



STATE OF CALIFORNIA

## Department of Business Oversight

GOVERNOR **Gavin Newsom** ▪ COMMISSIONER **Manuel P. Alvarez**

October 1, 2019

IN REPLY REFER TO:  
FILE NO:

Via E-mail

Re: \_\_\_\_\_ – Request for Interpretive Opinion

Dear Mr. \_\_\_\_\_ :

Thank you for your emails to the Department of Business Oversight. Your emails request a determination as to whether \_\_\_\_\_ is required to obtain a license under the California Money Transmission Act (“MTA”) to operate Bitcoin payment kiosks (“Bitcoin ATMs”).

You describe \_\_\_\_\_’s business model as selling cryptocurrency (Bitcoin) through Bitcoin ATMs. You state that \_\_\_\_\_’s Bitcoin ATMs only allow individual customers to purchase Bitcoin from \_\_\_\_\_’s own Bitcoin inventory for cash (Cash-In). \_\_\_\_\_ does not purchase a customer’s Bitcoin for cash (Cash-Out).

The Department has been studying the cryptocurrency industry closely. Whether Bitcoin is a viable form of money or a speculative non-money asset is widely debated. Given this ongoing debate, the Department has not concluded whether Bitcoin is a form of money.

Notwithstanding the foregoing, the sale of Bitcoin by \_\_\_\_\_ out of its own inventory through a Bitcoin ATM, which does not support any other types of transactions, does not meet the definition of “receiving money for transmission.”<sup>1</sup> Therefore, \_\_\_\_\_’s proposed activities in connection with Bitcoin ATMs are not subject to licensing under the MTA.

The Department’s determination is limited to the activities described herein and does not extend to any other activities in which \_\_\_\_\_ may engage. Any change in the facts and

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<sup>1</sup> Fin. Code, § 2003, subd. (u) (defining “receiving money for transmission” to mean receiving money or monetary value in the United States for transmission within or outside of the United States).

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circumstances or the products or services that provides could lead to a different determination.

Nothing in this letter should be interpreted to relieve from any obligations under the laws administered by FinCEN or any other agency of the federal government.

Please contact me at if you have any questions.

Sincerely,

Manuel P. Alvarez  
Commissioner  
Department of Business Oversight

By

Jennifer L.W. Rumberger  
Senior Counsel

cc: Department of Business Oversight, Money Transmitter Division, San Francisco