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## New Year, New Legal Focus: The Impact of Cryptocurrencies and Blockchain Law

The emergence of the token-based economy, allowing people to buy and sell goods using new types of currencies, will have far reaching legal ramifications. Legal Marketers should be prepared for expansion of practice groups around blockchain and cryptocurrencies.

By **Ioana Good** | January 19, 2021



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Cryptocurrencies are a hot topic lately. Clients will no doubt be curious how this emerging technology may change how they live and work. The legal space will most likely be one of the first places they turn for answers. This is a complex, technical topic but understanding the basics is critical for the legal market and those who promote it.

I spoke with Debbie Hoffman, founder of Symmetry Blockchain Advisors (<https://www.symmetryadvisors.net/>), Michael Laussade, head of Blockchain and Cryptoasset (<https://www.jw.com/sub-practice-areas/blockchain-cryptoassets/>)s at Jackson Walker (<https://www.jw.com/>), Dr. Hans Kuhn, legal advisor to Idoneus (<https://idoneus.io/>) and Ciaran Connelly, who oversees blockchain at Ball Janik (<https://www.balljanik.com/>). Here is what each have to say to provide some insight and help demystify this new digital economy.

Hoffman, who spent many years working as an in-house legal counsel, founded Symmetry to help clients with blockchain strategy and implementation primarily in real estate. "Companies are seeing immediate efficiencies and cost savings when they implement this new technology," says Hoffman. "With the pandemic driving so much of our lives to the digital world, interest in blockchain is growing rapidly and there is more willingness to explore and adopt this technology."

But blockchain is still in its early stages and questions center around its impact on tax, security, and other laws across a range of different industries and countries. She provides this analogy as it relates to a benefit of blockchain. "A young adult entering a bar must show a hard copy of a driver's license to verify age. Imagine if you could verify your identity through your phone using blockchain technology. The technology allows for identity data points to be stored. You have the ability to securely share only the information that is important to that specific transaction."

Legal marketers are beginning to work with lawyers to market this evolving technology globally. "Since blockchain technology is being used in a wide variety of industries, law firms may consider appointing one person in marketing who understands and has the combined expertise of the different angles that affect clients," says Hoffman who will also teach a blockchain course in March at Albany Law School. "Blockchain opens up the door for many types of legal questions, so it would be helpful for law firm marketers to address the benefits and legal issues through targeted marketing programs."

Laussade at Jackson Walker agrees. He first got involved in blockchain when states like Delaware and Texas amended their corporate statutes to allow stock ledgers to be maintained on a blockchain. He worked on drafting amendments for corporate statutes which lead him to working with clients, primarily those who operate private investment funds or startups, about the use of cryptocurrency to raise capital. "Initially clients had a lot of securities law questions about blockchain and crypto," Laussade says, "but over time that's shifted into startups looking to deploy these technologies more broadly." Laussade is also seeing clients move some of their wealth from traditional currencies to cryptocurrencies. "Global economic uncertainty tends to drive interest in cryptocurrencies," says Laussade. "Remote work and communication will continue to be important in 2021 and beyond. This will drive innovation across the technology spectrum to bolster solutions that enhance flexibility and security."

Idoneus is one such company that has emerged to provide a blockchain based platform for the exchange of luxury goods and services globally. The company has already established a large portfolio of assets available for sale and rent on their platform that includes real estate, yachts, jewelry, cars and fine art, including works of Picasso. "One of the first things a new client has questions about are the laws surrounding what we do," says Kuhn who concentrates much of his legal practice on the banking and financial market with a focus on regulations. "Blockchain allows Idoneus to deliver a much more rapid, secure, and cost-effective method to facilitate transactions," explains Kuhn. Blockchain is allowing Idoneus to solve several challenges around security and identity during a transaction while also speeding up transactions and lowering costs. "The technology will evolve a great deal over the next ten years," continues Kuhn. "While the technology is still very much evolving, I'm deeply convinced that blockchain will have a big impact on real-world assets."

While this is an exciting field that is quickly evolving, there are some concerns around the security of blockchain and cryptocurrency because they are not all created equal, warns Connelly who is working with several clients in Oregon, including engineers who may be working on two to three different blockchain projects at a time. Would-be blockchain users must understand the risks before they decide to implement blockchain technologies. When crypto currencies are involved, there are securities laws, fraud, and money laundering risks that must be mitigated. SEC enforcement actions extracted millions of dollars from companies that engaged in improper Initial Coin Offerings. Connelly points out, "it's important to know the pros and cons of using blockchain. We are still in the exploratory phase. The question I always ask clients is: What problem are you really solving by using blockchain? I have yet to hear a convincing answer."

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