

Press Release

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DFS CONTINUES ACTIONS TO SUPPORT RESPONSIBLE INNOVATION IN NEW YORK'S FINTECH INDUSTRY

Paxos Trust Company LLC, an Existing DFS Licensee, is Now Authorized to Offer Bankchain Precious Metals Platform

Department Grants Virtual Currency License to Genesis Global Trading

Financial Services Superintendent Maria T. Vullo today announced that the Department of Financial Services has authorized Paxos Trust Company LLC, formerly known as itBit Trust Company, to offer a permissioned, blockchain-based post-trade platform settlement service called Bankchain, and has granted a virtual currency license to Genesis Global Trading, Inc.

“New York continues to lead the nation in regulating the growing fintech industry,” **said Financial Services Superintendent Vullo**. “These approvals demonstrate DFS’s commitment to protecting consumers and the virtual currency market while encouraging innovation, such as the expanded use of blockchain, and providing strong regulatory oversight to new and existing market participants.”

Paxos Trust Company, a subsidiary of Kabompo Holdings Ltd., offers the Bankchain Precious Metals post-trade platform settlement service, which facilitates settlement among buyers in the “Loco London” market of gold bullion physically held in vaults recognized by the London Bullion Market Association. As itBit, Paxos was the first virtual currency company to receive a charter from DFS. The company’s plans to expand its business to include other services besides the bitcoin exchange were included as part of its charter application.

“This is a very exciting approval and we thank the DFS and Superintendent Vullo,” **said Charles Cascarilla, CEO of Paxos**. “We are focused on building the best infrastructure to enable a modern day settlement solution for the precious metals market that will unlock capital, mobilize assets and create value.”

DFS has conducted a comprehensive review of Genesis Global Trading’s application, including the company’s anti-money laundering, anti-fraud, capitalization, consumer protection, and cyber security policies. Genesis, which is subject to ongoing supervision by DFS, conducts over-the-counter virtual currency block trading of Bitcoin, Ether, Ether Classic, Litecoin, Ripple, Bitcoin Cash with counterparties on a proprietary basis. Genesis has also been approved for potential future offerings of Zcash.

“We are very pleased that DFS has approved the Genesis Global Trading BitLicense application,” **said Michael Moro, CEO, Genesis Global Trading**. “Although we have operated

under a safe harbor provision in recent years, today's decision is an important step forward and reaffirms the robust compliance measures we have enacted as a trusted trading partner."

With the Genesis approval, DFS has now approved seven firms for virtual currency charters or licenses, while denying those applications that did not meet DFS's standards. DFS has also granted licenses to bitFlyer USA, Coinbase Inc., XRP II and Circle Internet Financial, and charters to Gemini Trust Company and Paxos (formerly itBit Trust Company).

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