



RESOLUTION No. 001

FOR THE ADOPTION OF THE UCC AMENDMENTS AND ARTICLE 12 ADDRESSING DIGITAL ASSETS

Enacted by the Zone Authority Commission
[12 August, 2022]

PREAMBLE

1. Whereas in 2019 the Uniform Law Commission (“ULC”) and the American Legal Institute (“ALI”) as sponsoring organization, appointed a Joint Committee to consider whether changes to the Uniform Commercial Code (“UCC”) are advisable to accommodate emerging technologies such as artificial intelligence, distributed ledger technology, and virtual currency.
2. Whereas said committee received permission from the Sponsors to act as a drafting committee, and a draft was presented to the ALI Council on January 20, 2022 which was approved, after which several working groups have met remotely to discuss specific topics and to hear views of various stakeholder groups.
3. Whereas the ALI approved Tentative Draft No. 1 as of April 2022 of the UCC Amendments and Emerging Technologies was approved at its annual meeting on May 18, 2022, and later finally approved in July 13, 2022 at the ULC’s 131st annual meeting.
4. Whereas all the drafts, memorandums and documentation that make up the efforts to amend the UCC by the ULC and ALI can be found in <https://www.uniformlaws.org/viewdocument/archive-committee-55?CommunityKey=1457c422-ddb7-40b0-8c76-39a1991651ac&tab=librarydocuments>.
5. Whereas pursuant to the Civil Zone Ordinance Title VI. Uniform Commercial Codes, Chapter 10: Digital Assets, Section 1. Treatment of Digital Assets, “(...)The Zone Authority shall define, classify, and regulate Digital Assets and their treatment under this Title.”
6. Whereas pursuant to the Civil Zone Ordinance Title VI. Uniform Commercial Codes, Chapter 10: Digital Assets, Section 2. Amendments to the Uniform Commercial Code under Considerations, “This Title shall be automatically updated with the amendment to the Uniform Commercial Code proposed by the Uniform Law Commission’s Emerging Technologies Commission once the Uniform Law Commission gives final approval to those amendments, provided the final version of the amendments does not materially differ from

the version under consideration as of January 27, 2022. This update shall include all changes affecting Chapters 1 and 9 of this Title and the addition to this Chapter of proposed UCC Article 12: Controllable Electronic Records.

7. Therefore the adoption of the UCC Amendments and the new Article 12 provide a clear and uniform framework for digital assets and emerging technologies.

8. Whereas pursuant to the foregoing the Zone Authority Commission:

RESOLVES:

1. That pursuant to the aforementioned, the ULC and ALI have given their final approval for the UCC Amendments and Article 12 addressing digital assets, and considering that after having reviewed the approved version, the Commission does not find the versions to materially differ as the drafts presented to the ULC and ALI have been approved and the changes made have built upon and improved the initial drafts with same purpose of addressing digital assets and accommodating the new Article 12 to the rest of UCC Articles.

2. To adopt the UCC Amendments and the new Article 12 - Controllable Electronic Records, as approved and recommended for enactment in all the states by the Uniform Law Commission on July 13, 2022 at its 131st annual meeting.

3. With the purpose of harmonizing the regulation adopted by the Zone Authority Commission, on July 6, 2022 regarding digital assets, it hereby repealed Section 103(a)(3), Section 104 and Section 105 of the Digital Assets Regulation.

SAM TRIMNAL
CHAIRMAN
ZONE AUTHORITY COMMISSION

