

# STATEMENTS OF POLICY

## Title 10—BANKING AND SECURITIES

### DEPARTMENT OF BANKING AND SECURITIES

[ 10 PA. CODE CH. 19 ]

#### Virtual Currency—Statement of Policy

The Department of Banking and Securities (Department) adds § 19.1a (relating to virtual currency—statement of policy) to clarify the Department's interpretation of the term “money” in the act of September 2, 1965 (P.L. 490, No. 249) (7 P.S. §§ 6101—6118), referred to as the Money Transmission Business Licensing Law and commonly known as the Money Transmitter Act (act) to read as set forth in Annex A. This statement of policy is intended to provide guidance to the regulated community regarding the meaning of the term “money” in the act.

#### *Effective Date*

This statement of policy shall take effect October 15, 2024.

#### *Statutory Authority*

The statement of policy is issued under the authority of section 10(a)(4) of the act (7 P.S. § 6110(a)(4)), which states that the Department shall have the authority to “[i]ssue regulations, statements of policy or orders as may be necessary for the proper conduct, including safety and soundness, of the money transmission business by licensees, the issuance and renewal of licenses and the enforcement of this act.”

Section 102 of the Commonwealth Documents Law (45 P.S. § 1102) defines “statement of policy” as “any document, except an adjudication or a regulation, promulgated by an agency which sets forth substantive or procedural personal or property rights, privileges, immunities, duties, liabilities or obligations of the public or any part thereof, and includes, without limiting the generality of the foregoing, any document interpreting or implementing any act of Assembly enforced or administered by such agency.” Statements of policy that are general and permanent in nature are required to be codified in the *Pennsylvania Code* under 1 Pa. Code § 3.1 (relating to contents of Code).

#### *Description of the Statement of Policy*

Section 2 of the act (7 P.S. § 6102) governs the business of transmitting money, and provides, “[n]o person shall engage in the business of transmitting money by means of a transmittal instrument for a fee or other consideration with or on behalf of an individual without first having obtained a license from the department.” Currently, the Department regulates these persons under Chapter 19 (relating to money transmitters).

“Money” is defined in the act as “currency or legal tender or any other product that is generally recognized as a medium of exchange.” See 7 P.S. § 6101 (Emphasis added). Virtual currency is increasingly and widely accepted as a method of payment throughout the United States and can be used to purchase goods and services in thousands of physical locations and online. This statement of policy is intended to clarify to the regulated community that the Department includes virtual currency under its interpretation of “money” under the act and in

Chapter 19 because virtual currency is a product that is generally recognized as a medium of exchange. In practice, this means that the Department expects that all persons engaged in the business of transmitting virtual currency by means of a transmittal instrument for a fee or other consideration will obtain a license from the Department, if they have not yet done so. Applications for licenses to transmit virtual currency may be completed through the National Multistate Licensing System and Registry in the same manner as all other money transmitter licenses. This statement of policy will be effective October 15, 2024, so that persons engaged in the business of transmitting virtual currency by means of a transmittal instrument for a fee or other consideration with or on behalf of an individual, who have not already obtained a license, will have sufficient time to take action in accordance with the Department's interpretation.

#### *Fiscal Impact and Paperwork Requirements*

This statement of policy will have no adverse fiscal impact on the Commonwealth or its political subdivisions and will impose no additional paperwork requirements upon the Commonwealth or political subdivisions. The Department does not track how many individuals are currently engaged in the business of transmitting virtual currency in the private sector. The cost for an individual to apply for a license is \$5,000, and the cost for a license renewal is \$5,000. Money transmitters must renew their licenses annually. Paperwork requirements for the regulated community include the initial license application and the annual license renewal application.

#### *Sunset Date*

A sunset date is not being established for this statement of policy.

#### *Additional Information*

Persons who require additional information about this statement of policy may submit inquiries to the Chief Counsel, 17 North 2nd Street, Suite 1300, Harrisburg, PA 17101, (717) 787-1471 or RA-BNChiefCounsel@pa.gov.

WENDY S. SPICHER,  
*Secretary*

*(Editor's Note: Title 10 of the Pennsylvania Code is amended by adding a statement of policy in § 19.1a to read as set forth in Annex A.)*

**Fiscal Note:** 3-60. No fiscal impact; recommends adoption.

### Annex A

#### TITLE 10. BANKING AND SECURITIES

#### PART II. BUREAU OF BANKS

#### CHAPTER 19. MONEY TRANSMITTERS

#### § 19.1a. Virtual currency—statement of policy.

(a) *Purpose.* The purpose of this statement of policy is to clarify for the regulated community the Department's current interpretation of the term “money” in the act.

(b) *Interpretation.* For purposes of this chapter, the Department interprets the definition of “money” to include virtual currency, such as Bitcoin.

[Pa.B. Doc. No. 24-542. Filed for public inspection April 19, 2024, 9:00 a.m.]

**Title 58—RECREATION****PENNSYLVANIA GAMING CONTROL BOARD**

[ 58 PA. CODE CH. 603b ]

**Direct Bet Coupons—Statement of Policy**

On February 21, 2024, the Pennsylvania Gaming Control Board (board) adopted the statement of policy in § 603b.1 (relating to Direct Bet Coupons—statement of policy).

Under the authority in 4 Pa.C.S. §§ 1202(b)(30) and 13A02(1) and (2) (relating to general and specific powers; and regulatory authority), the board continues to foster the continued performance and growth of the Commonwealth's regulated gaming market and propose policy and regulatory revision as necessary. The board has promulgated a proposed rulemaking that provides for rules governing the distribution and usage of Direct Bet Coupons, a promotional gaming product that is a variation on Match Play Coupons.

This statement of policy contains applicable provisions for a slot machine licensee to begin utilizing Direct Bet Coupons as part of its promotional portfolio. The Direct Bet Coupons mirror Match Play Coupons in terms of issuance, usage, accounting and control requirements.

This statement of policy is in response to the competitive environment faced by this Commonwealth's brick-and-mortar casino facilities as compared to both out-of-State casinos and online gaming operations in this Commonwealth. This statement of policy allows this Commonwealth's brick-and-mortar casinos to offer promotional gaming products in line with those already being offered by their competitors.

*Contact Person*

The contact person for questions about this statement of policy is Robert Wood, Assistant Chief Counsel, (717) 346-8300.

*Effective Date*

This statement of policy is effective upon publication.

DENISE J. SMYLER,  
*Chairperson*

(*Editor's Note:* Title 58 of the *Pennsylvania Code* is amended by adding the statement of policy in § 603b.1 to read as set forth in Annex A. See 54 Pa.B. 2085 (April 20, 2024) for a proposed rulemaking relating to this statement of policy.)

**Fiscal Note:** 125-249. No fiscal impact; recommends adoption.

**Annex A****TITLE 58. RECREATION****PART VII. GAMING CONTROL BOARD****Subpart K. TABLE GAMES****CHAPTER 603b. DIRECT BET COUPONS—  
STATEMENT OF POLICY****§ 603b.1. Direct Bet Coupons—statement of policy.**

(a) On January 24, 2024, the board adopted proposed regulations in proposed rulemaking # 125-247 to authorize Direct Bet Coupons as an additional form of promotional gaming product. Direct Bet Coupons are being authorized as a variation of Match Play Coupons which are authorized under §§ 603a.20 and 603a.21 (relating to Match Play Coupons; physical characteristics and issuance; and Match Play Coupon use). Direct Bet Coupons do not require the patron to ante up money to place a wager.

(b) Direct Bet Coupons or similar products are presently authorized in competing jurisdictions. To ensure this Commonwealth's gaming industry remains competitive, the board intends to expedite Direct Bet Coupons in this Commonwealth.

(c) Beginning on the date of publication of this statement of policy, all licensees may begin the process to develop and implement Direct Bet Coupon promotional programs consistent with the proposed regulations in proposed rulemaking # 125-247.

(d) Upon the adoption and publication in the *Pennsylvania Bulletin* of the final-form regulations governing Direct Bet Coupons, this statement of policy shall become void in favor of the final-form regulations and shall be subsequently rescinded.

[Pa.B. Doc. No. 24-543. Filed for public inspection April 19, 2024, 9:00 a.m.]