389

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,