

Wyoming House Unanimously Passes Bill Exempting Utility Tokens from Securities Laws

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The Wyoming House of Representatives has unanimously approved a bill exempting utility tokens from securities laws, marking the latest victory in the quest to make the state a favorable environment for blockchain startups.

From CCN: [House Bill \(HB\) 70](#), which on Monday passed the House 60 to 0 and will now head to the Senate, explicitly exempts [utility tokens](#) from state securities regulations, a key factor in attracting initial coin offering (ICO) launches to the state. To qualify as a utility token — or “open blockchain token,” as classified in the text of the bill — a token must meet three conditions. First, the token’s developer or issuer must not market it as an investment. Moreover, the token must be exchangeable for goods and services, which presumably means that — as is the case under Switzerland’s recently-announced landmark [ICO framework](#) — startups must have a working product or service at the time the tokens are issued. Finally, the token developer or issuer must not actively make efforts to create a secondary market for the token by entering into a repurchase agreement or agreeing to locate buyers for the token. **Four Other Blockchain Bills Race Through Wyoming Legislature** Notably, there are four other cryptocurrency and blockchain-related bills currently moving through the Wyoming legislature, which — because it is an even-numbered year — is limited by the state constitution to a 20-day legislative session. HB 19, which passed the House on Monday and is now awaiting introduction in the Senate, exempts cryptocurrency from the state’s money transmitter act, a bill that predated the creation of Bitcoin and made it impractical for cryptocurrency exchanges to operate in the state. HB 101 would update the state’s business corporations act to allow companies to create and use blockchains for the purpose of storing records and conducting inter-office communication. This bill has passed its second reading in the House and, if it passes its final hearing, will then go to the Senate. Another bill that has just passed its second reading in the House is HB 126, which allows the creation of series LLCs, a type of company structure that allows assets to be segregated and compartmentalized. Though green-lighting series LLCs is a move that will benefit more than just blockchain startups, proponents believe it is a key component of attracting entrepreneurs from this nascent industry to the state. Finally, Senate File (SF) 111, which passed a vote to introduce on Friday and is now headed to a committee hearing, would exempt cryptocurrency assets from state property taxes. Access original of article at:

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