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## Impact of cryptocurrency on international trade

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### Abstract

Trade is the essence of a national economy, without trade, no country can survive in this era. Trade can be within the nation or it can be international. While doing business within the territory of a nation no question arises of applicable laws but while doing business internationally things get complicated like applicability of laws, which court will have jurisdiction what will be the remedy if contract is breached etc. and now there is this new kind of currency i.e. cryptocurrency which creates further complications in the market. In this research paper researcher have tried to analyze how cryptocurrency works, what are the effects of cryptocurrency on international trade, what are the pros and cons of using cryptocurrency while doing international transactions, what are e-contracts and what is blockchain technology and have tried to give suggestion for making legal framework internationally.

**Keywords:** cryptocurrency, bitcoin, blockchain, international trade, smart contract

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### Introduction

Person named Satoshi Nakamoto (who is unknown till date, some thinks that it is anonymous name of the group) had developed a peer-to-peer system of payments and published a white paper on it, which have decentralised ledger technology publicly known as blockchain and cryptography as a source of trust which verifies the transactions taking place. This is in 2008, that is when global market was just flourishing and it gave base for Bitcoin which came to use in 2009. Though the person i.e. Satoshi Nakamoto had never been identified but his work that is white paper was the turning point in the evolution of virtual currency. Bitcoin was not clear at that time in 2009 but it is far from that position now days and there are many virtual currencies present in the market and it is still growing field. In 2013 new type of blockchain came into existence named as Ethereum and it had related cryptocurrency named as ether which came in use in 2015 and it opened new phase in the evolution of the cryptocurrency. Ethereum is basically fuel for virtual currencies, it provides platform, or protocol, for the development of other virtual currencies and all assets relating to it.

The advent of virtual currency has come so far surviving all fatal events, so, now we can say that it is here to stay. All these virtual currencies, blockchain mechanism, distributed ledger technology, are all real, and are working in various jurisdictions for various purposes. This technology is not at nascent level, it has sufficiently grown enough to keep it in use, it is not in beta testing stage or in hypothecation level. As it is working in various jurisdictions and there is nothing to wait for newer technology, we as a lawyer needs to study these new technologies not for our clients but for all and help the government for making appropriate legislations/regulatory framework for the adoption of these technologies.

The system of decentralised ledger technology or blockchain is actually borderless, it is based upon computer networks which are interconnected that means virtual currencies are also borderless in nature. The system of distributed ledger technology keeps record of one thing at many places which mean the system keeps records relating to virtual currencies and their transactions in various jurisdictions at single time.

Through this research paper, researcher have tried to explain evolution of blockchain, In particular, it tries to understand to what extent this potentially breakthrough technology also implies a legal revolution: do blockchain technologies, virtual currencies and smart contracts require new legal avenues to be developed, or is it instead appropriate to simply adapt existing legal categories to the new reality? In either case, how are and should they be regulated?

After explaining background of how such innovations could revolutionize the world of international trade, part II of the article gives an overview of the state of the art of the legal context in which they have currently been framed, and then moving on part III, draws focus on the specific issue of how UNCITRAL could helpfully intervene in their development and finally, part IV is conclusion.

It is important to know the definitions of virtual currencies, block chain and distributed ledger technology, and decentralised smart contracts.

### Virtual Currencies

Even if a universally-accepted definition is missing, the so-called virtual currencies (often also referred to as cryptocurrencies <sup>[1]</sup>) have recently been defined by the International Monetary Fund, as “digital representations of value, issued by private developers and denominated in their own unit of account” <sup>[2]</sup>, by the European Central

Bank, as “a digital representation of value, not issued by a central bank, credit institution or e-money institution, which, in some circumstances, can be used as an alternative to money”<sup>[3]</sup> and “a digital representation of value that is neither issued by a central bank or a public authority, nor attached to a legally established currency, which does not possess the legal status of currency or money, but is accepted by natural or legal persons, as a means of exchange and possibly also for other purposes, which can be transferred, stored or traded electronically”<sup>[4]</sup>, by other European Union institutions, as “a digital representation of value that is neither issued by a central bank or a public authority, nor necessarily attached to a fiat currency, but is accepted by natural or legal persons as a means of payment and can be transferred, stored or traded electronically”<sup>[5]</sup>, by the Financial Action Task Force (FAFT), as “digital representation of value that can be digitally traded and functions as (1) a medium of exchange; and/or (2) a unit of account; and/or (3) a store of value, but does not have legal tender status (i.e., when tendered to a creditor, is a valid and legal offer of payment) in any jurisdiction. It is not issued nor guaranteed by any jurisdiction, and fulfils the above functions only by agreement within the community of users of the virtual currency”<sup>[6]</sup>, by the Superintendent of Financial Services of the State of New York, as “any type of digital unit that is used as a medium of exchange or a form of digitally stored value. Virtual currency shall be broadly construed to include digital units of exchange that: have a centralized repository or administrator; are decentralized and have no centralized repository or administrator; or may be created or obtained by computing or manufacturing effort”<sup>[7]</sup>. The most prominent example of such currencies is most certainly the Bitcoin<sup>[8]</sup>, that legal scholarship has started to carefully investigate.

### **Blockchain and distributed ledger technology**

One page of distributed ledger technology is called as block. The whole family of blocks is the Blockchain. Every node has a copy of the Blockchain. Once a block reaches a certain number of approved transactions then a new block is formed.

The Blockchain updates itself every ten minutes. It does so automatically. No master or central computer instructs the computers to do this. As soon as the spreadsheet or ledger or registry is updated, it can no longer be changed. Thus, it is impossible to forge it. You can only add new entries to it. The registry is updated on all computers on the network at the same time. A Blockchain is a type of diary or spreadsheet containing information about transactions. Each transaction generates a hash. A hash is a string of numbers and letters. Transactions are entered in the order in which they occurred. Order is very important. The hash depends not only on the transaction but the previous transaction's hash. Even a small change in a transaction creates a completely new hash. The nodes check to make sure a transaction has not been changed by inspecting the hash. If a transaction is approved by a majority of the nodes, then it is written into a block. Each block refers to the previous block and together make the Blockchain. A Blockchain is effective as it is spread over many computers, each of which have a copy of the Blockchain. These computers are called nodes. The Blockchain updates itself every 10 minutes.

Virtual currencies are usually (and Bitcoin is the first example) based on the distributed ledger technology (DLT)<sup>[9]</sup>, i.e. a technology that, through computing and cryptography, has made possible to keep and validate multiple copies of a central ledger (a sort of distributed database) across an IT network; each ledger keeps a copy of the digital database of all the transactions ever happened (a transactions record), which is formed by a lot of blocks of encrypted electronic records, linked together and disseminated through a dense IT peer-to-peer network.

### **(Decentralized) smart contracts**

Already more than 20 years ago, Szabo defined smart contracts as “a computerized protocol that executes the terms of a contract”<sup>[10]</sup>; in other words, a smart contract is a contract written in computer language which is automatically executed by a machine. Therefore, by applying the blockchain technology to smart contracts, they would be not only self-executing and self-enforcing, without any need for intermediaries but, in addition, every transaction would be automatically recorded in the distributed database. Thus, blockchain-based smart contracts may be referred to as “decentralized smart contracts”, given the absence of a central database/register.

**International Trade:** Virtual Currencies, Smart Contracts and Blockchain International trade might be severely affected by such new technologies for a number of reasons: firstly, a lot of companies are starting to accept payments in Bitcoin (and other virtual currencies) all over the world; secondly, blockchain technologies may allow significant cost savings, and potential applications to everyday business are on their way; lastly, what if instead of paper contracts, some businesses started to use smart contracts? Moreover, what appears to be more appealing is that smart contracts are automatically enforced without any need for a third party<sup>[11]</sup>; the reduction of transaction and litigation costs for undertakings may be massive. In other words, while traditional currencies require a central system of administration/central registry, virtual currencies do not, being decentralized by nature and self-executed by a software<sup>[12]</sup>. The same may be said with regard to smart contracts, if they are self-executed, there is no need for a central third party (i.e. Judges, arbitrators) to administer them, there is (at least in theory) no way of breaching them.

We can imagine a scenario in which two enterprises, through a (decentralized) smart contract, define and regulate their business relations and payment obligations so that they are automatically executed via Bitcoin. Platforms to draft and use smart contracts in everyday life already exist; the best-known example is Ethereum, “a decentralized platform that runs smart contracts, applications that run exactly as programmed without any

possibility of down time, censorship, fraud or third-party interference. These apps run on a custom built blockchain, an enormously powerful shared global infrastructure that can move value around and represent the ownership of property. This enables developers to create markets, store registries of debts or promises, move funds in accordance with instructions given long in the past (like a will or a future contract) and many other things that have not been invented yet, all without a middle man or counter party risk".<sup>[13]</sup> Going back to the opening point of this paragraph, it seems rather likely that international trade will be affected by virtual currencies, blockchain technologies and smart contracts. In any case, what is needed is at least a study-and-watch approach to be ready when and if such innovations will come into the game of international trade. A similar position has been expressed, among the others<sup>[14]</sup>, by the Bank for International Settlements, which recognized that "digital currencies and distributed ledgers are an innovation that could have a range of impacts on many areas, especially on payment systems and services. These impacts could include the disruption of existing business models and systems, as well as the emergence of new financial, economic and social interactions and linkages"<sup>[15]</sup> and concluded by saying that "central banks could consider – as a potential policy response to these developments - investigating the potential uses of distributed ledgers in payment systems or other types of FMI's". The same applies to authorities, institutions, and more generally to States Legislatures. The IMF for instance has even proposed some principles which could guide national authorities in further developing their regulatory responses to virtual currencies<sup>[16]</sup>.

What is missing, however, are some recommendations on how to take advantages of blockchain in doing business, especially how to accept payment in virtual currencies minimizing legal risks and how to write and use a legally binding smart contracts and what consequences arise from it. With specific regard to international trade, moreover, it has recently been launched an interesting project called "Incochain", that is to say, incoterms translated into decentralized smart contracts. According to the description of the project, "Incochainis" a project that is creating smart contracts for world trade. The combination of existing incoterms, or standardized international commercial terms, smart contracts and blockchain technology is where we are taking the industry to completely paperless and mobile applications. Be it import or export, air, ocean, rail, or trucking, there is a lot of paperwork. This project clearly defines the obligations and risks of buyers and sellers and offers a dashboard system in a decentralized manner yet it can be utilized cross sector, be it international and maritime law, cargo insurance, banking and accounting, customs and government (including duties and taxes), warehousing, and transportation sectors". Virtual currencies, blockchain technologies and smart contracts are already being experienced in international trade, even in their embryonic form. But what about the legal issues they raise?

### **The Current Legal Framework**

To be sure, an international legal framework tailored on virtual currencies and blockchain technologies and applications does not exist; however, at national/regional level, some legal systems (e.g. The State of New York in the US) have adopted a regulation on the subject matter, while others (e.g. The EU) are willing to do that, but currently it is not possible to predict when, if, and to what extent such regulations will ever be adopted<sup>[17]</sup>.

This may be due in part to the complexity of these technologies, and mostly to the more general inability of modern States legislative process to follow the rapid evolution of technology. Moreover, some Institutions/Authorities expressed a fear to stifle innovation, and favoured an approach of precautionary monitoring, rather than pre-emptive regulation. In any case, it shall be pointed out that a trend is emerging: in the US, digital currencies are usually classified as commodities<sup>[18]</sup>, while in the EU<sup>[19]</sup>, at least at national level, they are often classified as units of account<sup>[20]</sup>.

In addition, it has been observed that, even if "there is currently no EU legislation on virtual currencies", this "does not mean they are completely unregulated in Member States. Rather, patchworks of national legislation, compatible to a varying degree, exist in some Member States, while others have no legislation at all", and that "in many Member States, nothing more than a series of opinions and warnings has been issued by central banks or regulators"<sup>[21]</sup>.

With regard to the blockchain, it must be said that, being a (neutral) technology, it seems much more reasonable to wait and regulate the possible uses of it, rather than the technology itself, paying attention, once again, not to stifle innovation. As of today, it seems that no national, regional or international regulation exists. Nonetheless, the topic is clearly under consideration at the legislative/regulatory level, as it has been said, "today is all about blockchain brainstorming"<sup>[22]</sup>.

As regards the need for a specific regulation, it has been noticed that "the growing interest in blockchain technology, independent from a VC scheme, a priori raises fewer policy concerns, because the technology would be used in a closed system administered by regulated financial institutions"<sup>[23]</sup>.

However, "bitcoin may have triggered something which goes well beyond virtual currencies. Although the blockchain technology was initially meant to implement Bitcoin's currency business model, it now seems to be emerging as a promising means to achieve a number of other goals. Blockchain technology could find its way into the mainstream financial markets. The technology may be used in a variety of application where data have to be transmitted without risk of corruption. The handicap for Blockchain technology might be that it first appeared in the particularly sensitive and highly regulated field of currencies, having attracted the regulators' attention while still at an immature stage, and with its potential not fully understood"<sup>[24]</sup>. Therefore, it is indeed possible that a regulation on virtual currencies indirectly provides some rules related to the blockchain technologies, and this may well have negative effects on the blockchain. No doubt that the technology is at the

centre of the stage (for instance, Bank of America recently filed 15 blockchain-related patents) and, as a consequence, careful steps must be taken. Speaking of smart contracts, their legal status is totally “unclear”, and very little has been written with this regard; researcher will try to address some potential issues in next part. However, the fact that there is no specific regulation on such issues does clearly not mean that current laws and general principles of law may not be applicable to them, or that they are unregulated at all, virtual currencies may well be considered as any other currency, and/or as means of exchange, while the blockchain and smart contracts are indeed pieces of software<sup>[25]</sup>. To be sure, in the absence of specific regulations, these technologies must be regulated by existing laws.<sup>[26]</sup>

For example, the ECJ made clear, applying the relevant provisions of the existing European VAT Directive, that the exchange of traditional currencies for units of the ‘bitcoin’ virtual currency is exempt from VAT.

In the US, Judge Teresa Pooler wrote that “the Florida Legislature may choose to adopt statutes regulating virtual currency in the future. At this time, however, attempting to fit the sale of Bitcoin into a statutory scheme regulating money service business is like fitting a square peg in a round hole” and stated that the sale of bitcoin does not constitute a “money service business” in a case regarding unauthorized money transmission and money laundering<sup>[27]</sup>. However, in another case, it was reached the (opposite) conclusion that Bitcoins qualify as money since they “are funds within the plain meaning of that term and can be accepted as a payment for goods and services or bought directly from an exchange with a bank account. They therefore function as pecuniary resources and are used as a medium of exchange and a means of payment”<sup>[28]</sup>.

It should be noticed, however, that most of the policy makers’, central banks’, authorities’ (and judges’) concerns have until now regarded almost exclusively monetary policies, financial aspects, or issues related to public law and tax law, with a particular focus on money laundering and financing of terroristic activities, while a lot of practical issues concerning substantive private/trade law have been left unanalysed and unanswered, apart from some analysis on consumer protection<sup>[29]</sup>; researcher move on to consider such issues in the next part.

## **Legal Questions Related to the Substantive Private Law Governing International Trade.**

### **The Role of Uncitral**

The technologies discussed through this paper may become relevant in the future of international trade but, as already mentioned, while from a public law point of view a lot of analysis has already been carried out, it seems that, as far as commercial law is concerned, a lot of questions still need to be answered. This paragraph will briefly outline and address some legal questions that may arise using this technology in this respect, how such questions may be resolved on the basis of the current legislation, and how they should be addressed by policy makers.

The first problem is related to the legal status of virtual currencies, in fact, as already mentioned, some legal systems have already legislated on this field, a lot of authorities have given their opinion, and the EU is evaluating if, when and how to legislate.

However, with regard to contract law, the provision to accept payments in virtual currencies may be dealt with through an ad hoc provision in a commercial agreement; with regard to problems arising from their legal status, in absence of a specific regulation, authorities will likely (try to) apply the current legislation. Real troubles for businesses come with what referred above in II<sup>nd</sup> part. as “decentralized smart contracts”, i.e., smart contracts based on blockchain technologies, which automatically execute any given contract, providing a proof of that performance in the distributed ledger.

In this regard, the first thing to notice is that, “using the blockchain functions imposes some technical limits, as a matter of facts, indirect e-commerce performances are not digitally executable. Therefore, the scheme is not covering any agreement regarding goods or services that, even though purchased on the Internet, have a material consistence or are to be performed in the real world, like a book delivery or a maintenance service”. This is due to the dichotomy between real and virtual world: let us imagine that, through a smart contract, A buys an object from B (who regularly pays the agreed price), but thereafter C steals the real good from A; at this point, on the blockchain there is no way to change the status of owner of A, who may well sell his virtual “title” to D, who will never physically possess the good which has bought but, at the same time, will never be able to stop the payment automatically executed by the smart contract. This is why it seems possible to argue that smart contracts may function only with digital goods and digital inputs. Nonetheless, even if such limitation had to be applied, smart contracts would still be applicable to a lot of goods of the modern era. But what is the legal nature of smart contracts? On the one hand, some have recently argued that a “smart contract can be regarded as a legally-binding agreement”; on the other, it has been said that “smart contracts are simply a new form of pre-emptive self-help”<sup>[30]</sup>.

With regard to the idea that smart contracts are themselves autonomous and self-sufficient legally-binding agreements, it shall be noticed that in fact they will almost always represent the translation of part of an already reached agreement into digital code; this is because they simply perform automatically the contract but they can enforce only provisions that may be executed in the digital world. In this regard, it has been said that using smart contracts “there is no need in conflict of law’s provisions, since there are no collisions of various legal systems. Mathematics is universal human language. Thus, Smart contracts are truly transnational and executed uniformly regardless of the differences in national laws”, and even that smart contracts do not create a proper obligation in its legal meaning<sup>[31]</sup>.

Such conclusion, though, seems difficult for me to be agreed upon. Firstly, even considering smart contracts as legally-binding agreements, they would a fortiori be subject to contract law, and it is clear that the applicable law will have a strong influence on them; for example, with regard to illegality and unconscionability, every country has its own peculiar rules, and a contract may well be valid in one place and null and void in another one.

Moreover, smart contracts do clearly create obligations which stand independently from the digital code of the smart contracts; if for example there is a bug in a smart contract between A and B, and A has undertaken to transfer her property in exchange for an agreed sum of money to B, she would still be obliged to transfer her property to B even if the smart contract does not work (similarly, if a vending machine does not deliver the chosen good after the insertion of the coin, it is clear that the owner of the selling machine is still obliged to perform and deliver the good).

In any case, by entering into a smart contract, parties undertake to perform the obligation therein encapsulated; in addition, since –as was said –almost always smart contracts will be a translation of a precedent agreement already reached, the obligations of parties would nonetheless be, at the very least, to start the execution of the smart contract (i.e. to press the button that starts to operate the smart contract).

Generally speaking, in spite of the conceptual dissimilarities, there actually do not appear to exist too many differences between the functioning of a smart contract and that of a mechanical vending machine, or that of a software that suspends the supply of a service in case of missing payment (e.g. Netflix allows users to legally watch streaming videos in exchange for a monthly payment; in case of missing payments, the software will simply suspend the service, not allowing users to log in)<sup>[32]</sup>, the fact that the interruption is performed by humans, by software, or by smart contracts with a record in the blockchain, does not in practice seem make a relevant difference legally-wise.

Researcher therefore agree with the scholars who concluded that, “independently from being digitally expressed, every contract is ruled and guaranteed by the law and the parties will be free to file the Court for compensation in case a void agreement has been performed or execution has been spoiled by a malfunctioning due to a system bug”<sup>[33]</sup>. Another interesting point that was made by the scholarship is the idea that smart contracts are simply a new form of self-help measures, which parties to a contract adopt in order to ensure the performance of their agreements without the need of judicial enforcement. This is consistent with the above- mentioned observation that what usually happens, at least at the moment, is that two parties reach an agreement and thereafter translate part of it into a smart contract, and then leave the duty to perform it to the machine. In this case, all the relevant legal questions arising from smart contracts must be dealt by the competent judge under the applicable contract law. In any case, independently of the legal nature of such contracts, another issue to be faced is the probative value of blockchain technology; also, and connected to this, one might wonder: “what happens when the outcomes of the smart contract diverge from the outcomes that the law demands”? Once again, the answer depends on the applicable law. Of course, a national agreement, concluded by national businesses and to be performed only on the national soil, would clearly be subject to the corresponding national law, and the jurisdiction would be determined according to the procedural law of that country. But in relation to international trade, everything is different, it is self-evident that smart contracts may generate enormous problems if the applicable law and the competent jurisdiction are not clearly determined in the agreement; however, as observed above, smart contracts, by their very nature, cannot contain provisions not executable by software (such as the one regarding the applicable law), nor are they built with the intention to depend on a third-party judicial enforcement, and, therefore, it is still hard to imagine how they could include provisions on jurisdiction and applicable law. It would therefore appear to be necessary, if such contracts have to be adopted in day-to-day trade practice, a general agreement (or at least an ad hoc provision) that establishes, among the other things that, in case of need of judicial enforcement, related to the general agreement itself, or to the smart contracts depending upon it, what is the applicable law and which judge has the jurisdiction. In relation to international trade, this problem may otherwise be without solution; trying to establish the applicable law of a smart contract, in the absence of an explicit choice by the parties, would trigger the well-known problems amplified by the advent of the Internet, should we apply the *lex loci delicti*? The *lex loci contractus*? The *lex loci rei sitae* (the place where the server on which the digital property virtually exists)? The *lex loci protectionis*? Or should we use other criteria? Similar problems would arise with regard to jurisdiction. Therefore, there appears to be a great need of a solution to these uncertainties, or at least a model provision/law that deals with them, in order to avoid that, in a near future, if such contracts happen to start truly spreading, businesses start to use smart contracts giving them too much confidence and, in case of failure of the software, no one knows where to file a lawsuit, according to which law, and therefore how to predict its possible outcome. Excessive faith in technology without adequate knowledge of the inevitably arising legal problems may cause a disaster, especially in international trade. It appears to be crucial to adopt an international approach to solve these issues; otherwise, each country may provide for different regulation on the subject matter, thus introducing indirect obstacles to international trade. It appears to be better to propose a framework in advance, than to wait for a number of national laws that eventually will need to be harmonized and unified, because of the inevitable disparities. Given the rapid evolution of the technologies under consideration, it is inevitable that further studies and analyses must be carried out; nonetheless it is desirable that UNCITRAL, with its expertise in the field, leads this process. This could be achieved through a proposed model law/rules which may be acceptable worldwide, or offering a legal guide or practical recommendations, in any case providing the technical assistance required for a similar

endeavor. If this happened, many of the above-indicated questions would automatically and systematically find a solution, thus allowing for a proper exploitation of the potential of this innovation in international trade.

### Conclusions

This paper has tried to outline the legal landscape arising from blockchain technologies and their applications, such as decentralized smart contracts and virtual currencies; it has tried to investigate it and to what extent such technologies may imply a legal revolution, or if it is sufficient to simply adapt the existing legal categories to them. While researcher recognized that decentralized smart contracts, blockchain and virtual currencies may become mainstream technologies, researcher believe that they are not going to cause a legal revolution. Even recognizing that a lot of regulatory issues arise from a public law perspective, this paper also focused on the less analysed issues related to international trade law. In this regard, the implementation of blockchain-based smart contracts creates problematic legal questions, particularly in relation to the applicable law and to jurisdiction. In fact, decentralized smart contracts are indeed designed with the purpose of avoiding the need of an intermediary to assure the exact performance of a contract, and to be self-sufficient and autonomous; however, sometimes, either for a bug, or for other reasons related to the dichotomy between real and virtual world, the intervention of a third party may be necessary to correct them, and to reach the required lawful outcomes of the given contract. Nonetheless, considering that smart contracts can arguably be deemed actual contracts in their legal meaning, or at the least some form of self- help technology chosen by parties to ensure compliance with contractual obligations, it seems that most of the legal questions arising with smart contracts can and should be dealt with current contract law provisions; however, it is necessary to identify which national contract law applies to decentralized smart contracts, and this may be resolved through an ad hoc provision in the agreement or through the proposition of legal rules applicable to the most problematic aspects of smart contracts, i.e. applicable law and jurisdiction. Under this perspective, a contribution by UNCITRAL in devising model provision/agreements dealing with and regulating smart contracts would seem to be able to bring a really valuable contribution to the healthy development of these new contractual practices, and thus indirectly favor.

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  22. *Digital Transformation in Government and Block chain Technology*, speech delivered by Minister for Cabinet Office Matt Hancock at D Digital Catapult, Kings Cross, London on the 26th April 2016. Available at: <https://www.gov.uk/government/speeches/digital-transformation-in-government-and-blockchain-technology>.
  23. IMF. *Virtual Currencies and Beyond: Initial Considerations*, IMF Staff Discussion Note –SDN/16/03, 2016, 24.
  24. Scheinert C. *Virtual currencies, Challenges following their introduction*, EPRS | European Parliamentary Research Service, Members’ Research Service, PE 579.110, 2016, 10.
  25. Savelyev A. *Contract Law 2.0: «Smart» Contracts As the Beginning of the End of Classic Contract Law*, Higher School of Economics Research Paper No. WP BRP 71/LAW/2016, 2016, 20. “it is possible to argue that each Smart contract by its legal nature is also a computer program in a meaning of IP law”.
  26. See e.g. Tasca P. *Digital Currencies: Principles, Trends, Opportunities, and Risks*, Deutsche Bundesbank and ECUREX Research, ECUREX Research Working Paper, 7th of September 2015 (version: 2015, 26. “The general orientation is to adopt the current legislation already in place in order to deal with digital currencies in Europe”.
  27. Case n. F14-2923, Criminal Division, section 13 of the 11th Judicial Circuit in and for Miami-Dade County, Florida. See also <http://www.coindesk.com/court-reject-bitcoin-money-florida-espinosa-trial/>.
  28. See for example BIS, CPMI report on digital currencies. available at <http://www.bis.org/cpmi/publ/d137.pdf>, which concluded at p. 21 that “There could also be potential effects on monetary policy or financial stability”; Scheinert, C., *Virtual currencies, Challenges following their introduction*, EPRS | European Parliamentary Research Service, Members’ Research Service, PE 579.110, 2016, pp 4 ff.; see also IMF, *Virtual Currencies and Beyond: Initial Considerations*, IMF Staff Discussion Note – SDN/16/03, 2015-2016, 33. ff.; finally, see ECB, *Virtual currency schemes –a further analysis*, ECB, 2015, 29. p. 3
  30. See IMF, *Virtual Currencies and Beyond: Initial Considerations*, IMF Staff Discussion Note –SDN/16/03, 2016, 28 ff.
  31. Raskin M. *The Law of Smart Contracts*, Georgetown Technology Review, Forthcoming, abstract, 2016. Available at: <https://ssrn.com/abstract=2842258>.
  32. Savelyev A. *Contract Law 2.0: «Smart» Contracts As the Beginning of the End of Classic Contract Law*, Higher School of Economics Research Paper No. WP BRP 71/LAW/2016, 2016, 17 ff.
  33. <https://help.netflix.com/legal/termsofuse?Locale=en&country=IT>: “If a payment is not successfully settled, due to expiration, insufficient funds, or otherwise, and you do not change your Payment Method or cancel your account, we may suspend your access to the service until we have obtained a valid Payment Method”.
  34. Perugini ML, Dal Checco P. *Smart Contracts: A Preliminary Evaluation*, 2015, 25.