

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.** DEFINITION. In this act “Digital Currency” means the digital gold currency
3 established under this act. “Blockchain” means a shared, immutable ledger that
4 facilitates the process of recording transactions and tracking assets in a network. “Mining”
5 means a peer-to-peer computer process that verifies and adds new transactions to the
6 blockchain for a cryptocurrency that uses the proof-of-work. “Proof-of-Work” means a
7 form of cryptographic proof in which one party (the prover) proves to others (the verifiers)
8 that a certain amount of a specific computational effort has been expended.

9 SUBCHAPTER A: RULES; CONTRACTING.

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

- 12 (1) ensure the security of the digital currency; and
- 13 (2) set minimum fees associated with issuance and management; and
- 14 (3) maintain transparency in the issuance and redemption of the digital
15 currency

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

18 SUBCHAPTER B: ESTABLISHMENT AND ADMINISTRATION OF DIGITAL GOLD
19 CURRENCY

20 ESTABLISHMENT. (a) The OFR shall establish a digital currency that is backed
21 by gold so that each unit of digital currency issued represents a particular fraction of a
22 troy ton of gold held in trust as provided by this chapter.

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

25 (c) The public Blockchain shall be one that has no pre-mine, no-pre-sales, of
26 the Proof of Work type of technology and have a public ledger that is verifiable by the
27 public.

28 (d) If a suitable Blockchain cannot be located, the OFR may contract with a
29 private vendor to create a new Blockchain. The new Blockchain shall conform to all the
30 prerequisites and be able to be maintained and verified by the public thru Mining.

1 (e) In establishing the digital currency the OFR shall establish a means to
2 ensure that any one of the people who hold any digital currency may readily transfer or
3 assign the digital currency to any other one of the people by electronic means.

4 SUBCHAPTER C: GOLD HELD IN TRUST.

5 (a) The OFR serving as trustee or another person appointed by the OFR who
6 shall serve as trustee shall hold in trust on the behalf of the digital currency holders all
7 gold purchased to back the digital currency. The trustee shall maintain enough gold to
8 provide for the redemption in gold of all units of the digital currency that have been
9 issued and are not yet redeemed for money or gold.

10 (b) The trustee may establish an account in the Florida Bullion Depository to
11 hold gold purchased to back the digital currency and may hold the gold otherwise as
12 convenient for the administration of this chapter.

13 SUBCHAPTER D: PURCHASE AND ISSUANCE.

14 (a) A person may purchase from this state through the comptroller any
15 number of units of the digital currency.

16 (a) On receiving payment for a purchase of the digital currency together with
17 any fee charged under Subchapter A, the OFR shall:

18 (1) using the money received from the purchaser, buy a fractional number
19 of troy ounces of gold equal to the number of units of the digital
20 currency issued to the purchaser under Subdivision; and

21 (2) issue to the purchaser a number of units of the digital currency equal to
22 the amount of gold that the OFR purchases with the money received
23 from the purchaser.

24 SUBCHAPTER E: REDEMPTION OF CURRENCY FOR MONEY.

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

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

30

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

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

7 SUBCHAPTER E: REDEMPTION OF CURRENCY FOR GOLD.

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

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

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

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

18 (c) The comptroller, or a person with whom the comptroller has contracted,
19 or a person serving as trustee for purposes of this chapter, may manage redemption of
20 the digital currency for gold by the use of bars or coins of standard sizes and may pay
21 fractional remainders in cash as is necessary to facilitate the transaction.

22 SUBCHAPTER F: VALUE OF DIGITAL CURRENCY.

23 (a) At the time of each transaction involving the issuance or redemption of
24 the digital currency, the comptroller, or a person with whom the comptroller has
25 contracted, or a person serving as trustee for purposes of this chapter shall determine the
26 value of a unit of the digital currency. On receipt of a request for redemption, the
27 comptroller shall:

28 (a) the value of a unit of the digital currency at the time of a transaction must
29 be equal to the value of the appropriate fraction of a troy ton of gold at the time of that
30 transaction.

1 SUBCHAPTER G: CERTAIN MONEY AND DEPOSITS HELD IN TRUST
2 AND NOT SUBJECT TO LEGISLATIVE APPROPRIATION.
3 Money received from the purchase of the digital currency under Subchapter D,
4 (a) gold purchased and held under this chapter, and money received from the
5 sale of gold in response to a request for redemption under Subchapter E is:
6 (1) held in trust by the comptroller as trustee or a person appointed by
7 the comptroller to serve as trustee for purposes of this chapter outside the state treasury
8 on the behalf of persons who hold the digital currency; and
9 (2) not available for legislative appropriation.

10 SUBCHAPTER H: FEE

11 The OFR may establish a fee for the issuance or redemption of the digital currency at any
12 rate necessary to cover the costs of administering this chapter. The OFR shall deposit the
13 fee proceeds to the credit of an account established in the general revenue fund that may
14 be used to pay the costs.

15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30