

PayBitoPro

Regulatory Analysis of US States

UNITED STATES OF AMERICA (USA)

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FACTUAL BACKGROUND

PayBitoPro offers three types of services to U.S. users: “*Exchange Services*” that functions as an intermediated exchange where PayBitoPro utilizes an order book, containing various digital asset to digital asset or fiat to digital asset pairings, that matches buyers on one side of a pairing with different sellers on the other side; “*Wallet Services*” that utilizes PayBitoPro’s hosted wallet solutions to enable U.S. users to add digital assets and U.S. dollars (“*USD*”) to their PayBitoPro accounts in anticipation of future trading activity; and “*Direct Buy/Sell Services*” where U.S. users can purchase and sell digital assets directly with PayBitoPro as a counterparty to the transaction (as distinguished from the Exchange Services, where PayBitoPro plays an intermediary role, not a counterparty one).

I. Exchange Services

A. Order Book Matching

The PayBitoPro exchange services platform (“*PayBitoPro Exchange*”) will allow users to initiate digital asset to digital asset and fiat to digital asset trades with other users as the counterparties to these transactions. When a user desires to place an order on PayBitoPro’s order book, the user will create order instructions that include the currency pair, order type, and the price and quantity of digital assets the user is



seeking to purchase or sell. After PayBitoPro receives these instructions, it will automatically verify whether the user has a sufficient account balance to proceed with the transaction. If the user has a sufficient balance, PayBitoPro will place a hold on the user's specified amount of digital assets or USD that the user seeks to exchange. The order is then put into sequencing in accordance with the price-time priority principle. During the sequencing period, the user can cancel the order, and once cancelled, the system will automatically release the frozen digital assets or USD back to the user. If the user does not cancel the order, the order will remain on the order book until it is filled. Once that happens, PayBitoPro will update its internal ledger by debiting and crediting the counterparties' PayBitoPro account balances and deducting the appropriate amount of fees.

II. Wallet Services

Through its Wallet Services, PayBitoPro will hold USD and digital assets on behalf of its users, enabling trades on the PayBitoPro Exchange to settle instantaneously. PayBitoPro will hold digital assets on behalf of its users in wallets to which PayBitoPro-controls the private keys. USD will be held in a pooled custodial account opened by PayBitoPro at a third-party financial institution.

A. Deposit Service

To add digital assets to their PayBitoPro account, users will initiate an on-chain transfer from an external wallet address to a PayBitoPro-controlled deposit address. If the transfer clears security checks, PayBitoPro will update its internal ledger and



credit the user's PayBitoPro account balance with the appropriate quantity of digital assets. For USD deposits, the user will initiate a funds transfer, via either wire or Automated Clearing House (ACH), to send USD from their bank account to PayBitoPro's custodial account at its partner financial institution. Upon the receipt of the transfer, PayBitoPro will credit the user's account with the corresponding amount of USD.

B. Withdrawal Service

To withdraw digital assets, the user will provide PayBitoPro with a withdrawal address, a withdrawal amount, and a withdrawal password. PayBitoPro will then perform a security check on the contemplated transfer. If the contemplated transfer clears this check, PayBitoPro will execute the requested transaction by initiating an on-chain transaction. PayBitoPro will then monitor the blockchain to verify that the transaction has been mined and, if so, debit the user's account. To withdraw USD, users will create a withdrawal request by identifying the receiving account, withdrawal amount, and any other additional information that is needed for the transaction to settle. If the transaction clears the security check, PayBitoPro will transfer USD, via either a wire or ACH transfer, to the account designated by the user and update the user's PayBitoPro account balance accordingly.



III. Direct Buy/Sell Services

For a Direct Buy transaction, a user submits instructions into PayBitoPro's website to buy digital assets. When the user clicks on the "Buy" button in the PayBitoPro Wallet, a pop up opens where the user enters the amount of cryptocurrency they want to purchase using the card payment method. The system fetches the real-time price of the cryptocurrency and displays the total cost of the amount of cryptocurrency being purchased to the user. The user clicks the "Buy Now" button to proceed to the payment processing page. If the user's transaction is authorised, the card-issuing bank debits the user's account and transmits USD to PayBitoPro. PayBitoPro will ultimately transfer the agreed digital assets to the user's PayBitoPro-controlled wallet.

For Direct Sell transactions, the user will enter instructions on PayBitoPro's website to sell digital assets from the user's PayBitoPro-controlled wallet. When the user clicks on the "Sell" button in the PayBitoPro Wallet, a pop up opens where the user enters the amount of cryptocurrency they want to sell. The user clicks the "Sell Now" button to proceed to the payment processing page. The user will enter the user's external bank account details for receiving USD. PayBitoPro will provide the user with a quote that includes the USD amount that the user will receive upon successfully completing the Direct Sell transaction. If the user accepts the quote, PayBitoPro will transfer the digital assets from the user's PayBitoPro-controlled wallet to PayBitoPro's own wallet. Once PayBitoPro's wallet receives the digital assets, PayBitoPro instructs its partner financial institution to transfer the agreed amount of USD to the user's external bank account.



OVERVIEW OF APPLICABLE LAWS

1. Federal Money Services Business Laws

The Bank Secrecy Act, 1970 (“**BSA**”) is the principal U.S. federal statute aimed at preventing money laundering. To that end, the BSA and the regulations promulgated thereunder (“**BSA Regulations**”) by the U.S. Department of Treasury Financial Crimes Enforcement Network (“**FinCEN**”) requires various entities, including money transmitters and certain providers/sellers of prepaid access, to register with FinCEN as an MSB.¹ Operating as an unregistered MSB may result in civil and potentially criminal penalties under federal law.²

The BSA Regulations specify that “a person wherever located doing business, whether or not on a regular basis or as an organised or licensed business concern, wholly or in substantial part within the United States,”³ operating as a money transmitter or provider of prepaid access (among other things), is an MSB, and must register with FinCEN and comply with the BSA Regulations applicable to MSBs. FinCEN regulations require an MSB to develop, implement, and maintain an

¹ 31 CFR § 1022.380, MSB- Money Service Business

² See 18 USC § 1960

³ 31 C.F.R. § 1010.100(ff): In analysing whether a foreign-located business would qualify as an MSB solely for maintaining and utilising a U.S. bank account to issue and clear dollar-denominated monetary instruments, in connection with currency exchange transactions with foreign-located customers, FinCEN has determined that such a business would not be an MSB, because merely having a U.S. bank account does not qualify as an “agent, agency, branch, or office within the United States.” See FinCEN Ruling 2004-1 (Definition of Money Services Business (Foreign-Located Currency Exchanger with U.S. Bank Account)) (March 29, 2004).



anti-money laundering program (“*AML Program*”) that is reasonably designed to prevent the MSB from being used to facilitate money laundering and the financing of terrorist activities.⁴ An AML Program must include policies and procedures to (a) verify customer identification, (b) identify and report suspicious activity, and (c) comply with transaction recordkeeping requirements. In addition, an AML Program must designate an individual responsible for ensuring ongoing compliance with the AML Program, provide for compliance training for the MSB’s personnel, and provide for independent monitoring and review of internal AML Program compliance.

i. Money Transmission

The question of whether a person is engaged in “money transmission” is answered by reference to the facts and circumstances.⁵ Under the BSA Regulations, a money transmitter is defined as a person that (i) accepts “currency, funds, or other value that substitutes for currency from one person” and transmits “currency, funds, or other value that substitutes for currency to another location or person by any means,” or (ii) is “engaged in the transfer of funds.”⁶ The regulations stipulate that whether a person is a money transmitter is a matter of facts and circumstances,⁷ and FinCEN regulations—along with letters, administrative rulings, and formal guidance published by FinCEN—identify some circumstances under which a person’s activities would not make such a person a money transmitter. For example, a person

⁴ 31 CFR § 1022.210

⁵ 31 C.F.R. § 1010.100(ff)(5)(ii)

⁶ 31 CFR § 1010.100(ff)(5)(i)(A) and (B)

⁷ 31 C.F.R. § 1010.100(ff)(5)(ii)



that is an MSB solely because that person serves as an agent of another MSB is not required to register.⁸

In March 2013, FinCEN issued guidance (the “*2013 Guidance*”) interpreting the phrase “value that substitutes for currency” to encompass products it refers to as “convertible virtual currency” (“*CVC*”).⁹ The 2013 Guidance defines “virtual currency” as “a medium of exchange that operates like a currency in some environments, but does not have all the attributes of real currency.”¹⁰ CVC is a type of virtual currency that “has an equivalent value in real currency, or acts as a substitute for real currency.” The 2013 Guidance categorises CVC ecosystem participants into three categories based upon the types of activities: (i) exchangers, (ii) administrators, and (iii) users. According to the 2013 Guidance, “an exchanger is a person engaged as a business in the exchange of virtual currency for real currency, funds, or other virtual currency. An administrator is a person engaged as a business in issuing (putting into circulation) a virtual currency, and who has the authority to redeem (to withdraw from circulation) such virtual currency. A user is a person that obtains virtual currency to purchase goods or services on the user’s own behalf.”¹¹ FinCEN has made it clear that exchangers and administrators of CVC are money transmitters under BSA Regulations, and thus parties engaging in exchanger or administrator activities must register as MSBs and comply with BSA Regulations. However, users of CVC are not considered to be money transmitters under BSA Regulations.

⁸ 31 C.F.R. § 1022.380(a)(2). However, a person may be an MSB both because it engages in MSB activities on its own behalf and as an agent of another MSB.

⁹ FIN-2013-G001 (March 18, 2013)

¹⁰ Referring to fiat currency like USD.

¹¹ FIN-2013-G001 (March 18, 2013)



In May 2019, FinCEN released additional guidance on the application of its regulations and prior rulings to various virtual currency business models (the “**2019 Guidance**”).¹² In the 2019 Guidance, FinCEN opines further on the types of facts and circumstances that are relevant to FinCEN’s determination of whether a person is an exchanger or administrator of CVC, and thereby a money transmitter. In particular, FinCEN specified that “a person still qualifies as a money transmitter if that person’s activities include receiving one form of value (currency, funds, prepaid value, value that substitutes for currency—such as CVC, etc.) from one person and transmitting either the same or a different form of value to another person or location, by any means.”¹³ Moreover, FinCEN specifically notes that hosted wallet providers that receive, store, and transmit CVCs on behalf of their account holders are money transmitters.¹⁴

ii. Prepaid Access

Separately, FinCEN’s prepaid access regulations (the “**Prepaid Access Rule**”) define “prepaid access” as “access to funds or the value of funds that have been paid in advance and can be retrieved or transferred at some point in the future, through an electronic device or vehicle, such as a card, code, electronic serial number, mobile identification number, or personal identification number.”¹⁵

A person that provides or sells prepaid access “must establish procedures to verify the identity of a person who obtains prepaid access under a prepaid program and obtain identifying information concerning such a person,

¹² FIN-2019-G001 (May 9, 2019)

¹³ Id.; see also FIN-2013-G001 (March 18, 2013). see also 76 Fed. Reg. 43592 (July 21, 2011)

¹⁴ FIN-2019-G001 (May 9, 2019)

¹⁵ 31 C.F.R. § 1010.100(ww)



including name, date of birth, address, and identification number.” On a conservative reading of the Prepaid Access Rule, a provider of prepaid access should obtain KYC information prior to letting a customer obtain any prepaid access services.

2. State Money Transmission Laws

i. Money Transmission

Almost all U.S. states regulate and require licenses to conduct money transmission. State regulations on money transmission vary but can generally be grouped into three categories, as many states define money transmission as including four types of activities: (1) money transmission, (2) issuing and/or selling payment instruments, (3) issuing and/or selling stored value, and (4) engaging in virtual currency business activity (“*VCBA*”). Many states define “money transmission” as “receiving money or monetary value for transmission”¹⁶ and define “stored value” along the lines of “monetary value” that is “evidenced by an electronic or digital record.”¹⁷ Many states define “monetary value” as “a medium of exchange, whether or not redeemable in money.”¹⁸ In general, state money transmitter laws subject an

¹⁶ See, e.g., Cal. Fin. Code § 2003(s); Iowa Code Ann. § 533C.201; Ariz. Rev. Stat. Ann. § 6-1201

¹⁷ e.g., N.C. Gen. Stat. § 53-208.42(19) (in North Carolina’s money transmission act, defining “stored value” as “monetary value representing a claim against the issuer that is stored on an electronic or digital medium and is evidenced by an electronic or digital record, and that is intended and accepted for use as a means of redemption for money or monetary value or payment for goods or services.

¹⁸ See, e.g., Cal. Fin. Code § 2003(m); Conn. Gen. Stat. § 36a-596; Fla. Stat. Ann. § 560.103; Iowa Code Ann. § 533C.102; Kan. Stat. Ann. §9-508(f)



entity to money transmitter licence and regulation when it receives funds from a person located or resident in that state.¹⁹

ii. Selling or Providing Stored Value

“Stored value” is generally defined as monetary value that is evidenced by an electronic record.²⁰ However, many states have unique exclusions under their laws for certain types of stored value. Under the money transmitter statutes in California,²¹ Georgia,²² Illinois,²³ Iowa,²⁴ Maryland,²⁵ Nebraska,²⁶ North Carolina,²⁷ South Dakota,²⁸ Texas,²⁹ Washington,³⁰ and West Virginia,³¹ a closed-loop prefunded card/certificate/code issued by a seller for the future provision of goods or services is exempt from regulation as stored value. New Hampshire’s money transmitter statute exempts persons who engage in the business of selling or issuing stored value solely in the form of convertible virtual currency.³² Kentucky,³³

¹⁹ “Money Transmitter Licensing: Generally,” Payment Systems and Electronic Fund Transfers Guide 300:210 (2018). A small number of states do take the position that their money transmitter laws also apply when the recipient of a funds transfer is located in their state.

²⁰ See, e.g., A.C.A. § 23-55-102(12)(A); Cal. Fin. Code § 2003(x); Conn. Gen. Stat. § 36a-596(12)

²¹ Cal. Fin. Code § 2003(x)

²² Ga. Code § 7-1-700(19)

²³ 205 Ill. Comp. Stat. 657 § 5

²⁴ Iowa Code Ann. § 533C.102

²⁵ Md. Fin. Inst. Code Ann. § 12-401

²⁶ Neb. Rev. Stat. § 8-2723

²⁷ N.C. Gen Stat. § 53-208.42(19)

²⁸ S.D. Codified Laws § 51A-17-1(18)

²⁹ Tex. Fin. Code § 151.301(b)(8)

³⁰ Wash. Rev. Code § 19.230.010(18)

³¹ W. Va. Code § 32A-2-1

³² N.H. Rev. Stat. § 399-G:3(VI-a)

³³ KRS § 286.11-003



Indiana,³⁴ and Maryland,³⁵ define stored value to solely cover physical gift cards and other tangible objects. Connecticut excludes virtual currency that is issued “exclusively as part of a consumer affinity or rewards program and can be applied solely as payment for purchases with the issuer or other designated merchants, but cannot be converted into or redeemed for fiat currency.”³⁶

iii. Sale and Issuance of Payment Instruments

Many states require persons that sell or issue “payment instruments” to obtain an MTL.³⁷ The term payment instrument is typically defined as “a check, draft, warrant, money order, traveller’s check or other instrument or payment of money, whether or not negotiable.”³⁸ The term typically excludes “an instrument that is redeemable by the issuer in merchandise or service, a credit card voucher, or a letter of credit.” Virtual currencies, including stablecoins such as USDS, may constitute payment instruments in some states.

iv. Virtual Currency Business Activity (“VCBA”)

Several states have implemented regulations or interpretive guidance requiring licensure of entities engaged in specific virtual currency business activities, the most comprehensive of which is New York’s “*BitLicense*”³⁹

³⁴ Ind. Code § 28-8-4-19.5

³⁵ Md. Code Ann. (Fin. Inst.) § 12-401(r)

³⁶ C.G.S.A. § 36a-596

³⁷ e.g., Ala. Code 1975, § 8-7A-1(9); Cal. Fin. Code § 2030(a); Md. Code Ann. (Com. Law) §1-201(24); Tex Fin. Code § 151.301(b)(3)

³⁸ e.g., Florida Statutes § 560.103(29)

³⁹ 23 N.Y. C.R.R. Part 200



framework.⁴⁰ Under the BitLicense, a license is required for any entity providing one or more of the following services to New York residents: (i) receiving virtual currency for transmission or transmitting virtual currency, (ii) storing, holding, or maintaining custody or control of virtual currency on behalf of others, (iii) buying and selling virtual currency, (iv) performing virtual currency exchange services, or (v) controlling, administering, or issuing a virtual currency⁴¹ (collectively, these virtual currency business activities are “**VCBA**”). Under the BitLicense framework, a license is required to engage in VCBA unless the person engaging in the activities is (a) chartered under New York Banking Law and approved by the New York Department of Financial Services (the “**NYDFS**”) for VCBA, or (b) a merchant or consumer that uses virtual currency “solely for the purchase or sale of goods or services or for investment purposes.”

ANALYSIS & RECOMMENDATIONS

I. Analysis

A. Federal Law Analysis

Under federal regulation, PayBitoPro would be required to register as an MSB because it custodies, transfers, and exchanges cryptocurrency and USD.

⁴⁰ Other states have also implemented virtual-currency specific licensing requirements, either by way of legislative changes or administrative guidance, including Washington, Connecticut, North Carolina, and others. To date, only New York and Louisiana require a separate license for VCBA than for other MTL activities.

⁴¹ 23 N.Y. C.R.R. Part 200.2(q)



B. State Law Analysis

Under state law, the states are divided into four categories for the purpose of license of PayBitoPro:

- **License Likely Required:** MTL applications shall be submitted by PayBitoPro in these states for continuing offering services to customers located in these states. [*Indicated in Appendix A with a **P***]
- **License Maybe Required:** There is a moderate risk that the specified category or integration of activity would require an MTL, but it would be worthwhile to confirm with the state regulator prior to taking further action, due to the lack of guidance or precedent available. In these jurisdictions, submission of a no-action letter or a notification letter is to be enforced to the appropriate regulator requesting that the regulator confirms that it will not bring an enforcement action against PayBitoPro for engaging in the relevant business activities without a license. [*Indicated in Appendix A with “Maybe”.*]
- **License Likely Not Required:** In these jurisdictions, it is highly unlikely that the applicable state regulator would require PayBitoPro to obtain a license, and thus PayBitoPro can reasonably offer the relevant Services in these states without first applying for a license or otherwise engaging in a dialogue with the regulator. However, there is a latent risk that a regulator may disagree with this conclusion and require PayBitoPro to apply for a license. For this reason, PayBitoPro shall notify the states’ regulators that they intend to do business there with a note that it is the clients’ understanding that no license is required.



Based on the licensing assessment provided in full in Appendix A, the states are grouped as follows:

Crypto-Crypto Exchange Services:

License Likely Required (16): Alabama, Alaska, Connecticut, Florida, Georgia, Hawaii, Louisiana, Maine, Maryland, New Mexico, New York, North Carolina, Ohio, Texas, Vermont, Washington.

License Maybe Required (13): Arkansas, Iowa, Mississippi, Nebraska, Nevada, North Dakota, Oklahoma, Oregon, South Carolina, South Dakota, Puerto Rico, Virginia, West Virginia.

License Likely Not Required (23): Arizona, California, Colorado, Delaware, District of Columbia, Idaho, Illinois, Indiana, Kansas, Kentucky, Massachusetts, Michigan, Minnesota, Missouri, Montana, New Hampshire, New Jersey, Pennsylvania, Rhode Island, Tennessee, Utah, Wisconsin, Wyoming.

Crypto-Fiat Exchange Services:

License Likely Required (37): Alabama, Alaska, Arkansas, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Iowa, Kansas, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, Nebraska, Nevada, New Hampshire, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Texas, Vermont, Virginia, Washington, West Virginia.

License Maybe Required (3): New Jersey, Puerto Rico, Tennessee.



License Likely Not Required (12): Arizona, California, Colorado, Indiana, Kentucky, Massachusetts, Missouri, Montana, Pennsylvania, Utah, Wisconsin, Wyoming.

Crypto Wallet Services:

License Likely Required (18): Alabama, Alaska, Connecticut, Florida, Georgia, Hawaii, Idaho, Louisiana, Maine, Maryland, New York, North Carolina, Ohio, Oregon, Texas, Vermont, Washington, West Virginia.

License Probably Required (12): Arkansas, Iowa, Mississippi, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Puerto Rico, South Carolina, South Dakota, Virginia.

License Likely Not Required (22): Arizona, California, Colorado, Delaware, District of Columbia, Illinois, Indiana, Kansas, Kentucky, Massachusetts, Michigan, Minnesota, Missouri, Montana, New Hampshire, New Jersey, Pennsylvania, Rhode Island, Tennessee, Utah, Wisconsin, Wyoming.

Fiat Wallet Services:

License Likely Required (27): Alabama, Alaska, Arkansas, California, Connecticut, Georgia, Illinois, Indiana, Iowa, Louisiana, Maryland, Michigan, Mississippi, Nebraska, New Hampshire, New Mexico, New York, North Carolina, North Dakota, Puerto Rico, South Carolina, South Dakota, Texas, Vermont, Virginia, Washington, West Virginia.



License Likely Not Required (25): Arizona, Colorado, Delaware, District of Columbia, Florida, Hawaii, Idaho, Kansas, Kentucky, Maine, Massachusetts, Minnesota, Missouri, Montana, Nevada, New Jersey, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee, Utah, Wisconsin, Wyoming.

Direct Buy/Sale Service:

License Likely Required (11): Alabama, Alaska, Georgia, Hawaii, Louisiana, Maine, Maryland, Nevada, New Mexico, Texas, Vermont

License Maybe Required (16): Arkansas, Florida, Iowa, Mississippi, Nebraska, New York, North Carolina, North Dakota, Oklahoma, Oregon, Puerto Rico, South Carolina, South Dakota, Virginia, Washington, West Virginia.

License Likely Not Required (25): Arizona, California, Colorado, Connecticut, Delaware, District of Columbia, Idaho, Illinois, Indiana, Kansas, Kentucky, Massachusetts, Michigan, Minnesota, Missouri, Montana, New Hampshire, New Jersey, Ohio, Pennsylvania, Rhode Island, Tennessee, Utah, Wisconsin, Wyoming

Combined Analysis:

License Likely Required (40): Alabama, Alaska, Arkansas, California, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, Nebraska, Nevada, New Hampshire, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Puerto Rico, Rhode Island, South Carolina, South Dakota, Texas, Vermont, Virginia, Washington, West Virginia.



License Maybe Required (2): New Jersey, Tennessee

License Likely Not Required (10): Arizona, Colorado, Kentucky, Massachusetts, Missouri, Montana, Pennsylvania, Utah, Wisconsin, Wyoming.

**APPENDIX A – STATE MONEY TRANSMITTER LICENSING
ASSESSMENT**



State	Crypto-Crypto Exchange Services	Crypto-Fiat Exchange Services	Custodial Crypto Wallet Services	Custodial Fiat Wallet Services	Direct Buy/Sell Services
Alabama	P	P	P	P	P
Alaska	P	P	P	P	P
Arizona					
Arkansas	Maybe	P	Maybe	P	Maybe
California ⁴²				P	
Colorado					
Connecticut	P	P	P	P	
Delaware		P			

⁴² California's position may be evolving. After nearly a decade of allowing cryptocurrency companies to operate in the state without licensure, we have informally received at least one contact from the California regulators suggesting that they may be tightening this

District of Columbia		P			
Florida	P	P	P		Maybe
Georgia	P	P	P	P	P
Hawaii ⁴³	P	P	P		P
Idaho		P	P ⁴⁴		
Illinois		P		P	
Indiana				P	
Iowa	Maybe	P	Maybe	P	Maybe
Kansas		P			
Kentucky					
Louisiana	P	P	P	P	P



Maine	P	P	P		P
Maryland	P	P	P	P	P
Massachusetts 45					
Michigan		P		P	
Minnesota		P			
Mississippi	Maybe	P	Maybe	P	Maybe
Missouri					
Montana					
Nebraska	Maybe	P	Maybe	P	Maybe
Nevada	Maybe	P	Maybe		P

⁴⁵ This law does not require licensure for domestic money transmission. A license is required for transmission activities internationally



New Hampshire		P		P	
New Jersey		Maybe			
New Mexico	P	P	Maybe	P	P
New York	P	P	P	P	Maybe
North Carolina	P	P	P	P	Maybe
North Dakota	Maybe	P	Maybe		Maybe
Ohio	P	P	P		
Oklahoma	Maybe	P	Maybe		Maybe
Oregon	Maybe	P	P		Maybe
Pennsylvania					



Puerto Rico	Maybe	Maybe	Maybe	P	Maybe
Rhode Island		P			
South Carolina	Maybe	P	Maybe	P	Maybe
South Dakota	Maybe	P	Maybe	P	Maybe
Tennessee		Maybe			
Texas ⁴⁶	P	P	P	P	P
Utah					
Vermont	P	P	P	P	P
Virginia	Maybe	P	Maybe	P	Maybe
Washington	P	P	P	P	Maybe
West Virginia	Maybe	P	P	P	Maybe



Wisconsin					
Wyoming					

⁴⁶ Texas has issued guidance taking the position that it does not regulate virtual currency that is not backed by sovereign currency, and the guidance further states that the “[e]xchange of cryptocurrency for sovereign currency between two parties is not money transmission.” However, Texas has also published a Supervisory Memorandum indicating that the exchange of sovereign currency (e.g., dollar-denominated stablecoins) is money transmission

