

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025

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HOUSE BILL 1029  
Committee Substitute Favorable 5/12/26  
Committee Substitute #2 Favorable 6/9/26

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(e)(4), 116B-53(e)(5), and~~  
15 ~~116B-53(e)(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.