



Testimony Offered to the House Commerce Committee's Informational Meeting on

HB 2081 known as the Digital Asset Regulation Act

March 27, 2024

PA Bankers appreciates the Committee and prime sponsor's interest in providing legal clarity and protection for participants engaging in digital asset and virtual currency transactions. PA Bankers believes these issues are best addressed at the federal level, but in lieu of federal guidance, recommends efforts to preserve the uniformity of state commercial law for the benefit of businesses and consumers in every state as digital assets inherently cross state borders. In particular, PA Bankers recommends that the Committee review the [Model Framework for State Virtual Currency Regulation](#) developed by the [Conference of State Bank Supervisors](#) and the [Uniform Virtual Business Act](#) developed by the [Uniform Law Commission](#) (ULC).

PA Bankers also recommends that the Committee review the work underway by the ULC's [Virtual Currency Customer Protection Committee](#), led by [University of Pennsylvania Professor Andrea Tosato](#), that has met three times since October 2023 to draft a [Uniform Virtual Currency Customer Protection Act](#). Much like [HB 2081](#), the proposal aims to ensure entities have adequate virtual currency reserves to cover customer claims. PA Bankers urges the Committee to closely consider and align with the ULC's efforts.

Additionally, PA Bankers is collaborating with Senator Greg Rothman on [SB 1084](#), focusing on clarifying digital asset ownership and facilitating their transfer for payment and use as collateral for loans. This legislation, modeled after the [ULC's 2022 Uniform Commercial Code amendments](#), already adopted in more than a dozen states, will modernize Pennsylvania's law and reduce legal ambiguity. Uniform laws lower transaction and credit costs and support robust interstate markets.

SB 1084 is an integral part of the Committee's review of HB 2081 as both measures seek to enable Pennsylvania to better accommodate commercial applications of digital assets with a consistent legal framework and appropriate safeguards.

Thank you for the opportunity to offer written testimony. Please contact Jonathan Humma, VP of Government Relations at jhumma@pabankers.com with any questions.