

1 State of Arkansas  
2 93rd General Assembly  
3 Regular Session, 2021  
4

# A Bill

HOUSE BILL 1888

5 By: Representative S. Meeks  
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## For An Act To Be Entitled

8 AN ACT CONCERNING THE CONTROL OF VIRTUAL CURRENCY FOR  
9 PURPOSES OF THE UNIFORM COMMERCIAL CODE; TO CLARIFY  
10 THE RIGHTS OF PURCHASERS WHO OBTAIN CONTROL OF  
11 VIRTUAL CURRENCY FOR PURPOSES OF THE UNIFORM  
12 COMMERCIAL CODE; AND FOR OTHER PURPOSES.  
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## Subtitle

15 CONCERNING THE CONTROL OF VIRTUAL  
16 CURRENCY FOR PURPOSES OF THE UNIFORM  
17 COMMERCIAL CODE; AND TO CLARIFY THE  
18 RIGHTS OF PURCHASERS WHO OBTAIN CONTROL  
19 OF VIRTUAL CURRENCY FOR PURPOSES OF THE  
20 UNIFORM COMMERCIAL CODE.  
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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26 SECTION 1. Arkansas Code § 4-9-102(a), concerning definitions used in  
27 secured transactions under the Uniform Commercial Code, is amended to add an  
28 additional subdivision to read as follows:

29 (83)(A) "Virtual currency" means a digital representation of  
30 value.

31 (B) "Virtual currency" functions as:

32 (i) A medium of exchange;

33 (ii) A unit of account; or

34 (iii) A store of value.

35 (C) "Virtual currency" is often secured using blockchain  
36 technology.



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2 SECTION 2. Arkansas Code Title 4, Chapter 9, Subchapter 1, is amended  
3 to add additional sections to read as follows:

4 4-9-111. Control of virtual currency.

5 (a) A purchaser has control of virtual currency if:

6 (1) The virtual currency or the system in which the virtual  
7 currency is recorded, if applicable, gives the purchaser:

8 (A) The power to derive substantially all of the benefit  
9 from the virtual currency; and

10 (B) Subject to subsection (c) of this section, the  
11 exclusive power to:

12 (i) Prevent others from deriving substantially all  
13 of the benefit from the virtual currency; and

14 (ii) Transfer control of the virtual currency to  
15 another person or cause another person to obtain control of the virtual  
16 currency that derives from the virtual currency;

17 (2) The virtual currency or a record attached to or logically  
18 associated with the virtual currency enables the purchaser to readily  
19 identify the purchaser as the person having the powers specified under  
20 subdivision (a)(1) of this section; or

21 (3) Another person has control of the virtual currency on behalf  
22 of the purchaser or, having previously acquired control of the virtual  
23 currency, and acknowledges that the person has control on behalf of the  
24 purchaser.

25 (b) A purchaser under subsection (a) of this section may be identified  
26 by:

27 (1) Name;

28 (2) Identifying number;

29 (3) Cryptographic key;

30 (4) Office number; or

31 (5) Account number.

32 (c) A power described in subdivision (a)(1) of this section or  
33 subdivision (a)(2) of this section may be considered exclusive regardless of  
34 whether or not:

35 (1) The virtual currency or the system in which the virtual  
36 currency is recorded, if applicable, limits the use to which the virtual

1 currency may be put or has protocols that are programmed to result in a  
2 transfer of control; and

3 (2) The purchaser has agreed to share the power with another  
4 person.

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6 4-9-112. Rights of purchaser who obtains control of virtual currency.

7 (a) As used in this section, "adverse claim" means a claim that a  
8 claimant has a security interest in virtual currency and is in violation of  
9 the rights of the claimant for another person to hold, transfer, or deal with  
10 the virtual currency.

11 (b) It is a violation of the rights of the owner of virtual currency  
12 for another person to have an adverse claim, to hold, transfer, or otherwise  
13 deal with the virtual currency or the right to payment.

14 (c) Except as provided in subsection (a) of this section, without  
15 notice of any adverse claim, a purchaser that acquires an interest in and  
16 obtains control of virtual currency takes the purchaser's interest in the  
17 virtual currency and in any right to payment evidenced by the virtual  
18 currency free of any adverse claim.

19 (d) Except as provided in subsection (e) of this section, an action  
20 based on an adverse claim to the virtual currency or a right to payment  
21 evidenced by the virtual currency, whether framed in conversion, replevin,  
22 constructive trust, equitable lien, or other theory, shall not be asserted  
23 against a purchaser that:

24 (1) Acquires, for value and without notice of the adverse claim,  
25 the virtual currency or an interest in the virtual currency; and

26 (2) Obtains control of the virtual currency or interest.

27 (e) A purchaser has notice of an adverse claim if the purchaser:

28 (1) Knows of the adverse claim; or

29 (2) Is aware of facts sufficient to indicate that there is a  
30 significant probability that the adverse claim exists and deliberately avoids  
31 information that would establish the existence of the adverse claim.

32 (f) Subsections (c) and (d) of this section do not apply if more than  
33 one (1) virtual currency evidences the same right to payment.

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