

1 Adopt 2 Cal. Code Regs., Section 18421.2 to read:

2 **§ 18421.2. Cryptocurrency Contributions**

3 (a) A person may make, and a committee may solicit, a contribution of cryptocurrency as
4 an in-kind contribution if the cryptocurrency is converted to dollars upon the making of the
5 contribution. Any cryptocurrency contribution must be made and received through a U. S. based
6 cryptocurrency payment processor registered with the U.S. Department of Treasury, Financial
7 Crimes Enforcement Network which utilizes know your customer (KYC) protocols to verify the
8 identity of the contributor for all contributions.

9 (b) A committee may only receive a contribution made in cryptocurrency pursuant to
10 subdivision (a), if the payment processor:

11 (1) Has adequate KYC procedures that enable it to form a reasonable belief that it knows
12 the true identity of each contributor.

13 (2) Collects the name, address, occupation, and employer of each contributor at the time
14 the contribution is made and transmits this to the committee within 24 hours of the time the
15 contribution is made.

16 (3) Immediately converts the contribution to U.S. dollars at the prevailing rate of
17 exchange at the time the payment processor obtains possession of the contribution and deposits
18 the funds into the committee's campaign bank account within two business days of receipt.

19 (c) In reporting cryptocurrency contributions:

20 (1) The amount of the contribution is the fair market value of the cryptocurrency at the
21 time the payment processor obtains possession of the contribution.

22 (2) Any amounts charged or withheld by the payment processor must be reported by the
23 committee as expenditures at the time the fees are deducted or charged.