



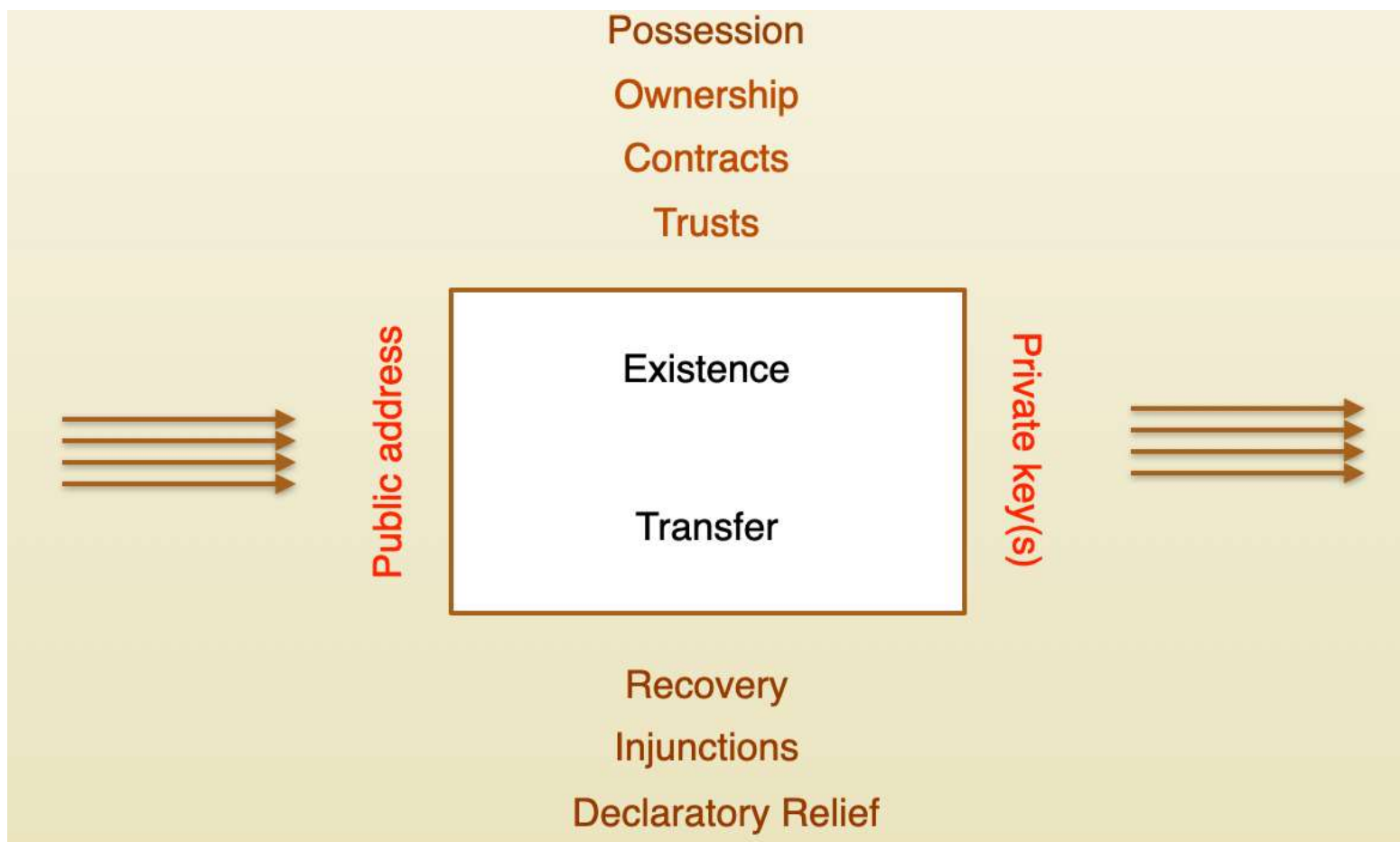
NFTs, DeFi and the Chancery Bar

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Gibraltar 2021-10-14



On-Chain / Off-Chain





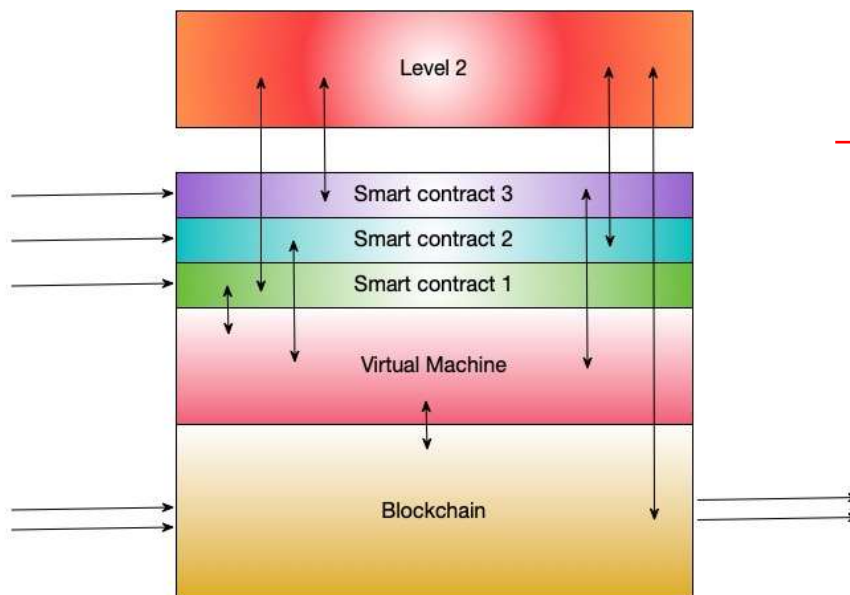
Virtual Machine at work

Web level (Apps)

Dapps



Oracle



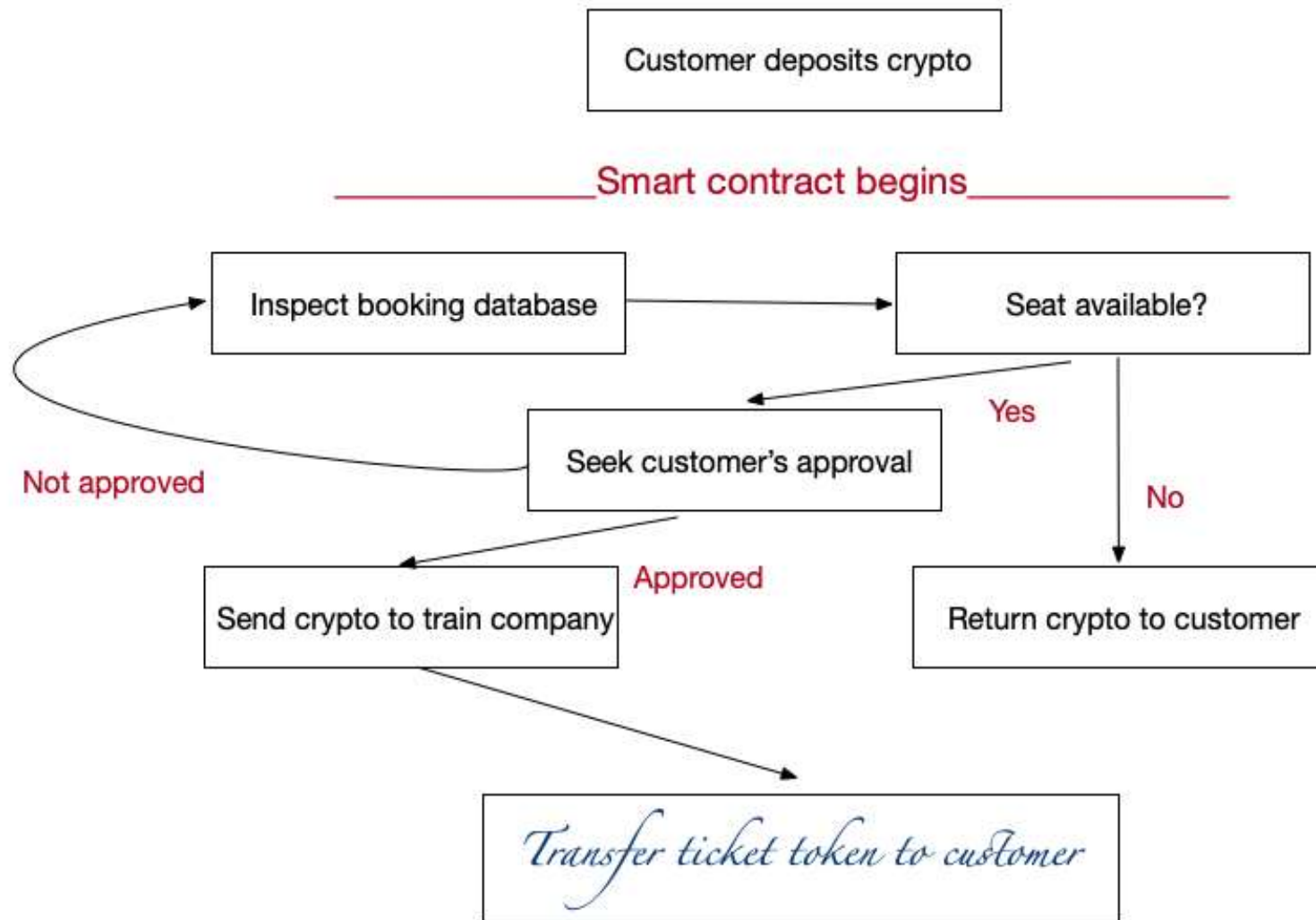
Tokens

ETH - Ether
Exchange token

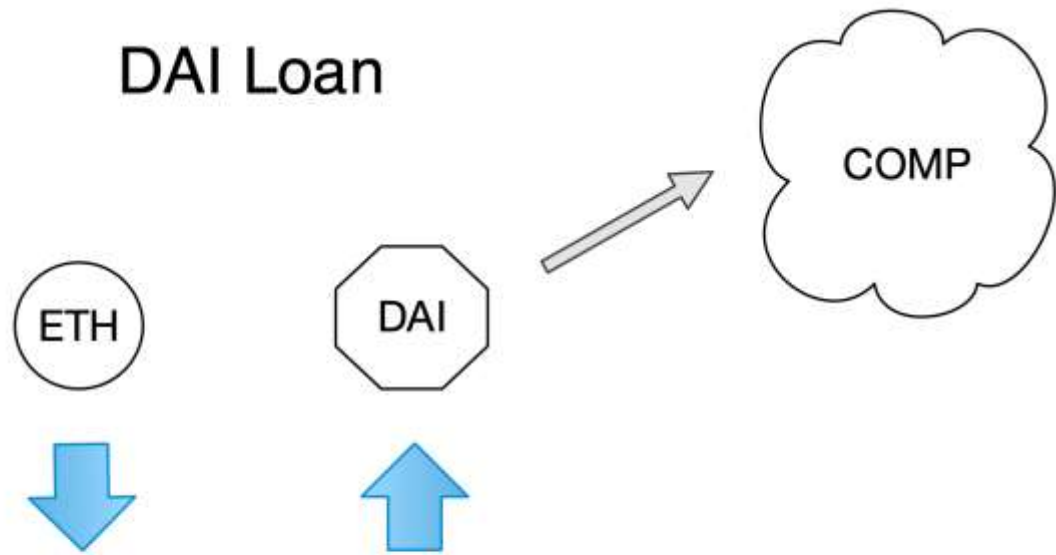
Utility tokens

Security tokens

Stable tokens



DAI Loan



Collateral Vault	
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Collateral = 150% of debt



Analysis

Pledge or possessory lien?

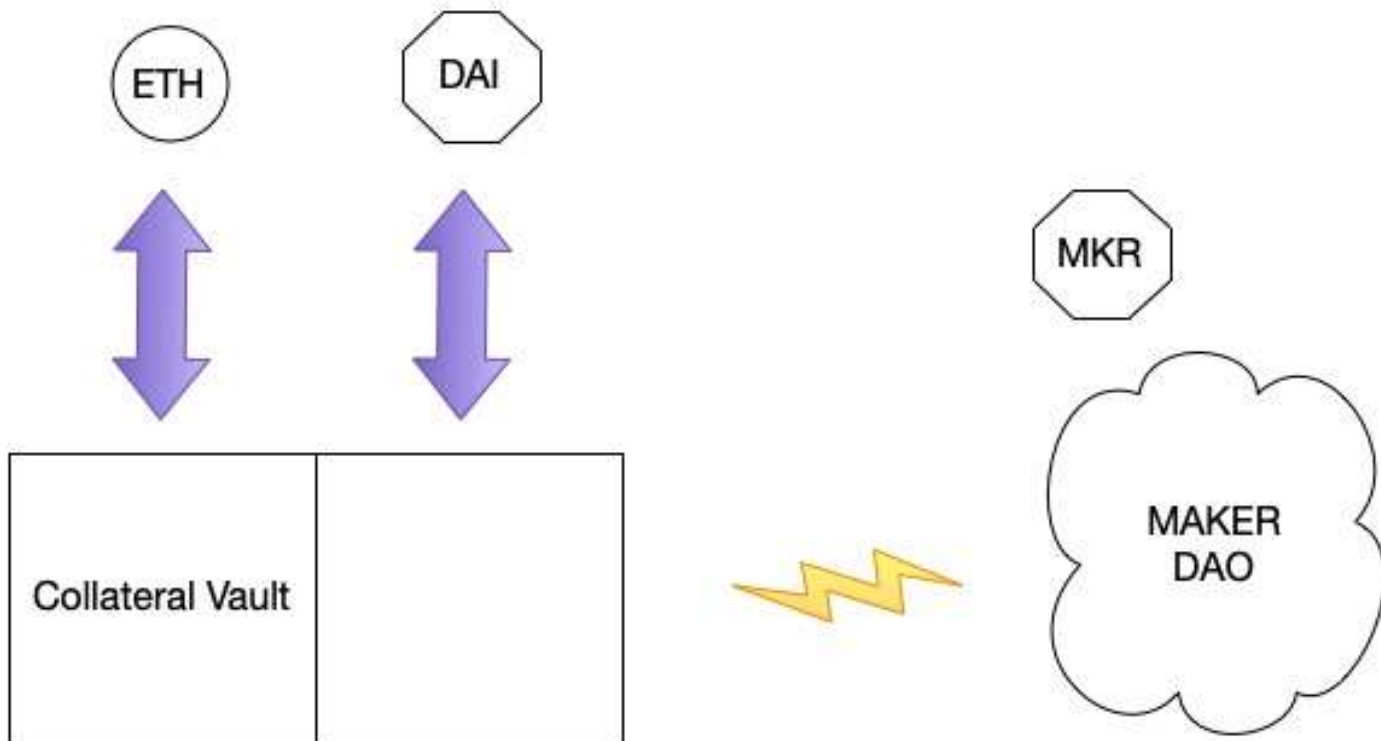
- BUT: intangible asset (OBG Ltd v Allen [2008] 1 AC 1)

Charge?

Counterparty?

- None?
- Computer?

Transaction





Decentraland

"CryptoPunk 7804"
sold for the equivalent
of about \$7.6 m



OpenSea



Christie's terms and conditions

4. Buyer's Acknowledgements and Representations for NFTs

(a) You acknowledge that your purchase of the lot means you have full ownership rights in the NFT itself, including the right to store, sell and transfer your NFT. Your purchase of the lot does not provide any rights, express or implied, in (including, without limitation, any copyrights or other intellectual property rights in and to) the digital asset underlying the NFT other than the right to use, copy, and display the digital asset for your own personal, non-commercial use or in connection with a proposed sale or transfer of the NFT and any other right expressly contained in these Conditions of Sale. For the avoidance of doubt, you do not have the right to distribute, or otherwise commercialize the digital asset without the prior authorization of the seller or the party(ies) that holds such rights.



Foundation auction

Where are my funds when they are in escrow?

When you place a bid on Foundation, \$ETH is sent from your wallet to the Foundation smart contract where it is held in escrow. If you're outbid, your funds will be automatically sent back to your wallet. If you win an artwork in an auction, your funds will be sent directly to the creator after you settle your NFT.

- Stakeholder?
- Agent?
- Something else?

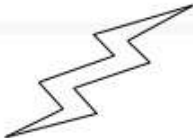


Fragmented ownership

- NFT rights split into new (fungible) tokens which are then sold
 - Capital Gains Tax on the exchange?
 - Trading?
- Ownership of the NFT is taken by a DAO (Decentralised Autonomous Organisation) and owned by the members
 - Partnership?
 - Pseudonymy?



UNISWAP ANATOMY



UNI Governance Tokens