

To whom it may concern at the IDFPR:

Thank you for the opportunity to give public comments on this issue.

The blockchain not only provides technical innovations, but also allows for the possibility for new business models and for solving existing problems in ways that were not economically viable before. In this sense, we all benefit the most from a regulatory environment that encourages blockchain innovation. Given Chicago's prowess in the Finance and Fin-tech sector, and its status as a hub of entrepreneurship and innovation in the Midwest, I think Chicago is a unique position to capitalize on the blockchain technology trend. With the right guidance, and a low barrier to entry, Chicago could be fertile ground for a booming blockchain ecosystem that will reach a wide variety of industries.

From a technical standpoint, blockchain transactions in digital tokens are often times simply used as a trustless, irrevocable data store. This is especially true as Blockchain 2.0 platforms, such as Ethereum, continue to mature. In this regard, we agree with the current interpretation of TOMA that does not consider a transfer of cryptocurrency to be an exchange of money. As the blockchain ecosystem continues to develop, we will see more and more complex tokens and use cases involving the transfer of tokens that facilitate communication or other transfers of data that do not represent monetary value. It would be a seriously detrimental application of the law if token transfers that facilitate a login or a vote are considered a money transfer. This would stomp out innovation and legislate away any incentives for blockchain companies to take root in Chicago.

The blockchain offers potentials for cost-saving, increased efficiency, and groundbreaking openness and sharing. Traditional businesses will find the blockchain platform appealing as a way to save costs, increase efficiency, and collaborate with other businesses and systems. It's important to incentivize existing businesses to experiment with and adopt blockchain technologies as well. Furthermore, it is not clear whether public or permissioned blockchains will be more valuable to existing companies. The current thought is that there will be a mix of the two, but it is unclear how that may play out. It is important to understand that some of the foundations of the current public platforms designed their blockchains to remain public. When we present to the IDFPR, we will outline some of the ways we see the two ideologies coexisting.

In conclusion, I agree with the current interpretation of TOMA's application to blockchain technologies and I believe we will all benefit from continuing to apply TOMA to transfers in fiat currency only. The blockchain has the potential to create economic value well beyond the simple "digital gold" use case of a simple value transfer. Chicago, with its strategic advantages, is in a unique position to capitalize on this new technology trend by cultivating an entrepreneurial ecosystem that will bring increased efficiency and economic growth to many industries.

Sincerely,

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