

286.13-115 Confidentiality of information provided to commissioner -- When commissioner may disclose and share information -- Disclosure does not constitute waiver. (Effective April 30, 2027)

- (1) Except as otherwise provided in subsection (3) of this section, any document, material, report, or other information in the possession or control of the commissioner that is provided to the commissioner according to this subtitle shall:
 - (a) Be confidential by law and privileged;
 - (b) Not be subject to disclosure under KRS 61.870 to 61.884; and
 - (c) Not be subject to subpoena or discovery, or admissible as evidence in any civil action, unless the commissioner determines or, after notice to the commissioner and a hearing, a court of competent jurisdiction determines that the commissioner would not be prejudiced by disclosure of the document, material, report, or information.
- (2)
 - (a) The commissioner shall not be required to testify in any civil action concerning any document, material, report, or information that is confidential under subsection (1) of this section.
 - (b) Any person who received documents, materials, reports, or other information that is confidential under subsection (1) of this section while acting under the authority of the commissioner shall not be required to testify in any civil action concerning the documents, materials, reports, or other information.
- (3) In order to assist in the performance of the commissioner's duties, the commissioner may do all of the following:
 - (a) Share or disclose documents, materials, reports, and other information in the commissioner's possession or control, including otherwise confidential and privileged documents, materials, reports, and other information:
 1. In accordance with KRS 286.13-030;
 2. In accordance with a joint, concurrent, or multistate investigation or examination conducted under KRS 286.13-110; or
 3. With the following, if the recipient agrees to maintain the confidentiality and privileged status of shared documents, materials, reports, and information:
 - a. Other state, federal, and international regulatory agencies;
 - b. Organizations made up of other state regulators of virtual currency businesses; and
 - c. Local, state, federal, and international law enforcement authorities;
 - (b) Report apparent violations of law to:
 1. Other state, federal, and international regulators of virtual currency businesses;
 2. The registry, as defined in KRS 286.13-030; or
 3. Local, state, federal, and international law enforcement authorities;
 - (c) Disclose to the public:
 1. A list of licensees and agents;

2. A licensee's registered agent for service of process in this state;
 3. The aggregate financial or other data of persons regulated under this subtitle; or
 4. Violations of this subtitle, enforcement actions, and other relevant information that the commissioner deems necessary to carry out the requirements and purposes of this subtitle;
- (d) Disclose and use documents, materials, reports, and other information in the commissioner's possession or control, including otherwise confidential and privileged documents, materials, reports, and other information, in furtherance of any regulatory or legal action brought as part of the commissioner's official duties;
 - (e) Receive any documents, materials, reports, or other information, including otherwise confidential and privileged documents, materials, reports, or other information, from any source;
 - (f) Agree to maintain the confidentiality and privileged status of any documents, materials, reports, or information received;
 - (g) Enter into agreements or relationships with other government officials, federal and state regulatory agencies, and regulatory associations;
 - (h) Use, hire, contract, or employ analytical systems, methods, or software;
 - (i) Consider, accept, and rely upon audit reports prepared by an independent certified public accountant or other qualified third-party auditor for any person subject to this subtitle; or
 - (j) Incorporate all or part of any audit report referenced in paragraph (i) of this subsection into an examination or investigation report.
- (4) A waiver of any applicable privilege or claim of confidentiality in documents, materials, reports, or other information shall not occur as a result of a disclosure:
 - (a) To the commissioner under this section; or
 - (b) That is made under subsection (3)(a) of this section.

Effective: April 30, 2027

History: Created 2026 Ky. Acts ch. 126, sec. 22, effective April 30, 2027.