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[HOME](#) > [FINTECH](#) > NEW YORK DFS ANNOUNCES NEW DIVISION OVERSEEING FINTECH

## New York DFS Announces New Division Overseeing Fintech

By [Sam Adriance](#) on July 29, 2019

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On July 23, the New York State Department of Financial Services (“DFS”) **announced** a new Research and Innovation Division. The Division will assume responsibility for licensing and supervising virtual currencies. It will also “assess efforts to use technology to address financial exclusion; identify and protect consumer data rights; and encourage innovations in the financial services marketplace.”

According to New York Superintendent of Financial Services Linda Lacewell, the Division will “position DFS as the regulator of the future, allowing the Department to better protect consumers, develop best practices, and analyze market data to strengthen New York’s standing as the center of financial innovation.”

The new Division follows previous efforts by DFS to regulate innovation and technology in financial services. For example, DFS has been licensing and supervising virtual currency companies since 2015 under its BitLicense **regime**. Companies with BitLicenses are subject to consumer protection and capital requirements, and must maintain anti-money laundering compliance programs. DFS also signed a **memorandum of understanding** with Israeli regulators regarding fintech regulation. DFS has also **sued** the Office of the Comptroller of the Currency over the OCC’s proposal to grant special purpose national bank charters to fintech companies.

The Research and Innovation Division is the second new division at DFS since Superintendent Lacewell assumed the role in February 2019; in May, DFS **created** the Consumer Protection and Financial Enforcement Division.

DFS also announced leadership appointments for the new Research and Innovation Division. Matthew Homer, who was recently head of policy and research at a New York fintech company, will serve as Executive Deputy Superintendent; Matthew Siegel and Olivia Bumgardner will serve as Deputy Superintendents; and Andrew Lucas will be Counsel.



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