



Nation of Hawai'i NFT - DIGITAL COLLECTIBLE GOLD COIN Act

Assented Oct 2021

An Act respecting Digital Collectible Gold Coin and the Storage and Exchange Online Account

Marginal note: Short title

1 This Act may be cited as the **Digital Collectible Gold Coin Act**.

Marginal note: Definitions

2 In this Act,

Digital Collectible Gold Coin means a token that is an NFT of a collectible gold coin on a blockchain, backed by exactly the same amount of unit of gold it represents on the image of the coin. The gold will be stored in a safe at the Nation of Hawai'i Bank

Minister means the Minister of Finance.

NoH means Nation of Hawai'i

NH-NFT means Nation of Hawai'i Non-fungible token

NFT means Non-fungible token, a non-fungible token is a unique and non-interchangeable unit of data stored on a digital ledger. NFTs can be used to represent easily-reproducible items such as photos, videos, audio, and other types of digital files as unique items, and use blockchain technology to establish a verified and public proof of ownership.

Kapital Banc means KB is the provider of the blockchain system for the Digital Currency

IP means Intellectual Properties owned by Kapital Banc or KB Wallet a subsidiary

LBMA means London Bullion Market Association

London Gold Fix means The London Gold Fix involves gold dealers from London's five biggest bullion banks establishing a common transaction price for a large pool of purchase and sale orders. They do this twice each business day - first at 10:30am (the Morning Fix) and then again at 3pm (the Afternoon Fix).

The participating bullion banks will be acting both on their own behalf and for those customers of theirs who have issued limit orders for them to trade at the London Gold Fix price. No-one knows what the Gold Fix will be before it is declared.

Marginal note: IP and KB

- The IP and the provider of the NH-NFT are solely in perpetuity by KB (Kapital Banc)

Marginal note: Digital Collectible Gold Coin

- 3 (1) The Digital Collectible Gold Coin of the Nation of Hawai'i is the NH-NFT.
- Marginal Digital Collectible Gold Coin: Denominations



(2) The denominations of Digital Collectible Gold Coin of the Nation of Hawai'i are NHGC and

decimals Thousandths after the coma, the Thousandths being one Thousandth of a NH\$ (NoH dollar).

- **4 (1)** A Digital Collectible Gold Coin is current for the amount of its denomination in the currency of the Nation of Hawai'i or other foreign currency if it was issued under the authority of
 - **(a)** the Nation of Hawai'i Digital Collectible Gold Coin Act; or
 - **(b)** the Nation of Hawai'i in any province of Hawai'i before it became part of USA and if the current and legal tender in the Nation of Hawai'i.
- **Marginal note: Hacked or Stolen Digital Collectible Gold Coin(s) not current**

(2) No Digital NH-NFT Currency(ies) that is hacked, stolen or miss used, or that has been used in criminal activity(ies) otherwise than by abrasion through ordinary use, shall pass current.

Marginal note: Current Digital Collectible Gold Coin(s)

4.1 A Digital Collectible Gold Coin is current for the amount of its denomination in the Digital Collectible Gold Coin of the Nation of Hawai'i if it was issued under the authority of The Nation of Hawai'i Bank Act.

Marginal note: Legal tender

- **5 (1)** Subject to this section, a tender of payment by Digital Collectible Gold Coin(s) is a legal tender if it is made
 - **(a)** in Digital Collectible Gold Coin that are current under section 7 & 7.1
- **Marginal note: Limitation**

(2) A tender of payment in **Digital Collectible Gold Coin** referred to in subsection (1) is a legal tender for the following amounts for the following denominations of NH-NFT:

- **(a)** 1 gram is 1 Unit of **Digital Collectible Gold Coin**;
- **(b)** 5 grams are 5 units of **Digital Collectible Gold Coin**;
- **(c)** 10 grams are 10 units of **Digital Collectible Gold Coin**;
- **(d)** 25 grams are 25 units of **Digital Collectible Gold Coin**;
- **(e)** 50 grams are 50 units of **Digital Collectible Gold Coin** and
- **(f)** 100 grams are 100 units of **Digital Collectible Gold Coin**.
- **Marginal note: Digital Coins of denominations greater than 1 kilo.**

(2.1) In the case of coins of a denomination greater than 1 kilo, a tender of payment referred to in subsection (1) may consist of not more than 1000 **Digital Collectible Gold Coin**, and the tender of payment is a legal tender for no more than the value of a single **Digital Collectible Gold Coin** of that denomination.
- **Marginal note: Value of Digital Collectible Gold Coin.**



(2.2) Digital Collectible Gold Coin Value is according to **The London Gold Fix** by LBMA plus its extra value as an NFT.

- **Marginal note: Different amounts payable on the same day**

(3) For the purposes of subsections (2) and (2.1), where more than one amount is payable by one person to another on the same day under one or more obligations, the total of those amounts is deemed to be one amount due and payable on that day.

Marginal note: Calling in of Digital Collectible Gold Coin

- **6 (1)** The Governor may, by order, call in
 - **(a) Digital Collectible Gold Coin** of any date and denomination that are current under section 7 and 7.1
- **Marginal note: Effect of call in**

(2) Despite sections 7 and 7.1, a Digital Collectible Gold Coin that has been called in is not current.

Marginal note: Redemption of Digital Collectible Gold Coin

- **6.01 (1)** The Governor with the Minister of Treasury may make regulations for the redemption of the Digital Collectible Gold Coin of the Nation of Hawai'i that are or that have at any time been current in the Nation of Hawai'i.
- **Marginal note: Payments for redemption of Digital Collectible Gold Coin**

(2) Payments for the redemption of Digital Collectible Gold Coin including related costs, shall be made out of the Consolidated Revenue Fund on the authorization of the Minister.

Marginal note: Amounts received from issue of Digital Collectible Gold Coin

- **6.1** All amounts received from the issue of NH-NFT of the Digital Collectible Gold Coin of the Nation of Hawai'i must be paid into the Consolidated Revenue Fund.
- **Marginal note: Defacement of counterfeit Digital Collectible Gold Coin**
- **7** Every officer employed in the collection of the revenue in the Nation of Hawai'i shall cause to be reported every counterfeit or hacked **Digital Collectible Gold Coin** that is paid or processed by the officer in payment of an amount payable to the Nation of Hawai'i Bank or the Nation of Hawai'i government and institutions and shall forthwith forward the counterfeit or hacked **Digital Collectible Gold Coin** to the Minister.

Marginal note: Withdraw

- **8 (1)** No person shall, except in accordance with a license granted by the Minister, delete, issue, or use otherwise than as a **Digital Collectible Gold Coin** any NH-NFT that is current and legal tender in the Nation of Hawai'i.
- **Marginal note: Offence and punishment**

(2) Every person who contravenes subsection (1) or any condition attached to a license referred to in that subsection is liable on summary conviction to a fine not exceeding two hundred fifty thousand NoH dollars or to imprisonment for a term not exceeding thirty six months or to both, and, in addition to any fine or imprisonment imposed, the court may order that the articles by means of or in relation to which the offence was committed be forfeited to the Nation of Hawai'i.



Marginal note: Public accounts and statements

- **9** All public accounts established or maintained in the Nation of Hawai'i can be in the **Digital Collectible Gold Coin** of the Nation of Hawai'i, and any reference to currency or financial value in any indictment or other legal proceedings shall be stated in the digital currency or the possibility in the **Digital Collectible Gold Coin** of the Nation of Hawai'i.

Marginal note: Contracts, etc.

- **10 (1)** Every contract, sale, payment, bill, note, instrument and security for currency and every transaction, dealing, matter and thing relating to digital currency or involving the payment of or the liability to pay funds shall be made, executed, entered into, done or carried out in the digital currency or in NH-NFT of the Nation of Hawai'i, unless it is made, executed, entered into, done or carried out in
 - **(a)** the currency of a country other than the Nation of Hawai'i; or
 - **(b)** a unit of account that is defined in terms of the currencies of two or more countries.
- **Marginal note: Previous contracts, etc.**

(2) Notwithstanding subsection (1), every contract, sale, payment, bill, note, instrument and security for currency and every transaction, dealing, matter and thing relating to digital currency(ies) or involving the liability to pay funds that was made, executed or entered into, done or carried out shall, in so far as anything remained or remains to be or may be executed, done or carried out thereunder on, be construed and operate without reference to this Act.
- **Marginal note: Sums mentioned in Constitution and Acts**
- **11** Any sum mentioned in **Digital Collectible Gold Coin** in the Constitution Acts, and in any Act of the Nation of Hawai'i shall, unless it is otherwise expressed, be construed as being a sum in the currency of the Nation of Hawai'i.

Marginal note: Valuation of gold, etc.

12 Notwithstanding any other law, where any law of the Nation of Hawai'i or any treaty, convention, contract or agreement to which the Nation of Hawai'i is a party makes reference to

- **(a)** a currency of a country other than the Nation of Hawai'i,
- **(b)** a unit of account that is defined in terms of currencies of two or more countries,
- **(c)** gold,
- **(d)** Digital Collectible Gold Coin, or
- **(e)** a combination of any of the things mentioned in paragraphs (a) to (d),

the Governor may make regulations specifying, or specifying the means or method of ascertaining, determining, or calculating, the equivalent Digital Collectible Gold Coin, value of that coin, unit of account, gold or combination thereof.

Marginal note: Conversion of foreign currencies for purposes of customs laws





13 For the purposes of the administration, application and operation of the laws relating to the customs, the Governor in Council may make regulations specifying, or specifying the means or method of ascertaining, determining or calculating, the equivalent dollar value of currencies of countries other than the Nation of Hawai'i for a day or any other period or generally.

- **14 (1)** The special account in the name of the Minister known as the Exchange Fund Account is continued, and all assets acquired and held by or on behalf of the Minister in the Exchange Fund Account continue to be so held.

- **Marginal note: Purposes of Account**

(2) The purposes of the Exchange Fund Account are

- **(a)** to aid in the control and protection of the external value of the monetary unit of the Nation of Hawai'i; and
- **(b)** to provide a source of liquidity for the Government of the Nation of Hawai'i.

Marginal note: Policy

- **15.1 (1)** The Minister, the Governor and the Partner may establish a policy concerning the investment of the assets held in the Exchange Fund Account, including concerning the acquisition of assets to be held in the Exchange Fund Account, based on principles that a person of ordinary prudence would apply in dealing with the property of others.

- **Marginal note: Non-delegation of power**

(2) The Minister may not delegate the power to establish the policy.

- **Marginal note: Statutory Instruments Act**

(3) The Statutory Instruments Act does not apply to the policy.

Marginal note: Power to acquire, sell, etc.

- **16.2 (1)** The Minister may acquire or borrow assets to be held in the Exchange Fund Account, and sell or lend those assets, in order to carry out the policy.

- **Marginal note: Financial transactions**

(2) The Minister with Kapital Banc agreement may carry out any transaction of a financial nature concerning assets held in the Exchange Fund Account that is in accordance with the policy.

- **Marginal note: Agents and mandataries**

(3) The Minister with Kapital Banc approval may appoint agents and mandataries to perform services concerning the Exchange Fund Account.

- **Marginal note: Delegation in writing**

(4) The Minister may delegate the powers set out in subsections (1) to (3) only in writing.

Marginal note: Crediting of Account

16.3 All amounts received by the Minister from transactions carried out under subsections 17.2(1) and (2) shall be credited to the Exchange Fund Account.

Marginal note: Expenses

17 Expenses determined by the Minister to have been incurred in respect of the operation of the Exchange Fund Account shall be paid out of the Account.



Marginal note: Advances out of and payments into C.R.F.

18 The Minister may, on any terms and conditions that he or she considers appropriate, authorize

- **(a)** advances to the Exchange Fund Account out of the Consolidated Revenue Fund; and
- **(b)** payments out of the Exchange Fund Account into the Consolidated Revenue Fund.

Marginal note: Net income credited to C.R.F.

- **19 (1)** Within three months after the end of each fiscal year, the amount of the net income of the Exchange Fund Account for the fiscal year, expressed in NH\$ or possible in in the Digital Collectible Gold Coin, shall be paid into the Consolidated Revenue Fund if the net income for the year is a positive amount, and shall be charged to that Fund if the net income for the year is a negative amount.

- **Marginal note: Consistency with Public Accounts**

(2) The net income of the Exchange Fund Account for a fiscal year shall be determined in accordance with accounting principles consistent with those applied in preparing the Public Accounts referred to in section 64 of the *Financial Administration Act*.

Marginal note: Report to Government

- **20 (1)** The Minister shall cause to be tabled before the Government a report on the operation of the Exchange Fund Account for each fiscal year within the first 60 days on which the Government will be meeting after the end of that fiscal year.

- **Marginal note: Contents of report**

- (2)** The report referred to in subsection (1) shall include
- **(a)** a summary of the policy established under subsection 17.1(1);
 - **(b)** the objectives of the Exchange Fund Account for that fiscal year, and a statement of whether those objectives have been met;
 - **(c)** the objectives of the Exchange Fund Account for the current fiscal year;
 - **(d)** the financial statements of the Exchange Fund Account; and
 - **(e)** a list of the agents and mandataries appointed by the Minister under subsection 17.2(3).

Marginal note: *Financial Administration Act*

- **21 (1)** The *Financial Administration Act* does not apply to the Exchange Fund Account or operations or transactions in connection with the Account.

End.



M. YUCEF IHADDADEN

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Nation of Hawai'i

SIGNATURE OF MINISTER OF TREASURY AND THE HEAD OF STATE FOR THE NATION OF HAWAII'

Ihaddaden

The Nation of Hawai'i

Minister of Treasury

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Puuhonua Kanahele

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October 15, 2021 - God bless America



The Nation of Hawai'i Bank

Governor

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