

In the Unknowingness of Crypto, Legal Clarity is Key

As simple as the title above, this space is murky. Not only is it murky, it is vast. What we have here is a sea of brackish water that is deep. Why is this area so deep and confusing? Well, in traditional markets you have local jurisdiction, normally set in place by one governing entity. This entity handles all jurisdiction within that market and the citizens of that market have to adhere to the rules set in place. There are several factors that differ in cryptomarkets when compared to traditional markets, but two of the largest are the governing entities and the market-players.

Market-players: citizens under multiple governing jurisdictions

Governing entities: governing bodies presiding over specific citizens

Seems confusing right, because it is. The fact that multiple citizens are easily able to hold tokens provided by multi-national organizations with little regulation allows for local governments to call into question reporting responsibilities of companies under foreign, sovereign nations. This is done under the premise of protecting its citizens from fraud, ponzi schemes and various other financial endangerments - in a simple word: scams.

How does this affect the organization? I'm glad you asked. The organization can find themselves in trouble with foreign governments if interacting with a citizen (of said government) illegally or not within compliance of the laws that apply to their country [and citizens].

How does it affect the citizen? Typically this has to do with reporting responsibilities and tax liabilities within the nation of citizenship.

Still with us? Good...

As one could imagine, a strong legal team backing an organization that is proposing a project, ICO or product is key. There are several areas within the cryptoverse that may require legal counsel; some areas that one could expect to see proficiency include, but are not limited to:

- International Business Law
- Corporate and Securities Law
- Foreign Relations
- Corporate Governance Law

So when searching through the brackish waters of this space, do some research on the legal team behind the project. A great project should be concerned with their international legality, as well as protecting those who wish to invest within their organization. If the team does not have a legal outline in mind, don't dive in head first! There will be plenty of other opportunities.