

The Iowa State Bar Association's eCommerce & Intellectual Property Law Sections presents

2018 Intellectual Property Law & eCommerce Seminar

E-COMMERCE APPLICATIONS AND REGULATORY ISSUES RELATED TO BITCOIN AND CRYPTOCURRENCY



2:00 p.m. – 3:00 p.m.

Presented By

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eCommerce Applications and Regulatory Issues Related to Bitcoin and Cryptocurrency

By: Srikant Mikkilineni

- ▶ What Makes Up a Cryptocurrency?
 - ▶ Bitcoin Token
 - ▶ Bitcoin Protocol
 - ▶ Mining Activity
 - ▶ Blockchain Technology
- ▶ What is a Bitcoin Token?
 - ▶ A Bitcoin token or a portion thereof is an intangible asset, defined as a currency, commodity, or security, depending on who you ask and its use in a particular circumstance.
- ▶ Cryptocurrency/Bitcoin Regulatory Overview
 - ▶ IRS
 - ▶ FinCEN
 - ▶ CFTC
 - ▶ SEC
- ▶ A Note on the SEC and Bitcoin ETFs and Futures Trading
- ▶ Federal Cryptocurrency and Blockchain-Related Regulations/Guidance
 - ▶ IRS Notice 2014-21 provides guidance stating that although virtual currency can be used to pay for goods and services, it is not recognized as a currency by the IRS. Instead, the IRS has classified virtual currencies as property.
 - ▶ FinCEN has additional guidance for virtual currency administrators and exchanges and classifies them as money transmitters which makes these operations subject to the bank secrecy act as well as money services business regulations from FinCEN.
- ▶ State Cryptocurrency and Blockchain-Related Regulations and Guidance
 - ▶ 40 states have enacted regulation, introduced regulations, formed task forces, and/or provided guidance with respect to cryptocurrency activities within their state. Provided below is a summary of the regulatory status of states in the 8th Circuit.
 - ▶ Arkansas
 - ▶ Iowa

- ▶ Minnesota
- ▶ Missouri
- ▶ Nebraska
- ▶ North Dakota
- ▶ South Dakota
- ▶ Uniform Law Commission Model Regulation
 - ▶ ULC's model regulation, Uniform Regulation of Virtual Currency Business Act, was approved at last year's National Conference.
- ▶ Is Bitcoin the only token out there?
 - ▶ No
- ▶ Other Cryptocurrencies and ICOs
 - ▶ Ethereum
 - ▶ Ripple
 - ▶ Litecoin
 - ▶ Bitcoin Cash
 - ▶ Initial Coin Offerings ("ICOs")
- ▶ ICOs in the U.S.
 - ▶ SEC
- ▶ ICOs Around the World
 - ▶ Korea
 - ▶ China
 - ▶ Russia
 - ▶ Canada
- ▶ Celebrity Warnings and Endorsements Related to ICOs
- ▶ Are All Altcoins' Tokens The Same as Bitcoin Tokens?
 - ▶ No
 - ▶ Smart Contracts and dApps
 - ▶ Tokenization of Assets
- ▶ What is the Bitcoin Protocol?
 - ▶ Key Principles:
 - ▶ Decentralization
 - ▶ Semi-anonymity
 - ▶ Immutability
 - ▶ Divisibility

- ▶ Limited Supply
- ▶ What is Blockchain Technology?
 - ▶ Blockchain technology is a peer-to-peer, publicly accessible validation technology that came about with the Bitcoin digital currency.
- ▶ Blockchain Applications in eCommerce and Beyond
 - ▶ Use of blockchain technology is not limited to processing financial transactions, such as the Bitcoin Blockchain.
 - ▶ Other applications include:
 - ▶ Food safety and source validation;
 - ▶ Medical and insurance record verification;
 - ▶ Identity verification;
 - ▶ Inventory tracking and supply chain metrics;
 - ▶ Case history processing;
 - ▶ Smart contracts;
 - ▶ Data security; and
 - ▶ Real estate ownership recordation (Chicago pilot program).
- ▶ Questions?
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