2790
I feel strongly negatively about this proposal and seriously question the intelligence of anyone who would honestly support it (and the ethics of anyone who would DISHONESTLY support it) but will keep my language civil.
My main concerns with this proposal (besides what is mentioned in the following form letter and no doubt by other complaintants) are twofold:

1. These rules say nothing about cash, and any even vaguely defensible argument against anonymous purchase would also abhor the concept of cash, thereby tipping me off to the fact that this policy does NOT stem from a reasoned argument (it smacks of moral panic to me).

2. They attempt to push local legislation on worldwide citizens by use of vague language making claims about business that may possibly, potentially 'involve' a New York resident requiring an expensive, unethical and unconstitutional surveillance and data-retention framework, regardless of the jurisdiction covering the business.
Frankly I'm offended by the idea that such a harebrained scheme could ever pass review to this stage, and my belief in the competency of New York politicians has been shaken.

FORM LETTER FOLLOWS (more informative, less angry):

Dear Superintendent Lawsky and General Counsel Syracuse,

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,

Matias Rocha