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LEGISLATIVE ACTION

Senate

House

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The Committee on Rules (Rouson) recommended the following:

1 **Senate Amendment (with title amendment)**

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3 Delete lines 100 - 349

4 and insert:

5 Section 3. Paragraph (w) of subsection (1) of section
6 560.114, Florida Statutes, is amended to read:

7 560.114 Disciplinary actions; penalties.—

8 (1) The following actions by a money services business,
9 authorized vendor, or affiliated party constitute grounds for
10 the issuance of a cease and desist order; the issuance of a
11 removal order; the denial, suspension, or revocation of a



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12 license; or taking any other action within the authority of the
13 office pursuant to this chapter:

14 (w) Engaging or advertising engagement in the business of a
15 money services business or deferred presentment provider without
16 a license or registration, unless exempted from licensure or
17 registration.

18 Section 4. Section 560.125, Florida Statutes, is amended to
19 read:

20 560.125 Unlicensed or unregistered activity; penalties.—

21 (1) A person may not engage in the business of a money
22 services business or deferred presentment provider in this state
23 unless the person is licensed or registered, or exempted from
24 licensure or registration under this chapter. A deferred
25 presentment transaction conducted by a person not authorized to
26 conduct such transaction under this chapter is void, and the
27 unauthorized person has no right to collect, receive, or retain
28 any principal, interest, or charges relating to such
29 transaction.

30 (2) Only a money services business licensed under part II
31 of this chapter may appoint an authorized vendor. Any person
32 acting as a vendor for an unlicensed money transmitter or
33 payment instrument issuer becomes the principal thereof, and no
34 longer merely acts as a vendor, and is liable to the holder or
35 remitter as a principal money transmitter or payment instrument
36 seller.

37 (3) Any person whose substantial interests are affected by
38 a proceeding brought by the office pursuant to this chapter may,
39 pursuant to s. 560.113, petition any court of competent
40 jurisdiction to enjoin the person or activity that is the



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41 subject of the proceeding from violating any of the provisions
42 of this section. For the purpose of this subsection, any money
43 services business licensed under this chapter, any person
44 residing in this state, and any person whose principal place of
45 business is in this state are presumed to be substantially
46 affected. In addition, the interests of a trade organization or
47 association are deemed substantially affected if the interests
48 of any of its members are affected.

49 (4) The office may issue and serve upon any person who
50 violates any of the provisions of this section a complaint
51 seeking a cease and desist order or impose an administrative
52 fine as provided in s. 560.114.

53 (5) A person who violates this section, if the violation
54 involves:

55 (a) Currency, monetary value, payment instruments, or
56 virtual currency of a value exceeding \$300 but less than \$20,000
57 in any 12-month period, commits a felony of the third degree,
58 punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

59 (b) Currency, monetary value, payment instruments, or
60 virtual currency of a value totaling or exceeding \$20,000 but
61 less than \$100,000 in any 12-month period, commits a felony of
62 the second degree, punishable as provided in s. 775.082, s.
63 775.083, or s. 775.084.

64 (c) Currency, monetary value, payment instruments, or
65 virtual currency of a value totaling or exceeding \$100,000 in
66 any 12-month period, commits a felony of the first degree,
67 punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

68 (6) In addition to the penalties authorized by s. 775.082,
69 s. 775.083, or s. 775.084, a person who has been convicted of,



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70 or entered a plea of guilty or nolo contendere to, having
71 violated this section may be sentenced to pay a fine of up to
72 the greater of \$250,000 or twice the value of the currency,
73 monetary value, payment instruments, or virtual currency, except
74 that on a second or subsequent violation of this section the
75 fine may be up to the greater of \$500,000 or quintuple the value
76 of the currency, monetary value, payment instruments, or virtual
77 currency.

78 (7) A person who violates this section is also liable for a
79 civil penalty of up to the greater of the value of the currency,
80 monetary value, payment instruments, or virtual currency
81 involved or \$25,000.

82 (8) In any prosecution brought pursuant to this section,
83 the common law corpus delicti rule does not apply. The
84 defendant's confession or admission is admissible during trial
85 without the state having to prove the corpus delicti if the
86 court finds in a hearing conducted outside the presence of the
87 jury that the defendant's confession or admission is
88 trustworthy. Before the court admits the defendant's confession
89 or admission, the state must prove by a preponderance of the
90 evidence that there is sufficient corroborating evidence that
91 tends to establish the trustworthiness of the statement by the
92 defendant. Hearsay evidence is admissible during the
93 presentation of evidence at the hearing. In making its
94 determination, the court may consider all relevant corroborating
95 evidence, including the defendant's statements.

96 Section 5. Part V of chapter 560, Florida Statutes,
97 consisting of ss. 560.501-560.507, Florida Statutes, is created
98 and entitled "Virtual Currency Kiosk Businesses."



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99 Section 6. Section 560.501, Florida Statutes, is created to
100 read:

101 560.501 Definitions.—For purposes of this part, the term:

102 (1) “Blockchain” means a mathematically secured,

103 chronological, decentralized, distributed, and digital ledger or
104 database that consists of records of transactions that cannot be
105 altered retroactively.

106 (2) “Blockchain analytics” means the process of examining,
107 monitoring, and gathering insights from the data and transaction
108 patterns on a blockchain network. The primary aims of blockchain
109 analytics are to understand and monitor the network’s health,
110 track transaction flows, and identify potential security
111 threats, including illicit activity, in order to extract
112 actionable insights.

113 (3) “Daily transaction limit” means a new customer being
114 limited to no more than \$2,000 in transactions per calendar day,
115 or an existing customer being limited to no more than \$10,000 in
116 transactions per calendar day, whether through a single
117 transaction or multiple transactions or whether through one or
118 more virtual currency kiosks.

119 (4) “Existing customer” means a customer who has transacted
120 with a kiosk business on its virtual currency kiosk for 7 or
121 more days.

122 (5) “New customer” means a customer who has transacted with
123 a kiosk business on its virtual currency kiosk for fewer than 7
124 days.

125 (6) “Registrant” means a corporation, limited liability
126 company, limited liability partnership, or foreign entity
127 qualified to do business in this state which offers virtual



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128 currency kiosk services and receives notice from the office that
129 the agency has granted an application for registration pursuant
130 to the provisions of this part.

131 (7) "Transaction hash" means a unique identifier consisting
132 of a string of characters which provides a verifiable record
133 that a transaction has been confirmed and added to the
134 blockchain.

135 (8) "Wallet" means hardware or software that enables a
136 customer to store, use, send, receive, and spend virtual
137 currency or store virtual currency private keys or passcodes
138 enabling the same.

139 Section 7. Effective March 1, 2027, section 560.502,
140 Florida Statutes, is created to read:

141 560.502 Registration required; exemptions; penalties.—

142 (1) Except as provided in subsection (2), a virtual
143 currency kiosk business may not operate in this state without
144 first registering, or renewing its registration, in accordance
145 with s. 560.503. The office shall give written notice to each
146 applicant that the office has granted or denied the application
147 for registration.

148 (2) A money transmitter that is licensed as a money
149 services business pursuant to s. 560.141 and offers virtual
150 currency kiosk services is exempt from registration as a virtual
151 currency kiosk business but is subject to ss. 560.504, 560.505,
152 560.506, and 560.507.

153 (3) An entity, in the course of its business, may not act
154 as an intermediary with the ability to unilaterally execute or
155 indefinitely prevent a virtual currency kiosk transaction, or
156 otherwise meet the definition of a money transmitter as defined



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157 in s. 560.103, without being licensed as a money services
158 business pursuant to s. 560.141.

159 (4) A virtual currency kiosk business registration issued
160 under this part is not transferable or assignable.

161 Section 8. Section 560.503, Florida Statutes, is created to
162 read:

163 560.503 Registration applications.—

164 (1) To apply to be registered as a virtual currency kiosk
165 business under this part, the applicant must submit all of the
166 following information to the office:

167 (a) A completed registration application on forms
168 prescribed by rule of the commission. The application must
169 include the following information:

170 1. The legal name, including any fictitious or trade names
171 used by the applicant in the conduct of its business, and the
172 physical and mailing addresses of the applicant.

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

175 3. The name, social security number, alien identification
176 or taxpayer identification number, business and residence
177 addresses, and employment history for the past 5 years for each
178 control person as defined in s. 560.103.

179 4. A description of the organizational structure of the
180 applicant, including the identity of any parent or subsidiary of
181 the applicant, and the disclosure of whether any parent or
182 subsidiary is publicly traded.

183 5. The name and mailing address of the registered agent in
184 this state for service of process.

185 6. The physical address of the location of each virtual



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186 currency kiosk through which the applicant proposes to conduct
187 or is conducting business in this state.

188 7. An attestation that the applicant has developed clearly
189 documented policies, processes, and procedures regarding the use
190 of blockchain analytics to prevent transfers to wallet addresses
191 linked to known criminal activity, including the manner in which
192 such blockchain analytics activity will integrate into its
193 compliance controls, and that the applicant will maintain and
194 comply with such blockchain analytics policies, processes, and
195 procedures.

196 8. Any other information as required by this chapter or
197 commission rule.

198 (b) Any information needed to resolve any deficiencies
199 found in the application within a time period prescribed by
200 rule.

201 (2) A virtual currency kiosk business operating in this
202 state on or before January 1, 2027, must submit a registration
203 application to the office within 30 days after that date.

204 (3) A registrant shall report, on a form prescribed by rule
205 of the commission, any change in the information contained in an
206 initial application form or an amendment thereto within 30 days
207 after the change is effective.

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

212 (a) The information required in paragraph (1) (a) if there
213 are changes in the application information, or an affidavit
214 signed by the registrant that the information remains the same



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215 as the prior year's information.

216 (b) Upon request by the office, evidence that the
217 registrant has been operating in compliance with ss. 560.504,
218 560.505, 560.506, and 560.507. Such evidence may be prescribed
219 by rule by the commission and may include, but need not be
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 (5) A registrant that does not renew its registration by
226 December 31 of the year preceding expiration shall be made
227 inactive for 60 days. A registrant may not conduct business
228 while its registration is inactive.

229 (6) To renew an inactive registration, a registrant must,
230 within 60 days after the registration becomes inactive, submit
231 all of the following:

232 (a) The information required in paragraph (1) (a) if there
233 are changes in the application information, or an affidavit
234 signed by the registrant that the information remains the same
235 as the prior year's information.

236 (b) Evidence that the registrant was operating in
237 compliance with ss. 560.504, 560.505, 560.506, and 560.507. Such
238 evidence may be prescribed by rule by the commission and may
239 include, but need not be limited to, all of the following:

240 1. Current disclosures presented to customers during the
241 transaction process.

242 2. Reports that confirm compliance with daily transaction
243 limits.



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244 3. Copies of receipts provided to customers.
245 4. Records showing refunds provided to customers in
246 required circumstances.
247 5. Current use of blockchain analytics to prevent transfers
248 to wallet addresses linked to known criminal activity.

249

250 Any renewal registration made pursuant to this subsection
251 becomes effective upon the date the office approves the
252 application for registration. The office shall approve the
253 application for renewal registration within a timeframe
254 prescribed by rule.

255 (7) Except as provided in s. 560.502(2), failure to submit
256 an application to renew a virtual currency kiosk business's
257 registration within 60 days after the registration becomes
258 inactive shall result in the registration becoming expired. If
259 the registration is expired, a new application to register the
260 virtual currency kiosk business pursuant to subsection (1) must
261 be submitted to the office and a certification of registration
262 must be issued by the office before the virtual currency kiosk
263 business may conduct business in this state.

264 (8) If a control person of a registrant or prospective
265 registrant has engaged in any unlawful business practice, or
266 been convicted or found guilty of, or pled guilty or nolo
267 contendere to, regardless of adjudication, a crime involving
268 dishonest dealing, fraud, acts of moral turpitude, or other acts
269 that reflect an inability to engage lawfully in the business of
270 a registered virtual currency kiosk business, the office may
271 deny the prospective registrant's initial registration
272 application or the registrant's renewal application.



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273 (9) The office shall deny the application of a virtual
274 currency kiosk business that submits a renewal application and
275 fails to provide evidence of compliance upon request pursuant to
276 paragraph (4)(b) or as required in paragraph (6)(b).

277 (10) Any false statement made by a virtual currency kiosk
278 business in an application for registration under this section
279 renders the registration void. A void registration may not be
280 construed as creating a defense to any prosecution for violation
281 of this chapter.

282 Section 9. Section 560.504, Florida Statutes, is created to
283 read:

284 560.504 Disclosures.—Before a customer initiates a virtual
285 currency kiosk transaction, the virtual currency kiosk business
286 must ensure that the virtual currency kiosk:

287 (1) Requires the customer to confirm whether the customer
288 has conducted any transactions at another virtual currency kiosk
289 on the same calendar day and any amount of such transactions to
290 determine how much, if any, the customer may transact at the
291 virtual currency kiosk before reaching the daily transaction
292 limit.

293 (2) Clearly and conspicuously display the following
294 disclosure to the customer on the screen:

295
296 WARNING: FRAUD OFTEN STARTS WITH CONTACT FROM A
297 STRANGER. IF YOU HAVE BEEN DIRECTED TO THIS MACHINE BY
298 SOMEONE CLAIMING TO BE A GOVERNMENT AGENT, BILL
299 COLLECTOR, LAW ENFORCEMENT OFFICER, OR ANYONE YOU DO
300 NOT KNOW PERSONALLY, STOP THIS TRANSACTION IMMEDIATELY
301 AND CONTACT YOUR FINANCIAL ADVISOR OR LOCAL LAW



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302 ENFORCEMENT.

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304 Section 10. Section 560.505, Florida Statutes, is created
305 to read:

306 560.505 Transaction limits.—A virtual currency kiosk
307 business may not permit a new customer to transact more than
308 \$2,000 per calendar day, whether through a single transaction or
309 multiple transactions or whether through one or more virtual
310 currency kiosks. A virtual currency kiosk business may not
311 permit an existing customer to transact more than \$10,000 per
312 calendar day, whether through a single transaction or multiple
313 transactions or whether through one or more virtual currency
314 kiosks.

315 Section 11. Section 560.506, Florida Statutes, is created
316 to read:

317 560.506 Mandatory receipt.—Upon completion of a virtual
318 currency transaction, the virtual currency kiosk business must
319 provide the customer with a choice of a physical or electronic
320 receipt that includes all of the following:

321 (1) The name and contact information of the virtual
322 currency kiosk business, including an e-mail address and a toll-
323 free telephone number for such business.

324 (2) The date, time, amount of the transaction in United
325 States dollars, and type of the transaction.

326 (3) The transaction hash and each wallet used.

327 (4) The total fee charged for the transaction.

328 (5) The exchange rate, if applicable.

329 (6) A statement of the virtual currency kiosk's liability,
330 if any, for nondelivery or delayed delivery of the virtual



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331 currency.

332 (7) The refund policy of the virtual currency kiosk
333 business.

334 Section 12. Section 560.507, Florida Statutes, is created
335 to read:

336 560.507 Mandatory refund.—A virtual currency kiosk business
337 must issue a full refund within 72 hours to a customer for the
338 customer's first virtual currency transaction if all of the
339 following conditions are met:

340 (1) Within 60 days, the customer notifies the virtual
341 currency kiosk business and a law enforcement or governmental
342 agency regarding the fraudulent nature of the transaction.

343 (2) The customer provides proof of the alleged fraud to the

345 ===== T I T L E A M E N D M E N T =====

346 And the title is amended as follows:

347 Delete lines 7 - 55

348 and insert:

349 amending s. 560.114, F.S.; revising the actions by
350 money services businesses, authorized vendors, or
351 affiliated parties which constitute grounds for
352 disciplinary action; amending s. 560.125, F.S.;
353 prohibiting persons from engaging in certain business
354 unless they are registered or exempt from
355 registration; creating part V of ch. 560, F.S.,
356 entitled "Virtual Currency Kiosk Businesses"; creating
357 s. 560.501, F.S.; defining terms; creating s. 560.502,
358 F.S.; prohibiting a virtual currency kiosk business
359 from operating in this state without registering or



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360 renewing its registration; requiring the Office of
361 Financial Regulation to give a specified notice to
362 applicants; specifying that certain money transmitters
363 are exempt from registration as a virtual currency
364 kiosk business but are subject to certain provisions;
365 prohibiting certain entities from performing certain
366 actions without being licensed as a money services
367 business; specifying that virtual currency kiosk
368 business registrations are not transferable or
369 assignable; creating s. 560.503, F.S.; requiring
370 applicants to submit certain information to the office
371 to be registered as a virtual currency kiosk business;
372 requiring certain virtual currency kiosk businesses to
373 submit a registration application to the office by a
374 specified date; requiring registrants to report a
375 change in the information within a specified
376 timeframe; requiring registrants to renew their
377 registration annually; specifying requirements for a
378 renewal application; requiring registrants to be made
379 inactive for a specified timeframe under certain
380 circumstances; prohibiting registrants from conducting
381 business while registration is inactive; specifying
382 requirements for registrants to renew an inactive
383 registration; providing that a renewal registration
384 becomes effective on a specified date; requiring the
385 office to approve applications for renewal
386 registration within a specified timeframe; providing
387 that a registration expires under certain
388 circumstances; providing requirements if a



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389 registration expires; authorizing the office to deny
390 certain applications under certain circumstances;
391 providing that certain false statements made by a
392 virtual currency kiosk business render its
393 registration void; providing construction; creating s.
394 560.504, F.S.; requiring a virtual currency kiosk
395 business to ensure that the virtual currency kiosk
396 requires certain attestations from the customer and
397 displays a certain disclosure; creating s. 560.505,
398 F.S.; prohibiting a virtual currency kiosk business
399 from permitting new or existing customers from
400 transacting more than specified dollar amounts per
401 calendar day; creating s. 560.506, F.S.; requiring a
402 virtual currency kiosk business to provide a customer
403 with a specified physical or electronic receipt upon
404 completion of