



DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

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FOR IMMEDIATE RELEASE

June 2, 2022

State of Hawai'i's Digital Currency Innovation Lab Extended to June 30, 2024

HONOLULU – Today, the Division of Financial Institutions, Department of Commerce and Consumer Affairs (“DFI”), and Hawai'i Technology and Development Corporation (“HTDC”) announced a two-year extension of the Digital Currency Innovation Lab (“DCIL”), allowing the pilot program to operate until June 30, 2024. The DCIL was created by DFI and HTDC in 2020 through a partnership to gather data for the purpose of establishing a regulatory scheme and exploring the potential economic opportunities brought about by digital currencies. With successful admission into the DCIL, digital currency companies are permitted to conduct business in Hawai'i without obtaining a state money transmitter license.

The extension comes at a critical point in time with the demise of the bill that called for the licensure of digital currency companies, during the recent 2022 Hawai'i state legislative session. Without a licensing scheme in place, the DCIL is scheduled to close on June 30, 2022. As of December 31, 2021, there were approximately 134,000 Hawai'i consumers who transacted over \$800 million in digital currencies through participating companies in the DCIL. In an effort to mitigate consumer harm and enable the continuation of digital currency activity in the state, the DFI and HTDC have managed to pull resources together to extend the pilot program.

“We are relieved for the opportunity to extend the DCIL for participating companies and consumers,” said Iris Ikeda, Commissioner of Financial Institutions. “A number of puzzle pieces had to fit together in order to make the new DCIL happen, but I am glad we are able to pull it off,” said Commissioner Ikeda.

“The DCIL has proven itself to be an economic driver and we recognize the potential it brings for the future of Hawai’i ” said Len Higashi, Acting Executive Director, HTDC. “The continuation of the DCIL will provide us opportunities to build on the progress we have achieved over the past two years,” continued Higashi.

Existing participating companies have the option to continue in the extended DCIL, subject to the acceptance of a new agreement and additional fees. Companies who choose to withdraw from the program will have to abide by the terms of the DCIL and commence its wind-down procedures starting on July 1, 2022 and concluding on December 31, 2022.

In due course, the DCIL will also start accepting applications from new digital currency companies who seek to be considered for admission into the pilot program. For more information about the DCIL, visit the website at www.htdc.org/digital-currency-innovation-lab

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