

Blockchain and Digital Assets: Business Opportunities and Regulatory Pitfalls

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What is Blockchain?

- A blockchain is a decentralized **database** of transactions recorded and **secured** using cryptography
- Industry agnostic: may be implemented in variety of industries and for different use cases



What are Digital Assets?

- Digital assets are created and maintained with software (i.e., code), and exist as data on a blockchain network.
- Any asset can be tokenized and represented digitally, including:
 - An intangible asset used elsewhere (e.g., share of stock, IP rights)
 - A physical asset (e.g., ounce of gold, bushel of wheat)
 - An intangible asset that is purely digital (e.g., cryptocurrency)
- May also be referred to as coins, tokens, crypto assets, digital securities, virtual currency, etc.

Blockchain Solutions

Blockchain can be used as a technology solution for existing businesses:

- Computing
- Insurance
- Healthcare
- Finance and Banking
- Supply-Chain Management
- Energy
- Entertainment, Media and Advertising
- Transportation

OR

Blockchain can be used as the foundation of new business models entirely (crypto-native businesses):

- Mining (and staking)
- Cryptocurrency Exchanges
- DeFi
- NFTs

M&A Activity

- Market is becoming increasingly competitive as nascent companies mature
- According to PwC, there were 118 crypto M&A deals in 2020, with the average transaction size of US\$52.7 million
- Noticeable correlation between deal activity and crypto markets



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