

# New York State Department of Financial Services Proposes Guidance on Adoption or Listing of Virtual Currencies by Exchanges

Article By:

William B. Mack

Barbara A. Jones

Michele A. Kulerman

India L. Sneed

---

In the summer of 2015, the New York State Department of Financial Services (DFS) finalized its regulatory framework for virtual currency firms seeking to conduct certain virtual currency (VC) business activities in the state. Since then, it has issued two dozen licenses and charters involving virtual currency transmission (VC licenses). To promote efficiency and reflect the growing marketplace, DFS has now issued two proposals. The *first* proposal would list all current virtual currencies (coins)<sup>1</sup> permitted for business activities of the VC licensees, without prior approval by DFS. The list would be updated if the coins listed have not been subject to modifications, divisions, or change after their listing on the DFS webpage. The *second* proposal involves a coin-listing framework that would be tailored to the specific VC licensee's business model and risk profile to create a firm-specific coin listing or adoption policy. The VC licensee's policy would need DFS approval prior to use. However, the proposal enables the licensee to self-certify a listing or adoption of new coins, in addition to those that may be listed on the DFS webpage, without DFS approval.<sup>2</sup>

DFS' proposal for VC licensee coin-listing policies requires a VC licensee to provide written notice to the DFS, including the creation of procedures that comprehensively address all steps in the review and approval of all virtual currencies regarding the business activities of the licensee. Noteworthy is that with this proposal, if approved, only prior written notice to the DFS would be required, and not prior DFS approval. At a minimum, a VC licensee must have a framework for coin approval which includes:

## 1. Governance

—a board of directors or internal committee which approves the coin listing policy and reviews each new coin

- conflicts of interests must be considered and addressed
- minutes and records must be kept for each new coin application

## 2. Risk assessment

- address creation, issuance, usage, and design of any new coin
- consider operational, market, legal, and regulatory risk

## 3. Monitoring

- periodically reevaluate each coin
- employ control measures and process for de-listing coins

Under the two proposals, DFS retains the right to object to the adoption or listing of any self-certified coin before and after the listing goes into effect and may require the coin be delisted.

Comments are due by **Jan. 27, 2020**.

---

1 Coins currently contemplated for the list include Bitcoin, Bitcoin Cash, Ether, Ether Classic, Litecoin, Ripple, Paxos, Paxos Standard, and Gemini Dollar.

2 The licensee will be able to self-certify to DFS that its proposed adoption or listing of new coins comply with the requirements of its DFS-approved company coin-listing policy and provide written notice of its intent to offer and use such new coins. VC licensees without DFS-approved company coin-listing policies must seek DFS prior approval with respect to any coin other than the DFS-approved list.

©2025 Greenberg Traurig, LLP. All rights reserved.

---

National Law Review, Volume IX, Number 364

Source URL: <https://natlawreview.com/article/new-york-state-department-financial-services-proposes-guidance-adoption-or-listing>