

## New York BitLicense Regulations and the August 8, 2015 Deadline

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The [New York “BitLicense” regulations](#) became effective on June 24, 2015, and businesses that are engaged in “Virtual Currency Business Activity” involving New York or a New York Resident must apply for a license. The deadline for doing so is **August 8, 2015**.

“Virtual Currency Business Activity” is defined broadly:

Virtual Currency Business Activity means the conduct of any one of the following types of activities involving New York or a New York Resident: (1) receiving Virtual Currency for Transmission or Transmitting Virtual Currency, except where the transaction is undertaken for non-financial purposes and does not involve the transfer of more than a nominal amount of Virtual Currency; (2) storing, holding, or maintaining custody or control of Virtual Currency on behalf of others; (3) buying and selling Virtual Currency as a customer business; (4) performing Exchange Services as a customer business; or (5) controlling, administering, or issuing a Virtual Currency. The development and dissemination of software in and of itself does not constitute Virtual Currency Business Activity.

“Transmission” is also defined broadly:

Transmission means the transfer, by or through a third party of Virtual Currency from a Person to a Person, including the transfer from the account or storage repository of a Person to the account or storage repository of a Person[.]

We encourage companies in the digital currency ecosystem to seek guidance regarding whether they must comply with the BitLicense regulations, the federal Bank Secrecy Act, state money transmitter license requirements or other regulatory matters.

Even if your business is based outside of New York, you should consider whether your business is engaged in a “Virtual Currency Business Activity” involving New York or any New York resident. Some companies involved in Bitcoin or other digital currencies may wish to seek formal guidance from the New York Department of Financial Services.

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