



742132

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
01/23/2024	.	
	.	
	.	
	.	

---

The Committee on Banking and Insurance (Burton) recommended the following:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause  
and insert:

Section 1. Present subsections (4) through (28) and (29) through (36) of section 560.103, Florida Statutes, are redesignated as subsections (5) through (29) and (31) through (38), respectively, new subsections (4) and (30) and subsections (39) through (42) are added to that section, and present subsection (10) of that section is amended, to read:



742132

11           560.103 Definitions.—As used in this chapter, the term:  
12           (4) "Blockchain analytics" refers to the process of  
13 examining, monitoring, and gathering insights from the data and  
14 transaction patterns on a blockchain network. The primary aim of  
15 blockchain analytics is to understand and monitor the network's  
16 health, track transaction flows, and identify potential security  
17 threats, including illicit activity, to extract actionable  
18 insights.

19           ~~(11)~~~~(10)~~ "Control person" means, with respect to a money  
20 services business or virtual currency kiosk business, any of the  
21 following:

22           (a) A person who holds the title of president, treasurer,  
23 chief executive officer, chief financial officer, chief  
24 operations officer, chief legal officer, or compliance officer  
25 for a money services business or virtual currency kiosk  
26 business.

27           (b) A person who holds any of the officer, general partner,  
28 manager, or managing member positions named in the money  
29 services business's or virtual currency kiosk business's  
30 governing documents. As used in this paragraph, the term  
31 "governing documents" includes bylaws, articles of incorporation  
32 or organization, partnership agreements, shareholder agreements,  
33 and management or operating agreements.

34           (c) A director of the money services business's or virtual  
35 currency kiosk business's board of directors.

36           (d) A shareholder in whose name shares are registered in  
37 the records of a corporation for profit, whether incorporated  
38 under the laws of this state or organized under the laws of any  
39 other jurisdiction and existing in that legal form, who owns 25



742132

40 percent or more of a class of the company's equity securities.

41 (e) A general partner or a limited partner, as those terms  
42 are defined in s. 620.1102, who has a 25 percent or more  
43 transferable interest, as defined in s. 620.1102, of a limited  
44 partnership, limited liability limited partnership, foreign  
45 limited partnership, or foreign limited liability limited  
46 partnership, as those terms are defined in s. 620.1102.

47 (f) A member, who is a person that owns a membership  
48 interest in a limited liability company or a foreign limited  
49 liability company, as those terms are defined in s. 605.0102(36)  
50 and (26), respectively, that holds a 25 percent or more  
51 membership interest in such company. As used in this subsection,  
52 the term "membership interest" means a member's right to receive  
53 distributions or other rights, such as voting rights or  
54 management rights, under the articles of organization.

55 (g) A natural person who indirectly owns 25 percent or more  
56 of the shares or stock interest, transferable interest as  
57 defined in s. 620.1102, or membership interest as defined in  
58 paragraph (f), of any legal entities referred to in paragraphs  
59 (d)-(f).

60 (30) "Owner-operator" means a registrant or a licensed  
61 money services business.

62 (39) "Virtual currency kiosk" means an electronic terminal  
63 that acts as a mechanical agent of the owner-operator, enabling  
64 the owner-operator to facilitate the exchange of virtual  
65 currency for fiat currency or other virtual currency for a  
66 customer.

67 (40) "Virtual currency kiosk business" or "registrant"  
68 means a corporation, limited liability company, limited



742132

69 liability partnership, or foreign entity qualified to do  
70 business in this state which operates a virtual currency kiosk  
71 and which is not a money transmitter as defined in this section.

72 (41) "Virtual currency kiosk transaction" means the process  
73 in which a customer uses a virtual currency kiosk to exchange  
74 virtual currency for fiat currency or other virtual currency. A  
75 transaction begins at the point at which the customer is able to  
76 initiate a transaction after the customer is given the option to  
77 select the type of transaction or account, and does not include  
78 any of the screens that display the required terms and  
79 conditions, disclaimers, or attestations.

80 (42) "Wallet" means hardware or software that enables  
81 customers to store and use virtual currency.

82 Section 2. Paragraph (a) of subsection (1) and paragraph  
83 (b) of subsection (2) of section 560.105, Florida Statutes, are  
84 amended to read:

85 560.105 Supervisory powers; rulemaking.—

86 (1) The office shall:

87 (a) Supervise all money services businesses and their  
88 authorized vendors and virtual currency kiosk businesses.

89 (2) The commission may adopt rules pursuant to ss.  
90 120.536(1) and 120.54 to administer this chapter.

91 (b) Rules adopted to regulate money services businesses,  
92 including deferred presentment providers and virtual currency  
93 kiosk businesses, must be responsive to changes in economic  
94 conditions, technology, and industry practices.

95 Section 3. Part V of chapter 560, Florida Statutes,  
96 consisting of ss. 560.501-560.506, Florida Statutes, is created  
97 and entitled "Virtual Currency Kiosk Businesses."



742132

98           Section 4. Section 560.501, Florida Statutes, is created to  
99 read:

100           560.501 Legislative intent.—The Legislature intends to  
101 reduce unlawful and fraudulent activities by requiring virtual  
102 currency kiosk businesses to register with the state and by  
103 requiring such businesses and money transmitter licensees to  
104 regularly and consistently disclose to all customers of virtual  
105 currency kiosks certain specified risks relating to virtual  
106 currency kiosk transactions.

107           Section 5. Effective March 1, 2025, section 560.502,  
108 Florida Statutes, is created to read:

109           560.502 Registration required; exemptions; penalties.—

110           (1) A virtual currency kiosk business in this state may not  
111 operate without first registering, or renewing its registration,  
112 in accordance with s. 560.503. The office must electronically  
113 notify the virtual currency kiosk business when its registration  
114 or renewal has been approved or denied. A virtual currency kiosk  
115 business currently operating in this state must register with  
116 the office within 30 days after the date on which this act  
117 becomes a law.

118           (2) A money transmitter licensed as a money services  
119 business pursuant to s. 560.141 is exempt from registration as a  
120 virtual currency kiosk business but is subject to ss. 560.504,  
121 560.505, and 560.506.

122           (3) An entity, in the course of its business, may not act  
123 as an intermediary with the ability to unilaterally execute or  
124 indefinitely prevent a virtual currency kiosk transaction, or  
125 otherwise meet the definition of a money transmitter as defined  
126 in s. 560.103, without being licensed as a money services



742132

127 business pursuant to part II of this chapter.

128 (4) Unless licensed as a money services business pursuant  
129 to part II of this chapter, an entity that operates or solicits  
130 business as a virtual currency kiosk business without first  
131 being registered with the office or without maintaining its  
132 registration commits a felony of the third degree, punishable as  
133 provided in s. 775.082, s. 775.083, or s. 775.084.

134 (5) A person who registers or attempts to register as a  
135 virtual currency kiosk business by means of fraud,  
136 misrepresentation, or concealment commits a felony of the third  
137 degree, punishable as provided in s. 775.082, s. 775.083, or s.  
138 775.084.

139 (6) A virtual currency kiosk business registration issued  
140 under this part is not transferable or assignable.

141 Section 6. Section 560.503, Florida Statutes, is created to  
142 read:

143 560.503 Registration applications.—

144 (1) To apply to be registered as a virtual currency kiosk  
145 business under this part, the applicant must submit all of the  
146 following to the office:

147 (a) A completed registration application on forms  
148 prescribed by rule of the commission, which must include the  
149 following information:

150 1. The legal name, including any fictitious or trade names  
151 used by the applicant in the conduct of its business, and the  
152 physical and mailing address of the applicant.

153 2. The date of the applicant's formation and the state in  
154 which the applicant was formed, if applicable.

155 3. The name, social security number, alien identification



742132

156 or taxpayer identification number, business and residence  
157 addresses, and employment history for the past 5 years for each  
158 person who meets the definition of a control person.

159 4. A description of the organizational structure of the  
160 applicant, including the identity of any parent or subsidiary of  
161 the applicant, and the disclosure of whether any parent or  
162 subsidiary is publicly traded.

163 5. The name of the registered agent in this state for  
164 service of process.

165 6. The physical address of the location of each virtual  
166 currency kiosk through which the applicant proposes to conduct  
167 or is conducting business in this state.

168 7. An attestation that the applicant has developed clearly  
169 documented policies, processes, and procedures regarding the use  
170 of blockchain analytics to prevent transfers to wallet addresses  
171 linked to known criminal activity, including the manner in which  
172 such blockchain analytics activity will integrate into its  
173 compliance controls, and that the applicant will maintain and  
174 comply with such blockchain analytics policies, processes, and  
175 procedures.

176 8. Any other information as required by this chapter or  
177 commission rule.

178 (b) Any information needed to resolve any deficiencies  
179 found in the application within a time period prescribed by  
180 rule.

181 (2) A virtual currency kiosk business operating in this  
182 state on or before January 1, 2025, must submit a registration  
183 application to the office within 30 days after that date.

184 (3) A registrant shall report, on a form prescribed by rule



742132

185 of the commission, any change in the information contained in an  
186 initial application form or an amendment thereto within 30 days  
187 after the change is effective.

188 (4) A registrant must renew its registration annually on or  
189 before December 31 of the year preceding the expiration date of  
190 the registration. To renew such registration, the registrant  
191 must submit a renewal application that provides:

192 (a) The information required in paragraph (1)(a) if there  
193 are changes in the application information, or an affidavit  
194 signed by the registrant that the information remains the same  
195 as the prior year.

196 (b) Upon request by the office, evidence that the  
197 registrant has been operating in compliance with ss. 560.504 and  
198 560.505. Such evidence may be prescribed by rule by the  
199 commission and may include, but is not limited to, all of the  
200 following:

201 1. Current disclosures presented to customers during the  
202 transaction process.

203 2. Current use of blockchain analytics to prevent transfers  
204 to wallet addresses linked to known criminal activity.

205 (5) The registration of a virtual currency kiosk business  
206 that does not renew its registration by December 31 of the year  
207 of expiration must be made inactive for 60 days. A virtual  
208 currency kiosk business may not conduct business while its  
209 registration is inactive.

210 (6) Within 60 days after the registration becomes inactive  
211 pursuant to subsection (5), a virtual currency kiosk business  
212 must renew its registration by submitting all of the following:

213 (a) The information required in paragraph (1)(a) if there



742132

214 are changes in the application information, or an affidavit  
215 signed by the registrant that the information remains the same  
216 as the prior year.

217 (b) Evidence that the registrant was operating in  
218 compliance with ss. 560.504 and 560.505. Such evidence may be  
219 prescribed by rule by the commission and may include, but is not  
220 limited to, all of the following:

221 1. Current disclosures presented to customers during the  
222 transaction process.

223 2. Current use of blockchain analytics to prevent transfers  
224 to wallet addresses linked to known criminal activity.

225  
226 Any renewal registration made pursuant to this subsection  
227 becomes effective upon the date the office approves the  
228 application for registration. The office shall approve the  
229 renewal registration within a time period prescribed by rule.

230 (7) Failure to submit an application to renew the virtual  
231 currency kiosk business's registration within 60 days after the  
232 registration becomes inactive pursuant to subsection (5) shall  
233 result in the registration becoming null and void. If the  
234 registration is null and void, a new application to register the  
235 virtual currency kiosk business pursuant to subsection (1) must  
236 be submitted to the office and a certification of registration  
237 must be issued by the office before the virtual currency kiosk  
238 business may conduct business in this state.

239 (8) If a control person of a registrant or prospective  
240 registrant has engaged in any unlawful business practice, or  
241 been convicted or found guilty of, or pled guilty or nolo  
242 contendere to, regardless of adjudication, a crime involving



742132

243 dishonest dealing, fraud, acts of moral turpitude, or other acts  
244 that reflect an inability to engage lawfully in the business of  
245 a registered virtual currency kiosk business, the office must  
246 deny the prospective registrant's initial registration  
247 application or the registrant's renewal application.

248 (9) A virtual currency kiosk business that submits a  
249 renewal application and fails to provide evidence of compliance  
250 upon request pursuant to paragraph (4)(b) or as required in  
251 paragraph (6)(b) shall have its application denied by the  
252 office.

253 (10) Any false statement made by a virtual currency kiosk  
254 business with respect to the name of the business or its  
255 business address or location in any application for registration  
256 under this section renders the registration void. A void  
257 registration may not be construed as creating a defense to any  
258 prosecution for violation of this chapter.

259 (11) The commission may adopt rules to administer this  
260 section.

261 Section 7. Section 560.504, Florida Statutes, is created to  
262 read:

263 560.504 Disclosures.—

264 (1) Disclosures or attestations required by this section  
265 and displayed by a virtual currency kiosk must meet all of the  
266 following requirements:

267 (a) Be full and complete.

268 (b) Contain no material misrepresentations.

269 (c) Be readily understandable and in the language in which  
270 the virtual currency kiosk transaction is conducted.

271 (d) Be displayed in at least 14-point type.



742132

272 (2) Before authorizing a customer to initiate a virtual  
273 currency kiosk transaction, the owner-operator shall ensure that  
274 the virtual currency kiosk displays the disclosures in this  
275 section on two separate screens:

276 (a) The first disclosure must be in substantially the  
277 following form:

278  
279 WARNING: CONSUMER FRAUD OFTEN STARTS WITH CONTACT FROM  
280 A STRANGER WHO IS INITIATING A DISHONEST SCHEME.

281  
282 I UNDERSTAND THAT DISHONEST SCHEMES MAY APPEAR IN MANY  
283 FORMS, INCLUDING, BUT NOT LIMITED TO:

284 1. Claims of a frozen bank account or credit  
285 card.

286 2. Fraudulent bank transactions.

287 3. Claims of identity theft or job offerings in  
288 exchange for payments.

289 4. Requests for payments to government agencies  
290 or companies.

291 5. Requests for disaster relief donations or  
292 loans.

293 6. Offers to purchase tickets for lotteries,  
294 sweepstakes, or drawings for vehicles.

295 7. Prompts to click on desktop pop-ups, such as  
296 virus warnings or communication from alleged familiar  
297 merchants.

298 8. Communication from someone impersonating a  
299 representative of your bank or a law enforcement  
300 officer.



742132

301  
302  
303  
304  
305  
306  
307  
308  
309  
310  
311  
312  
313  
314  
315  
316  
317  
318  
319  
320  
321  
322  
323  
324  
325  
326  
327  
328  
329

9. Requests from persons who are impersonating relatives or friends in need or promoting investment or romance scams.

PROTECT YOURSELF FROM FRAUD. NEVER SEND MONEY TO SOMEONE YOU DON'T KNOW.

(b) The second disclosure must be in substantially the following form:

WARNING: FUNDS LOST DUE TO USER ERROR OR FRAUD MAY NOT BE RECOVERABLE. TRANSACTIONS CONDUCTED ON THIS VIRTUAL CURRENCY KIOSK ARE IRREVERSIBLE. I UNDERSTAND THESE RISKS AND WISH TO CONTINUE WITH CONDUCTING MY VIRTUAL CURRENCY KIOSK TRANSACTION.

PROTECT YOURSELF FROM FRAUD. NEVER SEND MONEY TO SOMEONE YOU DON'T KNOW.

(3) (a) After the disclosures provided in subsection (2) are acknowledged by the customer, the virtual currency kiosk business shall ensure that the virtual currency kiosk displays on a pop-up window the following question to the customer: "ARE YOU USING THIS KIOSK TO SEND VIRTUAL CURRENCY TO A WALLET OWNED BY SOMEONE ELSE?"

(b) The virtual currency kiosk business shall require the customer to respond to the question in paragraph (a) with a "no" response before the customer can proceed to the attestation required in subsection (4).



742132

330 (c) The virtual currency kiosk business shall ensure that  
331 the virtual currency kiosk terminates a customer's virtual  
332 currency kiosk transaction if the customer provides a "yes"  
333 response to the question in paragraph (a).

334 (4) After the disclosure provided in subsection (2) and,  
335 with respect to virtual currency kiosk businesses, an answer of  
336 "no" to the question provided in paragraph (3) (a), the owner-  
337 operator must ensure that the virtual currency kiosk displays,  
338 on a screen by itself, a toll-free number for the customer to  
339 contact regarding the risk of engaging in virtual currency  
340 transactions and the following attestation in substantially the  
341 following form:

342  
343 I ATTEST THAT I HAVE BEEN GIVEN A TOLL-FREE NUMBER AND  
344 THAT I HAVE HAD AN OPPORTUNITY TO CALL THE NUMBER TO  
345 SPEAK WITH SOMEONE REGARDING THE RISKS OF ENGAGING IN  
346 VIRTUAL CURRENCY KIOSK TRANSACTIONS. I FURTHER ATTEST  
347 THAT I UNDERSTAND THAT I MAY BE SOLELY RESPONSIBLE FOR  
348 LOSS OF FUNDS DUE TO USER ERROR OR FRAUD.

349  
350 (a) If a customer makes the attestation in this subsection,  
351 the virtual currency kiosk may allow the customer to proceed  
352 with the virtual currency kiosk transaction.

353 (b) If the customer does not make the attestation in this  
354 subsection, the owner-operator must ensure that the virtual  
355 currency kiosk terminates the customer's virtual currency kiosk  
356 transaction.

357 (5) The commission may adopt rules to administer this  
358 section and to ensure that virtual currency kiosk disclosures



742132

359 are responsive to consumer fraud and emerging technology.

360 Section 8. Section 560.505, Florida Statutes, is created to  
361 read:

362 560.505 Conduct of business.—

363 (1) An owner-operator may transact business under this part  
364 only under the legal name by which such business is registered.  
365 The use of a fictitious name is allowed if the fictitious name  
366 has been registered with the Department of State and disclosed  
367 to the office as part of an initial registration or license  
368 application, or subsequent amendment to the application, before  
369 its use.

370 (2) An owner-operator must maintain clearly documented  
371 policies, processes, and procedures with regard to the manner in  
372 which the blockchain analytics activity integrates into their  
373 compliance controls. An owner-operator must use blockchain  
374 analytics to prevent transfers to wallet addresses linked to  
375 known criminal activity.

376 Section 9. Section 560.506, Florida Statutes, is created to  
377 read:

378 560.506 Penalties.—

379 (1) An owner-operator of a virtual currency kiosk which  
380 violates s. 560.504 commits a felony of the third degree,  
381 punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

382 (2) Each of the following violations constitutes a  
383 misdemeanor of the second degree, punishable as provided in s.  
384 775.082 or s. 775.083:

385 (a) Operating a virtual currency kiosk under any name other  
386 than that designated in the registration, unless written  
387 notification is given to the office.



388       (b) Assigning or attempting to assign a virtual currency  
389 kiosk business registration issued under this part.

390       (c) Operating a virtual currency kiosk without the use of  
391 blockchain analytics as required under s. 560.505.

392       (3) In addition to the criminal penalties provided for  
393 under this section, a court may invalidate the registration of  
394 any registrant under this part who has been found guilty of  
395 conduct prohibited in subsection (1) or subsection (2).

396       Section 10. Except as otherwise expressly provided in this  
397 act, this act shall take effect January 1, 2025.

398  
399 ===== T I T L E   A M E N D M E N T =====

400 And the title is amended as follows:

401       Delete everything before the enacting clause  
402 and insert:

403                               A bill to be entitled  
404       An act relating to virtual currency kiosk businesses;  
405       amending s. 560.103, F.S.; defining terms and revising  
406       the definition of the term "control person"; amending  
407       s. 560.105, F.S.; requiring the Office of Financial  
408       Regulation of the Financial Services Commission to  
409       supervise virtual currency kiosk businesses;  
410       authorizing the commission to adopt rules; creating  
411       part V of ch. 560, F.S., entitled "Virtual Currency  
412       Kiosk Businesses"; creating s. 560.501, F.S.;  
413       providing legislative intent; creating s. 560.502,  
414       F.S.; prohibiting a virtual currency kiosk business  
415       from operating without registering or renewing its  
416       registration in accordance with certain provisions;



742132

417 requiring the office to make certain electronic  
418 notifications; requiring a virtual currency kiosk  
419 business currently operating in this state to register  
420 with the office within a specified timeframe;  
421 requiring certain entities to be licensed as money  
422 services businesses; providing criminal penalties for  
423 certain entities that operate or solicit business as a  
424 virtual currency kiosk business under certain  
425 circumstances; providing criminal penalties for  
426 persons who register or attempt to register as a  
427 virtual currency kiosk business by certain means;  
428 providing that a virtual currency kiosk business  
429 registration is not transferable or assignable;  
430 creating s. 560.503, F.S.; specifying application  
431 requirements for registering as a virtual currency  
432 kiosk business; requiring certain virtual currency  
433 kiosk businesses to submit an application within a  
434 specified timeframe; requiring a registrant to report  
435 certain changes in information within a specified  
436 timeframe; requiring a registrant to renew its  
437 registration at a specified timeframe; specifying  
438 requirements for a registrant to renew its  
439 registration; requiring that the registration of a  
440 virtual currency kiosk business be made inactive if  
441 such business does not renew its registration by a  
442 certain date; specifying requirements for a virtual  
443 currency kiosk business to renew its registration  
444 after becoming inactive; providing that a registration  
445 becomes null and void under certain circumstances;



742132

446 providing requirements if a registration becomes null  
447 and void; requiring the office to deny certain  
448 applications under certain circumstances; requiring  
449 that certain applications be denied under certain  
450 circumstances; providing that certain false statements  
451 made by the virtual currency kiosk business render its  
452 registration void; authorizing the commission to adopt  
453 rules; creating s. 560.504, F.S.; specifying  
454 requirements for specified disclosures and  
455 attestations displayed by the virtual currency kiosk;  
456 authorizing the commission to adopt rules; creating s.  
457 560.505, F.S.; requiring an owner-operator to transact  
458 business under its legal name; providing exceptions;  
459 requiring an owner-operator to maintain certain  
460 policies, processes, and procedures; creating s.  
461 506.506, F.S.; providing criminal penalties for  
462 violations of certain provisions or performing certain  
463 acts; authorizing a court to invalidate the  
464 registration of a registrant under certain  
465 circumstances; providing effective dates.