

STATE OF NEW YORK

391

2025-2026 Regular Sessions

IN ASSEMBLY

(Prefiled)

January 8, 2025

Introduced by M. of A. VANEL -- read once and referred to the Committee on Science and Technology

AN ACT to amend the financial services law, in relation to requiring certain disclosures in advertisements involving virtual tokens

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The financial services law is amended by adding a new
2 section 410 to read as follows:

3 § 410. Restrictions concerning advertising. (a) No person shall, in
4 any manner, advertise, print, display, publish, distribute, or broad-
5 cast, or cause or permit to be advertised, printed, displayed,
6 published, distributed, or broadcasted, any statement or representation
7 with regard to any virtual token for consideration without disclosing
8 the amount of consideration, whether past or prospective, direct or
9 indirect, and the nature thereof.

10 (b) No person shall, in any manner, advertise, print, display,
11 publish, distribute, or broadcast, or cause or permit to be advertised,
12 printed, displayed, published, distributed, or broadcasted, any state-
13 ment or representation with regard to any virtual token or other finan-
14 cial product or service if such statement or representation is, in any
15 manner, false, misleading or deceptive.

16 (c) For the purposes of this section and without limiting subsections
17 (a) and (b) of this section, a statement or representation shall be
18 false, misleading and deceptive if it states or implies, directly or
19 indirectly, that a person is authorized legally to offer or provide in
20 New York state or to New York state residents a virtual token or other
21 financial product or service, and such person is not so authorized.

22 (d) For the purposes of this section, "virtual token" shall mean any
23 interchangeable or non-interchangeable unit of data that is stored on
24 any blockchain ledger which shall include, among other digital units

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 that the superintendent determines to be virtual tokens in accordance
2 with this definition, cryptocurrencies, virtual currencies, digital
3 assets and digital tokens, whether fungible or non-fungible. "Virtual
4 token" shall not be construed to include any of the following:

5 (A) digital units that:

6 (i) are used solely within online gaming platforms;

7 (ii) have no market or application outside of those gaming plat-
8 forms;

9 (iii) cannot be converted into, or redeemed for, fiat currency or
10 virtual currency; and

11 (iv) may or may not be redeemable for real-world goods, services,
12 discounts, or purchases;

13 (B) digital units that can be redeemed for goods, services, or
14 purchases as part of a customer affinity or rewards program with the
15 issuer and/or other designated merchants or can be redeemed for digital
16 units in another customer affinity or rewards program, but cannot be
17 converted into, or redeemed for, fiat currency or other virtual curren-
18 cy; or

19 (C) digital units used as part of prepaid cards.

20 § 2. This act shall take effect immediately.