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Dear Superintendent Lawsky and General Counsel Syracuse,

I'm writing to you because I am seriously worried by the new "BitLicense" proposals. While there is nothing wrong with currency regulation in principle, the current framework has serious and extremely dangerous flaws that will cripple innovation and research.

1. 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. Effectively, it would become dangerous to use money - ever - for anything you're not prepared to have made public.

The chilling effect on free speech would be huge. (A journalist wouldn't be able to use digital currency to pay for hotel rooms or meet with sources, since the government could just track his movements with it in order to punish whistleblowers.)

2. It forces virtual currency innovators to undergo rigorous background checks and submit fingerprints to state and federal law enforcement. This will create a serious barrier to entry for start ups and inventors looking to create new services. It won't, however, do anything at all to prevent money laundering - launderers will not create new services, any more than they create new types of bank. They will simply use existing ones.

3. The BitLicense is far too broad. It regulates many things that are not money services. Obviously, the goal of cracking down on money laundering should be achieved without crippling new services that do not act as money.

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 would cut that innovation off at the knees, destroying the benefits.

Please do not let fear of money laundering drive a massive regulatory proposal forward that would destroy entire new business models for users who are doing nothing wrong. The goal can be achieved with much more proportionate regulation, limited to the real threat at hand.

Sincerely,

- Daniel Taylor