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To: House Committee on Commerce & Economic Development
From: Jill Rickard, Director of Policy, Department of Financial Regulation
Date: March 16, 2018
Re: S.269, an act relating to blockchain, cryptocurrency, and financial technology

Dear Chair Botzow and committee members:

I am following up Commissioner Pieciak's testimony on S.269 this week before your committee. In his testimony he made one request and two suggestions relating to Draft 2.1 of the bill. You asked DFR to document these comments for the committee's records.

1. Section 2456 (page 4 of the draft) currently states "the Department of Financial Regulation *shall* prescribe by rule the timing and manner of reports by a personal identity trust company to the Department that shall reflect the approach mandated under section 2405 of this title." The Department would prefer its rulemaking authority here be permissive, rather than mandatory ("the Department of Financial Regulation *may* prescribe..."). Since the type of legal entity enabled by the bill is novel, the Department's preference is to refrain from making rules until we become familiar with the types of companies utilizing this construct. Please note that Commissioner Pieciak previously made this request before the Senate Committee on Economic Development, but the change was not incorporated.
2. "Personal information trust business" is currently defined as "a person that offers to the public... that the person is available to hold personal information in trust as a fiduciary." Commissioner Pieciak suggested a more appropriate definition may be "a person [primarily][solely] engaged in the business of holding personal information in trust as a fiduciary."



3. Finally, Commissioner Pieciak suggested the bill define and use either the term “personal information trust company” or “personal information trust business” consistently. In Draft 2.1, the terms appear to be used interchangeably.

If you have any questions, please don't hesitate to contact me.

Sincerely,



Jill Riekard