



# NY Virtual Currency Business Activity License Transition Checklist (Company)

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## GENERAL INFORMATION

### Transition to NMLS

Companies holding the New York State Department of Financial Services (NY-DFS) Virtual Currency Business Activity License are able to submit a license transition request through NMLS by filing a Company Form (MU1) and an Individual Form (MU2) for each of their control persons. The (NY-DFS) Virtual Currency Business Activity License will be available in NMLS to submit the transition request starting October 1, 2018. The transition to NMLS for this license is *optional*.

**Note:** If you already have a record in NMLS and have submitted these forms in the past, you do not need to re-enter your company information into NMLS. You will only need to identify the business activities your company conducts and the states in which the various activities are conducted. Then, you will select the appropriate license in NY, and complete a few state-specific fields.

It is important that current licensees have the appropriate transition number available when completing and submitting their Company Form (MU1), so they are not charged a new application fee. When selecting your license in the Company Form (MU1), you will be asked to enter your existing NY-DFS license number. When entering your existing NY-DFS license number in NMLS, enter the numerals only.

Any licensee that needs to amend or surrender a license (or execute any other action previously completed in paper form) must complete these actions within NMLS from October 1, 2018, onward. NY-DFS encourages current licensees to update their information with NY-DFS at least two weeks prior to requesting their license transition through NMLS, so there will be no pending changes to submit at the time of transition.

### Who Is Required to Have This License?

The license requirements for Virtual Currency Business Activity are found primarily in 23 NYCRR Part 200. 23 NYCRR 200.3(a) provides, in part:

*“No Person shall, without a license obtained from the superintendent ..., engage in any Virtual Currency Business Activity.”*

Also, 23 NYCRR 200.2(q) provides, in part:

*“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.”*

In addition to the items listed in the [checklist below](#), the New York State Department of Financial Services (NYDFS) may require, as it deems necessary, the submission of any other information or documentation.

### Activities Authorized Under This License

This license authorizes the following activities:

- Virtual currency exchanging and trading services
- Electronic money transmitting\*
- Issuing prepaid access/stored value\*
- Selling prepaid access/stored value\*

\*These NMLS business activities also encompass virtual currency. Conducting this activity with a virtual currency requires an approved NY Virtual Currency Business Activity License. Conducting this activity with a fiat currency requires an approved NY Money Transmitter License. See the [NY Money Transmitter License New Application Checklist](#) for more information.

### Document Uploads Guidance

Documents that must be uploaded to the *Document Uploads* section of the Company Form (MU1) in NMLS are indicated in the checklist below. When uploading documents:

- Follow the guidance in [Document Upload Descriptions and Examples](#).
- Only upload documents relevant to the company application.
- Only upload documents where there is a selectable document category. If inappropriate documents are uploaded that should not be, you will be contacted by your regulator and asked to remove them from NMLS.
- Do not upload the same company documents multiple times. Generally, unless the document is state-specific, if the document has already been uploaded for another state, a new upload is not required unless changes have been made.
- If a document previously uploaded has been revised, delete the old document and replace it with the new document (history of the old document will remain in NMLS).
- For state-specific documents (e.g., Surety Bonds), be sure to indicate the applicable state.

### Helpful Resources

- [Company Form \(MU1\) Filing Instructions](#)
- [Document Upload Descriptions and Examples](#)

- [Individual Form \(MU2\) Filing Quick Guide](#)
- [Financial Statements Quick Guide](#)
- [Payment Options Quick Guide](#)
- [License Status Definitions Quick Guide](#)

### Agency Contact Information

Contact NY-DFS licensing staff by phone at (212) 709-3825.

*For U.S. Postal Service & Overnight Delivery:  
New York State Department of Financial Services  
Office of Financial Innovation  
One State Street  
New York, NY 10004-1511*

THE APPLICANT/LICENSEE IS FULLY RESPONSIBLE FOR ALL OF THE REQUIREMENTS OF THE LICENSE FOR WHICH THEY ARE APPLYING. THE AGENCY SPECIFIC REQUIREMENTS CONTAINED HEREIN ARE FOR GUIDANCE ONLY TO FACILITATE APPLICATION THROUGH NMLS. SHOULD YOU HAVE QUESTIONS, PLEASE CONSULT LEGAL COUNSEL.

**LICENSE FEES** - Fees collected through NMLS are NOT REFUNDABLE OR TRANSFERABLE.

Complete	NY Virtual Currency Business Activity License	Submitted via...
Note	NY License/Registration Transition Fee: \$0 NMLS Initial Processing Fee: \$0	N/A

**REQUIREMENTS COMPLETED IN NMLS**

Complete	NY Virtual Currency Business Activity License	Submitted via...
<input type="checkbox"/>	<p><b>Submission of Company Form (MU1):</b> Complete and submit the Company Form (MU1) in NMLS. This form serves as the transition request for the license/registration through NMLS.</p> <p>See the <a href="#">Transitioning an Existing License Quick Guide</a> for instructions on how to submit the transition request.</p> <p><b><i>When selecting your license in the Company Form (MU1), you will be asked to enter your existing license number. Be sure to enter your NY-DFS License Number. When entering your existing NY-DFS license number in NMLS, enter the numerals only.</i></b></p>	NMLS
<input type="checkbox"/>	<p><b>Financial Statements:</b> Upload two most recent years audited financial statements prepared by a Certified Public Accountant in accordance with Generally Accepted Accounting Principles dated within 90 days of your fiscal year end. Financial statements should include a balance sheet, income statement, and statement of cash flows and all relevant notes thereto. If applicant is a start-up company, only an initial statement of condition is required.</p> <p><i>If audited financial statements are unavailable, provide an unaudited statement and include an explanation.</i></p> <p><b>Note:</b> Financial statements are uploaded separately under the Filing tab and <i>Financial Statement</i> submenu link. See the <a href="#">Financial Statements Quick Guide</a> for instructions.</p>	NMLS

<input type="checkbox"/>	<p><b>Other Trade Name:</b> If operating under a name that is different from the applicant’s legal name, that name (“Trade Name”, “Assumed Name” or “DBA”) must be listed under the <i>Other Trade Names</i> section of the Company Form (MU1).</p> <p>NY-DFS does not limit the number of other trade names.</p> <p>If operating under an “Other Trade Name”, upload documentation regarding ability to do business under that trade name.</p> <p>This document should be named <i>[State-License Type] Trade Name – Assumed Name</i>.</p> <p><b>Note:</b> Corporation, limited liability companies, and limited partnership proposing to conduct business under assumed name (e.g., d/b/a) must apply to the Secretary of State for authorization to do so. Individuals, general partnership, and limited liability partnership proposing to conduct business under an assumed name must apply to the County Clerk of each county in which the business will operate for permission to do so. In either case, certified copies of the applicable authorization must be submitted to NY-DFS.</p>	<p><b>NMLS</b></p> <p><b>Upload in NMLS:</b> under the Document Type <u>Trade Name/Assumed Name Registration Certificates</u> in the <u>Document Uploads</u> section of the Company Form (MU1).</p>
<input type="checkbox"/>	<p><b>Resident/Registered Agent:</b> The Resident/Registered Agent must be listed under the <i>Resident/Registered Agent</i> section of the Company Form (MU1).</p> <p><b>Note:</b> The resident/registered agent is the entity that will receive service of legal process on behalf of your company in the state identified.</p>	<p><b>NMLS</b></p>
<input type="checkbox"/>	<p><b>Primary Contact Employees:</b> The following individuals must be entered into the <i>Contact Employees</i> section of the Company Form (MU1).</p> <ol style="list-style-type: none"> <li>1. <b>Primary Company Contact.</b></li> <li>2. <b>Primary Consumer Complaint Contact.</b></li> </ol>	<p><b>NMLS</b></p>
<input type="checkbox"/>	<p><b>Non-Primary Contact Employees:</b> NY-DFS <b>requires</b> that an individual(s) be identified as a <b>Non-Primary Contact</b> for the following areas. These contacts must be listed in the <i>Contact Employees</i> section of the Company Form (MU1).</p> <ol style="list-style-type: none"> <li>1. Accounting</li> <li>2. Licensing</li> <li>3. Consumer Complaint (Public)</li> <li>4. Consumer Complaint (Regulator)</li> <li>5. Legal</li> <li>6. Pre-Exam Contact</li> </ol>	<p><b>NMLS</b></p>
<input type="checkbox"/>	<p><b>Approvals and Designation:</b> Enter the company’s FinCEN Registration <i>Confirmation Number</i> and <i>Filing Date</i> in the <i>Approvals and Designation</i> section of the Company Form (MU1).</p>	<p><b>NMLS</b></p>

<input type="checkbox"/>	<p><b>Bank Account:</b> The following bank account information must be completed in the <i>Bank Account</i> section of the Company Form (MU1).</p> <ul style="list-style-type: none"> <li>Identify bank(s) the applicant will use for purposes of Virtual Currency Business Activity, both foreign and domestic.</li> <li>Identify banks(s) that will extend credit to the applicant.</li> </ul>	<b>NMLS</b>
<input type="checkbox"/>	<p><b>Disclosure Questions:</b> Provide a complete and detailed explanation and document upload for each “Yes” response to Disclosure Questions made by the company or related control persons (MU2). See the <a href="#">Company Disclosure Explanations Quick Guide</a> for instructions.</p>	<b>Upload in NMLS</b> in the <i>Disclosure Explanations</i> section of the Company Form (MU1) or Individual Form (MU2).
<b>Note</b>	<p><b>Qualifying Individual:</b> The <i>Qualifying Individual</i> section is not required to be completed for NY-DFS on the Company Form (MU1).</p>	<b>N/A</b>
<input type="checkbox"/>	<p><b>Chief Compliance Officer:</b> In addition to the owners, executive officers and/or control persons, the Chief Compliance Officer for the Company must also be reported in the <i>Direct Owner/Executive Officers</i> section of the Company Form (MU1). Chief compliance officer:</p> <ul style="list-style-type: none"> <li>Must have a minimum of three years experience in performing compliance for a money transmitter, bank, or virtual currency business, consistent with the proposed activities of the applicant. Must demonstrate that he or she has undertaken acceptable,</li> <li>current training on topics directly related to the activities and business of the money transmitter and his or her function as a compliance officer.</li> </ul> <p><b>Note:</b> Individuals identified in the <i>Direct Owner/Executive Officers</i> section of the Company Form (MU1) are required to complete and submit an Individual Form (MU2) along with the Company Form (MU1). See the <a href="#">Individual Form (MU2) Filing Quick Guide</a> for more information.</p>	<b>NMLS</b>
<input type="checkbox"/>	<p><b>Control Person (MU2) Attestation:</b> Complete the Individual Form (MU2) in NMLS. This form must be attested to by the applicable control person before it is able to be submitted along with the Company Form (MU1).</p>	<b>NMLS</b>
<b>Note</b>	<p><b>Credit Report:</b> Unless you are otherwise instructed by NY-DFS, no credit reports are required to be submitted for this transition.</p>	<b>N/A</b>
<b>Note</b>	<p><b>MU2 Individual FBI Criminal Background Check Not Required Through NMLS:</b> Direct Owners/Executive Officers, Indirect Owners, and Qualifying Individuals are NOT required to authorize an FBI criminal background check (CBC) through NMLS.</p>	<b>N/A</b>

**REQUIREMENTS/DOCUMENTS UPLOADED IN NMLS**

Complete	NY Virtual Currency Business Activity License	Submitted via...
<input type="checkbox"/>	<p><b>Surety Bond:</b> Each licensee shall maintain a surety bond or trust account in United States dollars for the benefit of its customers in such form and amount as is acceptable to the Superintendent for the protection of the licensee’s customers.</p> <p>Surety bond document(s) should be named <i>[Company Legal Name] Surety Bond</i>.</p> <p>Trust Account document(s) should be named <i>[Company Legal Name] Trust Account</i></p> <p><b>Note:</b> If the applicant intends to use a trust account for the protection of customer funds the applicant must submit an authorization allowing examination of trust accounts used for the purpose of holding funds belonging to others at the time such trust accounts are opened. Such authorizations may require multiple documents when more than one account exists.</p>	<p><b>Upload in NMLS:</b> under <u>Surety Bond</u> in the <i>Document Uploads</i> section of the Company Form (MU1)</p> <p><b>AND</b></p> <p><b>Mail to NY-DFS.</b></p>

**INDIVIDUAL (MU2) DOCUMENTS UPLOADED IN NMLS**

No individual (MU2) documents are required to be uploaded into NMLS for this license/registration at this time.

NMLS ID Number	
Applicant Legal Name	

REQUIREMENTS SUBMITTED OUTSIDE OF NMLS		
Complete	NY Virtual Currency Business Activity License	Submitted via...
<input type="checkbox"/>	<b>Surety Bond:</b> Submit the original surety bond or authorization for inspection of all trust accounts as described above.	<b>Mail to NY-DFS.</b>