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Will Resiliency Carry the Digital Asset Sector Through 2024: State-Level Developments

The Crypto Exchange Podcast

SPEAKERS

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In the third episode of this four-part series, Ethan, Addison, and Trey discuss several state-level developments that occurred in the digital asset sector during 2023. The group discusses the inception of New York Department of Financial Services' (NYDFS) BitLicense regulation, its evolution, and the NYDFS' introduction of guidance describing the procedures a digital asset custodian must engage in to ensure the provision of safekeeping services in a consumer-friendly manner. The main principles of the guidance aim to protect consumers by requiring digital asset custodians to, among other things, segregate digital assets owned by consumers and to prevent the establishment of debtor-creditor relationships with consumers that utilize custodial services.

Ethan, Addison, and Trey also cover California's Digital Financial Assets Law, a licensing regime that grants the California Department of Financial Protection and Innovation (DFPI) supervisory and enforcement powers over entities engaged in digital financial asset business activities. The law permits the DFPI commissioner to issue conditional licenses to applicants with a BitLicense or a Limited Purpose Trust Charter from NYDFS.

Lastly, Ethan, Addison, and Trey examine two digital asset regulatory frameworks: one adopted by Louisiana and one proposed by Nevada.

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