

**Interim Regulatory Guidance: Virtual Currency and the Colorado Money  
Transmission Modernization Act (“MTMA”)**  
*Issued: December 18, 2025*

**I. Purpose**

This guidance outlines the Division of Banking’s interpretation of the Colorado Money Transmission Modernization Act (“MTMA”) as it relates to whether a person<sup>1</sup> or organization engaged in the business of buying, selling and/or facilitating the transfer of virtual currency within the state must obtain a license as a money transmitter under Colorado law. Further, this document clarifies the definition of “money transmission” under the MTMA, and provides guidance as to the types of virtual currency transactions that fall within the scope of that definition.

This guidance does not amend the Act and is subject to change and/or withdrawal by the State Bank Commissioner or the State Banking Board. In addition, this guidance does not address applicable regulations, rules, or other guidance promulgated by the Financial Crimes Enforcement Network or other state regulators. Further, the Division cannot provide legal or business advice.

**II. Background**

**A. MTMA**

The MTMA took effect on August 6, 2025, repealing and reenacting C.R.S. § 11-110-101 et seq. (previously the “Colorado Money Transmitters Act”).<sup>2</sup> The MTMA is a licensing statute, requiring persons engaged in the business of money transmission to obtain a license from the State Banking Board.<sup>3</sup> The MTMA has been interpreted in accordance with the stated legislative directive, as follows:

(1) The general assembly finds and declares that the purpose of this article 110 is to: (a) Ensure states can coordinate in all areas of regulation, licensing, and supervision to eliminate unnecessary regulatory burden and more effectively utilize regulator resources; (b) Protect the public from financial crime; (c) Standardize the types of activities that are subject to licensing or otherwise exempt from licensing; and (d) Modernize safety and soundness requirements to

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<sup>1</sup> “Person” means “any natural person, firm, association, partnership, registered limited liability partnership, syndicate, joint stock company, unincorporated company or association, limited liability company, common law trust, or any corporation organized under the laws of the United States or of any state or territory of the United States or of any foreign country.” C.R.S. § 11-110-103(14).

<sup>2</sup> See HB 25-1201 (signed April 18, 2025) (repealing and reenacting with amendments article 110 of title 11) (“This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly . . .”). The 2025 legislative session adjourned on May 7, 2025. Accordingly, the MTMA became effective ninety-one days later—on August 6, 2025 at 12:01 a.m.

<sup>3</sup> C.R.S. § 11-110-105(1).

ensure customer money is protected in an environment that supports innovative and competitive business practices.<sup>4</sup>

The MTMA has further been interpreted in accordance with the statutory provision providing that “in applying and construing [the MTMA], consideration must be given to the need to promote uniformity of the law with respect to its subject matter among states that enact it.”<sup>5</sup> The MTMA is based in large part upon a model law approved by the Conference of State Bank Supervisors (“CSBS”) Board of Directors. As of June 10, 2025, thirty-one states have enacted that model law in whole or in part.<sup>6</sup>

The MTMA seeks to protect consumers from defaults in the payments made through the transmission of money by requiring money transmitters to either post a surety bond or escrow securities.<sup>7</sup> The MTMA also sets forth application criteria for persons seeking licensure.<sup>8</sup> Under the MTMA, “money transmission” means “any of the following: (I) Selling or issuing payment instruments to a person located in this state; (II) Selling or issuing stored value to a person located in this state; or (III) Receiving money for transmission from a person located in this state.”<sup>9</sup>

Engaging in any of these three activities would require licensure under the MTMA. This interim regulatory guidance clarifies whether the transmission of virtual currency may under certain circumstances constitute money transmission under the MTMA and thereby be subject to the licensure requirement.

## **B. Virtual Currency and the Colorado Vending of Digital Assets Act**

The Colorado Vending of Digital Assets Act (“VDAA”), was signed on June 2, 2025 and is set to take effect on January 1, 2026.<sup>10</sup> The VDAA defines “Virtual Currency” as:

a type of digital unit that is used as a medium of exchange or a form of digitally stored value or that is incorporated into payment system technology. “Virtual Currency” includes digital units that (I) have a centralized repository or administrator, (II) are decentralized and have no centralized repository or administrator, or (III) may be created or obtained by computing or manufacturing effort.<sup>11</sup>

Virtual currency does not include digital units used solely within gaming platforms or consumer rewards programs.<sup>12</sup>

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<sup>4</sup> C.R.S. § 11-110-102.

<sup>5</sup> C.R.S. § 11-110-1201.

<sup>6</sup> CSBS Money Transmission Modernization Act (MTMA), June 10, 2025, <https://www.csbs.org/csbs-money-transmission-modernization-act-mtma>.

<sup>7</sup> C.R.S. § 11-110-108.

<sup>8</sup> C.R.S. § 11-110-107.

<sup>9</sup> C.R.S. § 11-110-201(20)(a).

<sup>10</sup> S.B. 25-079.

<sup>11</sup> *Id.* § 11-112-102(4).

<sup>12</sup> *Id.* § 11-112-102(4)(c).

The VDAA further defines a “Virtual Currency Kiosk” as:

an electronic terminal acting as a mechanical agent of the owner or operator to enable the owner or operator to facilitate the exchange of virtual currency for other virtual currency or fiat currency, including by (a) connecting to a separate virtual currency exchanger that performs the actual virtual currency transmission; or (b) drawing upon the virtual currency in the possession of the owner or operator of the electronic terminal.<sup>13</sup>

The VDAA requires owners and operators of Virtual Currency Kiosks to disclose particular information to customers, including risks, information, and terms of the transaction.<sup>14</sup> The owner or operator must ensure that the customer acknowledges receipt of the disclosures and must provide a receipt to the customer containing particular information.<sup>15</sup> The VDAA limits the daily transaction limit to \$2000 for new customers and \$5000 for existing customers.<sup>16</sup> The VDAA also requires owners/operators to allow a customer to cancel and receive a full refund under certain circumstances.<sup>17</sup>

Each transaction at Virtual Currency Kiosks shall be accompanied by a Transaction Hash, defined as “a unique identifier made up of a string of characters that acts as a record and provides proof that a transaction was verified and added to blockchain technology.”<sup>18</sup> “Blockchain technology” is “a mathematically secured, chronological, decentralized, distributed, and digital ledger or database that consists of records of transactions that cannot be altered retroactively.”<sup>19</sup>

### **C. Payment Stablecoin and the Federal GENIUS Act**

The Guiding and Establishing National Innovation for US Stablecoins (“GENIUS”) Act<sup>20</sup> was signed into law on July 18, 2025 and provides for the federal regulation of a type of virtual currency called “payment stablecoin,” defined as

a digital asset-- (i) that is, or is designed to be, used as a means of payment or settlement; and (ii) the issuer of which-- (I) is obligated to convert, redeem, or repurchase for a fixed amount of monetary value, not including a digital asset denominated in a fixed amount of monetary value; and (II) represents that such issuer will maintain, or create the

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<sup>13</sup> *Id.* § 11-112-102(6).

<sup>14</sup> *Id.* §§ 11-112-103(1) through 11-112-103(3).

<sup>15</sup> *Id.* §§ 11-112-103(4), 11-112-103(5).

<sup>16</sup> *Id.* § 11-112-103(6).

<sup>17</sup> *Id.* § 11-112-103(7).

<sup>18</sup> *Id.* § 11-112-102(3).

<sup>19</sup> *Id.* § 11-112-102(1); C.R.S. § 24-36-121.5(2)(a).

<sup>20</sup> 12 U.S.C. § 5901 et seq.

reasonable expectation that it will maintain, a stable value relative to the value of a fixed amount of monetary value.<sup>21</sup>

The GENIUS Act limits which entities are permitted to issue stablecoin. It provides that “It shall be unlawful for any person other than a permitted payment stablecoin issuer [(“PPSI”)] to issue a payment stablecoin in the United States.”<sup>22</sup> A PPSI is “a person formed in the United States that is--(A) a subsidiary of an insured depository institution that has been approved to issue payment stablecoins under section 5904 of this title; (B) a Federal qualified payment stablecoin issuer [(“FQPSI”)]; or (C) a State qualified payment stablecoin issuer [(“SQPSI”)].”<sup>23</sup> PPSIs are only permitted to engage in certain activities:

A permitted payment stablecoin issuer *may only*-- (i) issue payment stablecoins; (ii) redeem payment stablecoins; (iii) manage related reserves, including purchasing, selling, and holding reserve assets or providing custodial services for reserve assets, consistent with State and Federal law; (iv) provide custodial or safekeeping services for payment stablecoins, required reserves, or private keys of payment stablecoins, consistent with this chapter; and (v) undertake other activities that directly support any of the activities described in clauses (i) through (iv).<sup>24</sup>

If an entity becomes a FQPSI, the GENIUS Act then circumscribes a state’s ability to further regulate that entity. The subsection of the GENIUS Act entitled “[r]elation to other licensing requirements” provides that “[t]he provisions of this section *supersede and preempt any State requirement for a charter, license, or other authorization to do business* with respect to a [FQPSI] or subsidiary of an insured depository institution or credit union that is approved under this section to be a permitted payment stablecoin issuer.”<sup>25</sup>

### **III. Actions Requiring Licensure under the MTMA**

The Colorado Division of Banking provides the following interpretive guidance regarding the activities that are considered to be “money transmission” under the MTMA and which may require licensure as a money transmitter under that statute, in light of the federal GENIUS Act.

#### **A. Receiving Money**

Under the MTMA, “[r]eceiving money for transmission from a person located in this state” would require licensure. “Money” is defined as “a medium of exchange that is authorized or adopted by the United States or a foreign government,” and

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<sup>21</sup> 12 U.S.C. § 5901(22)(A).

<sup>22</sup> 12 U.S.C. § 5902(a).

<sup>23</sup> 12 U.S.C. § 5901(23).

<sup>24</sup> 12 U.S.C. § 5903(a)(7)(A) (emphasis added).

<sup>25</sup> 12 U.S.C. § 5904(h) (emphasis added).

“includes a monetary unit of account established by an intergovernmental organization or by agreement between two or more governments.”<sup>26</sup> Pursuant to the VDAA, GENIUS Act, or any other current statute, virtual currency does not fall within this definition of “money.”<sup>27</sup> Accordingly, a person who receives virtual currency for transmission from a person located in this state does not need a money transmitter license under the this provision of the MTMA (C.R.S. § 11-110-201(20)(a)(III)).

## B. Selling or Issuing Payment Instruments

Under the MTMA, “[s]elling or issuing payment instruments to a person located in this state” would require licensure. “Payment instrument” is defined as “a written or electronic check, draft, money order, traveler’s check, or other written or electronic instrument for the transmission or payment of money or monetary value, whether or not negotiable.”<sup>28</sup>

The definition of “payment instrument” is comprised of a list of items. The first four items on the list—check,<sup>29</sup> draft,<sup>30</sup> money order,<sup>31</sup> and traveler’s check<sup>32</sup>—are well defined, and constitute traditional instruments for the transmission or payment of money. Virtual currency does not fall into any of these categories.

The last item on the list is described more broadly as a “written or electronic instrument for the transmission or payment of money or monetary value, whether or not negotiable.”<sup>33</sup> The principle of construction *ejusdem generis* “provides that when a general word or phrase follows a list of specific persons or things, the general word or phrase will be interpreted to include only persons or things of the same type as those listed.” *Mounkes v. Indus. Claim Appeals Off. of State*, 251 P.3d 485, 488 (Colo. App. 2010) (interpreting the third item following the list of “expense accounts, inventories, or other records or reports” would “include only those documents that,

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<sup>26</sup> C.R.S. § 11-110-201(19).

<sup>27</sup> While the GENIUS Act provides for the federal regulation of payment stablecoin, it defines “money” in the same way that the MTMA does, and does not itself define “payment stablecoin” to be “money.”

<sup>28</sup> C.R.S. § 11-110-201(26)(a).

<sup>29</sup> “Check’ means (i) a draft, other than a documentary draft, payable on demand and drawn on a bank, (ii) a cashier’s check or teller’s check, or (iii) a demand draft. An instrument may be a check even though it is described on its face by another term, such as “money order.” C.R.S. § 4-3-104(f).

<sup>30</sup> A “draft” is a negotiable instrument that is an unconditional written order signed by the drawer directing another person to pay a certain sum of money on demand or at a definite time to a third person. C.R.S. §§ 4-3-104(a) and (e).

<sup>31</sup> A “money order” is a negotiable draft issued by an authorized entity to a purchaser, in lieu of a check, to be used to pay a debt or otherwise transmit funds upon the credit of the issuer. *Black’s Law Dictionary*, 12th ed. (2024).

<sup>32</sup> “Traveler’s check’ means an instrument that (i) is payable on demand, (ii) is drawn on or payable at or through a bank, (iii) is designated by the term ‘traveler’s check’ or by a substantially similar term, and (iv) requires, as a condition to payment, a countersignature by a person whose specimen signature appears on the instrument.” C.R.S. § 4-3-104(i).

<sup>33</sup> While “money” is specifically defined as “a medium of exchange that is authorized or adopted by the United States or a foreign government,” “[m]onetary value” is “a medium of exchange, whether or not redeemable in money.” C.R.S. § 11-110-201(18).

like expense accounts and inventories, relate directly to an employer’s assets and liabilities”); *Cap. One, N.A. v. Colorado Dep’t of Revenue*, 509 P.3d 1078, 1081 (Colo. App. 2022) (interpreting the term “group or combination acting as a unit,” when listed after the terms “firm,” “joint venture,” “partnership,” and “corporation,” to be “a catchall term for other organizations that do not fit the legal definition of those listed but which, like those listed, operate as a single organization”).

Applying *ejusdem generis* here to the statutory definition of “payment instrument,” the term “written or electronic instrument for the transmission or payment of money or monetary value, whether or not negotiable” is interpreted to include instruments with similar qualities as checks, drafts, money orders, and traveler’s checks. Those instruments would be limited to instruments ordering the payment of a fixed amount of money or monetary value, payable to bearer or order on demand, or at a definite time.

With respect to a person in the business of selling or issuing virtual currencies to a person in Colorado, a license would not be required pursuant to C.R.S. § 11-110-201(20)(a)(I) since the person is not engaged in the sale or issuance of a payment instrument.

### **C. Selling or Issuing Stored Value**

#### **i. MTMA Definition of “Stored Value” includes “Payment Stablecoin” as defined in GENIUS Act**

Under the MTMA, the act of “[s]elling or issuing stored value to a person located in this state” requires licensure as a money transmitter. The MTMA specifies that the meanings of “stored value” and “payment instrument” are mutually exclusive.<sup>34</sup> “Stored value” is defined as “monetary value that represents a claim against the issuer evidenced by an electronic or digital record and that is intended and accepted for use as a means of redemption for money or monetary value or payment for goods or services.”<sup>35</sup>

The term “stored value” is interpreted to include “payment stablecoins,” as defined under the federal GENIUS Act. A payment stablecoin “represents a claim against the issuer” because, by definition, a payment stablecoin issuer is obligated to convert, redeem, or repurchase the stablecoin for a fixed amount of monetary value.<sup>36</sup> Additionally, the GENIUS Act requires a PPSI to “maintain identifiable reserves backing the outstanding payment stablecoins of the permitted payment stablecoin issuer on an at least 1 to 1 basis” with United States currency and “other similarly liquid Federal Government-issued asset[s].”<sup>37</sup>

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<sup>34</sup> C.R.S. §§ 11-110-201(30)(b) (“stored value . . . does not include a payment instrument”); 11-110-201(26)(b) (“payment instrument . . . does not include stored value”).

<sup>35</sup> C.R.S. § 11-110-201(30)(a).

<sup>36</sup> 12 U.S.C. § 5901(22)(A).

<sup>37</sup> 12 U.S.C. § 5903(a)(1).

This interpretation is supported by guidance issued by the CSBS. Prior to the passage of the GENIUS Act, the CSBS had similarly advised that “[m]any stablecoins likely fit within the [MTMA] definition of stored value” and that [w]hen stablecoins perform” as stored value, “they likely should be considered money transmission.”<sup>38</sup> However, other types of cryptocurrencies that are not payment stablecoins are not “stored value” under the MTMA. This interpretation is grounded in the fact that these virtual currencies do not “represent a claim against the issuer” because their value is not set or guaranteed in any way by the issuer.

Accordingly, with respect to a person selling or issuing payment stablecoin (as defined by the GENIUS Act) to a person in Colorado, the statutory terms of the MTMA indicate that a license would be required pursuant to C.R.S. § 11-110-201(20)(a)(II) since the person is engaged in the sale or issuance of stored value.

## **ii. The GENIUS Act Preempts MTMA Licensure Requirements for Federally Qualified Payment Stablecoin Issuers**

The terms of the MTMA indicate that a person who sells or issues payment stablecoin is subject to the MTMA licensure requirement. However, the GENIUS Act preempts this requirement. The GENIUS Act provides that only a FQPSI, SQPSI, or approved subsidiary of a depository institution may issue payment stablecoin, and that absent limited exceptions, “beginning on the date that is 3 years after July 18, 2025, it shall be unlawful for a digital asset service provider to offer or sell a payment stablecoin to a person in the United States, unless the payment stablecoin is issued by a permitted payment stablecoin issuer.”<sup>39</sup> If an entity becomes a FQPSI, the GENIUS Act explicitly preempts any state from requiring “a charter, license, or other authorization to do business” from that entity. Accordingly, if a person issues or sells payment stablecoin to a person in Colorado, they need not obtain a license under the MTMA.

## **iii. Implications for the VDAA**

“Payment stablecoin” as defined in the GENIUS Act is a narrower subset of “virtual currency” as defined in the VDAA. Accordingly, to the extent that virtual currency transactions do not involve payment stablecoin, then the owners and/or operators of virtual currency kiosks are not subject to MTMA licensure requirements. However, if a virtual currency kiosk owner/operator issues or sells payment stablecoin, they are subject to licensure requirements under the terms of the MTMA. However, if the owner and/or operator of the virtual currency kiosk is a FQPSI, any MTMA licensure requirement is preempted by the GENIUS Act.

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<sup>38</sup> CSBS Comment Letter on Cryptocurrencies, Sept. 27, 2021, <https://www.csbs.org/policy/statements-comments/csbs-letter-cryptocurrencies>.

<sup>39</sup> 12 U.S.C. § 5902(b)(1).

#### **IV. Conclusion**

“Money transmission” is an activity subject to licensure requirements under the MTMA and may encompass certain types of virtual currency in specific instances. Under the MTMA, money transmission is defined to include three categories of activities: (I) Selling or issuing payment instruments to a person located in this state; (II) Selling or issuing stored value to a person located in this state; or (III) Receiving money for transmission from a person located in this state. A person who receives virtual currency does not fall within the third category, and a person who sells or issues virtual currency does not fall within the first category. Accordingly, these activities are not subject to MTMA licensure requirements.

However, a person who sells or issues payment stablecoin—a particular type of virtual currency defined in the GENIUS Act—engages in the activity of “[s]elling or issuing stored value to a person located in this state.” Consequently, under the terms of the MTMA, this activity is subject to licensure requirements. However, the GENIUS Act preempts any state from subjecting a FQPSI to licensure requirements. Accordingly, if a person is a FQPSI, they are not subject to MTMA licensure requirements.