

10/13/14

Dear Mr. Lawsy,

As a New York resident, I am very concerned about the proposed BitLicense regulations. New York should aim to become the hub for cryptocurrency development. The regulations apply a tedious and burdensome amount of paperwork for startup companies.

It is fairly easy for these jobs to move to other jurisdictions. And so far they have. The leading companies that have raised large amounts of venture capital money are all based in other places.

Blockchain.info – London

Coinbase – San Francisco

Circle – Boston

Xapo – Palo Alto

BitPay – Atlanta

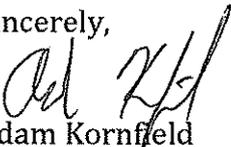
Already New York has fallen behind as being a financial innovator and leader due to the uncertain and potentially burdensome regulation.

Furthermore, the rules make it difficult for the above listed companies to operate for New York residents. The proposed difficult regulations in place that would greatly increase their cost of serving New York residents, so much that Circle says under current proposed regulations they would not service New York residents. New York should aim to become a technology hub, and the proposed regulations are having the exact opposite effect.

New York needs to maintain its place as a financial leader by quickly removing the uncertainty behind these regulations. There needs to be a reduction in the cost and severity for new startups that cannot afford such reporting costs. Currently the reporting and record keeping is overly burdensome so only large companies will have the resources to maintain them. New jobs are generated from new companies often beginning with one or two people, and under the proposed law there will won't be many new companies able to launch.

New York needs lower reporting requirements and rapid confirmation of the regulations so uncertainty is removed and businesses can grow and thrive.

Sincerely,

  
Adam Kornfeld

