

NYS: 45 days to exchange your Bitcoin for Monero

Tuesday 22 July, 2014

With Benjamin Lawsky's of New York State Department of Financial Services BitLicense to appear, introducing capital controls on bitcoin (XBT), people now have 45 days to upgrade from bitcoin to Monero (XMR), a cryptonote based digital currency. After 45 days, Bitcoin will be a lot less tradable than it was previously, but Monero will retain its fungibility, liquidity and utility.

Due to the upgrades that the Monero protocol contains, the department's capital controls are not possible, as there is no way to distinguish one Monero from another. The Department of Financial Services has not issued Monero any virtual currency and contains similar risks.

Like bitcoin, Monero uses a block chain, but unlike bitcoin, Monero does not have links between transactions, and addresses (accounts) do not report amounts, giving people the privacy they are familiar with in the traditional banking system.

"It is analogous to a steam locomotive compared to a modern train, they both use the same tracks but legislation about steam from locomotives is irrelevant" said an analyst familiar with the matter, using the analogy to compare bitcoin to modern alternatives. Monero uses a software protocol that was drafted in late 2013, using proven concepts that are over a decade old.

For bitcoin holders, Monero is easily acquired on the exchanges Poloniex and Mintpal, but 45 days from now when the BitLicense comes into effect, it will be a lot harder for those exchanges to operate. What is great is

that as soon as anyone owns Monero, they will no longer need an exchange, but businesses can still comply with the BitLicense using it while benefitting from unparalleled privacy.

At time of writing there is no known US dollar market for Monero, but it would be the equivalent of \$3 for a whole unit of Monero, compared to \$622 for a whole unit of Bitcoin. Both digital currencies are available in smaller units solely at the purchaser's discretion.

Monero existed before the BitLicense regulations, but the existence of it or anything like it was clearly an afterthought in the drafting of the regulations, particular in the proposed regulation of preventing mixing of virtual currency to obfuscate ownership. As such, it still operates outside the scope of them in many regards and offers perks to anybody using them, something that no bitcoin can do. Even with updated regulations, there is simply no way to undermine the financial privacy that Monero offers through the concept of ring signatures.

Bitcoin ownership is public and the BitLicense draft prohibits doing anything to keep your financial information private with regulations much more onerous than anything the banking industry is subject to. Monero is inherently private, just like notes are upgrades to coins, Monero is a free market solution to bitcoin and the BitLicense.

BitLicense holders are still able to adopt Monero and businesses and consumers alike will find more utility knowing that their neighbours won't be able to undermine their financial privacy. With bitcoin, people and businesses took extra steps to maintain financial privacy, but since the BitLicense prohibits doing these things, it is no longer viable. The BitLicense takes effect in 45 days, after approval.

--

Virginia Pratt
(212) 709-1691

public-affairs@dfs.ny.gov

Media:



Related Sectors:

Crypto Currency ::

Related Keywords:

Monero :: Bitcoin :: XMR :: Block Chain :: Exchanges :: BitLicense ::

Scan Me:



Company Contact:

—

Pressat Wire

E. [support\[@\]pressat.co.uk](mailto:support[@]pressat.co.uk)

[View Online](#)

Additional Assets:

Newsroom: Visit our Newsroom for all the latest stories:

<https://www.wire.pressat.co.uk>