

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.

Great Britain made the same draconian rules and regulations about the automobile in the 1860's, and drove the automotive industry out of the UK to Germany and the U.S. Britain never recovered economically, and turned over the Global Reserve Currency to the U.S. thereafter.

Be better than this, and don't drive Bitcoin out of New York. Don't fear Bitcoin, and over-regulate it from that perspective. Embrace the new technology, and look at it as a way to build economic activity, with New York being the global economic leader we all believe it to be.

Don't take two steps back from innovation and technology. Take that step forward, and be the real state of New York. Don't live and react out of fear. The world is watching how you handle innovation. Do the right thing and take a step forward, not become a shadow government.

Sincerely,

Evander Smart

Writer for CryptoCoinsNews.com