



Charles G. Cooper  
Commissioner

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**TEXAS DEPARTMENT OF BANKING**

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**PRESS RELEASE**

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**Texas Banking Commissioner Issues  
Supervisory Memorandum on Virtual Currency**

On April 3, 2014, Texas Banking Commissioner Charles G. Cooper issued Supervisory Memorandum 1037, Regulatory Treatment of Virtual Currencies under the Texas Money Services Act. The memorandum was issued to provide clarity and regulatory certainty for businesses and individuals engaged in the rapidly growing area of virtual currencies. It explains how the money transmission and currency exchange provisions of the Act apply to these virtual currencies generally, but focuses particularly on cryptocurrencies like Bitcoin and its progeny.

For purposes of money transmission and currency exchange, the Texas Money Services Act, codified in Texas Finance Code Chapter 151, provides narrow definitions of money and currency. Cryptocurrencies do not fit the statutory definitions of either currency or money, and consequently do not by themselves trigger the licensing requirements of the Act. However, some common business activities relating to cryptocurrency that involve the receipt of government-issued currency can trigger the licensing requirements of the Act. Supervisory Memorandum 1037 considers several general types of cryptocurrency activity and offers guidance on their licensing implications.

“At this point a cryptocurrency like Bitcoin is best viewed like a speculative investment, not as money,” said Commissioner Charles G. Cooper. “However, as this innovative technology develops, the Department will continue to evaluate whether the nature of cryptocurrencies and the potential harm to the public warrant additional action.”

The full text of Supervisory Memorandum 1037 can be found on the Department of Banking [website](#). Questions about this memorandum can be directed to Dan Wood at 877-276-5554.