

BUSINESS AND COMMERCE CODE  
TITLE 1. UNIFORM COMMERCIAL CODE  
CHAPTER 12. VIRTUAL CURRENCY

Sec. 12.001. DEFINITION. In this chapter, "virtual currency":

(1) means a digital representation of value that:

(A) is used as a medium of exchange, unit of account, or store of value; and

(B) is not legal tender, whether or not denominated in legal tender; and

(2) does not include:

(A) a transaction in which a merchant grants, as part of an affinity or rewards program, value that cannot be taken from or exchanged with the merchant for legal tender, bank credit, or virtual currency; or

(B) a digital representation of value issued by or on behalf of a publisher and used solely within an online game, game platform, or family of games sold by the same publisher or offered on the same game platform.

Added by Acts 2021, 87th Leg., R.S., Ch. 739 (H.B. 4474), Sec. 9, eff. September 1, 2021.

Sec. 12.002. SCOPE. This chapter applies to virtual currency.

Added by Acts 2021, 87th Leg., R.S., Ch. 739 (H.B. 4474), Sec. 9, eff. September 1, 2021.

Sec. 12.003. RIGHTS IN VIRTUAL CURRENCY. (a) In this section:

(1) "Adverse claim" means a claim that a claimant has a property interest in a virtual currency and that it is a violation of the rights of the claimant for another person to hold, transfer, or deal with the virtual currency.

(2) "Qualifying purchaser" means a purchaser that obtains control of a virtual currency for value and without notice of any adverse claim.

(b) Subject to Subsections (c) through (h), law other than this chapter determines whether a person acquires rights in a virtual currency and the rights that the person acquires.

(c) A purchaser of a virtual currency acquires all rights in the virtual currency that the transferor had or had power to transfer.

(d) A purchaser of a limited interest in a virtual currency acquires rights only to the extent of the interest purchased.

(e) In addition to acquiring the rights of a purchaser, a qualifying purchaser acquires the purchaser's rights in a virtual currency free of any adverse claim.

(f) An action based on an adverse claim to a virtual currency, whether framed in conversion, replevin, constructive trust, equitable lien, or other theory, may not be asserted against a qualifying purchaser that acquires the purchaser's interest in, and obtains control of, the virtual currency for value and without notice of the adverse claim.

(g) A person has notice of an adverse claim if:

(1) the person knows of the adverse claim; or

(2) the person is aware of facts sufficient to indicate that there is a significant probability that the adverse claim exists and deliberately avoids information that would establish the existence of the adverse claim.

(h) Filing of a financing statement under Chapter 9 is not notice of an adverse claim to a virtual currency.

Added by Acts 2021, 87th Leg., R.S., Ch. 739 (H.B. 4474), Sec. 9, eff. September 1, 2021.

Sec. 12.004. CONTROL OF VIRTUAL CURRENCY. (a) A person has control of a virtual currency if the following conditions are met:

(1) the virtual currency or the system in which the virtual currency is recorded, if any, gives the person:

(A) the power to derive substantially all the benefit from the virtual currency;

(B) subject to Subsection (b), the exclusive power to prevent others from deriving substantially all the benefit from the virtual currency; and

(C) subject to Subsection (b), the exclusive power to transfer control of the virtual currency to another person or cause another person to obtain control of a virtual currency that derives from the virtual currency; and

(2) the virtual currency, a record attached to or logically associated with the virtual currency, or the system in which the virtual currency is recorded, if any, enables the person to readily identify the person as having the powers specified in Subdivision (1).

(b) A power specified in Subsection (a)(1)(B) or (C) can be exclusive, even if:

(1) the virtual currency or the system in which the virtual currency is recorded, if any, limits the use to which the virtual currency may be put or has protocols that are programmed to result in a transfer of control; and

(2) the person has agreed to share the power with another person.

(c) For the purposes of Subsection (a)(2), a person may be identified in any way, including by name, identifying number, cryptographic key, office, or account number.

Added by Acts 2021, 87th Leg., R.S., Ch. 739 (H.B. [4474](#)), Sec. 9, eff. September 1, 2021.