held for the collective benefit of payment stablecoin holders. Payment
39 stablecoin holders hold equitable title to the reserve assets. Reserve assets shall not be treated as
40 property of the issuer. In any receivership, insolvency, or similar proceeding under State law,
41 payment stablecoin holders have a first priority perfected security interest in the reserve assets,
42 and those assets shall not be available to satisfy claims of the licensed stablecoin issuer's
43 creditors.

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

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

48 a. The aggregate number of payment stablecoins outstanding.

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

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

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

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

11 **"§ 53-466. Compliance with federal law governing interest, yield, and rewards.**

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

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

22 **"§ 53-467. Anti-money laundering; customer identification; sanctions compliance.**

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

26 (b) Anti-Money Laundering Program. – Each licensed stablecoin issuer shall establish
27 and maintain a written, risk-based anti-money laundering program that satisfies 31 C.F.R. §
28 1022.210 and includes all of the following:

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

32 (2) Designation of a qualified compliance officer.

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

35 (c) Customer Identification Program. – A licensed stablecoin issuer shall implement and
36 follow a customer identification program that meets 31 U.S.C. § 5318(l) and 31 C.F.R. §
37 1010.312. At a minimum, the issuer shall obtain and verify the name, date of birth, address, and
38 other identifying information of each customer and shall retain those records for the period
39 required by federal regulation.

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

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

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

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

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

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

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

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

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

23 **"§ 53-468. Supervision; examinations; reporting.**

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

36 For purposes of investigating violations or complaints arising under this Article, or for the
37 purposes of examination, the Commissioner may review, investigate, or examine any licensee,
38 individual, or person subject to this Article as often as necessary in order to carry out the purposes
39 of this Article. The Commissioner may interview the officers, principals, persons with control,
40 employees, independent contractors, agents, and customers of the licensee or person concerning
41 their business. The Commissioner may direct, subpoena, or order the attendance of and examine
42 under oath all persons whose testimony may be required about the business or subject matter of
43 any examination or investigation and may direct, subpoena, or order the person to produce books,
44 accounts, records, files, and any other documents the Commissioner deems relevant to the
45 inquiry. The licensee shall respond to any information requests from the Commissioner within
46 20 days, or a lesser time if specifically requested for good cause, to do either of the following:

- 47 (1) Respond to inquiries from the Commissioner or the Commissioner's designee
48 regarding any complaints filed against the licensee that allege or appear to
49 involve any violation of this Article or any rule affecting payment stablecoin
50 issuance.

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

4 (b) Confidentiality and Information Sharing. – All applications, information, reports,
5 audit findings, digital asset logs, and other confidential supervisory information are not public
6 records and shall be kept confidential as provided by G.S. 53C-2-7(b), except as specifically
7 authorized by this Article or by other law. The Commissioner may furnish confidential
8 supervisory information to, and accept confidential supervisory information from, the Board of
9 Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the
10 Federal Deposit Insurance Corporation, the National Credit Union Administration, the U.S.
11 Department of the Treasury, or any state or foreign financial services regulator pursuant to a
12 written information sharing agreement or memorandum of understanding, or as otherwise
13 provided by G.S. 53C-2-7(d).

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

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

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

35 (f) Change of Control and Cessation of Business. – Licenses issued pursuant to this
36 Article are not assignable without the approval of the Commissioner. A licensed stablecoin issuer
37 shall give not less than 30 days' prior written notice to the Commissioner of any proposed change
38 in control. The Commissioner may require an application for approval of the new controlling
39 party and shall apply the standards set forth in G.S. 53-464. A licensed stablecoin issuer that
40 intends to cease operations shall submit to the Commissioner, at least 30 days in advance, a
41 wind-down plan that provides for the orderly redemption of all outstanding payment stablecoins
42 and the protection of consumers. The issuer shall carry out the plan under the Commissioner's
43 supervision.

44 (g) Joint or Coordinated Examinations. – The Commissioner may conduct joint, alternate,
45 or coordinated examinations or enforcement actions with any federal banking agency or other
46 state or federal regulator having jurisdiction over a licensed stablecoin issuer or its affiliates. To
47 minimize operational friction and prevent duplicative efforts, the Commissioner shall, to the
48 extent practicable, rely on existing supervisory reports, independent audit reports, including
49 System and Organization Controls 1 and 2 reports, and examinations performed by federal
50 regulators or other state regulators. The Commissioner shall not initiate a redundant examination
51 or information request unless the Commissioner determines that existing materials are

1 insufficient to assess compliance with this Article or the safety and soundness of a licensed
2 stablecoin issuer.

3 **"§ 53-469. Enforcement; suspension; revocation.**

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

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

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

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

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

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

30 (g) Receivership or Conservatorship. – If the Commissioner determines that a licensed
31 stablecoin issuer is insolvent or in an unsafe condition that cannot be promptly corrected, the
32 Commissioner may petition the superior court for the appointment of a receiver or conservator.
33 The court may appoint (i) the Federal Deposit Insurance Corporation, if and to the extent
34 permitted by State law and accepted by the Corporation, (ii) a receiver appointed under Article
35 38 of Chapter 1 of the General Statutes, or (iii) any other person the court finds qualified,
36 including a receiver designated under Chapter 53C of the General Statutes. The receiver or
37 conservator shall marshal the licensed stablecoin issuer's reserve assets, protect payment
38 stablecoin holders, and carry out an orderly redemption or wind down under the supervision of
39 the court and the Commissioner.

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

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

1 (j) Unlicensed Activity; Criminal Penalty. – A person that issues or purports to issue a
2 payment stablecoin in this State without the required license or authorization is subject to a cease
3 and desist order and the civil penalties authorized under subsection (c) of this section. A person
4 that knowingly and willingly issues or purports to issue a payment stablecoin in this State without
5 the required license or authorization or in violation of a cease and desist order is guilty of a Class
6 1 misdemeanor. The Commissioner may also seek injunctive relief.

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

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

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

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

20 **"§ 53-470. Coordination with federal regulators and interoperability.**

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

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

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

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

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

46 **"§ 53-471. Rulemaking authority.**

47 (a) The Commission may adopt rules to implement and enforce this Article; the rules
48 shall meet or exceed the coordination and interoperability standards contained in sections 8 and
49 11 of the GENIUS Act. All rules shall meet or exceed the minimum requirements of the GENIUS
50 Act and any successor federal law and shall take into account technological developments,
51 evolving industry practice, and supervisory experience.

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

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

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

9 **"§ 53-472. Emergency powers.**

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

13 **"§ 53-473. Commissioner's report.**

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

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

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

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

32 **SECTION 2.(e)** This section becomes effective the earlier of January 18, 2027, or
33 120 days after the date on which the primary federal payment stablecoin regulators issue any
34 final regulations implementing the GENIUS Act. The Commissioner of Banks shall notify the
35 Revisor of Statutes of the issuance date of these regulations.

36
37 **PART III. SEVERABILITY AND EFFECTIVE DATE**

38 **SECTION 3.(a)** If any provision of this act, or the application of any provision of
39 this act to any person or circumstance, is held invalid by a court of competent jurisdiction, the
40 remainder of the act and the application of its other provisions to other persons or circumstances
41 shall not be affected by it. The provisions of this act are declared to be severable.

42 **SECTION 3.(b)** Except as otherwise provided, this act is effective when it becomes
43 law.