

§ 53-446. (Effective January 1, 2027) Disclosures.

(a) Disclosures of Material Risks. – As part of establishing a relationship with a customer, and prior to entering into an initial transaction for, on behalf of, or with the customer, each virtual currency kiosk operator shall disclose in clear, conspicuous, and legible writing in the English language, whether in accessible terms of service or elsewhere, all material risks associated with its products, services, and activities and virtual currency generally, including disclosures substantially similar to the following:

"Virtual currency is not legal tender, is not backed by the government, and accounts and value balances are not subject to Federal Deposit Insurance Corporation or Securities Investor Protection Corporation protections.

Transactions in virtual currency may be irreversible, and, accordingly, losses due to fraudulent or accidental transactions may not be recoverable.

The nature of virtual currency may lead to an increased risk of fraud or cyber attack.

The nature of virtual currency means that any technological difficulties experienced by the virtual currency kiosk operator may prevent the access or use of a customer's virtual currency.

Any bond or trust account maintained by the virtual currency kiosk operator for the benefit of its customers may not be sufficient to cover all losses incurred by customers."

(b) Disclosure of General Terms and Conditions. – When opening an account for a new customer, and prior to entering into an initial transaction for, on behalf of, or with the customer, each virtual currency kiosk operator shall disclose in clear, conspicuous, and legible writing in the English language, whether in accessible terms of service or elsewhere, all relevant terms and conditions associated with its products, services, and activities and virtual currency generally, including disclosures substantially similar to the following:

- (1) The customer's liability for unauthorized virtual currency transactions.
- (2) Under what circumstances the virtual currency kiosk operator will, absent a court or government order, disclose information concerning the customer's account to third parties.
- (3) The customer's right to receive periodic account statements and valuations from the virtual currency kiosk operator.
- (4) The customer's right to receive a receipt, trade ticket, or other evidence of a transaction.
- (5) The customer's right to prior notice of a change in the virtual currency kiosk operator's rules or policies.
- (6) The amount of the transaction denominated in dollars as well as the applicable virtual currency.
- (7) Any fees or expenses charged by the virtual currency kiosk operator.
- (8) Any applicable exchange rates.
- (9) Other disclosures as are customarily given in connection with the opening of customer accounts.

(c) Warning Disclosure. – Prior to entering into a virtual currency transaction with a customer, each virtual currency kiosk operator shall ensure a warning is disclosed to a customer substantially similar to the following:

"Customer Notice. Please Read Carefully.

Were you contacted by someone urging you to use this kiosk? If so, you may be the victim of a scam, and you should NOT PROCEED with the transaction. Scammers often pretend to be:

- Your bank;
- Your software provider (these scammers often make contact through a pop-up message on your computer);
- A new friend or romantic interest who needs money (or who can help you invest in cryptocurrency);

- The police;
- A government agency (such as Social Security, Medicare, or the IRS);
- A utility;
- An investment advisor;
- A legal official (who may say that you have a criminal warrant or missed jury duty or owe bail money); or
- A legitimate sweepstakes (claiming you won the lottery and have to prepay to receive your winnings).

DO NOT USE THIS KIOSK under any of these circumstances or other situations where you are pressured to make a payment through a kiosk. Also, you should immediately report the scam to law enforcement.

I understand that the purchase and sale of cryptocurrency is a final irreversible and nonrefundable transaction.

I confirm I am sending funds to a wallet I own or directly have control over. I confirm that I am using funds gained from my own initiative to make my transaction."

(d) Interactive Fraud-Screen Requirement. – In addition to all disclosures required under this section, each virtual currency kiosk shall implement an interactive fraud-screen process meeting all of the following requirements:

- (1) For each required disclosure required by this section, the kiosk shall display a dedicated screen that does all of the following:
 - a. Restates the disclosure in clear, conspicuous, and plain language.
 - b. Asks the customer: "Does this fraud warning apply to you or your situation?" with selectable options "Yes" and "No".
- (2) Each fraud screen shall remain visible and non-interactive for not less than 10 seconds before the customer may select an option or proceed. The kiosk shall display a countdown timer or other indicator showing the remaining time.
- (3) If the customer selects "Yes" on any fraud screen, the kiosk shall do all of the following:
 - a. Immediately terminate the transaction.
 - b. Display a message stating that the transaction has been stopped for the customer's protection.
 - c. Disable the customer's account, wallet address, phone number, or other unique identifier used for kiosk access for a period of not less than 24 hours.
- (4) A kiosk operator shall not allow any customer to bypass, skip, accelerate, or otherwise avoid the fraud-screen process required by this subsection.

(e) Disclosures Before Each Transaction. – Prior to the completion of each virtual currency transaction, each virtual currency kiosk operator shall ensure the following is disclosed in a clear and conspicuous manner to the customer:

- (1) All fees and charges associated with the transaction.
- (2) The exchange rates.
- (3) The spread.
- (4) Any customer liability. (2026-45, s. 1.)