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New York's Proposed BitLicense Regime: Summary of Published Comments and Expected Changes

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We have summarized 35 comment letters submitted in response to New York's "BitLicense" proposal that have been made public by their authors. We have aggregated these letters, for which the submission deadline was October 21, 2014, at bitcoin-reg.com. The New York Department of Financial Services (NYDFS) proposed the BitLicense regime in July 2014 to comprehensively regulate certain Bitcoin and other virtual currency business activities in response to the use of virtual currencies for money laundering or other illicit activities (e.g., Liberty Reserve and Silk Road) and harm to consumers (e.g., Mt. Gox's failure and loss of hundreds of millions of dollars' worth of customer Bitcoins), as we summarized in our visual memo on the proposal . This document also summarizes recent speeches by NYDFS Superintendent Benjamin Lawsky that outline expected changes to the proposal (e.g., clarifications that mere software developers will not be covered) and timing (reproposal expected early December, final rules expected early 2015 with an effective date shortly thereafter).

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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