



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

May 8, 2014

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

ADVISORY OPINION 2014-02

Sai  
Make Your Laws PAC, Inc.  
c/o Nick Staddon, Secretary  
122 Pinecrest Rd.  
Durham, NC 27705

Dear Sai:

We are responding to the advisory opinion request you submitted on behalf of Make Your Laws PAC, Inc. (“MYL”) concerning MYL’s proposed acceptance, purchase, and disbursement of bitcoins under the Federal Election Campaign Act of 1971, as amended (the “Act”), and Commission regulations. The Commission concludes that MYL may accept bitcoins, as described below. The Commission also concludes that MYL may purchase bitcoins, but MYL must sell the bitcoins it purchases and deposit the proceeds into its campaign depository before spending those funds. The Commission could not approve a response by the required four affirmative votes as to whether MYL may acquire goods and services with bitcoins it receives as contributions.

### ***Background***

The facts presented in this advisory opinion are based on your advisory opinion request dated February 10, 2014 (“AOR”), email dated February 21, 2014 (“AOR Supplement”), and public disclosure reports filed with the Commission.

MYL is a nonconnected political committee that registered with the Commission in September 2012. MYL has notified the Commission that it maintains a non-contribution account.<sup>1</sup> MYL wishes to accept contributions of up to a total of \$100 in bitcoins for both its contribution and non-contribution accounts.

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<sup>1</sup> See Press Release, FEC Statement on *Carey v. FEC*: Reporting Guidance for Political Committees that Maintain a Non-Contribution Account (Oct. 5, 2011), <http://www.fec.gov/press/press2011/20111006postcarey.shtml>.

*Bitcoin*

Bitcoin is a privately issued currency that was created in 2009.<sup>2</sup> Bitcoins are purely digital, “exist[ing] only as a long string of numbers and letters in a user’s computer file.”<sup>3</sup> Bitcoins “act as real world currency in that users pay for real goods and services . . . with bitcoins as opposed to U.S. dollars or other government issued currencies.”<sup>4</sup> A user transfers bitcoins from the user’s online bitcoin “wallet” (essentially, an encrypted computer file) either to other users, to merchants who accept bitcoins as payment, or through “[t]hird-party exchanges [that] allow bitcoin users to exchange their bitcoins back to government-issued currencies.”<sup>5</sup> The value of bitcoins is established by exchanging them for goods or services or for U.S. dollars or other currency. There are numerous online exchanges on which potential buyers and sellers of bitcoins post “bid” and “ask” prices akin to those on securities or commodities exchanges.

Each bitcoin transaction is public in that it is added to a “block chain,” which is a public ledger of all bitcoin transactions ever made. *See* AOR at 2. Although bitcoin transactions, identified by the addresses to and from which bitcoins are transferred, are public in the block chain, the transactors are not identified. *Id.* Indeed, a bitcoin user’s real-life identity, IP address, and even country of operation “cannot be reliably traced to a real human by an auditor of ordinary technical skill.” *Id.* at 3-4 & n.5. Moreover, a bitcoin user may control any number of bitcoin addresses. *Id.* at 3. The requestor indicates that “[k]nowing that a given [b]itcoin transaction comes from a specific person depends primarily on asking them and just trusting their response.” *Id.* at 4.

*MYL’s proposal*

MYL wishes to accept up to a total of \$100 in bitcoins as contributions to its contribution and non-contribution accounts pursuant to a detailed proposal, the relevant portions of which are discussed herein. MYL proposes to accept bitcoins only through an online form on which each bitcoin contributor, regardless of the proposed contribution amount, will have to provide his or her name, physical address, occupation, and employer. Additionally, MYL intends to require each bitcoin contributor to affirm that he or she owns the bitcoins (individually, or jointly with a spouse) that he or she will contribute. MYL also intends to require each bitcoin contributor to affirm that he or she is not a foreign national. MYL represents that only after a bitcoin contributor has

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<sup>2</sup> U.S. Gov’t Accountability Office, GAO-13-516, Virtual Economies and Currencies 5 (2013), available at <http://www.gao.gov/assets/660/654620.pdf> (“GAO Report”).

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*; see also Fed. Reserve of Chicago, Chicago Fed Letter 317, Bitcoin: A Primer 2 (Dec. 2013), available at [http://www.chicagofed.org/digital\\_assets/publications/chicago\\_fed\\_letter/2013/cfldecember2013\\_317.pdf](http://www.chicagofed.org/digital_assets/publications/chicago_fed_letter/2013/cfldecember2013_317.pdf) (“Fed Letter”) (describing bitcoin wallets).

provided identity and ownership information, and associated affirmations, will MYL send that contributor a one-time-only “linked address” — a bitcoin address that identifies the individual transaction — to use to send the bitcoins.<sup>6</sup> MYL proposes to accept only \$100 worth of bitcoin per contributor per election (as identified using the practices just described). *See* AOR Supplement.

MYL also proposes to purchase bitcoins on open, high-volume bitcoin exchanges. Once MYL has acquired bitcoins (whether by contributions received or by purchase), it proposes to either sell them for dollars, hold them for later sale, or disburse them in bitcoin form to pay administrative expenses such as salary, server and website costs, food, office supplies, and travel.<sup>7</sup> In the receipt, purchase, and sale of bitcoins, MYL represents that it might use a bitcoin transaction intermediary, such as Coinbase or BitPay. AOR at 7, 9. In conducting its bitcoin transactions, MYL intends to pay normal transaction fees to its processors. For those bitcoins MYL sells for dollars, MYL represents that it intends to deposit the proceeds into its campaign depository account within 10 days of liquidation.

### ***Questions Presented***<sup>8</sup>

Based on the facts presented above, the requestor asks questions concerning: (1) the receipt of bitcoins as in-kind contributions; (2) the purchase of bitcoins; (3) the sale and disbursement of bitcoins; and (4) the reporting of bitcoin receipts and transactions.

### ***Legal Analysis and Conclusions***

The Commission concludes that the requestor may accept bitcoin contributions as proposed in its advisory opinion request and supplemental filings subject to valuation and reporting procedures similar to those that the Commission has previously recognized in analogous circumstances. The Commission further concludes that the requestor may purchase bitcoins with funds from its campaign depository for investment purposes but may not make disbursements using those purchased bitcoins because Commission regulations require the committee’s funds to be returned to a campaign depository before

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<sup>6</sup> MYL represents that it will retain records of: its own bitcoin addresses, including each linked address; the contributor to which each linked address is linked; the bitcoin addresses of those with whom it has made transactions; and MYL’s bitcoin transactions in the block chain. MYL represents that it will hold such records, and make them available to the Commission, as it would other records.

<sup>7</sup> MYL states that it does not intend to disburse bitcoins for independent expenditures, solicitation costs, contributions to other committees, or other non-administrative expenses. AOR at 9.

<sup>8</sup> In a comment on drafts of this advisory opinion, MYL wrote that it “request[s] clarification as to how this [opinion] applies to earmarks, which we expect to constitute the majority of our activity.” *See* Make Your Laws PAC, Comment at 5-6 (Apr. 21, 2014). However, MYL’s advisory request neither posed this question nor provided facts concerning it. Thus, this opinion does not address MYL’s receipt of bitcoin contributions earmarked for others. *See* 11 C.F.R. § 112.1 (setting out requirements for complete and qualified advisory opinion requests).

they are used to make disbursements. The Commission could not approve a response by the required four affirmative votes as to whether MYL may acquire goods and services with bitcoins it receives as contributions.

### *A. Receipt of Bitcoin Contributions*<sup>9</sup>

The Act defines a “contribution” to include “any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office.” 2 U.S.C. § 431(8)(A)(i); *see also* 11 C.F.R. § 100.52(a). “Anything of value” includes “all in-kind contributions.” *See* 11 C.F.R. § 100.52(d)(1). The Commission concludes that bitcoins are “money or anything of value” within the meaning of the Act and that MYL may accept contributions as it proposes pursuant to the identification, deposit, and valuation procedures described below.<sup>10</sup>

#### *1. Contributor Eligibility, Bitcoin Deposits, and Refunds*

A committee treasurer is “responsible for examining all contributions received for evidence of illegality and for ascertaining whether contributions received, when aggregated with other contributions from the same contributor, exceed the contribution limitations.”<sup>11</sup> 11 C.F.R. § 103.3(b); *see also* 2 U.S.C. § 432(c)(1)-(3). Within 10 days of receipt of a contribution, a treasurer may return the contribution to the contributor without having deposited it; otherwise, a treasurer must deposit the contribution into a campaign depository. 11 C.F.R. § 103.3(a); *see also* 2 U.S.C. § 432(h). A campaign depository is an account at a state bank, a federally chartered depository institution (including a national bank), or a depository institution with accounts insured by certain federal agencies. 2 U.S.C. § 432(h); 11 C.F.R. § 103.2. If, after deposit, the contribution

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<sup>9</sup> This section addresses MYL’s question 1 (“May MYL PAC receive Bitcoins as an in-kind contribution” assuming that MYL “acts in accordance with [its] proposed framework?”).

<sup>10</sup> The Commission acknowledges that government agencies, courts, and others are grappling with complex questions regarding whether virtual and other private “currencies” are “money” and whether and how virtual currency should be subject to law. *See, e.g., SEC v. Shavers*, No. 4:13-CV-416, 2013 WL 4028182, at \*2 (E.D. Tex. Aug. 6, 2013); Internal Revenue Service, Notice 2014-21 (2014), *available at* <http://www.irs.gov/pub/irs-drop/n-14-21.pdf>; U.S. Dep’t of the Treasury, FIN-2013-G001, Financial Crimes Enforcement Network, Guidance: Application of FinCEN’s Regulations to Persons Administering, Exchanging, or Using Virtual Currencies (2013), *available at* [http://fincen.gov/statutes\\_regs/guidance/pdf/FIN-2013-G001.pdf](http://fincen.gov/statutes_regs/guidance/pdf/FIN-2013-G001.pdf); Craig K. Elwell *et al.*, Cong. Research Serv., R43339, Bitcoin: Questions, Answers, and Analysis of Legal Issues (2013), *available at* <http://www.fas.org/sgp/crs/misc/R43339.pdf> (providing an overview of Federal, state, and international legal issues); Fed Letter. The Commission expresses no opinion regarding the application of federal securities law, tax law, or other law outside the Commission’s jurisdiction to MYL’s proposed activities.

<sup>11</sup> A committee treasurer must also keep account of, among other things, all contributions the committee receives, the name and address of any person who makes any contribution in excess of \$50 along with the date and amount of such contribution, and certain additional information regarding any person who makes contributions aggregating to more than \$200 during a calendar year. *See* 2 U.S.C. § 432(c)(1)-(3); 11 C.F.R. § 110.4(c).

cannot be determined to be from a legal source, the treasurer must refund the contribution within 30 days of the receipt of the deposit or the discovery of the illegality (if not initially apparent upon receipt). 11 C.F.R. § 103.3(b)(1)-(2).

In its request, MYL recognizes its obligation to determine its contributors' eligibility and the legality of contributions it receives. MYL proposes to employ several bitcoin-specific safeguards to meet its obligations despite the potentially anonymous nature of bitcoin transactions. MYL indicates that it will provide a unique linked address by which an individual may make a bitcoin contribution only after that contributor provides his or her name, physical address, and employer, and affirms that the contributed bitcoins are owned by him or her and that the contributor is not a foreign national. In this way, MYL's proposed safeguards are similar to those the Commission recognized in previous advisory opinions.<sup>12</sup> Accordingly, the Commission concludes that MYL's proposal, including the contributor attestations and linked addresses, adequately addresses MYL's obligations to determine the eligibility of its contributors as required by the Act and Commission regulations.

Once MYL provides its contributor with a linked address to which to send the bitcoin contribution, MYL proposes to receive the contribution in its bitcoin wallet. Because a bitcoin wallet is not held at a state or federal bank and is not insured by any government agency, it does not meet the criteria of a "campaign depository." *See* 2 U.S.C. § 432(h).<sup>13</sup>

Notwithstanding the requirement that a committee deposit all receipts in a campaign depository, section 104.13(b) of the Commission's regulations establishes procedures for political committees to receive and report contributions of "stocks, bonds, art objects, and other similar items to be liquidated" at a later date. The Commission has concluded that this provision implicitly allows a committee to accept such assets as contributions and hold those assets (for more than 10 days) as investments outside campaign depositories until later sale. Advisory Opinion 2000-30 (pac.com) at 8 (citing Advisory Opinions 1989-06 (Boehlert) and 1980-125 (Cogswell)). For example, when a committee receives stock as a contribution, the Commission does "not require the liquidation of the stock within any set time period after its receipt by the committee; nor

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<sup>12</sup> *See, e.g.*, Advisory Opinion 1995-09 (NewtWatch); Advisory Opinion 2012-17 (Red Blue T LLC, ArmourMedia, Inc., and m-Qube, Inc.). The Commission emphasizes that MYL must comply with its responsibility to determine the eligibility of its contributors and the legality of the contributions it receives in all respects, including through the examination of contributions that "present genuine questions as to whether they were made by . . . foreign nationals, or Federal contractors ." 11 C.F.R. § 103.3(b); *see also* 11 C.F.R. § 110.20. This obligation continues even after receipt or deposit of the contribution. 11 C.F.R. § 103.3(b). Nothing in this advisory opinion should be construed to relieve MYL of these requirements.

<sup>13</sup> The Commission has concluded that securities accounts and similar brokerage accounts do not qualify as campaign depositories, even if the account-holder can disburse funds directly from them. *See* Advisory Opinion 2000-30 (pac.com) (securities account); Advisory Opinion 1986-18 (Bevill) ("cash management account").

[does] it require the deposit of the proceeds in the committee's depository account within any prescribed period." *Id.* at 5 (discussing Advisory Opinion 1989-06 (Boehlert)).

The Commission concludes that contributions of bitcoins, like the contributions discussed in section 104.13(b), need not be deposited in a campaign depository within 10 days of receipt. Like securities that a political committee may receive into and hold in a brokerage account, bitcoins may be received into and held in a bitcoin wallet until the committee liquidates them.<sup>14</sup>

Holding bitcoins in a bitcoin wallet does not relieve MYL of its obligations to return or refund a bitcoin contribution that is from a prohibited source, that exceeds the contributor's annual contribution limit, or that is otherwise not legal. *See* 2 U.S.C. § 441a(a)(1)(C); *see also* 11 C.F.R. §§ 103.3(a), 110.1(d), 110.2(d). The Commission has previously determined that a committee may return an excessive contribution "either in the form given," or in a dollar amount "equal to the excess" of the contribution when it was received. Advisory Opinion 1980-125 (Cogswell); *see also* 11 C.F.R. § 103.3(b)(3). Accordingly, MYL's proposal (AOR at 7) to refund the dollar equivalent of a bitcoin contribution, when required by law to make a refund or return, satisfies this requirement. The refund amount, including for any excessive portion of the contribution, should be calculated by the valuation methods discussed below.

## 2. Bitcoin Valuation

Like foreign currencies and some public stocks, bitcoins can be exchanged for U.S. dollars on multiple public exchanges. Although bitcoins do not have closing times or prices — because bitcoin exchanges generally operate 24 hours per day — the going rate for bitcoins generally can be determined on a specific exchange at any given moment. The availability of public exchange rates provides an objective method of determining the value of bitcoin contributions. Thus, the Commission concludes that a political committee that receives a contribution in bitcoins should value that contribution based on the market value of bitcoins at the time the contribution is received.<sup>15</sup> *Cf.* 11 C.F.R. § 104.13(a) (providing that amount of contribution is "equal to [its] usual and normal value on the date received").

To determine this market value, the committee should first rely on any contemporaneous determination provided by the entity that processes the bitcoin

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<sup>14</sup> The Commission could not agree by the requisite four votes whether the requestor may disburse bitcoins initially received directly into its bitcoin wallet. *See infra* Section C.

<sup>15</sup> The date of receipt of a contribution is the date the committee obtains possession of the contribution. 11 C.F.R. § 102.8(a). The Commission has previously determined that a contribution made by electronic credit card authorization is "received" when the committee receives the contributor's authorization to charge the card. *See, e.g.,* Advisory Opinion 2012-17 (Red Blue T) at 6; Advisory Opinion 1990-04 (American Veterinary Medical Association) at 2-3; *see also* Advisory Opinion 1995-34 (Politechs). Following that reasoning, the Commission concludes here that a bitcoin contribution is "received" when the committee receives notice either of the authorization or of the completion of the transfer, whichever such notification comes first.



contribution. If that processor provides an exchange rate for the specific transaction in question — or if the committee opts to receive a bitcoin contribution from its processor in the form of dollars — the committee should use this rate or dollar amount to value the contribution.

If, however, a contributor makes a contribution through an entity that does not provide an exchange rate for that contribution (or if no processor is involved in the transaction), then the recipient committee may value the contribution using another reasonable exchange rate of bitcoins for dollars. For an exchange rate to be reasonable, it should be a publicly available rate of bitcoins traded for dollars on a high-volume public bitcoin exchange that is open to transactions within the United States. For each bitcoin transaction, the committee should use the rate established by the chosen exchange closest in time to receipt of the contribution for the transaction being valued.

### ***B. Bitcoin Purchases***<sup>16</sup>

MYL also proposes to purchase bitcoins, either on open, high-volume exchanges or through bitcoin payment processors.<sup>17</sup> Under Commission regulations, “funds may be transferred from the [committee’s campaign] depository for investment purposes, but shall be returned to the depository before such funds are used to make expenditures.” 11 C.F.R. § 103.3(a). In several prior advisory opinions, the Commission concluded that a committee could invest its funds in a variety of liquid investment vehicles. *See, e.g.*, Advisory Opinion 1999-08 (Specter) (mutual and bond funds); Advisory Opinion 1986-18 (Bevill) (“cash management account”); Advisory Opinion 1980-39 (Fluor PAC) (investment trust). Accordingly, the Commission concludes that MYL may use funds in its campaign depository to purchase bitcoins for investment purposes. The Commission’s regulations provide that funds transferred from the committee’s campaign depository for investment purposes “shall be returned to the depository before such funds are used to make expenditures.” 11 C.F.R. § 103.3(a). The Commission has previously concluded that 11 C.F.R. § 103.3(a) prohibits a political committee from making expenditures with liquid assets it has purchased with funds from its campaign depositories. *See* Advisory Opinion 1986-18 (Bevill); Advisory Opinion 1999-08 (Specter).

Consistent with these prior determinations, the Commission concludes that MYL’s proposal to purchase goods or services with bitcoins that MYL has purchased using funds removed from its campaign depository is not permissible under Commission regulations. MYL must sell those purchased bitcoins and deposit the proceeds in its campaign depository before using the funds to make disbursements for goods and services.

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<sup>16</sup> This section, in conjunction with Part C below, addresses MYL’s question 2 (“May MYL PAC purchase and sell Bitcoins?”).

<sup>17</sup> Although MYL does not specify the source of funds for such purchases, the Commission presumes that such purchases will be made with funds from MYL’s campaign depository.

### ***C. Bitcoin Sales and Disbursements***<sup>18</sup>

MYL proposes to either sell its bitcoins or disburse bitcoins to purchase goods and services. MYL represents that when it sells bitcoins, it will deposit the dollar proceeds in its campaign depository within 10 days of liquidation. As discussed above, the Commission concludes that such sale and deposit would satisfy the campaign depository requirement at 11 C.F.R. § 103.3(a). The Commission could not approve a response by the required four affirmative votes as to whether MYL may purchase goods and services with bitcoins it has received as contributions.

### ***D. Reporting***<sup>19</sup>

#### *1. Bitcoins Purchased by MYL*

The earnings (or losses) realized upon the sale of any bitcoins purchased from funds transferred from a campaign depository must be reported like other investment earnings or losses. *See* 2 U.S.C. § 434(b)(3)(G); 11 C.F.R. §§ 104.3(a)(3), 104.3(a)(4)(vi); Advisory Opinion 1999-08 (Specter); Advisory Opinion 1986-18 (Bevill). Such earnings and losses should be valued as discussed above and should be reported on Form 3X, Schedule A, Line 17 (with losses as a negative entry).

#### *2. Bitcoins Received by MYL as Contributions*

Bitcoins share certain characteristics of contributions governed by two different regulatory reporting provisions: 11 C.F.R. § 104.13(a), which addresses the reporting of most in-kind contributions, and 11 C.F.R. § 104.13(b), which addresses the specific reporting of in-kind contributions that the committee receives to liquidate in a later reporting period. Accordingly, the Commission concludes that a practical approach that takes into account aspects of these reporting provisions is appropriate.<sup>20</sup>

The initial receipt of bitcoins as contributions, regardless of subsequent disposition, should be reported like in-kind contributions described in 11 C.F.R. § 104.13(a), as shown on Attachment 1 to this advisory opinion. Attachment 1 shows, on the first page, the reporting of the receipt of \$100 in bitcoin as a contribution (aggregating with \$325 of prior contributions from this contributor) and, on the second page, the simultaneous reporting of the bitcoins as a disbursement. These offsetting entries allow the committee's reported cash-on-hand to remain unchanged while holding bitcoins outside a campaign depository.

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<sup>18</sup> This section addresses MYL's question 2 ("May MYL PAC purchase and sell Bitcoins?"), 3 ("May MYL PAC disburse Bitcoins?"), 3a ("May it do so with Bitcoins it received as contributions as well as purchased Bitcoins?"), and 3b ("May it accept ordinary discounts offered by providers?").

<sup>19</sup> This section addresses MYL's question 4 ("How should MYL PAC report all of the above?").

<sup>20</sup> The reporting approach described here modifies the approach taken in two earlier advisory opinions that addressed the reporting of stock to be liquidated. *See* Advisory Opinion 2000-30 (pac.com); Advisory Opinion 1989-06 (Boehlert).



Any usual and normal fees deducted by the bitcoin processor from a contribution made using bitcoins prior to its transfer to the recipient committee should not be deducted from the reported value of the contribution. That is, “the Committee must treat the full amount of the donor’s contribution as the contributed amount for purposes of the limits and reporting provisions of the Act, even though the Committee will receive a lesser amount because of [the] fees.” Advisory Opinion 1995-09 (NewtWatch) at 3. The committee should report the usual and normal fees and commissions that it pays an online processor as operating expenditures pursuant to 2 U.S.C. §§ 432(c)(5), 434(b)(5)(A) and 11 C.F.R. §§ 102.9(b), 104.3(b)(3), (4). *See* Advisory Opinion 1995-09 (NewtWatch) at 3.

The subsequent liquidation of bitcoins received as contributions should be reported as shown in either Attachment 2(A) or Attachment 2(B) to this advisory opinion. The use of Attachment 2(A) or (B) will depend on whether the purchaser is known or unknown to the committee. If the committee sells the bitcoins directly to a purchaser, and therefore knows the identity of that purchaser, the purchase is itself considered to be a contribution. *See* 11 C.F.R. § 104.13(b)(2); Advisory Opinion 1989-06 (Boehlert) at 2; Advisory Opinion 2000-30 (pac.com) at 8-9. Attachment 2(A) illustrates how a committee should report the sale of bitcoins to a known purchaser. If the committee sells the bitcoins through an established market mechanism where the purchaser is not known, the purchaser is not considered to have made a contribution to the committee. *See* Advisory Opinion 1989-06 (Boehlert) at 2; 11 C.F.R. § 104.13(b)(2). Attachment 2(B) illustrates how a committee should report the sale of bitcoins to an unknown purchaser.<sup>21</sup>

Because the Commission could not approve a response by the required four affirmative votes as to whether MYL may purchase goods and services with bitcoins it receives as contributions, the Commission is not addressing how such purchases might be reported.

This response constitutes an advisory opinion concerning the application of the Act and Commission regulations to the specific transaction or activity set forth in your request. *See* 2 U.S.C. § 437f. If there is a change in any of the facts or assumptions presented, and such facts or assumptions are material to a conclusion presented in this advisory opinion, then the requestor may not rely on that conclusion as support for its proposed activity. Any person involved in any specific transaction or activity which is indistinguishable in all its material aspects from the transaction or activity with respect to which this advisory opinion is rendered may rely on this advisory opinion. *See* 2 U.S.C. § 437f(c)(1)(B). The analysis or conclusions in this advisory opinion may be affected by

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<sup>21</sup> If the committee opts to immediately liquidate the bitcoin contribution and receive its equivalent in dollars from the processor at the time of receipt, the committee should report the initial receipt as indicated in Attachment 1 and should also report the liquidation as indicated in Attachment 2(B), substituting the name of the bitcoin processor for the name of the exchange. Note also that in the case of an immediate liquidation, the dates and amounts on lines A and B on Attachment 2(B) would be identical because the conversion from bitcoin to dollars would be simultaneous with receipt.

subsequent developments in the law including, but not limited to, statutes, regulations, advisory opinions, and case law. All advisory opinions cited herein are available on the Commission's website.

On behalf of the Commission,

(signed)  
Lee E. Goodman  
Chairman

Attachments

**SCHEDULE A (FEC Form 3X)**

**ITEMIZED RECEIPTS**

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Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (In Full)  
**XYZ Action Fund**

Full Name (Last, First, Middle Initial) <b>A. John Contributor</b>		Date of Receipt <table border="1"> <tr> <td>M M</td> <td>/</td> <td>D D</td> <td>/</td> <td>Y Y Y Y</td> </tr> <tr> <td>02</td> <td></td> <td>15</td> <td></td> <td>2014</td> </tr> </table>	M M	/	D D	/	Y Y Y Y	02		15		2014
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<b>SUBTOTAL</b> of Receipts This Page (optional).....▶	<table border="1"> <tr> <td>100.00</td> </tr> </table>	100.00
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<b>TOTAL</b> This Period (last page this line number only).....▶	<table border="1"> <tr> <td></td> </tr> </table>	

**SCHEDULE B (FEC Form 3X)  
ITEMIZED DISBURSEMENTS**

Use separate schedule(s) for each category of the Detailed Summary Page

FOR LINE NUMBER: (check only one)

PAGE OF

<input checked="" type="checkbox"/> 21b	<input type="checkbox"/> 22	<input type="checkbox"/> 23	<input type="checkbox"/> 24	<input type="checkbox"/> 25	<input type="checkbox"/> 26
<input type="checkbox"/> 27	<input type="checkbox"/> 28a	<input type="checkbox"/> 28b	<input type="checkbox"/> 28c	<input type="checkbox"/> 29	<input type="checkbox"/> 30b

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (In Full)  
**XYZ Action Fund**

Full Name (Last, First, Middle Initial) <b>A. John Contributor</b>		Date of Disbursement MM / DD / YYYY <b>02 / 15 / 2014</b>
Mailing Address <b>123 First Street</b>		Amount of Each Disbursement this Period <b>100.00</b> <b>0.2 Bitcoins not liquidated</b>
City <b>Alexandria</b>	State <b>VA</b>	
Zip Code <b>22314</b>		
Purpose of Disbursement <b>0.2 Bitcoins received, not liquidated</b>		
Candidate Name		Category/Type
Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President	Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼	
State: _____	District: _____	

Full Name (Last, First, Middle Initial) <b>B.</b>		Date of Disbursement MM / DD / YYYY
Mailing Address		Amount of Each Disbursement this Period
City	State	
Zip Code		
Purpose of Disbursement		
Candidate Name		Category/Type
Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President	Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼	
State: _____	District: _____	

Full Name (Last, First, Middle Initial) <b>C.</b>		Date of Disbursement MM / DD / YYYY
Mailing Address		Amount of Each Disbursement this Period
City	State	
Zip Code		
Purpose of Disbursement		
Candidate Name		Category/Type
Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President	Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼	
State: _____	District: _____	

<b>SUBTOTAL</b> of Disbursements This Page (optional).....▶	<b>100.00</b>
<b>TOTAL</b> This Period (last page this line number only).....▶	

Attachment 2(A) - Bitcoins sold to known purchaser (appreciated value)

**SCHEDULE A (FEC Form 3X)**

**ITEMIZED RECEIPTS**

Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one)	PAGE	OF
	<input checked="" type="checkbox"/> 11a <input type="checkbox"/> 11b <input type="checkbox"/> 11c <input type="checkbox"/> 12 <input type="checkbox"/> 13 <input type="checkbox"/> 14 <input type="checkbox"/> 15 <input type="checkbox"/> 16 <input type="checkbox"/> 17		

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (In Full)  
**XYZ Action Fund**

Full Name (Last, First, Middle Initial) <b>A. Jane Purchaser</b>		Date of Receipt <table border="1"> <tr> <td>M M</td> <td>/</td> <td>D D</td> <td>/</td> <td>Y Y Y Y</td> </tr> <tr> <td>04</td> <td>/</td> <td>15</td> <td>/</td> <td>2014</td> </tr> </table>	M M	/	D D	/	Y Y Y Y	04	/	15	/	2014
M M	/	D D	/	Y Y Y Y								
04	/	15	/	2014								
Mailing Address <b>456 Main Street</b>		Amount of Each Receipt this Period <table border="1"> <tr> <td>2,500.00</td> </tr> </table> Purchase of 0.2 Bitcoins	2,500.00									
2,500.00												
City <b>Arlington</b>	State Zip Code <b>TX 76006</b>											
FEC ID number of contributing federal political committee. <b>C</b>		Name of Employer Occupation <b>Memorial Hospital Physician</b>										
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼												
Aggregate Year-to-Date ▼ <table border="1"> <tr> <td>2,500.00</td> </tr> </table>			2,500.00									
2,500.00												

Full Name (Last, First, Middle Initial) <b>B. John Contributor</b>		Date of Receipt <table border="1"> <tr> <td>M M</td> <td>/</td> <td>D D</td> <td>/</td> <td>Y Y Y Y</td> </tr> <tr> <td>02</td> <td>/</td> <td>15</td> <td>/</td> <td>2014</td> </tr> </table>	M M	/	D D	/	Y Y Y Y	02	/	15	/	2014
M M	/	D D	/	Y Y Y Y								
02	/	15	/	2014								
Mailing Address <b>123 First Street</b>		Amount of Each Receipt this Period <table border="1"> <tr> <td>100.00</td> </tr> </table> 0.2 Bitcoins, contribution previously disclosed [MEMO ITEM]	100.00									
100.00												
City <b>Alexandria</b>	State Zip Code <b>VA 22314</b>											
FEC ID number of contributing federal political committee. <b>C</b>		Name of Employer Occupation <b>First Bank Teller</b>										
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼												
Aggregate Year-to-Date ▼ <table border="1"> <tr> <td>425.00</td> </tr> </table>			425.00									
425.00												

Full Name (Last, First, Middle Initial) <b>C.</b>		Date of Receipt <table border="1"> <tr> <td>M M</td> <td>/</td> <td>D D</td> <td>/</td> <td>Y Y Y Y</td> </tr> <tr> <td></td> <td>/</td> <td></td> <td>/</td> <td></td> </tr> </table>	M M	/	D D	/	Y Y Y Y		/		/	
M M	/	D D	/	Y Y Y Y								
	/		/									
Mailing Address		Amount of Each Receipt this Period <table border="1"> <tr> <td></td> </tr> </table>										
City	State Zip Code											
FEC ID number of contributing federal political committee. <b>C</b>		Name of Employer Occupation Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼										
Aggregate Year-to-Date ▼ <table border="1"> <tr> <td></td> </tr> </table>												

<b>SUBTOTAL</b> of Receipts This Page (optional).....▶	<table border="1"> <tr> <td>2,500.00</td> </tr> </table>	2,500.00
2,500.00		
<b>TOTAL</b> This Period (last page this line number only).....▶	<table border="1"> <tr> <td></td> </tr> </table>	

Attachment 2(B) - Bitcoins sold to unknown purchaser (appreciated value)

**SCHEDULE A (FEC Form 3X)**

**ITEMIZED RECEIPTS**

Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one)	PAGE	OF
	<input checked="" type="checkbox"/> 11a	<input type="checkbox"/> 11b	<input type="checkbox"/> 11c <input type="checkbox"/> 12

For current information on how to report this type of transaction, please click the following link:

<https://www.fec.gov/help-candidates-and-committees/reporting-examples/liquidating-bitcoins/>

Any information copied or for commercial purposes

NAME OF COMMITTEE  
**XYZ Action**

Full Name (Last, First, Middle Initial)  
**A. ABC Bitcoin**

Mailing Address  
**789 West Street**

City State Zip Code  
**New York NY 10005**

FEC ID number of contributing federal political committee. **C**

Name of Employer Occupation

Receipt For:  Primary  General  Other (specify) ▼  
Aggregate Year-to-Date ▼ **2,500.00**

**04 15 2014**

Amount of Each Receipt this Period **2,500.00**

**0.2 Bitcoins sold via ABC Exchange - purchaser unknown**

Full Name (Last, First, Middle Initial)  
**B. John Contributor**

Mailing Address  
**123 First Street**

City State Zip Code  
**Alexandria VA 22314**

FEC ID number of contributing federal political committee. **C**

Name of Employer Occupation  
**First Bank Teller**

Receipt For:  Primary  General  Other (specify) ▼  
Aggregate Year-to-Date ▼ **425.00**

Date of Receipt **02 / 15 / 2014**

Amount of Each Receipt this Period **100.00**

**0.2 Bitcoins, contribution previously disclosed**

**[MEMO ITEM]**

Full Name (Last, First, Middle Initial)  
**C.**

Mailing Address

City State Zip Code

FEC ID number of contributing federal political committee. **C**

Name of Employer Occupation

Receipt For:  Primary  General  Other (specify) ▼  
Aggregate Year-to-Date ▼

Date of Receipt

Amount of Each Receipt this Period

<b>SUBTOTAL</b> of Receipts This Page (optional).....▶	<b>2,500.00</b>
<b>TOTAL</b> This Period (last page this line number only).....▶	