

# **SUPERINTENDENT OF FINANCIAL SERVICES LINDA A. LACEWELL ANNOUNCES APPROVAL OF FIRST GOLD-BACKED VIRTUAL CURRENCY IN NEW YORK STATE**

Press Release

September 5, 2019

***Paxos Trust Company LLC, an Existing DFS Licensee, is Now Authorized to Offer "PAX Gold"***

***DFS Also Authorizes Paxos to Offer "BUSD" Stablecoin***

NEW YORK – Superintendent of Financial Services Linda A. Lacewell announced today that the New York State Department of Financial Services (DFS) has authorized Paxos Trust Company LLC to offer a gold-backed virtual currency, the first such virtual currency authorized by DFS, as well as BUSD, a virtual currency pegged to the U.S. dollar.

"DFS is committed to encouraging innovation while providing regulatory oversight to keep New Yorkers and the rapidly evolving financial services market safe and sound," **said Superintendent Lacewell.** "These approvals reflect DFS' leadership in the virtual currency arena and our priority to protect consumers in every decision we make."

DFS issued a limited purpose trust company charter in May 2015 to Paxos Trust Company, formerly known as itBit Trust Company LLC, which operates the itBit Exchange, to offer services for buying, selling, sending, receiving, and storing virtual currency. In September 2018, Paxos was authorized by

DFS to offer its first asset-backed token – commonly known as a “stablecoin” – pegged to U.S. dollars, Paxos Standard.

DFS has now authorized Paxos to offer PAX Gold, an asset-backed token that is pegged to gold. In addition, DFS has also now authorized Paxos to offer BUSD, an asset-backed token that is pegged to the U.S. dollar. In total, DFS has approved three asset-backed tokens issued by Paxos: Paxos Standard (PAX), PAX Gold (PAXG), and BUSD.

As part of the approval of both products, DFS has established required conditions to ensure that potential risks associated with the issuance and offering of PAX Gold and BUSD have been adequately addressed, and DFS has applied New York’s high standards regarding anti-money laundering, anti-fraud, and consumer protection, and cybersecurity measures.

"At Paxos, we appreciate the DFS and Superintendent Lacey's commitment to protecting consumers while also supporting financial innovation in New York," **said Paxos CEO & Co-Founder Charles Cascarilla.** "We are grateful for the opportunity to offer PAX Gold, the first tokenized gold product to receive regulatory approval. By releasing a regulated product that makes it easy to own or trade gold, we're using blockchain technology to democratize access to a multi-trillion-dollar market and bring gold into the digital future. With BUSD, we will be introducing the stablecoin concept to even more users in new markets. There is growing interest in regulated, asset-backed tokens and we expect to keep powering more for new uses and applications worldwide."

DFS became the first state or federal agency in the United States to supervise virtual currency with the promulgation of its landmark regulation in 2015. DFS, which remains committed to supervising and promoting financial services market innovations, licenses virtual currency companies, technology-driven money services businesses, and online lenders operating in New York.

Additional information about [DFS' regulation of New York's virtual currency marketplace](#) can be found on the DFS website.

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