

Cambridge Centre for Alternative Finance

Key Findings: Legal and Regulatory Considerations for Digital Assets

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Context and Background

GLOBAL CRYPTOASSET REGULATORY LANDSCAPE STUDY

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Apolline Blandin, Ann Sofie Cloots, Hatim Hussain, Michel Rauchs, Rasheed Saleuddin, Jason Grant Allen, Bryan Zhang, Katherine Cloud

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CHECK UP THE FUTURE

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LEGAL AND REGULATORY CONSIDERATIONS FOR DIGITAL ASSETS

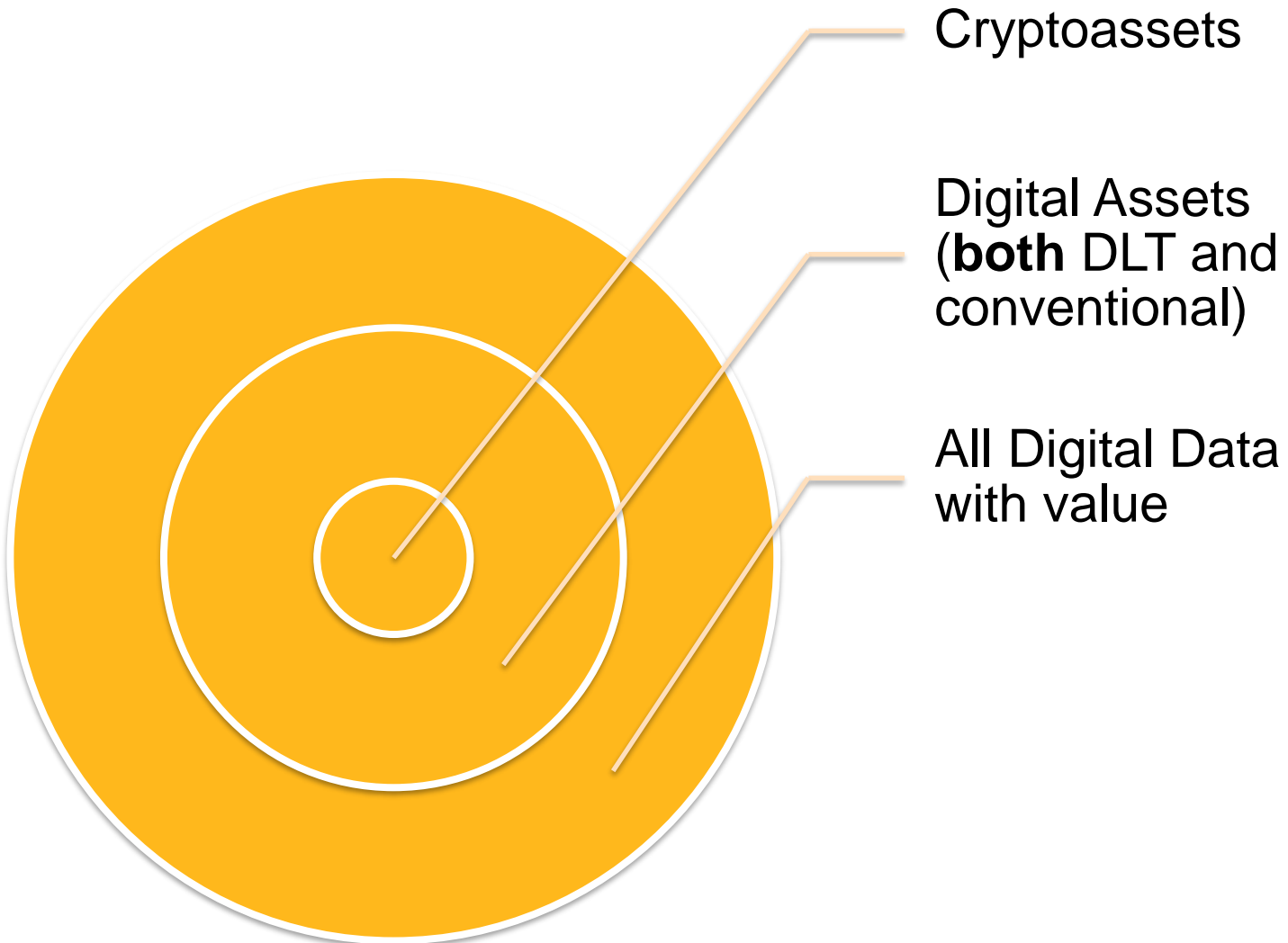
Jason G. Allen
Michel Rauchs
Apolline Blandin
Keith Bear

Structure of the Report

The Report consists of four parts:

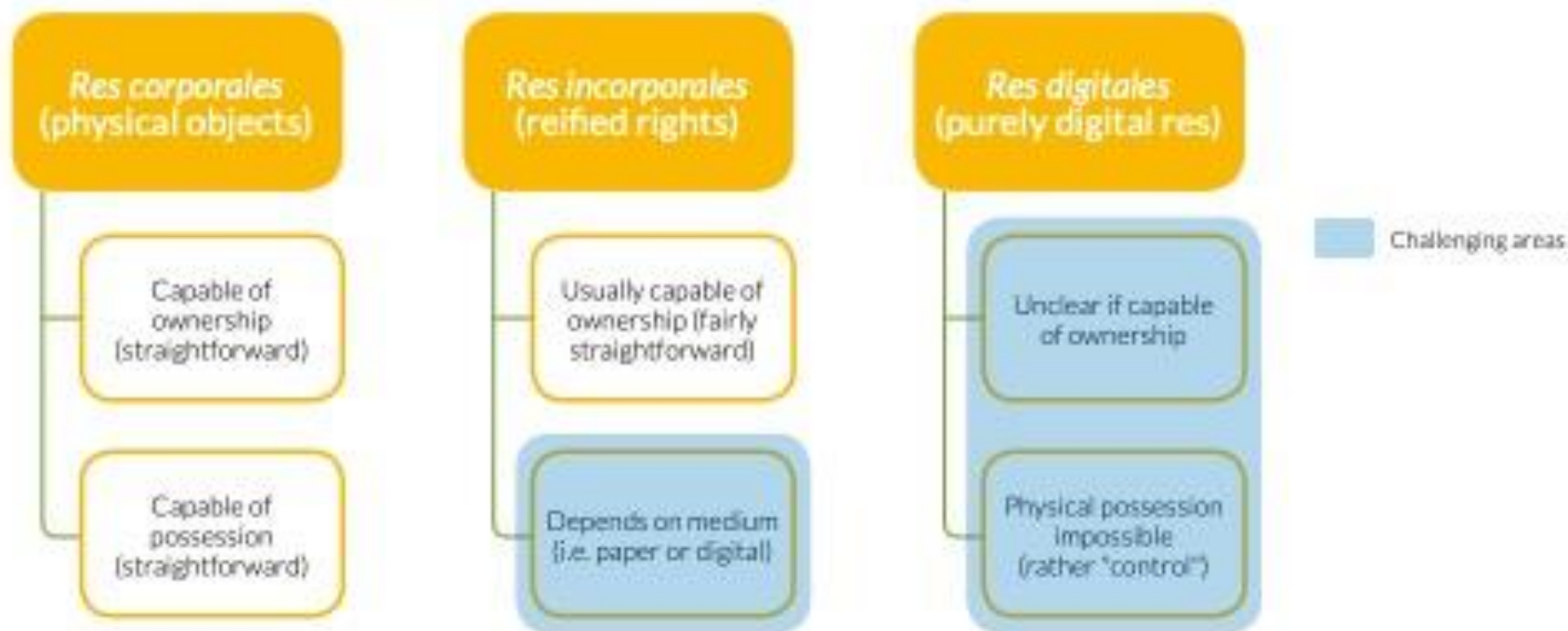
1. Asset Taxonomy.
2. Legal and Regulatory Implications of Digital Assets.
3. Activities in the Digital Asset Ecosystem.
4. A Conceptual Framework.
5. Summary of key findings (pp. 51-52).

1. Asset Taxonomy



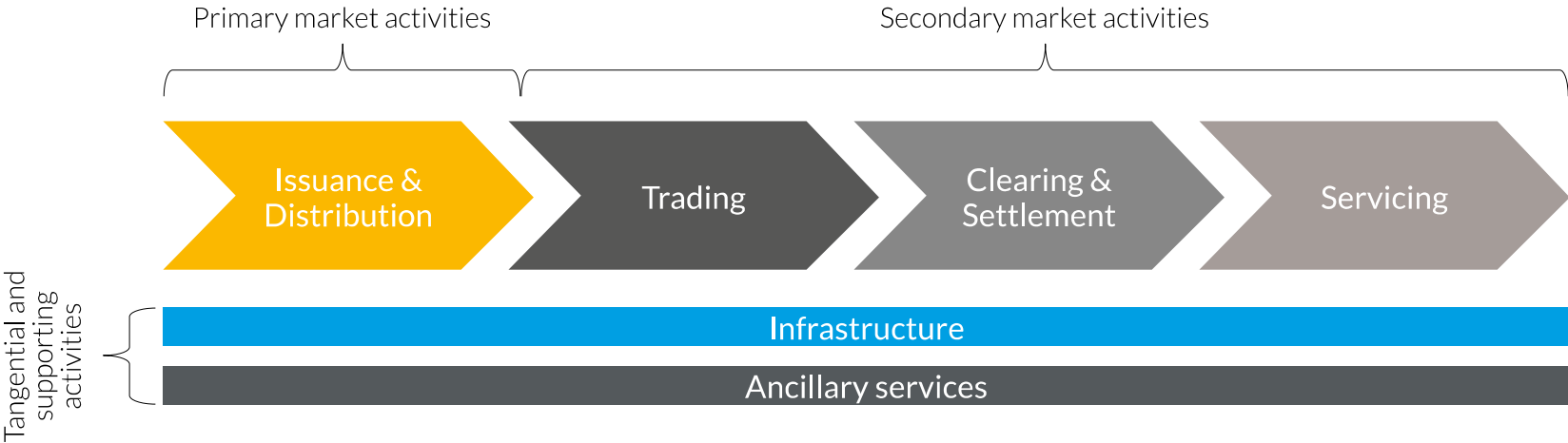
2.1 Legal and Regulatory Implications

Figure 5: What res are capable of ownership and possession?



3. Activities in the Digital Asset Ecosystem

Figure 10: The typical lifecycle of a digital asset can be represented in four main phases



4. Conceptual Framework

Table 17: What form does the asset take?

Dimension	Category	Sub-category	Options	Examples	
Representation What form does the asset take?	Tangible Asset is material (i.e. of physical nature).		Natural form: original form of physical object.	Commodities (e.g. gold, silver); Real estate; Collectibles (e.g. fine art); Consumables (e.g. wine)	
			Full-bodied token: asset is represented via a physical token whose medium has intrinsic value.	Gold-based coins	
			Paper-based: asset is represented in paper form whereby the medium has no intrinsic value.	Bank notes; Share certificates; Funfair tokens	
	Intangible Asset is immaterial (i.e. of non-physical, virtual nature).	Registry-based: asset exists in the form of a ledger entry in a database.		Entity-controlled: ledger is controlled and operated by a single entity who maintains full authority.	Bank ledgers; Internal company accounts; Public sector registers
				Shared registry: ledger is jointly controlled, and operated by separate parties.	Open: anyone can join the shared registry and contribute to ledger maintenance (e.g. Bitcoin, Ethereum) Semi-open: system is open to third parties under specific conditions (e.g. Ripple, Wikipedia) Closed: system is closed by default and only accessible to a limited number of pre-vetted and authorised parties (e.g. private permissioned blockchain)
				Digital file: asset whose "natural" form is digital but does not directly depend on being recorded in a registry.	Music files; Digital documents; Software packages

Watch this space

There is excellent work ongoing, particularly on the private law treatment of digital assets:

- Academic projects
 - *E.g. the Oxford Digital Asset Project*
- Law reform projects at the national level
 - *E.g. Law Commission of England and Wales project on digital bills of lading*
- Comparative law/legal harmonisation projects at regional and international level
 - *European Law Institute project on access to digital assets*
 - *UNIDROIT (just held first meeting this week) project on digital assets in private law.*

Thank You

Contact: jgallen@cantab.net

The report **Legal and Regulatory Considerations for Digital Assets** is available for free download here:

<https://www.jbs.cam.ac.uk/faculty-research/centres/alternative-finance/publications/>

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