

Notice to Virginia Residents Regarding Virtual Currency

The Virginia Bureau of Financial Institutions (“Bureau”) does not currently regulate virtual currencies; however, to the extent virtual currency transactions also involve the transfer of fiat currency (currency declared by a government to be legal tender), they may be regulated under Chapter 19 of Title 6.2 of the Code of Virginia (Money Order Sellers and Money Transmitters), § 6.2-1900, *et seq.* Residents considering the use of virtual currencies should research any company offering services related to virtual currencies, including exchanges, platforms, administrators, sellers, or ATMs.

Virtual currency is a digital representation of value issued by private developers and denominated in their own unit of account. It does not have the status of legal tender and is not backed by any central bank or government. **Virtual currencies are highly volatile with the potential for complete loss of value.** Virtual currencies are not insured against loss, and may be stolen if not maintained in a secure manner. Additionally, transactions in virtual currency are final and are not reversible. Advances in technology have led to the development of hundreds of different virtual currencies, each with their own characteristics. The Bureau strongly cautions residents to consider the risks associated with the purchase and use of virtual currencies.