



3 VERULAM BUILDINGS
B A R R I S T E R S

Legal Aspects of Cryptoassets and Smart Contracts

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Alice holds the private key to a cryptoasset.

Alice is declared bankrupt.

Terry, her trustee in bankruptcy, asks the court to order Alice to transfer the cryptoasset to him.

What should the court do?



Alice holds the private key to a cryptoasset.

Hannah hacks into Alice's wallet and transfers the cryptoasset to Bob.

Alice asks the court to order Bob to transfer the cryptoasset back to her.

What should the court do?

What if Bob knew about the hack?

What if Bob has already transferred the cryptoasset to Craig?

Alice holds the private key to a cryptoasset.

Alice transfers the cryptoasset to Frank. Later she transfers the same cryptoasset to Simon.

The transfer to Frank is accepted in the blockchain but the transfer to Simon is not.

Frank asks the court to order Simon to transfer the cryptoasset to him.

What should the court do?



Alice auctions a cryptoasset via a smart contract.

Because of a coding error in the smart contract, the cryptoasset is transferred to Larry, the lowest bidder, rather than to Hugo, the highest bidder.

Alice and Hugo ask the court to order Larry to transfer the cryptoasset to Hugo.

What should the court do?

What if the error was in the interpreter or compiler rather than the contract code?



Some answers?

“The UK Jurisdiction Taskforce is coordinating the preparation of an authoritative legal statement on the status of cryptoassets and smart contracts under English private law. The intention is that the legal statement will either demonstrate that English private law already provides sufficiently certain foundations, or highlight particular areas of uncertainty that may need to be clarified.”



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