

## Update on the Uniform Law Commission's Alternative and Mobile Payments Drafting Committee

- The Uniform Law Commission (“ULC”) appointed a Drafting Committee during the late spring of 2015. The Drafting Committee held an informational session during the 2015 ULC Annual Meeting in July.
- The first formal meeting of the Drafting Committee will be held on October 9-11, 2015 at the Hyatt Regency Hotel in Washington, D.C.

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- The Committee has been charged with developing proposed legislation for uniform licensure and prudential supervision of virtual currency intermediaries, such as wallets, exchanges, gateways, and the like.
- The Chairman of the Drafting Committee has identified the following issues for consideration: (1) relation to federal law by regulation of the CFPB and FINCEN, (2) the balance between a law enactable in 53 jurisdictions but flexible enough not to frustrate innovation in an area still rapidly developing, (3) the scope of the legislation, (4) key definitions and what a licensing or registration structure should look like, including what activities should not be included and what businesses should be exempted, (5) particular aspects of a licensing structure such as capital requirements, permissible investments, relation to state money transmission laws, and records and supervision, (6) protection against hacking and security breaches, and (7) consumer protections.

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- Drafting Committee Chair, Fred Miller, [fmiller@lindquist.com](mailto:fmiller@lindquist.com).
- Reporter, Sarah Jane Hughes, [sjhughes@indiana.edu](mailto:sjhughes@indiana.edu).
- Persons interested in participating in the progress of the Drafting Committee may register as Observers by contacting Katie Robinson, Uniform Law Commission, [krobinson@uniformlaws.org](mailto:krobinson@uniformlaws.org).

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- For additional information, including the December 2014 Report from the Study Committee and submissions to the ULC by interested persons, see the ULC website, [www.uniformlaws.org](http://www.uniformlaws.org).

Excerpted from

A Historical Analysis of Substitutes for Legal Tender and  
Their Implications for the Regulation of Virtual Currency

Stephen T. Middlebrook\* and Sarah Jane Hughes\*\*

Working Draft of a Chapter Forthcoming in John A.  
Rothchild (ed.), RESEARCH HANDBOOK ON ELECTRONIC  
COMMERCE LAW, Edward Elgar, 2016.



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\*\* Sarah Jane Hughes is the University Scholar and Fellow in Commercial Law at the Maurer School of Law, Indiana University, in Bloomington, Indiana. Ms. Hughes serves as the Reporter to the Uniform Law Commission's Study Committee on Alternative and Mobile Payments, a former co-chair of the Electronic Payments and Financial Services Subcommittee of the ABA's Cyberspace Law Committee, and served as the ABA's representative to the Uniform Law Commission's Drafting Committee on Money Service Business in 2000. She may be contacted at [sjhughes@indiana.edu](mailto:sjhughes@indiana.edu). Mr. Middlebrook and Ms. Hughes thank Professor John Rothchild for the invitation to write this chapter, and the Maurer School Library for providing us access to hard-to-find hardbound resources we have cited below.

Table 1:  
Historical Comparison of Attributes of Legal Tender Substitutes

Legal Tender Substitute	Legal Tender	Legal Tender Substitute	Centralized	Decentralized	Redeemable in specie	Convertible to LT	Nonconvertible to LT	Regulated by Gov't	System Rules	Social Convention	Prohibit	Coexist	Criminal Sanctions
Wampum		•		•			•	•		•		•	
Trading stamps		•	•				•	•	•			•	•
Trade tokens / shinplasters		•		•			•	•		•	•	•	•
U.S. Fractional currency	•		•					•					
U.S. colonial paper currency		•	•			•		•			•	•	
Bills of Credit / Continentals	•		•		*			•					
Bank of U.S. notes	#		•			•		•					
United States Notes / Greenbacks	•		•					•					
State bank notes		•		•	*	•		•	•		•	•	
National bank notes	•		•		*			•	•				
Federal Reserve notes	•		•		*			•	•				
Digicash		•	•			•			•			•	
Mondex		•	•			•			•			•	
Linden dollars		•	•				•		•			•	
World of Warcraft gold		•	•				•		•			•	
Facebook credits		•	•				•		•			•	
e-gold		•	•		•	•		•	•		•		•
Liberty Reserve		•	•			•		•	•		•		•
Bitcoin		•		•		•		•	•		?	•	•

Key

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Legal tender for public but not private debts

Redemption in gold varies over time

Debatable