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Dear Superintendent Lawsky and General Counsel Syracuse,

I'm writing you today to express my concerns about the "BitLicense" proposal.

First however I wish to encourage you in the strongest of terms to watch this video: "Andreas M. Antonopoulos educates Senate of Canada about Bitcoin (Oct 8, ENG)", <http://youtu.be/xUNGFZDO8mM>

This video is an extremely informed, sober discussion of Bitcoin technology and the issues of regulation. It is long (>90 mins) and is primarily a frank Q&A. I believe within minutes you will see that this is well worth your time if you would like to understand the impact of the proposed regulation.

Sirs, in my opinion and that of others, the current framework threatens the privacy of virtual currency users, innovators, and researchers and will stifle innovation, harming the State of New York and its citizens in particular.

In my opinion:

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,

James Verhoeven

The Netherlands