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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 far too broad, requiring licenses for far more than just money services. This first and foremost represents regulatory overreach.
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. History has proven that when personal information is aggregated in a database, it becomes an easy target.
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. For example it could even prevent educators from offering classes on cryptocurrency theory and practice by requiring any student who touches related software code to undergo such onerous procedures or risk committing a violation of law.
4. The proposal as written raises clear and substantial 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 are already seeing technological solutions that would render certain regulations obsolete. Clearly it is far more desirable to allow technology instead of government to solve problems where possible. This regulatory proposal could cut that innovation off at the knees, before we have a chance to see the potential societal benefits.

NY DFS should respect the privacy of technology users, and limit its regulation to what is proportionate to the real threat at hand, and must target only those who might seek to abuse the technology rather than treating all who use it as suspect.

Sincerely,

Anders Bruihler

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Sent from Mailbox <<https://www.dropbox.com/mailbox>>