

## Latham Helps With World Economic Forum Blockchain Toolkit

By Philip Rosenstein

*Law360 (April 29, 2020, 10:31 PM EDT)* -- The World Economic Forum released a "toolkit" to help companies across the globe thoughtfully deploy blockchain technologies to foster robust supply chains and ensure confidence in data, partnering with Latham & Watkins LLP to address the legal and regulatory considerations.

The extensive report released on Tuesday focuses on providing best-practice solutions for companies intent on wrapping blockchain technology into their existing technology, with an eye to the stresses placed on global supply chains by the COVID-19 pandemic. The report focuses on the intersection of technology and the law, according to a Latham release, with crucial modules including legal and regulatory compliance, financial reporting controls, cybersecurity, tax implications and data integrity.

"Blockchain technology presents an opportunity for supply chain organisations to re-design the way in which they interact with each other in a transparent and traceable manner," Stuart Davis, a partner in the Latham & Watkins London office, told Law360.

"Given that supply chains are inherently cross-border, any project embedding this technology will need to consider the complex cross-border legal and regulatory regimes which could apply," he said. "This framework is designed as a starting point for organisations seeking to embed blockchain into their businesses to navigate these issues."

Notable legal and regulatory risks highlighted by the WEF report include uncertainty regarding anti-money laundering and know-your-customer requirements, intellectual property protections and "cross jurisdictional regulations." Other risks of note include the addressing of antitrust violations and the legal enforceability of smart contracts.

The report also outlines the importance of staying on top of the elements of financial reporting related to blockchain technology, which could include internal controls, material misstatement and assertions by management.

"The blockchain deployment toolkit is essential for designing solutions that work for a multitude of actors, including smaller players who may not have access to the resources required to unlock the value of blockchain technology," Nadia Hewett, blockchain and digital currency project lead for World Economic Forum USA, said in a press release.

"There are many lessons to learn from the current pandemic and this toolkit is a starting point for improving long-term pandemic preparedness and accelerating an economic recovery led by public-private cooperation," she said.

Also central to the deployment of blockchain solutions is the need for parties intent on transacting via such technology to agree on intellectual property and data rights, according to the report.

"Realising blockchain in supply-chain use cases and taking advantage of the distributed nature of the technology, requires sharing of data that is usually generated in-house within individual member companies in a broader ecosystem," the report read. "Thus, there is a risk of data being shared or used inappropriately by third parties."

The Latham team involved in the project includes Andrew Moyle, partner and global chair of the firm's fintech practice, partners Jenny Cieplak, Stuart Davis, Fiona Maclean and Mitch Rabinowitz, legal counsel Masha Smith, associates Frida Montenius, Malika Sajdik and Mark Sun and trainee solicitor Bianca Lee.

Latham previously worked on another project with blockchain company ConsenSys, helping to develop their convertible note generator. The ConsenSys convertible note supports startups looking to raise capital in a customizable way while also adhering to the complex web of securities laws.

--Editing by Jay Jackson Jr.