Nevada Financial Institutions Division statement on regulation of cryptocurrency in Nevada

The Nevada Financial Institutions Division (NFID) regulates financial institutions within Nevada to maintain a safe financial industry and to protect consumers and the overall public interest. Over time, the NFID has monitored the growth and expansion of the blockchain, bitcoin, and virtual currency industries. Recently, several businesses and interested persons contacted the NFID to determine if a license was required to operate within the State of Nevada. Based upon the business model presented, a license may have been required for money transmission under NRS Chapter 671. Thereafter, S.B. 195 was introduced during the 2019 legislative session. During the session, the NFID stayed the issuance of licensure determinations as S.B. 195 proposed to create a new statutory license program for entities already licensed under NRS Chapter 671. Continuing to issue licenses under NRS Chapter 671 may have created an undue burden for licensees if they were then required to transition to a new statutory scheme within a few months or a year after the session. However, S.B. 195 did not pass, and the NFID has resumed licensing this industry as money transmitters, when applicable.

It is important to note the NFID issues a licensure determination based upon a review of an entity’s specific business model in order to determine the relevant Chapter of the Nevada Revised Statutes (NRS) the entity is regulated under, if any. Generally, an entity engaged in the business of selling or issuing checks or of receiving for transmission or transmitting money or credits is required to have a license under NRS 671. However, if an entity proposes to serve as a digital custodian for any form of digital currency, then the business may be regulated as a trust company under NRS Chapter 669.

Any entity that facilitates the transmission of or holds fiat or digital currency by way of brick-and-mortar, kiosk, mobile, internet or any other means, should contact the NFID to request a licensure determination.