

**Texas Department of Banking**  
**Texas Finance Code Chapter 160 Annual Report**

License Holder Name: \_\_\_\_\_ (License Holder)

MSB License Number: \_\_\_\_\_

Final Day of License Holder's Fiscal Year: \_\_\_\_\_

**Section 1: Texas Finance Code § 160.004(d)(1) - Attestation of Outstanding Liability to Digital Asset Customers**

I certify under penalty of perjury that:

(1) the value of outstanding liabilities of the License Holder to its digital asset customers, as of the final day of the License Holder's fiscal year (as stated above), was:

\$ \_\_\_\_\_ (in U.S. dollars).

(2) the value of any other liabilities or obligations of the License Holder to its digital asset customers (not included in (1) above), as of the final day of the License Holder's fiscal year (as stated above), whether off balance sheet or otherwise, was:

\$ \_\_\_\_\_ (in U.S. dollars).

I acknowledge that the foregoing statements are true and correct, and that any false statement of material fact is a violation of Texas Finance Code Chapter 152 and will subject me to the penalties contained therein.

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Section 2: Texas Finance Code § 160.004(d)(2) - Evidence of Customer Assets**

Evidence of customer assets held by License Holder as of the final day of its fiscal year (as stated above) is attached and labeled as: \_\_\_\_\_

**Section 3: Texas Finance Code § 160.004(d)(3) – Copy of Plan**

A copy of the License Holder's plan, as required by Texas Finance Code § 160.004(c), is attached and labeled as: \_\_\_\_\_

## **Instructions**

**Background and Purpose:** Digital asset service providers licensed by the Department, or applying for a license, should submit this form, along with the attachments referenced herein, to comply with the annual reporting required by Chapter 160 of the Texas Finance Code (TFC), *see* TFC § 160.004(d):

Not later than the 90<sup>th</sup> day after the end of each fiscal year, a digital asset service provider shall file a report with the department. The report must include the following information, as of the end of the digital asset service provider's fiscal year:

- (1) an attestation by the digital asset service provider of outstanding liability to digital asset customers;
- (2) evidence of customer assets held by the provider;
- (3) a copy of the provider's plan under Subsection (c); and
- (4) an attestation by an auditor that the information in the report is true and accurate (\*not required until after formal rule adoption addressing the audit standard).

**Scope:** Chapter 160 applies to a "digital asset service provider" that "(1) holds a Texas money services business license under Chapter 152 of the Texas Finance Code, and (2) either: (A) serves more than 500 digital asset customers in this state; or (B) has at least \$10 million in customer funds." *See* TFC § 160.003(a). Applicable definitions:

- A "digital asset" is "a natively electronic asset that confers economic, proprietary, or access rights and is recorded or stored in a blockchain, cryptographically secured distributed ledger, or similar technology, and includes: (A) a digital asset that the laws of any country consider to be legal tender; or (B) virtual currency as defined by Section 12.001, [Texas] Business & Commerce Code."
- A "digital asset customer" is "a person who deposits fiat currency or a digital asset with a digital asset service provider."
- A "digital asset service provider" is "an electronic platform that" both (a) "facilitates the trading of digital assets on behalf of a digital asset customer," and (b) "maintains custody of the customer's digital assets."
- "Customer funds" are the digital assets, fiat currency, or other property deposited by a digital asset customer.

**Section 2:** Include evidence which adequately and reasonably discloses the customer funds and other assets held by the License Holder for its customers as of the final day of its fiscal year. This evidence should address all customer funds and other assets the License Holder holds, manages, or otherwise maintains in custody for customers, directly and indirectly, and should reasonably disclose, at a minimum, the types and amounts of those funds and assets, and how and where those funds or assets are held, including whether held directly by the License Holder or through another entity.

Further information may be required by the Department, as needed.

Blank versions of this form may be obtained at: [www.dob.texas.gov](http://www.dob.texas.gov)