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Dear Superintendent Lawsky and General Counsel Syracuse,

I don't mind regulation, I am actually all for it but I think your department has completely lost focus resulting in an almost paranoid proposal seriously out of sync with reality. I liked one comment someone made on one of the forums where a hotdog vendor would have to request KYC details.. why is there no limit set for such transaction, even with cash I can travel the world with upto 10.000 USD / EUR in my pocket without having to explain myself to anyone and spend it on whatever I feel without having to pull out my passport, drivers-license, bank receipt with current address.. Vendors like this, Newspaper stand, the local gift shop, bakery, butcher shop, etc.. should be able to accept micro payments without having to go through all this.. Your AML, KYC etc should be at the exchange level and between exchanges and established banking.. Truely don't understand why this has to be so hard.. Hope you all eventually come up with something more appropriate. Here follows the standard complaint letter.

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,

Niels Bartels