

IDFPR Requests Comment on “Digital Currency Regulatory Guidance”

CHICAGO – Secretary Bryan A. Schneider with the Illinois Department of Financial and Professional Regulation (“IDFPR”) has announced the release for comment of the Department’s proposed “Digital Currency Regulatory Guidance” on decentralized digital currencies, such as Bitcoin, Dogecoin, Litecoin, Ethereum, and Zcash. The proposed guidance expresses the IDFPR’s interpretation of Illinois’ Transmitters of Money Act (“TOMA”) and the application of its interpretation to various activities involving digital currencies. Decentralized digital currency is an electronic medium of exchange that is not created or issued by a central authority, is not legal tender, and can be used to purchase goods and services or to exchange for other currencies.

“As innovative payment technologies grow in popularity, it is vital that we provide a succinct regulatory framework that gives businesses operating in this space necessary clarity,” said Bryan A. Schneider, IDFPR Secretary. “We plan to study digital currencies carefully as the technology develops, however, at this point in time digital currencies like Bitcoin, given their low transaction volume and relatively niche use, are best viewed as a speculative investment or possibly even a new type of asset class, not as money.

IDFPR’s proposed guidance seeks to establish the regulatory treatment of decentralized digital currencies under existing definitions of money transmission in Illinois, as defined in the Illinois Transmitters of Money Act (205 ILCS 657) (<http://www.ilga.gov/legislation/ilcs/ilcs3.asp?ActID=1201&ChapterID=20>). Digital currencies currently do not fit the statutory definitions of “money” and, therefore, do not independently trigger the licensing requirements of TOMA. However, some business activities involving decentralized digital currency that involve the receipt of “money” can trigger the licensing requirements of TOMA. IDFPR’s proposed guidance considers several types of digital currency activities and offers guidance on their licensing implications.

IDFPR will accept comments on the proposed guidance until **January 18th, 2017 at 5:00pm CST**.

🗨️ **Comments can be submitted by clicking here.** (<http://bit.ly/idfprdcg>)

📄 IDFPR’s full text of the proposed “Digital Currency Regulatory Guidance” can be found here.
([./PDFs/IDFPRRequestforCommentsDigitalCurrencyRegulatoryGuidance2016.pdf](#))

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