

**Subject** Banks and credit unions; virtual currency

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**Date** February 27, 2026

## Overview

This bill allows banks and credit unions in Minnesota to provide virtual-currency custody services.

## Summary

Section	Description
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| 1 | <p><b>[48.741] Virtual-currency custody services.</b></p> <p><b>Subd. 1. Definitions.</b> Defines “control of virtual currency,” “virtual currency,” and “virtual-currency custody services.”</p> <p><b>Subd. 2. Authority.</b> Allows a bank to provide virtual-currency custody services in a fiduciary or nonfiduciary capacity.</p> <p><b>Subd. 3. Safety and soundness.</b> Requires a bank that provides virtual-currency custody services to act in a safe and sound manner and have written policies regarding risk management, internal controls, cybersecurity, business continuity, and compliance.</p> <p><b>Subd. 4. Notice to commissioner.</b> Requires a bank to provide the commissioner with 60 days’ written notice before providing virtual-currency custody services.</p> <p><b>Subd. 5. Fiduciary capacity.</b> (a) Allows a bank to provide virtual-currency custody services in a fiduciary or custodial capacity for the limited purpose of safekeeping or administration of the virtual currency, to the same extent the bank does so for other assets.</p> <p>(b) Allows the commissioner to limit or condition a bank’s authority under paragraph (a) if the commissioner determines the activity is conducted in an unsafe or unsound manner.</p> |
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Section	Description
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**Subd. 6. Segregation of assets.** Requires a bank to structure virtual-currency custody services to ensure the currency and controls are operated legally and segregated from the bank's assets.

**Subd. 7. Third-party service providers.** Allows a bank to engage a qualified third-party service provider to facilitate virtual currency custody services if the bank retains oversight responsibility and ensures compliance with this section.

**Subd. 8. Supervision and examination.** States that a bank's virtual currency custody services are subject to examination as part of the regular supervisory process.

**Subd. 9. Construction.** Clarifies that this section does not authorize a bank to engage in activities otherwise prohibited by law or alter the legal characterization of virtual currency.

**Effective date.** This section is effective August 1, 2026, and applies to virtual currency custody services on or after that date.

2 **[52.25] Virtual-currency custody services.**

Contains same provisions as section 1, but applies them to credit unions.



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