

A Bill to be Entitled an Act Relating to the Establishment of a Digital Currency Backed by Gold

1 BE IT ENACTED BY THE CONGRESS HERE ASSEMBLED THAT:

2 SECTION 1. SUBCHAPTER A: DEFINITION.

3 (1) "Digital Currency" means the digital gold currency established under
4 this act.

5 (2) "Blockchain" means a shared, immutable ledger that facilitates the
6 process of recording transactions and tracking assets in a network.

7 (3) "Mining" means a peer-to-peer computer process that verifies and adds
8 new transaction to the blockchain for a digital currency that uses proof-
9 of-work.

10 (4) "Proof-of-Work" means a form of cryptographic proof in which one party
11 (the prover) proves to the others (the verifiers) that a certain amount of
12 specific computational effort has been expended.

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14 . SUBCHAPTER A: RULES; CONTRACTING.

15 (a) The Office of Financial Regulation (OFR) may adopt rules as necessary or
16 convenient to implement this chapter, including rules to:

17 (1) ensure the security of the digital currency; and

18 (2) set minimum fees associated with issuance and managment; and

19 (3) maintain transparency in the issuance and redemption of the digital
20 currency

21 (b) The OFR has all authority necessary to enter into contracts to administer
22 this chapter and fulfill the purposes of this chapter.

23

24 SUBCHAPTER B: ESTABLISHMENT AND ADMINISTRATION OF DIGITAL GOLD

25 CURRENCY

26 (a) The OFR shall establish a digital currency that is backed by gold so that
27 each unit of digital currency issued represents a particular

28 (b) The OFR shall use a public Blockchain to establish the digital currency and
29 may contract with a private vendor to perform the duties under this
30 chapter.

31 (c) The public Blockchain shall be one that has no pre-mine, no-pre-sales, of

- 1 the Proof of Work type of technology and have a public ledger that is
2 verifiable by the public.
- 3 (d) If a suitable Blockchain cannot be located, the OFR may contract with a
4 private vendor to create a new Blockchain. The new Blockchain shall
5 conform to all the prerequisites and be able to be maintained and
6 verified by the public through Mining.
- 7 (e) In establishing the digital currency the OFR shall establish a means to
8 ensure that any one of the people who hold any digital currency may
9 readily transfer or assign the digital currency to any other one of the
10 people by electronic means.
- 11 (f) All software contracted by the OFR for the public's use, shall be made
12 open source.

13

14 SUBCHAPTER C: GOLD HELD IN TRUST.

- 15 (a) The OFR serving as trustee or another person appointed by the OFR who
16 shall serve as trustee shall hold in trust on the behalf of the digital
17 currency holders all gold purchased to back the digital currency. The
18 trustee shall maintain enough gold to provide for the redemption in gold
19 of all units of the digital currency that have been issued and are not yet
20 redeemed for money or gold.
- 21 (b) The trustee may establish an account in the Florida Bullion Depository to
22 hold gold purchased to back the digital currency and may hold the gold
23 otherwise as convenient for the administration of this chapter.

24

25 SUBCHAPTER D: PURCHASE AND ISSUANCE.

- 26 (a) A person may purchase from this state through the comptroller any
27 number of units of the digital currency.
- 28 (b) On receiving payment for a purchase of the digital currency together with
29 any fee charged under Subchapter A, the OFR shall:
- 30 (1) using the money received from the purchaser, buy a fractional number
31 of troy ounces of gold equal to the number of units of the digital
32 currency issued to the purchaser under Subdivision; and
- 33 (2) issue to the purchaser a number of units of the digital currency equal

1 to the amount of gold that the OFR purchases with the money received
2 from the purchaser.

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4 SUBCHAPTER E: REDEMPTION OF CURRENCY FOR MONEY.

5 (a) A person who holds the digital currency may present to the OFR, or a
6 person with whom the OFR has contracted, or a person serving as trustee
7 for purposes of this chapter any number of units of the digital currency to
8 redeem for money.

9 (a) On receipt of a person's request for redemption, the OFR, contractor, or
10 trustee shall:

11 (1) sell from the gold held in the pooled depository account a fractional
12 number of troy ounces equal to the number of units of the digital
13 currency being redeemed; and

14 (2) provide to the person an amount of money equal to the amount
15 received from the sale of gold under Subdivision (1), less any fee
16 charged under Subchapter A.

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18 SUBCHAPTER E: REDEMPTION OF CURRENCY FOR GOLD.

19 (a) A person who holds the digital currency may present to the comptroller,
20 or a person with whom the comptroller has contracted, or a person
21 serving as trustee for purposes of this chapter any number of units of the
22 digital currency to redeem for an equal fractional number of troy ounces
23 of gold from the pooled depository account

24 (b) On receipt of a request for redemption, the comptroller shall:

25 (1) withdraw the requested number of troy ounces of gold from the gold
26 held in trust; and

27 (2) on the payment of a fee charged under Subchapter A, deliver the gold
28 to the requestor.

29 (a) The comptroller, or a person with whom the comptroller has contracted,

30 (c) O a person serving as trustee for purposes of this chapter, may manage
31 redemption of the digital currency for gold by the use of bars or coins of
32 standard sizes and may pay fractional remainders in cash as is necessary
33 to facilitate the transaction.

1 SUBCHAPTER F: VALUE OF DIGITAL CURRENCY.

2 (a) At the time of each transaction involving the issuance or redemption of
3 the digital currency, the comptroller, or a person with whom the
4 comptroller has contracted, or a person serving as trustee for purposes of
5 this chapter shall determine the value of a unit of the digital currency. On
6 receipt of a request for redemption, the comptroller shall:

7 (1) Value the unit of the digital currency at the time of a transaction equal
8 to the value of the appropriate fraction of a troy ton of gold at the
9 time of that transaction.

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11 SUBCHAPTER G: CERTAIN MONEY AND DEPOSITS HELD IN TRUST

12 AND NOT SUBJECT TO LEGISLATIVE APPROPRIATION.

13 Money received from the purchase of the digital currency under Subchapter
14 D,

15 (a) Gold purchased and held under this chapter, and money received from the
16 sale of gold in response to a request for redemption under Subchapter E
17 is:

18 (1) held in trust by the comptroller as trustee or a person appointed by
19 the comptroller to serve as trustee for purposes of this chapter
20 outside the state treasury on the behalf of persons who hold the
21 digital currency; and

22 (2) not available for legislative appropriation.

23 SUBCHAPTER H: FEE

24 (a) The OFR may establish a fee for the issuance or redemption of the digital
25 currency at any rate necessary to cover the costs of administering this
26 chapter. The OFR shall deposit the fee proceeds to the credit of an
27 account established in the general revenue fund that may be used to pay
28 the costs.

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