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jennifer.schultz@illinois.gov

Illinois Announces Initiative to Grow Innovation Sector

Collaborative group creates environment where Blockchain technology can thrive

Chicago, IL - A consortium of Illinois state and county agencies today announced the official launch of the Illinois Blockchain Initiative. The group, represented by the State's Department of Commerce and Economic Opportunity (DCEO), Department of Financial and Professional Regulation (DFPR), Department of Insurance (DOI), Department of Innovation & Technology (DoIT) and Cook County's Recorder of Deeds will be collaborating to explore innovations presented by Blockchain and distributed ledger technology.

"Illinois' incredible assets put us in a position to be the center of innovation and technology in the Midwest," said Governor Rauner. "By becoming the second state in the country to make a home for Blockchain technology, Illinois is sending a signal to the nation and the world that we will continue to lead and embrace innovation."

The official launch of the initiative signals the State's willingness to embrace the rapidly emerging industry. Although still in its infancy, Blockchain and distributed ledger technology has received over \$1.1 billion in venture capital investment and has been heralded in the private sector as having the potential to dramatically lower transactional costs, automate manual processes, while reducing opportunities for fraud and risk.

Bryan Schneider, Secretary of the Illinois Department of Financial and Professional Regulation (IDFPR), unveiled the initiative during a special announcement delivered at the [Blockchain Conference Chicago](#). During his remarks, Schneider highlighted the initiative's three areas of strategic focus, the first of which involves ensuring a welcoming regulatory environment for innovative digital currency and Blockchain companies wanting to do business in Illinois.

"As a Department we understand that uncertainty around licensing and regulation is on the mind of every digital currency and Blockchain business. It is vital that we provide a succinct framework that gives businesses operating in this space the regulatory clarity necessary to attract investment and scale," said Schneider. "Digital currency offers great benefits for Illinois consumers, so we will continue to thoughtfully evaluate these new technologies, while working to ensure unnecessary barriers to innovation are not imposed in Illinois."

Further indicating the State's commitment to making Illinois a welcoming place for digital currency and Blockchain businesses, Schneider also announced the release for comment of his Department's proposed "Digital Currency Regulatory Guidance." The guidance is intended to provide clarity to the DFPR's treatment of digital currencies in relation to the Illinois' Transmitters of Money Act ("TOMA").

“Blockchain is a powerful technology and our Department sees considerable potential in its day-to-day use,” Department of Insurance Acting Director Anne Melissa Dowling said. “Blockchain could produce increased efficiency in areas like underwriting and claims processing, as well as investment management. The technology holds the potential to balance transparency and confidentiality, while providing regulators the unique ability to regulate in 'real-time'. We encourage exploration of Blockchain and look forward to engaging our companies as they explore Blockchain technology.”

Illinois offers the best resources for companies to relocate to Illinois to build their enterprises and innovate their technologies.

“There is no better place for Blockchain and digital currency companies to do business than in Illinois,” said Sean McCarthy, Acting Director of the Department of Commerce and Economic Opportunity. “With Chicago’s place as a global financial services hub and history in derivatives and commodities trading, Illinois’ pipeline for financial engineering talent is second to none. Our global financial services reach, coupled with a thriving technology ecosystem and access to a world class university research and talent pool, makes Illinois a great place for Blockchain businesses to grow and collaborate. With a renewed emphasis on innovation, Illinois can become the home of Blockchain technology.”

To aid Blockchain businesses interested in taking advantage of Illinois' distinct opportunities, Acting Director McCarthy named Jennifer O’Rourke, Assistant Deputy Director of Entrepreneurship, Innovation and Technology, as Illinois’ first Blockchain Business Liaison. O’Rourke’s background in financial services and business development will be a great asset for Blockchain innovators looking to locate in Illinois.

The initiative's third area of strategic focus creates a public/private collaborative platform for developing specific Blockchain and distributed ledger applications and prototypes for use in Illinois government. To jumpstart these efforts and to help target the most beneficial initial use cases, the Department of Innovation and Technology (DoIT) released a Request for Information (RFI) soliciting input and feedback from the Blockchain technology community on how to develop strong applications for Blockchain in government and how the state should develop an implementation roadmap for these efforts.

“Distributed ledger technology has the potential to fundamentally transform the way government delivers services to its citizens,” commented Hardik Bhatt, Illinois State CIO and Secretary Designate of the Department of Innovation and Technology, “The concept of a distributed, cryptographically secured, and verifiable government record is truly profound. Blockchain has the potential to provide unprecedented efficiencies and interoperability for businesses and citizens, which is why we see the technology as a key lever in our State’s *Illinois FIRST* technology transformation strategy.”

Showing a similar eagerness to pioneer Blockchain adoption in government is the Cook County Recorder of Deeds, which is poised to become the first land records office in the United States to recognize a property conveyance using the Blockchain.

“An irreversible and distributed public record with the ability to prevent unauthorized or fraudulent property transfers through public key cryptography is an idea that makes sense for protecting one of our most important public records, and I’m excited to help make Illinois a leader in Blockchain innovation,” said Karen Yarbrough, Cook County Recorder of Deeds.

"Ultimately the best way to develop and understand a technology is to put it to use in practice," added John Mirkovic, Deputy Recorder of Deeds (IT and Communications). "We are excited to work together with agencies from the State on this endeavor as Illinois continues to innovate and help push Blockchain technology to the mainstream in the public sector."

- Entities interested in participating in DoIT's Blockchain and Distributed Ledger Request for Information (RFI) can [click here](#).
- Entities interested in DFPR's proposed "Digital Currency Regulatory Guidance" can [click here](#).
- For future updates on the Illinois Blockchain Initiative, check the initiative's [Medium page](#).

The Illinois Blockchain Initiative is designed to be a collaborative effort and position Illinois as a leader in Blockchain innovation. The State invites all government entities, businesses, organizations and academia interested in participating in this exciting opportunity to contact Cab Morris, Deputy Director of Strategy and Operational Performance of IDFP at richard.morris@illinois.gov on ways to become involved.

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About DoIT: *On January 25, 2016, Governor Rauner issued Executive Order 01-16 establishing the Department of Innovation & Technology (DoIT), a new state agency with responsibility for the information technology functions of agencies under the jurisdiction of the Governor. DoIT's mission is to empower the State of Illinois through high-value, customer-centric technology by delivering best-in-class innovation to client agencies fostering collaboration and empowering employees to provide better services to residents, businesses, and visitors. More information can be found on the [DoIT website](#).*