



**7. Explain Reason For Proposed Rule(s):** The Office of the Commissioner of Banks (the “OCOB”) is responsible for drafting regulations related to the operation of virtual currency providers in North Carolina. The North Carolina Money Transmitters Act, N.C. Gen. Stat. § 53-208.1, *et seq.* (the “MTA”) is broadly written to encompass entities engaged in the business of transferring virtual currencies in and out of real currency, as well as entities engaged in the business of processing payments between virtual currency wallets. The rules in Subchapter F – Licensees Under the MTA need to be amended in order to clarify requirements for entities involved in virtual currency under the Act.

**Reason For Proposed Rule(s) cont.:** Rule 04 NCAC 03F .0507 is being repealed because the language in the rule has been combined in rule 04 NCAC .03F .0402 and the rule is unnecessary. Rule 04 NCAC 03F .0201 amended to modernize language currently used in the industry including new terms; 04 NCAC 03F .0301 to improve readability and correct citation; 04 NCAC 03F .0402 to incorporate language from rule 04 NCAC 03F .0507; 04 NCAC 03F .0504 to improve readability and modernize language currently used in the industry; 04 NCAC 03F .0506 amend to clarify the amount of time a regulated entity has to notify the OCOB regarding the revocation or cancellation of their surety bond; 04 NCAC 03F .0203 is being adopted to clarify the limits of permissible investments by a licensee as it relates to virtual currency.

**8. Procedure for Subjecting a Proposed Rule to Legislative Review:** If an objection is not resolved prior to the adoption of the rule, a person may also submit written objections to the Rules Review Commission. If the Rules Review Commission receives written and signed objections in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the Commission approves the rule. The Commission will receive those objections by mail, delivery service, hand delivery, or facsimile transmission. If you have any further questions concerning the submission of objections to the Commission, please call a Commission staff attorney at 919-431-3000.

**Rule(s) is automatically subject to legislative review. Cite statutory reference:**

**9. The person to whom written comments may be submitted on the proposed rule(s):**

**Name:** Lonnie Christopher, Rules Coordinator

**Address:** 4309 Mail Service Center  
Raleigh, NC 27699-4309

**Phone (optional):** (919) 715-7438

**Fax (optional):** (919) 733-6918

**E-Mail (optional):** lchristopher@nccob.gov

**10. Comment Period Ends:** August 1, 2016

**11. Fiscal impact (check all that apply).**

**If this form contains rules that have different fiscal impacts, list the rule citations beside the appropriate impact.**

- State funds affected
- Environmental permitting of DOT affected  
Analysis submitted to Board of Transportation
- Local funds affected
- Substantial economic impact ( $\geq$ \$1,000,000)
- Approved by OSBM
- No fiscal note required by G.S. 150B-21.4
- No fiscal note required by G.S. 150B-21.3A(d)(2)

**12. Rule-making Coordinator:** Lonnie Christopher

**Address:** 4309 Mail Service Center  
Raleigh, NC 27699-4309

**Phone:** (919) 715-7438

**E-Mail:** lchristopher@nccob.gov

**Agency contact, if any:** Katie Bosken, Attorney

**Phone:** (919) 715-0082

**E-mail:** kbosken@nccob.gov

**13. The Agency formally proposed the text of this rule(s) on**  
**Date:** May 10, 2016

**14. Signature of Agency Head\* or Rule-making Coordinator:**



**\*If this function has been delegated (reassigned) pursuant to**  
**G.S. 143B-10(a), submit a copy of the delegation with this form.**

**Typed Name:**

**Title:**