

California is Seeking Industry Input on New Crypto Rules

Article By:

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The California Department of Financial Protection and Innovation (DFPI) is **requesting comments** on potential rules it will promulgate to implement the state's recently-enacted Digital Financial Assets Law (DFAL), which establishes a formal licensing regime for digital asset service providers. Please review our **client alert** for a detailed analysis of the new law, which takes effect 1 July 2025.

DFPI is considering rules on the license application, licensure requirements, and stablecoin approval. In particular, DFPI is requesting comments on issues such as variable application fees, how custody requirements should affect surety bond or trust account amounts, how minimum capital amounts should be determined, and what kinds of risks impact stablecoin redeemability and whether it should consider the New York State Department of Financial Service's "Greenlist" in approving new stablecoins.

Comments are due 12 January 2024. This is an important opportunity for the industry to influence the crypto licensing regime in California.

This article was co-authored by Josh Durham.

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