

Honolulu, Hawaii

APR 28 2023

RE: S.B. No. 945
S.D. 2
H.D. 2
C.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 945, S.D. 2, H.D. 2, entitled:

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

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to:

- (1) Beginning January 1, 2024, establish a program for the licensure, regulation, and oversight of special purpose digital currency companies;
- (2) Extend operations of companies in the digital currency innovation lab under certain circumstances; and
- (3) Appropriate funds from the Compliance Resolution Fund for three full-time equivalent (3.0 FTE) permanent examiners.



Your Committee on Conference finds that digital currency is an asset that is primarily managed or stored electronically. Although digital currency has grown in popularity and acceptance worldwide, there is little regulation of the digital currency industry in the United States. The Division of Financial Institutions of the Department of Commerce and Consumer Affairs and the Hawaii Technology Development Corporation confirmed that a new regulatory framework for digital currency transactions is appropriate. This measure establishes a program for the licensure, regulation, and oversight of digital currency companies.

Your Committee on Conference has amended this measure by:

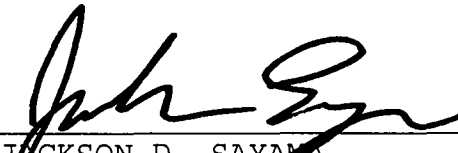
- (1) Inserting an appropriation amount of \$500,000 for three full-time equivalent (3.0 FTE) permanent examiners;
- (2) Inserting an effective date of July 1, 2023; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 945, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 945, S.D. 2, H.D. 2, C.D. 1.

Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



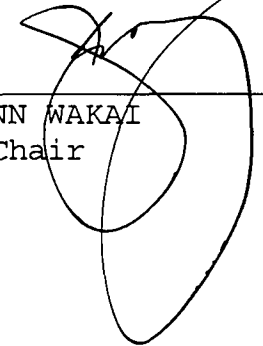
JACKSON D. SAYAMA
Co-Chair



LISA KITAGAWA
Co-Chair



JARRETT KEHOKALOOLE
Chair



GLENN WAKAI
Co-Chair



