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There are parts of the proposed law which are really faulty:

"No Licensee shall engage in, facilitate, or knowingly allow the transfer or transmission of Virtual Currency when such action will obfuscate the identity of an individual customer or counterparty"

This is unenforceable. Never can a bitcoin license provider know for sure who the receiving party of a virtual currency is in reality is, they would need to receive a positive confirmation from another BitLicense holder, thus making it legally impossible for a user to send bitcoins to his own wallet as an example. That way any Bitlicense holder would become a BLACK HOLE for any bitcoins deposited at such company.

Again, that part makes it legally ill advised to allow users to send bitcoins to their own wallets, because the site on which a user can have the coins has no means to verify to whom the wallet belongs or will belong to, as the user would need a BitLicense himself. With an estimated cost of running a BitLicense of 1-4 million USD a year, this makes it out of reach of any Start-up companies OR individuals.

"Each Licensee shall have in place appropriate policies and procedures to block or reject specific or impermissible transactions that violate federal or state laws, rules, or regulations."

So, where does a business download the list of impermissible transactions, or let their system update itself with each new compiled list? It is completely unreasonable to expect humans update computers on some restrictions and regulations they have no clue about that are coming into existence. And feeding legal leeches to to that is counterproductive to any business. Does this proposal mean, that any 2-man startup would have to also hire a complete legal team with expertise in the complicated many financial laws and regulations?

Thank you for consideration.

Mario.