

University of Malta

Master of Science in Blockchain and Distributed Ledger Technologies



*DLT5003: Introduction to Blockchain, DLTs and
Cryptocurrencies*

Assignment 1 - Part 1 (2. Legal Contract Requirements)

Date Submitted: 17th February 2023

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YouSocial Legal Contract Requirements:

Decentralised social media platforms operate differently than traditional social media platforms, and as a result, they may be subject to different legal requirements. The specific legal requirements for decentralised social media platforms will depend on a variety of factors, including the jurisdiction in which the platform operates, the types of services offered, and how the platform is structured.

Here are a few legal considerations that apply for YouSocial platform:

Privacy Laws:

YouSocial may be subject to laws that regulate the collection, use, and disclosure of personal information. These laws may require YouSocial to obtain consent from users before collecting certain types of information, and to provide users with certain rights with respect to their personal information.

Content Regulation:

YouSocial may be subject to laws that regulate the types of content that can be posted on the platform. These laws may prohibit certain types of speech, such as hate speech or incitement to violence, and may require YouSocial to remove or restrict access to such content.

Intellectual Property Laws:

YouSocial may be subject to laws that protect intellectual property rights, such as copyright, trademark, and patent laws. These laws may require YouSocial to respect the intellectual property rights of others and to take steps to prevent the unauthorised use of protected content on the platform.

Securities Laws:

Our Platform will offer tokens or other securities to users, so it is subject to securities laws that regulate the offer and sale of such securities. These laws require YouSocial to register the securities with regulatory authorities and to provide certain disclosures to investors.

Consumer Protection Laws:

YouSocial is subject to laws that protect consumers, such as laws that regulate advertising and marketing practices. These laws may require platforms to disclose certain information to users and to ensure that their practices are fair and transparent.

Parties That Require Agreement:

There are a variety of parties with whom YouSocial needs to implement agreements, here are a few examples of parties with whom you may need to implement agreements:

Users:

YouSocial needs to implement agreements with users that outline the terms and conditions under which they can access and use the platform. These agreements could include terms such as the types of content that users are allowed to post, the rights that users grant to you with respect to their content, and the responsibilities of users in using the platform.

Service Providers:

YouSocial needs to to implement agreements with service providers who provide services such as hosting, storage, payment processing, or other support to the platform. These agreements should outline the terms and conditions under which the service providers will provide their services, as well as any warranties or indemnities that they may be required to provide.

Partners:

YouSocial partners with other companies or organisations, and therefore we need to implement agreements with them that outline the terms of the partnership and the responsibilities of each party. These agreements could include terms related to marketing, promotion, distribution, or other aspects of the partnership.

Regulators:

Depending on the jurisdiction in which we would operate and the types of services you offer, YouSocial would need to implement agreements with regulatory authorities and other government entities. These agreements could outline the terms under which you are allowed to operate our platform and the requirements we must meet in order to comply with applicable laws and regulations.

Investors:

Since we would go through various rounds of funding, YouSocial would need to implement agreements with investors that outline the terms of the investment, such as the rights of the investors, the use of the funds, and the return on the investment.

Legal Requirements For A Decentralised Governance Model:

The legal requirements for YouSocial's decentralised governance model for a content-providing application will depend on a variety of factors, including the jurisdiction in which the application operates, the types of services offered, and the specific structure of the governance model. Here are a few legal considerations that may be relevant for a Decentralised governance model:

Privacy Laws:

YouSocial collects, uses, or discloses personal information, and it would be subject to privacy laws that regulate the handling of personal data. These laws may require the application to obtain consent from users before collecting certain types of information and to provide users with certain rights with respect to their personal information.

Content Regulation:

YouSocial will be subject to laws that regulate the types of content that can be posted on the platform. These laws may prohibit certain types of speech, such as hate speech or incitement to violence, and may require the application to remove or restrict access to such content.

Intellectual Property Laws:

YouSocial will be subject to laws that protect intellectual property rights, such as copyright, trademark, and patent laws. These laws may require the application to respect the intellectual property rights of others and to take steps to prevent the unauthorised use of protected content on the platform.

Consumer Protection Laws:

YouSocial will be subject to laws that protect consumers, such as laws that regulate advertising and marketing practices. These laws may require the application to disclose certain information to users and to ensure that its practices are fair and transparent.

Corporate Governance Laws:

Depending on the corporate structure of YouSocial whether it is structured as a company or other legal entity, it may be subject to corporate governance laws that regulate the management and operation of the entity. These laws may require the application to follow certain procedures for decision-making, to disclose certain information to stakeholders, and to ensure that the entity is managed in a transparent and accountable manner.

Compliance Requirements:

The compliance requirements for YouSocial tokens will depend on a variety of factors, including the jurisdiction in which the tokens are offered, the characteristics of the tokens, and the specific use cases for the tokens. Here is a high-level overview of some of the compliance requirements that may apply to project tokens:

Securities Laws:

If the YouSocial tokens are considered securities under the applicable laws, they may be subject to securities laws that regulate the offer and sale of securities. These laws may require YouSocial to register the securities with regulatory authorities and to provide certain disclosures to investors.

Anti-money Laundering (AML) and Counter-Terrorism Financing (CTF) Laws:

YouSocial tokens may be subject to AML and CTF laws, which are designed to prevent the use of the financial system for illicit purposes such as money laundering and financing terrorism. These laws may require the issuer of the tokens to implement certain controls to prevent the use of the tokens for these purposes.

Consumer Protection Laws:

YouSocial tokens may be subject to consumer protection laws that regulate the marketing and sale of financial products to consumers. These laws may require YouSocial to disclose certain information to consumers and to ensure that their practices are fair and transparent.

Tax Laws:

YouSocial tokens may be subject to tax laws, which requires YouSocial to pay taxes on any profits or income generated through the sale of the tokens. Depending on the jurisdiction, the tax treatment of project tokens may vary, and it may be necessary to consult with a tax professional to determine the applicable tax requirements.

Data Protection Laws:

YouSocial tokens require the collection, use, or disclosure of personal data, and therefore tokens are subject to data protection laws that regulate the handling of personal data. These laws require YouSocial to obtain consent from individuals before collecting their data and to provide certain rights to individuals with respect to their data.

Classification Of Tokens Under Existing EU Laws:

The classification of tokens offered by YouSocial under existing EU laws will depend on the specific characteristics of the tokens and how they are used. Here are a few examples of how tokens offered by a YouSocial might be classified:

Utility Tokens:

If the tokens are used to access certain services or functionality on the platform, they may be classified as utility tokens. Utility tokens do not typically grant the holder any ownership rights or entitlements to dividends or other profits, and are typically not considered securities. However, it is worth noting that the classification of utility tokens as not being securities is not always clear cut, and it may be necessary to consider the specific circumstances of the tokens in order to determine their classification.

Security Tokens:

If the tokens are used to represent an ownership interest in the platform or entitle the holder to certain rights such as dividends or profits, they may be classified as security tokens. Security tokens are typically subject to securities laws, which regulate the offer and sale of securities.

Virtual Currencies:

If the tokens are used as a means of exchange or store of value, they may be classified as virtual currencies. Virtual currencies are typically not considered securities, but they may be subject to other regulations, such as AML/CTF laws and consumer protection laws.