Blockchain & Legal Innovation I

Readings List

# Digital Assets

## General Reading:

### Blockchain and The Law: Chapters 3, 5, 6, & 7

### Blockchains & Digital Assets, Luis-Daniel Ibáñez, Michał R. Hoffman and Taufiq Choudhry, University of Southhampton

## What Do You Own

### [https://t.co/4cnSWhT0Fu](https://t.co/4cnSWhT0Fu" \t "_blank) [https://twitter.com/zanepocock/status/1228048061789884422?s=20](https://twitter.com/zanepocock/status/1228048061789884422?s=20" \t "_blank)

### "Who Owns Bitcoin?" Matthias Lehman EBI Working paper Series 2019 - No 2 (11/06/2019)

### "Legal Statement on Cryptoassets and Smart Contracts", UK Jurisdiction Taskforce, The LawTEch Delivery Panel Nov 2019

### "What do you legally own?" Preston Byrne, https://prestonbyrne.com/2018/11/23/krypto\_property/

## Court Enforcement

### B2C2 Ltd vs Quoine Pte LtdB2C2 Ltd v Quoine Pte Ltd [2019] SGHC(I) 03

### "In Rem" jurisdiction... [https://t.co/2FHVdTjvVk](https://t.co/2FHVdTjvVk" \t "_blank) [https://twitter.com/lex\_node/status/1224808788563152896?s=20](https://twitter.com/lex_node/status/1224808788563152896?s=20" \t "_blank)

### Bitcoin ransoms: http://jpkoning.blogspot.com/2020/01/what-happens-when-96-bitcoin-ransom.html

## Some Use Cases

### As Currency/Money:

#### FinCEN: "Application of FinCEN’s Regulations to Certain Business Models Involving Convertible Virtual Currencies" FIN-2019-G001

#### Austrac: https://www.austrac.gov.au/business/industry-specific-guidance/digital-currency-exchange-providers

#### Tax Issues: https://www.ato.gov.au/General/Gen/Tax-treatment-of-crypto-currencies-in-Australia---specifically-bitcoin/

### As Securities:

#### MakerDAO: https://makerdao.com/en/

#### Sologenic: https://www.sologenic.com/

#### https://www.etherize.io/

### As Property

#### Propy: https://propy.com/browse/

### As Record

#### Provenance: VeChain: https://www.vechain.org/

#### Identity: Sovrin: https://sovrin.org/

### As Anything

#### Tokenise yourself: [https://blog.simondlr.com/posts/personal-tokens-2020-social-reputation](https://blog.simondlr.com/posts/personal-tokens-2020-social-reputation" \t "_blank)

#### Patents: [https://hackernoon.com/tokenization-of-ip-rights-part-2-patents-and-potential-problems-of-their-tokenization-wr2c3nu1://twitter.com/hackernoon/status/1204497016124039176?s=20](https://hackernoon.com/tokenization-of-ip-rights-part-2-patents-and-potential-problems-of-their-tokenization-wr2c3nu1://twitter.com/hackernoon/status/1204497016124039176?s=20" \t "_blank)

# Key Themes

## Digital Assets are simply records in a distributed ledger that obtain their value from the ledger being tamper-resistant or tamper evident;

## It is not clear what you actually "own" since ownership. It is not clear that you own the record vs the private keys that control someone's ability to execute transaction.

## There is a distinction between digital assets that are native to a blockchain - like bitcoin, ether and XRP. These cannot be forged and have no counter-party.

## Then there are digital assets created on a blockchain, like the various ethereum-based tokens. These have counter-party risk. You have to trust the third party who created the tokens and claims they represent what they represent.

## Third party tokens can represent almost anything that other people are willing to trust they represent.

## The legal issues affecting your blockchain will depend on the type of digital asset.

## Digital assets that rely on third parties value opens up application of:

### Consumer laws: (statutory warranties, misleading and deceptive conduct, regulation of form contracts)

### Securities laws: (shares, bonds, managed investment schemes)

### Contract laws: (Is there are EULA, express or implied)

## Digital Assets that are money or currency involve laws dealing with money (AML and KYC) but, as money, title can be transferred even if the assets are stolen.

## Digital Assets that represent money or financial instruments have a different tax treatment (Goods and Services Tax) to assets that represent goods or services.

## Digital Assets that are goods or services are subject to laws relating to goods or services that include Sale of Goods Act which usually prevents transfer of title in cases of fraud.