

Dear Superintendent Lawsky and General Counsel Syracuse,

I'm writing you today to express my deep concerns about the "BitLicense" proposal. The current framework threatens the privacy of virtual currency users, innovators, and researchers. In particular:

1. The BitLicense is extremely broad, requiring licenses for far more than just money services.
2. It infringes on the privacy rights of individual users. Companies that obtain a BitLicense could be forced to collect identifying data on account holders and end users including full name and physical address. This information will be kept on file for 10 years in case the government seeks it. So while individual users may not need a BitLicense, their privacy will be seriously affected.
3. It forces virtual currency innovators to undergo rigorous background checks and submit fingerprints to state and federal law enforcement. This will create a barrier to entry for start ups and inventors looking to create new services.
4. The proposal as written raises First Amendment concerns.

It's premature to craft regulations for an industry that's so new and still in flux. Bitcoin and similar virtual currencies are still in their infancy, and we don't yet know what new tools and services might be created. This regulatory proposal could cut that innovation off at the knees, before we have a chance to see the potential societal benefits.

The NY DFS is letting the fear of money laundering drive a massive regulatory proposal forward that would affect users who are doing nothing wrong. NY DFS should respect the privacy of technology users, and limit its regulation to what is proportionate to the real threat at hand.

Sincerely,

Joshua Jolley

P.S. I've used this complete response from the EFF because it expresses my feelings in better language than I could use myself.

What if you picked up a cup of coffee on your way to work and paid \$2.00 in cash, only to have the man behind the counter request your home address?

"My home address?" you might ask.

"Yes," he might reply, "And your full legal name. I'm keeping it in a file for the next 10 years, just in case the government wants it."

Sound ridiculous? Substitute bitcoins for cash, and that's what the New York regulators might like to see happen in the near future at businesses that accept digital currency.