

STAND. COM. REP. NO.

3964

Honolulu, Hawaii

APR 08 2022

RE: H.B. No. 2108
H.D. 1
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 2108, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE DIGITAL CURRENCY LICENSURE,"

begs leave to report as follows:

The purpose and intent of this measure is to establish a program for the licensure, regulation, and oversight of digital currency companies.

Your Committee received written comments in support of this measure from the Department of Commerce and Consumer Affairs, Hawaii Technology Development Corporation, Cloud Nalu, and five individuals.

Your Committee received written comments in opposition to this measure from one individual.

Your Committee received written comments on this measure from the Grassroot Institute of Hawaii.

Your Committee finds that, although digital currency has grown in popularity and acceptance worldwide, there is little regulation of the industry in the United States, with a few states treating digital currency activities as within the scope of their



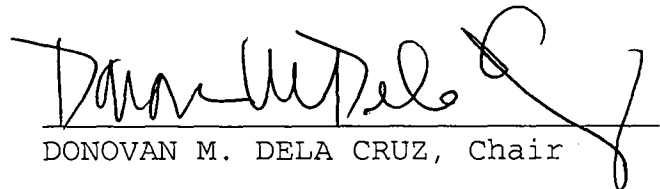
money transmitter laws. Your Committee also finds that a study conducted by the Department of Commerce and Consumer Affairs and the Hawaii Technology Development Corporation determined that digital currency transactions are not best regulated through existing money transmitter laws and that a new regulatory framework is appropriate.

Your Committee has amended this measure by:

- (1) Clarifying the requirements and parameters of the anti-money laundering program to facilitate compliance with the federal Anti-Money Laundering Act of 2020 and any future regulations that may be promulgated by the United States Department of the Treasury's Financial Crimes Enforcement Network;
- (2) Clarifying the requirements of the cybersecurity program to incorporate cybersecurity-related principles from the Federal Financial Institutions Examination Council and National Institute of Standards and Technology Cybersecurity Framework; and
- (3) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2108, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2108, H.D. 1, S.D. 2.

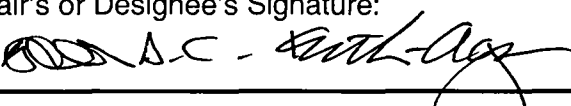
Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
HB2108, HD1, SD1	CPN/EET, WAM	4/8/22		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	XX			
KEITH-AGARAN, Gilbert S.C. (VC)	XX			
INOUE, Lorraine R.				X
KANUHA, Dru Mamo	XX			
KIDANI, Michelle N.	XX			
MISALUCHA, Bennette E.	XX			
MORIWAKI, Sharon Y.	XX			
SHIMABUKURO, Maile S.L.	XX			
TANIGUCHI, Brian T.	XX			
WAKAI, Glenn	XX			
FEVELLA, Kurt	XX			
TOTAL	10			1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes