



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB5303

Introduced 2/10/2026, by Rep. Natalie A. Manley

SYNOPSIS AS INTRODUCED:

205 ILCS 731/1-5
205 ILCS 731/1-10
205 ILCS 731/15-10
205 ILCS 731/15-15
205 ILCS 731/20-25
205 ILCS 731/20-45
205 ILCS 731/35-15

Amends the Digital Assets and Consumer Protection Act. Makes changes to defined terms. Provides that the Act does not apply to a person whose digital financial asset business activity with, or on behalf of, residents is reasonably expected to be valued, in the aggregate, on an annual basis at \$5,000,000 or less, measured by the United States dollar equivalent of digital financial assets. Requires the Department of Financial and Professional Regulation to approve, conditionally approve, or deny any license application within 120 days after receipt of a completed application. Replaces provisions concerning renewal applications with annual reporting requirement provisions. Provides that the transition period under which covered persons and covered exchanges are not considered in violation of certain provisions ends January 1, 2028 (instead of January 1, 2027). Provides that rules adopted under the Act do not take effect earlier than January 1, 2027 (instead of January 1, 2026). Effective immediately.

LRB104 19433 BAB 32881 b

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Digital Assets and Consumer Protection Act
5 is amended by changing Sections 1-5, 1-10, 15-10, 15-15,
6 20-25, 20-45, and 35-15 as follows:

7 (205 ILCS 731/1-5)

8 Sec. 1-5. Definitions.

9 (a) As used in this Act:

10 "Affiliate" means any person that controls, is controlled
11 by, or is under common control with another person. For
12 purposes of this definition, "control" means the possession,
13 direct or indirect, of the power to direct or cause the
14 direction of the management and policies of a person.

15 "Applicant" means a person that applies for registration
16 under this Act.

17 "Bank" means a bank, savings banks, savings and loan
18 association, savings association, or industrial loan company
19 chartered under the laws of this State or any other state or
20 under the laws of the United States.

21 "Confidential supervisory information" means information
22 or documents obtained by employees, agents, or representatives
23 of the Department in the course of any examination,

1 investigation, audit, visit, registration, certification,
2 review, licensing, or any other regulatory or supervisory
3 activity pursuant to this Act, and any record prepared or
4 obtained by the Department to the extent that the record
5 summarizes or contains information derived from any report,
6 document, or record described in this Act.

7 "Conflict of interest" means an interest that might
8 incline a covered person or an individual who is an associated
9 person of a covered person to make a recommendation that is not
10 disinterested.

11 "Corporate fiduciary" shall mean a corporate fiduciary as
12 defined by Section 1-5.05 of the Corporate Fiduciary Act.

13 "Covered person" means a registrant or person required to
14 register pursuant to this Act.

15 "Covered exchange" means a covered person that exchanges
16 or holds itself out as being able to exchange a digital asset
17 for a resident as part of a business or on behalf of a customer
18 who has entered into an agreement with a business for the
19 provision of such services.

20 "Credit union" means a credit union chartered under the
21 laws of this State or any other state or under the laws of the
22 United States.

23 "Department" means the Department of Financial and
24 Professional Regulation.

25 "Digital asset" means a digital representation of value
26 that is used as a medium of exchange, unit of account, or store

1 of value, and that is not fiat currency, whether or not
2 denominated in fiat currency. "Digital asset" does not include
3 any of the following:

4 (1) A digital representation of value that a merchant
5 grants as part of an affinity or rewards program and that
6 primarily relates to such affinity or rewards program.

7 (2) A digital representation of value that is issued
8 by or on behalf of a game publisher and that is used
9 primarily within online games or gaming platforms.

10 (3) Other digital representations of value that have
11 substantial value, utility, or significance beyond the
12 asset's mere existence as a digital asset, including
13 digital equivalents of tangible and intangible goods such
14 as: (A) works of art, musical compositions, literary
15 works, and similar intellectual property; (B) collectibles
16 and merchandise; and (C) licenses, tickets, and similar
17 rights to attend events or participate in activities.

18 (4) A digital representation of value that is not
19 marketed, used, promoted, offered, or sold for investment
20 or speculation, except that this exclusion shall not apply
21 to any digital representation of value that (A) is
22 meme-based with no intrinsic value or utility or (B) is
23 marketed, used, promoted, offered, or sold in a manner
24 that intends to establish a reasonable expectation or
25 belief among the general public that the instrument will
26 retain a nominal value that is so stable as to render the

1 nominal value effectively fixed. The Department may adopt
2 rules to clarify the scope and applicability of this
3 subsection.

4 (5) A digital representation of value that is used as
5 part of prepaid cards.

6 "Digital asset business activity" means any of the
7 following:

8 (1) Exchanging, transferring, or storing a digital
9 asset as part of a business or on behalf of a customer who
10 has entered into an agreement with a business for the
11 provision of such services.

12 (2) Engaging in digital asset administration.

13 (3) Any other business activity involving digital
14 assets designated by rule by the Department as may be
15 necessary and appropriate for the protection of residents.

16 "Digital asset business activity" does not include (1)
17 peer-to-peer exchanges or transfers of digital assets, (2)
18 decentralized exchanges facilitating peer-to-peer exchanges or
19 transfers solely through use of a computer program or a
20 transaction protocol that is intended to automatically
21 execute, control, or document events and actions, (3) the
22 development, publication, constitution, administration,
23 maintenance, and dissemination of software in and of itself,
24 (4) the issuance of a non-fungible token in and of itself, ~~and~~
25 (5) validating a digital asset transaction, operating a node,
26 or engaging in similar activity to participate in

1 facilitating, operating, or securing a blockchain system, and
2 (6) any money transmission of legal tender occurring in,
3 associated with, or related to the normal, typical, or
4 customary performance of digital asset business activity. For
5 purposes of this definition, "legal tender" means a medium of
6 exchange or unit of value, including the coin or paper money of
7 the United States, issued by the United States or by another
8 government.

9 "Exchange", when used as a verb, means to exchange, buy,
10 sell, trade, or convert, on behalf of a resident, either of the
11 following:

12 (1) A digital asset for fiat currency or one or more
13 forms of digital assets.

14 (2) Fiat currency for one or more forms of digital
15 assets.

16 "Exchange" does not include buying, selling, or trading
17 digital assets for a person's own account in a principal
18 capacity.

19 "Executive officer" includes, without limitation, an
20 individual who is a director, officer, manager, managing
21 member, partner, or trustee, or other functionally equivalent
22 responsible individual, of a person.

23 "Federally insured depository institution" shall mean an
24 insured depository institution as defined by Section 3(c)(2)
25 of the Federal Deposit Insurance Act, 12 U.S.C. 1813(c)(2), as
26 amended, or an insured credit union as defined by Section

1 101(7) of the Federal Credit Union Act, 12 U.S.C. 1752(7), as
2 amended.

3 "Fiat currency" means a medium of exchange or unit of
4 value issued by the United States or a foreign government and
5 that is designated as legal tender in its country of issuance.

6 "Insolvent" means any of the following:

7 (1) Having generally ceased to pay debts in the
8 ordinary course of business other than as a result of a
9 bona fide dispute.

10 (2) Being unable to pay debts as they become due.

11 (3) Being insolvent within the meaning of federal
12 bankruptcy law.

13 "Non-fungible token" means any unique digital identifier
14 on any blockchain or digital asset network used to certify
15 authenticity and ownership rights that is not readily
16 exchangeable or replaceable with a mutually interchangeable
17 digital asset of the same value. The Department may modify
18 this definition by rule.

19 "Person" includes, without limitation, any individual,
20 corporation, business trust, estate, trust, partnership,
21 proprietorship, syndicate, limited liability company,
22 association, joint venture, government, governmental
23 subsection, agency or instrumentality, public corporation or
24 joint stock company, or any other organization or legal or
25 commercial entity.

26 "Prepaid card" means an electronic payment device that,

1 subject to any rules adopted by the Department:

2 (1) is usable at a single merchant or an affiliated
3 group of merchants that share the same name, mark, or
4 logo, or is usable at multiple, unaffiliated merchants or
5 service providers;

6 (2) is issued in and for a specified amount of fiat
7 currency;

8 (3) can be reloaded in and for only fiat currency, if
9 at all;

10 (4) is issued or reloaded on a prepaid basis for the
11 future purchase or delivery of goods or services;

12 (5) is honored upon presentation;

13 (6) can be redeemed in and for only fiat currency, if
14 at all;

15 (7) is governed by the Uniform Money Transmission
16 Modernization Act; and

17 (8) complies with any other condition designated by
18 rule by the Department as may be necessary and appropriate
19 for the protection of residents.

20 "Qualified custodian" means a bank, credit union, or trust
21 company, subject to any rules adopted by the Department.

22 "Record" means information that is inscribed on a tangible
23 medium or that is stored in an electronic or other medium and
24 is retrievable in perceivable form.

25 "Registrant" means a person registered under this Act.

26 "Resident" means any of the following:

1 (1) A person who is domiciled in this State.

2 (2) A person who is physically located in this State
3 for more than 183 days of the previous 365 days.

4 (3) A person who has a place of business in this State.

5 (4) A legal representative of a person that is
6 domiciled in this State.

7 "Request for assistance" means all inquiries, complaints,
8 account disputes, and requests for documentation a covered
9 person receives from residents.

10 "Responsible individual" means an individual who has
11 direct control over, or significant management, policy, or
12 decision-making authority with respect to, a person's digital
13 asset business activity in this State.

14 "Secretary" means the Secretary of Financial and
15 Professional Regulation and any authorized representative of
16 the Secretary.

17 "Service provider" means any person that provides a
18 material service to a covered person in connection with the
19 offering or provision by that covered person of a digital
20 asset business activity in this State, including a person that
21 either:

22 (1) Participates in designing, operating, or
23 maintaining the digital asset business activity.

24 (2) Processes transactions relating to the digital
25 asset business activity, other than unknowingly or
26 incidentally transmitting or processing financial data in

1 a manner that the data is undifferentiated from other
2 types of data of the same form as the person transmits or
3 processes.

4 "State" means a state of the United States, the District
5 of Columbia, Puerto Rico, the United States Virgin Islands, or
6 any territory or insular possession subject to the
7 jurisdiction of the United States.

8 "Store~~7~~", "storage", and "storing", except in the phrase
9 "store of value~~7~~", mean ~~means~~ to store, hold, or maintain
10 custody or control of a digital asset on behalf of a resident
11 by a person other than the resident.

12 "Transfer" means to transfer or transmit a digital asset
13 on behalf of a resident, including by doing any of the
14 following:

15 (1) Crediting the digital asset to the account or
16 storage of another person.

17 (2) Moving the digital asset from one account or
18 storage of a resident to another account or storage of the
19 same resident.

20 (3) Relinquishing custody or control of a digital
21 asset to another person.

22 "United States dollar equivalent of digital assets" means
23 the equivalent value of a particular digital asset in United
24 States dollars shown on a covered exchange regulated in the
25 United States for a particular date or period specified in
26 this Act, subject to any rules adopted by the Department.

1 (b) Whenever the terms "include", "including" or terms of
2 similar import appear in this Act, unless the context requires
3 otherwise, such terms shall not be construed to imply the
4 exclusion of any person, class, or thing not specifically
5 included.

6 (c) A reference in this Act to any other law or statute of
7 this State, or of any other jurisdiction, means such law or
8 statute as amended to the effective date of this Act, and
9 unless the context otherwise requires, as amended thereafter.

10 (d) Any reference to this Act shall include any rules
11 adopted in accordance with this Act.

12 (Source: P.A. 104-428, eff. 8-18-25; revised 12-12-25.)

13 (205 ILCS 731/1-10)

14 Sec. 1-10. Applicability.

15 (a) This Act governs the digital asset business activity
16 of a person doing business in this State or, wherever located,
17 who engages in or holds itself out as engaging in the activity
18 with or on behalf of a resident, to the extent not preempted by
19 federal law and except as otherwise provided in subsection
20 ~~subsections~~ (b), (c), (d), or (e).

21 (b) (1) This Act does not apply to the exchange, transfer,
22 or storage of a digital asset or to digital asset
23 administration to the extent that:

24 (A) the Securities Exchange Act of 1934, 15 U.S.C.

25 78a et seq., or the Illinois Securities Law of 1953

1 govern the activity as a security transaction and the
2 activity is regulated by the U.S. Securities and
3 Exchange Commission or the Illinois Secretary of
4 State; or

5 (B) the Commodity Exchange Act, 7 U.S.C. 1 et
6 seq., governs the activity, the activity is in
7 connection with trading of a contract of sale of a
8 commodity for future delivery, an option on such a
9 contract or a swap, and the activity is regulated by
10 the U.S. Commodity Futures Trading Commission.

11 (2) This subsection shall be construed in a manner
12 consistent with affording the greatest protection to
13 residents and the Department's authority under subsection
14 (a) of Section 1-15 to exercise nonexclusive oversight and
15 enforcement under any federal law applicable to digital
16 asset business activity. This subsection shall not be
17 construed to exempt an activity solely because a financial
18 regulatory agency has anti-fraud and anti-manipulation
19 enforcement authority over the activity.

20 (c) This Act does not apply to the following persons:

21 (1) The United States, a state ~~State~~, political
22 subdivision of a state ~~State~~, agency, or instrumentality
23 of federal, state ~~State~~, or local government, or a foreign
24 government or a subdivision, department, agency, or
25 instrumentality of a foreign government.

26 (2) A federally insured depository institution.

1 (3) A corporate fiduciary acting as a fiduciary or
2 otherwise engaging in fiduciary activities.

3 (4) A merchant using digital assets solely for the
4 purchase or sale of goods or services, excluding the sale
5 or ~~of~~ purchase of digital assets, in the ordinary course
6 of its business.

7 (5) A person using digital assets solely for the
8 purchase or sale of goods or services for his or her own
9 personal, family, or household purposes.

10 (6) A person who (A) contributes connectivity software
11 or computing power or otherwise participates in the
12 process of securing a network, (B) records digital asset
13 transactions to the network or protocol governing transfer
14 of the digital representation of value, or (C) develops,
15 publishes, constitutes, administers, maintains, or
16 otherwise distributes software relating to the network, so
17 long as the person does not control transactions of
18 digital assets on the network.

19 (7) A credit union with member share accounts insured
20 by an insurer approved by the credit union's primary
21 financial regulatory agency. An out-of-state credit union
22 may not conduct any activity in this State that is not
23 authorized for a credit union chartered under the laws of
24 this State.

25 (8) A person whose digital financial asset business
26 activity with, or on behalf of, residents is reasonably

1 expected to be valued, in the aggregate, on an annual
2 basis at \$5,000,000 or less, measured by the United States
3 dollar equivalent of digital financial assets.

4 Nothing in this Act grants persons described in this
5 subsection (c) authority to engage in any activity not
6 otherwise granted under existing law.

7 (d) The Department may by rule or order clarify whether an
8 activity is governed under this Act or another Act that
9 governs money transmission. This subsection (d) shall not be
10 applied in a manner inconsistent with the protection of
11 residents.

12 (e) Notwithstanding any other provision of this Act, the
13 Department, by rule or order, may conditionally or
14 unconditionally exempt any person, digital asset, or
15 transaction, or any class or classes of persons, digital
16 assets, or transactions, from any provision of this Act or of
17 any rule thereunder, to the extent that the exemption is
18 necessary or appropriate, in the public interest, and
19 consistent with the protection of residents.

20 (Source: P.A. 104-428, eff. 8-18-25; revised 12-12-25.)

21 (205 ILCS 731/15-10)

22 Sec. 15-10. Application.

23 (a) An application for a registration under this Act shall
24 meet all of the following requirements:

25 (1) The application shall be in a form and medium

1 prescribed by the Department. The Department may require
2 the filing of the application through a multistate
3 licensing system.

4 (2) The application shall provide all of the following
5 information relevant to the applicant's proposed digital
6 asset business activity:

7 (A) The legal name of the applicant, any current
8 or proposed business United States Postal Service
9 address of the applicant, and any fictitious or trade
10 name the applicant uses or plans to use in conducting
11 the applicant's digital asset business activity with
12 or on behalf of a resident.

13 (B) The legal name, any former or fictitious name,
14 and the residential and business United States Postal
15 Service address of any executive officer and
16 responsible individual of the applicant and any person
17 that has control of the applicant.

18 (C) A description of the current and former
19 business of the applicant and any affiliate of the
20 applicant for the 5 years before the application is
21 submitted, or, if the business has operated for less
22 than 5 years, for the time the business has operated,
23 including its products and services, associated
24 internet website addresses and social media pages,
25 principal place of business, projected user base, and
26 specific marketing targets.

1 (D) A list of all of the following:

2 (i) Any digital asset, money service, or money
3 transmitter registration the applicant and any
4 affiliates hold in another state or from an agency
5 of the United States.

6 (ii) The date the registrations described in
7 subdivision (i) expire.

8 (iii) Any revocation, suspension, or other
9 disciplinary action taken against the applicant
10 and any affiliates in any state or by an agency of
11 the United States and any applications rejected by
12 any state or agency of the United States.

13 (E) A list of any criminal conviction, deferred
14 prosecution agreement, and pending criminal proceeding
15 in any jurisdiction against all of the following:

16 (i) The applicant.

17 (ii) Any executive officer of the applicant.

18 (iii) Any responsible individual of the
19 applicant.

20 (iv) Any person that has control over the
21 applicant.

22 (v) Any affiliate of the applicant.

23 (F) A list of any litigation, arbitration, or
24 administrative proceeding in any jurisdiction in which
25 the applicant or an executive officer, responsible
26 individual, or affiliate of the applicant has been a

1 party for the 10 years before the application is
2 submitted determined to be material in accordance with
3 generally accepted accounting principles and, to the
4 extent the applicant or such other person would be
5 required to disclose the litigation, arbitration, or
6 administrative proceeding in the applicant's or such
7 other person's audited financial statements, reports
8 to equity owners, and similar statements or reports.

9 (G) A list of any bankruptcy or receivership
10 proceeding in any jurisdiction for the 10 years before
11 the application is submitted in which any of the
12 following was a debtor:

13 (i) The applicant.

14 (ii) An executive officer of the applicant.

15 (iii) A responsible individual of the
16 applicant.

17 (iv) A person that has control over the
18 applicant.

19 (v) An affiliate of the applicant.

20 (H) The name and United States Postal Service
21 address of any bank or credit union in which the
22 applicant and any affiliates plan to deposit funds
23 obtained by digital asset business activity.

24 (I) The source of funds and credit to be used by
25 the applicant and any affiliate to conduct digital
26 asset business activity with or on behalf of a

1 resident.

2 (J) A current financial statement and other
3 documentation satisfactory to the Department
4 demonstrating that the applicant has the capital and
5 liquidity required by Section 20-5.

6 (K) The United States Postal Service address and
7 email address to which communications from the
8 Department can be sent.

9 (L) The name, United States Postal Service
10 address, and email address of the registered agent of
11 the applicant in this State.

12 (M) A copy of the certificate, or a detailed
13 summary acceptable to the Department, of coverage for
14 any liability, casualty, business interruption, or
15 cybersecurity insurance policy maintained by the
16 applicant for itself, an executive officer, a
17 responsible individual, an affiliate, or the
18 applicant's users.

19 (N) If applicable, the date on which and the state
20 in which the applicant is formed and a copy of a
21 current certificate of good standing issued by that
22 state.

23 (O) If a person has control of the applicant and
24 the person's equity interests are publicly traded in
25 the United States, a copy of the audited financial
26 statement of the person for the most recent fiscal

1 year or most recent report of the person filed under
2 Section 13 of the Securities Exchange Act of 1934, 15
3 U.S.C. 78m.

4 (P) If a person has control of the applicant and
5 the person's equity interests are publicly traded
6 outside the United States, a copy of the audited
7 financial statement of the person for the most recent
8 fiscal year of the person or a copy of the most recent
9 documentation similar to that required in subparagraph
10 (O) filed with the foreign regulator in the domicile
11 of the person.

12 (Q) If the applicant is a partnership or a
13 member-managed limited liability company, the names
14 and United States Postal Service addresses of any
15 general partner or member.

16 (R) If the applicant is required to register with
17 the Financial Crimes Enforcement Network of the United
18 States Department of the Treasury as a money service
19 business, evidence of the registration.

20 (S) A set of fingerprints for each executive
21 officer and responsible individual of the applicant.

22 (T) If available, for any executive officer and
23 responsible individual of the applicant, for the 10
24 years before the application is submitted, employment
25 history and history of any investigation of the
26 individual or legal proceeding to which the individual

1 was a party.

2 (U) The plans through which the applicant will
3 meet its obligations under Article 10.

4 (V) Any other information the Department requires
5 by rule.

6 (3) The application shall be accompanied by a
7 nonrefundable fee of \$5,000 or the amount determined by
8 the Department to cover the costs of application review,
9 whichever is greater.

10 (b)(1) On receipt of a completed application, the
11 Department shall investigate all of the following:

12 (A) The financial condition and responsibility of the
13 applicant and any affiliate of the applicant.

14 (B) The relevant financial and business experience,
15 character, and general fitness of the applicant and any
16 affiliate of the applicant.

17 (C) The competence, experience, character, and general
18 fitness of each executive officer and director, each
19 responsible individual, and any person that has control of
20 the applicant.

21 (2) On receipt of a completed application, the Department
22 may investigate the business premises of an applicant or an
23 affiliate of the applicant or require the submission of any
24 other documents or information the Department deems relevant
25 to the application.

26 (3) The investigation required by this subsection must

1 allow the Secretary to issue positive findings stating that
2 the financial condition, financial responsibility, competence,
3 experience, character, and general fitness of the applicant,
4 each executive officer and director, each responsible
5 individual, any person that has control of the applicant, and
6 any affiliate of the applicant are such as to command the
7 confidence of the community and to warrant belief that the
8 business will be operated honestly, fairly, and efficiently
9 within the purpose of this Act; if the Secretary does not so
10 find, he or she shall not issue the registration, and he or she
11 shall notify the applicant of the denial.

12 (c)(1) After completing the investigation required by
13 subsection (b), the Department shall send the applicant notice
14 of its decision to approve, conditionally approve, or deny the
15 application. If the Department does not receive notice from
16 the applicant that the applicant accepts conditions specified
17 by the Department within 31 days following the Department's
18 notice of the conditions, the application shall be deemed
19 withdrawn. The Department shall approve, conditionally
20 approve, or deny any license application within 120 days after
21 receipt of a completed application.

22 (2) The Secretary may impose conditions on a registration
23 if the Secretary determines that those conditions are
24 necessary or appropriate. These conditions shall be imposed in
25 writing and shall continue in effect for the period prescribed
26 by the Secretary.

1 (d) A registration issued pursuant to this Act shall take
2 effect on the later of the following:

3 (1) The date the Department issues the registration.

4 (2) The date the registration provides the security
5 required by Section 20-5.

6 (e) In addition to the fee required by paragraph (3) of
7 subsection (a), an applicant shall pay the costs of the
8 Department's investigation under subsection (b).

9 (f) A registration issued pursuant to this Act shall
10 remain in full force and effect until it expires without
11 meeting the reporting requirements of this Act ~~renewal~~, is
12 surrendered by the registration, or revoked or suspended as
13 hereinafter provided.

14 (g) (1) The Department may issue a conditional registration
15 to an applicant who holds or maintains a registration to
16 conduct virtual currency business activity in the State of New
17 York pursuant to Part 200 of Title 23 of the New York Code of
18 Rules and Regulations, or a charter as a New York State limited
19 purpose trust company with approval to conduct virtual
20 currency business under the New York Banking Law, if the
21 registration or approval was issued no later than the
22 effective date of this Act and the applicant pays all
23 appropriate fees and complies with the requirements of this
24 Act.

25 (2) A conditional registration issued pursuant to this
26 subsection shall expire at the earliest of the following:

- 1 (A) upon issuance of an unconditional registration;
- 2 (B) upon denial of a registration;
- 3 (C) upon revocation of a registration issued pursuant
4 to Part 200 of Title 23 of the New York Code of Rules and
5 Regulations or disapproval or revocation of a charter as a
6 New York State limited purpose trust company with approval
7 to conduct virtual currency business under the New York
8 Banking Law.

9 (Source: P.A. 104-428, eff. 8-18-25.)

10 (205 ILCS 731/15-15)

11 Sec. 15-15. Annual report ~~Renewal~~.

12 (a) Registrations shall be subject to reporting
13 requirements ~~renewal~~ every year using a common reporting
14 ~~renewal~~ period as established by the Department by rule. A
15 registrant shall submit to the Department an annual report ~~may~~
16 ~~apply for renewal of the registration by submitting a renewal~~
17 ~~application~~ under subsection (b) and pay ~~paying~~ all applicable
18 fees due to the Department.

19 (b) The report ~~renewal application~~ required by subsection
20 (a) shall be submitted in a form and medium prescribed by the
21 Department. The report ~~application~~ shall contain all of the
22 following:

23 (1) Either a copy of the registrant's most recent
24 reviewed annual financial statement, if the gross revenue
25 generated by the registrant's digital asset business

1 activity in this State was not more than \$2,000,000 for
2 the fiscal year ending before the anniversary date of
3 issuance of its registration under this Act, or a copy of
4 the registrant's most recent audited annual financial
5 statement, if the registrant's digital asset business
6 activity in this State amounted to more than \$2,000,000,
7 for the fiscal year ending before the anniversary date.

8 (2) If a person other than an individual has control
9 of the registrant, a copy of either of the following:

10 (A) The person's most recent reviewed annual
11 financial statement, if the person's gross revenue was
12 not more than \$2,000,000 in the previous fiscal year
13 measured as of the anniversary date of issuance of its
14 registration under this Act.

15 (B) The person's most recent audited consolidated
16 annual financial statement, if the person's gross
17 revenue was more than \$2,000,000 in the previous
18 fiscal year measured as of the anniversary date of
19 issuance of its registration under this Act.

20 (3) A description of any of the following:

21 (A) Any material change in the financial condition
22 of the registrant and any affiliate of the registrant.

23 (B) Any material litigation related to the
24 registrant's digital asset business activity and
25 involving the registrant or an executive officer,
26 responsible individual, or affiliate of the

1 registrant.

2 (C) Any federal, state, or foreign investigation
3 involving the registrant or an executive officer,
4 responsible individual, or affiliate of the
5 registrant.

6 (D) (i) Any data security breach or cybersecurity
7 event involving the registrant.

8 (ii) A description of a data security breach
9 pursuant to this subparagraph does not constitute
10 disclosure or notification of a security breach for
11 purposes of any other law.

12 (4) Information or records required by Section 20-25
13 that the registrant has not reported to the Department.

14 (5) The number of digital asset business activity
15 transactions with or on behalf of residents for the period
16 since the later of the date the registration was issued or
17 the date the last report ~~renewal application~~ was
18 submitted.

19 (6) (A) The amount of United States dollar equivalent
20 of digital assets in the custody or control of the
21 registrant at the end of the last month that ends not later
22 than 30 days before the date of the report ~~renewal~~
23 ~~application~~.

24 (B) The total number of residents for whom the
25 registrant had custody or control of United States dollar
26 equivalent of digital assets on that date.

1 (7) Evidence that the registrant is in compliance with
2 Section 5-10.

3 (8) Evidence that the registrant is in compliance with
4 Section 20-5.

5 (9) A list of all locations where the registrant
6 engages in digital asset business activity.

7 (10) Any other information the Department requires by
8 rule.

9 (c) If a registrant does not timely comply with this
10 Section, the Department may take enforcement actions provided
11 under Section 20-50. Notice or hearing is not required for a
12 suspension or revocation of a registration under this Act for
13 failure to pay a reporting ~~renewal~~ fee, file a report ~~renewal~~
14 ~~application~~, or otherwise comply with this Section.

15 (d) Suspension or revocation of a registration under this
16 Section does not invalidate a transfer or exchange of digital
17 assets for or on behalf of a resident made during the
18 suspension or revocation and does not insulate the registrant
19 from liability under this Act.

20 (e) For good cause, the Department, in its sole
21 discretion, may extend a period under this Section.

22 (f) A registrant that does not comply with this Section
23 shall cease digital asset business activities with or on
24 behalf of a resident. A registrant ceasing an activity or
25 activities regulated by this Act and desiring to no longer be
26 registered shall so inform the Department in writing and, at

1 the same time, convey any registration issued and all other
2 symbols or indicia of registration. The registrant shall
3 include a plan for the withdrawal from regulated business,
4 including a timetable for the disposition of the business, and
5 comply with the surrender guidelines or requirements of the
6 Department.

7 (Source: P.A. 104-428, eff. 8-18-25.)

8 (205 ILCS 731/20-25)

9 Sec. 20-25. Material business changes.

10 (a) A registrant shall file with the Department a report
11 of the following, as may be applicable:

12 (1) A material change in information in the
13 application for a registration under this Act or the most
14 recent ~~renewal~~ report of the registrant under this Act.

15 (2) A material change in the registrant's business for
16 the conduct of its digital asset business activity with or
17 on behalf of a resident.

18 (3) A change of an affiliate, executive officer,
19 responsible individual, or person in control of the
20 registrant.

21 (b) A report required by this Section shall be filed not
22 later than 15 days after the change described in subsection
23 (a).

24 (Source: P.A. 104-428, eff. 8-18-25.)

1 (205 ILCS 731/20-45)

2 Sec. 20-45. Additional investigation and examination
3 authority. In addition to any authority allowed under this Act
4 or other applicable law, the Secretary shall have the
5 authority to conduct investigations and examinations as
6 follows:

7 (1) For purposes of initial registration, reporting
8 ~~renewal~~, suspension, conditioning, revocation or
9 termination, or general or specific inquiry or
10 investigation to determine compliance with this Act, the
11 Secretary shall have the authority to access, receive, and
12 use any books, accounts, records, files, documents,
13 information, or evidence, including, but not limited to,
14 the following:

15 (A) criminal, civil, and administrative history
16 information, including nonconviction data as specified
17 in the Criminal Code of 2012;

18 (B) personal history and experience information,
19 including independent credit reports obtained from a
20 consumer reporting agency described in Section 603(p)
21 of the federal Fair Credit Reporting Act; and

22 (C) any other documents, information, or evidence
23 the Secretary deems relevant to the inquiry or
24 investigation, regardless of the location, possession,
25 control, or custody of the documents, information, or
26 evidence.

1 (2) For the purposes of investigating violations or
2 complaints arising under this Act or for the purposes of
3 examination, the Secretary may review, investigate, or
4 examine any covered person, affiliate, service provider,
5 individual, or person subject to this Act as often as
6 necessary in order to carry out the purposes of this Act.
7 The Secretary may direct, subpoena, or order the
8 attendance of and examine under oath all persons whose
9 testimony may be required about the transactions or the
10 business or subject matter of any such examination or
11 investigation, and may direct, subpoena, or order the
12 person to produce books, accounts, records, files, and any
13 other documents the Secretary deems relevant to the
14 inquiry.

15 (3) Each covered person, affiliate, service provider,
16 individual, or person subject to this Act shall make
17 available to the Secretary upon request the books and
18 records relating to the operations of the registrant,
19 affiliate, individual, or person subject to this Act. The
20 Secretary shall have access to those books and records and
21 interview the officers, principals, employees, independent
22 contractors, agents, and customers of the covered person,
23 affiliate, service provider, individual, or person subject
24 to this Act concerning their business.

25 (4) Each covered person, affiliate, service provider,
26 individual, or person subject to this Act shall make or

1 compile reports or prepare other information as directed
2 by the Secretary in order to carry out the purposes of this
3 Section, including, but not limited to:

4 (A) accounting compilations;

5 (B) information lists and data concerning
6 transactions in a format prescribed by the Secretary;
7 or

8 (C) other information deemed necessary to carry
9 out the purposes of this Section.

10 (5) In making any examination or investigation
11 authorized by this Act, the Secretary may control access
12 to any documents and records of the covered person or
13 person under examination or investigation. The Secretary
14 may take possession of the documents and records or place
15 a person in exclusive charge of the documents and records
16 in the place where they are usually kept. During the
17 period of control, no person shall remove or attempt to
18 remove any of the documents or records, except pursuant to
19 a court order or with the consent of the Secretary. Unless
20 the Secretary has reasonable grounds to believe the
21 documents or records of the covered person or person under
22 examination or investigation have been or are at risk of
23 being altered or destroyed for purposes of concealing a
24 violation of this Act, the covered person or owner of the
25 documents and records shall have access to the documents
26 or records as necessary to conduct its ordinary business

1 affairs.

2 (6) In order to carry out the purposes of this
3 Section, the Secretary may:

4 (A) retain attorneys, accountants, or other
5 professionals and specialists as examiners, auditors,
6 or investigators to conduct or assist in the conduct
7 of examinations or investigations;

8 (B) enter into agreements or relationships with
9 other government officials, regulatory associations,
10 or self-regulatory organizations in order to improve
11 efficiencies and reduce regulatory burden by sharing
12 resources, standardized or uniform methods or
13 procedures, and documents, records, information, or
14 evidence obtained under this Section;

15 (C) use, hire, contract, or employ public or
16 privately available analytical systems, methods, or
17 software to examine or investigate the covered person,
18 affiliate, service provider, individual, or person
19 subject to this Act;

20 (D) accept and rely on examination or
21 investigation reports made by other government
22 officials, within or outside this State; or

23 (E) accept audit reports made by an independent
24 certified public accountant for the covered person,
25 affiliate, service provider, individual, or person
26 subject to this Act in the course of that part of the

1 examination covering the same general subject matter
2 as the audit and may incorporate the audit report in
3 the report of the examination, report of
4 investigation, or other writing of the Secretary.

5 (7) The authority of this Section shall remain in
6 effect, whether such a covered person, affiliate, service
7 provider, individual, or person subject to this Act acts
8 or claims to act under any licensing or registration law
9 of this State or claims to act without the authority.

10 (8) No covered person, affiliate, service provider,
11 individual, or person subject to investigation or
12 examination under this Section may knowingly withhold,
13 abstract, remove, mutilate, destroy, or secrete any books,
14 records, computer records, or other information.

15 (Source: P.A. 104-428, eff. 8-18-25.)

16 (205 ILCS 731/35-15)

17 Sec. 35-15. Transition period.

18 (a) A covered person engaging in digital asset business
19 activity without a registration under this Act shall not be
20 considered in violation of Section 15-5 or 5-25 until July 1,
21 2028 ~~2027~~.

22 (b) A covered person engaging in digital asset business
23 activity shall not be considered in violation of Sections 5-5,
24 5-10, and 5-20 until January 1, 2028 ~~2027~~.

25 (c) A covered exchange shall not be considered in

1 violation of Section 5-15 until January 1, 2028 ~~2027~~.

2 (d) Notwithstanding the foregoing, the Department may
3 adopt rules pursuant to this Act upon this Act becoming law
4 with such rules not to take effect earlier than January 1, 2027
5 ~~2026~~.

6 (Source: P.A. 104-428, eff. 8-18-25; revised 12-12-25.)

7 Section 99. Effective date. This Act takes effect upon
8 becoming law.