

In support of innovation – clarification of the legal nature of cryptoassets and the enforceability of smart contracts



The UK wants to make things easier for businesses at the forefront of developing innovative solutions using blockchain or other distributed ledger technologies, like cryptocurrencies and “smart” contracts. Although grants and funding are clearly a big part of this, so is creating the right legal and regulatory environment. Understandably, businesses don’t want to be constrained by unnecessary red tape, but legal certainty and an effective and potentially supportive regulator can bring benefits to businesses, helping them improve their practices as well as allowing potential investors and customers to have confidence in their end products.

The opinion published by the UK Jurisdiction Taskforce is one such move in this direction. Although many commentators would have predicted the position reached in the opinion if asked, and there is a general acknowledgement that the UK legal system is flexible enough to deal with most new technologies and developments which arise through case law, having clear confirmation, along with reasoned arguments to support the conclusion, helps bring better understanding of the issues and acceptance of the opinion. The opinion doesn’t have the force of law, so the position can only be definitively determined by the Courts or through specific legislation, it will however be persuasive authority for the Courts and therefore carry substantial weight.



[Irfan Baluch](#)

Partner