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To the New York Department of Financial Services,

My company develops software to automate investments and market transactions, primarily for Bitcoin but it is equally applicable to other markets. After reviewing the proposed regulations for Bitcoin-based businesses, we have decided that we must move the company overseas. The regulations are onerous, contrary to business practices, and in some cases outright impossible. Additionally, the regulations treat all businesses that work with Bitcoin as the same and apply regulations that would be appropriate for banks, money transmitters, or mutual funds on every company regardless of its actual business.

My company cannot merely decline any business from the state of New York because the regulations have such a broad scope that they will apply to almost any business in the country. We are currently moving the company overseas and will decline any customers from the United States. This will harm my company, but it is a larger lost opportunity for our potential clients.

Among the many regulations that we cannot follow, I can identify section 200.9 as destructive to any potential customers. My product conducts arbitrage and moves funds between currencies (both virtual and traditional); that regulation is akin to telling a hedge fund that it must keep all assets in cash - which prevents the hedge fund from conducting its business. If an existing hedge fund purchased my software, they would fall under this regulation and would be required to immediately liquidate all their investments, putting them out of business, even if only 1% of their investments are related to Bitcoin.

Thank you for your time and consideration, and I hope you can appreciate how destructive the proposals are,

Chris Edwards  
Founder, ArbAutomation