

Dear Superintendent Lawsky and General Counsel Syracuse,

Although this is a template, I agree with all of the below. I will also add that even if you know where the bitcoins are bought and by who, you won't know where they will end up due to new mixing innovations which will bring users privacy. So the whole point behind collecting ID information is riddled with issues. I do support any attempts to regulate businesses which hold users bitcoins and therefore put them at risk. Getting insurance to pay out users should their holding be stolen and having proof of reserves should be a must. Businesses which do not hold users money on deposit AND (multisig tech) put it at risk, should NOT be regulated in any way. Bitcoin is built to protect users fully should they take their own precautions to secure their keys.

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,
Daniel Murrell

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Daniel Sebastian Murrell
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