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Dear Superintendent Lawsky and General Counsel Syracuse,

I'm writing you today to express my deep concerns about the "BitLicense" proposal. I've recently learned about this proposal from the EFF, and I am dismayed. The current framework threatens the privacy of virtual currency users, innovators, and researchers. In particular, the EFF has identified a number of trouble areas with the proposal and I am in agreement with them:

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 harmed. In a heavily networked world, BitLicense would affect users across the USA and around the world. Thus, this proposal affects me.
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, and is unnecessarily intrusive.
4. The proposal as written raises First Amendment concerns.

It is premature to craft regulations for an industry that is 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, or what safeguards will really be necessary. This regulatory proposal could cut that innovation off at the knees, before we have can realize the many potential societal benefits of digital currencies. 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. Rather, NY DFS should respect the privacy of technology users, and limit its regulation to what is proportionate to the real threat at hand.

Yours truly,  
Andrew Predoehl