

## Helping clients leverage blockchain innovations



### Whether seeking to

- develop a proof-of-concept for a new blockchain initiative
- launch an Initial Coin Offering (ICO) or Token Generating Event (TGE)
- integrate smart contracts and blockchain solutions into your company
- use blockchain platforms relating to cryptocurrency
- retain regulatory guidance on how blockchain can help you based on your industry

our team provides inter-disciplinary legal advice to help you keep up with the evolving technology and regulatory environment and to develop, sell, or use blockchain technologies or businesses.



### Interdisciplinary team with broad cross-industry experience touching issues relating to blockchain

- Fintech/Regulatory/ Cryptocurrency
- Government Relations
- Healthcare/ Regulatory
- Hedge Fund
- International
- IP (patent)
- Merger and Acquisitions
- Securities and Enforcement
- Technology
- Venture Capital
- White Collar Defense and Government Investigations



### We help clients manage

- Anti-Money Laundering Regulations
- Bitcoin, Ethereum, and other Cryptocurrencies
- Blockchain FinTech regulatory issues
- Blockchain healthcare regulatory issues
- Blockchain securities regulatory issues
- Commodity Regulations
- Creation of new cryptocurrencies
- Electronic Signature compliance
- Hedge fund creation
- International strategies relating to ICOs
- Know Your Customer regulations
- Money transmission and Money Service Business ("MSB") regulations
- Open source issues
- Patent Protection
- Proof-of-Concept Agreements
- Payment processing and compiling
- Privacy and security issues
- Public Policy
- SAFTs (Simple Agreement for Future Tokens)
- Securities issues
- Smart Contracts
- Technology licensing

### Our blockchain services help you

- **Advocate for legislative and regulatory developments** – that provide clarity to and support for blockchain technologies and businesses, including consortium-related advice and public policy advocacy
- **Develop proof of concept and growth strategies** – that position companies for investment and capital raising
- **Develop new products** – that solve emerging market needs
- **Enter into development, participation and licensing agreements** – including drafting and negotiating agreements
- **Establish and maintain regulatory compliance** – to help assess evolving regulatory environment and develop and implement relevant compliance practices
- **Evaluate risks** – of products, services, and business strategies
- **Fund emerging technologies** – through equity or debt offerings
- **Launch a new business or product** – from idea to implementation
- **License technology** – and develop platform integrations
- **Protect innovation** – through patent protection and other intellectual property strategies
- **Stay current and think ahead** – with regulatory and policy developments in this rapidly evolving marketplace

## In the News



June 3, 2024

### **Nelson Mullins FinTech Attorneys Co-Author Chapter on Regulation of the Use of AI by Financial Services Firms**

Nelson Mullins partners Richard Levin and Kevin Tran, and of counsel Bobby Wenner recently co-authored a chapter in Global Legal Insights' *AI, Machine Learning & Big Data 2024*, that focuses on guidance and proposed regulation from the U.S. Securities and Exchange Commission (SEC), the U.S. Commodity Futures Trading Commission (CFTC), and the Office of the Comptroller of the Currency (OCC) for using artificial intelligence (AI) in the financial services industry. The [chapter](#), titled "HAL, the Terminator, and Agent Smith entered a bar; Regulation of Artificial Intelligence in the United States," addresses recent guidance and proposed rules that address the use of AI by financial services firms in the United States.

Levin noted, "we are excited to offer this chapter as part of an important discussion that is currently underway between the public, the FinTech community, and regulators in the United States on how to best regulate the use of AI by financial services firms."

Levin is chair of the firm's FinTech and Regulation Practice and one of the first lawyers to focus on the regulation of blockchain and digital assets. He is considered a thought leader in the FinTech space. Levin brings his experience as a senior legal and compliance officer on Wall Street and in London to bear in advising clients on FinTech, securities, and regulatory issues. He is routinely quoted by leading publications including Bloomberg, the New York Times, Reuters, and the Wall Street Journal and is a frequent speaker at conferences around the world on the regulation of FinTech, blockchain, and digital assets.

Tran is a partner in the FinTech and Regulation practice group. He counsels financial institutions and technology clients with financial regulatory, securities, and corporate matters. He focuses on the representation of early stage, mid-stage, and publicly traded FinTech companies focused on blockchain technology, digital assets, and cryptocurrencies, including broker-dealers, digital asset and currency trading platforms, digital asset custodians, alternative trading systems, and securities exchanges and swap execution facilities.

Wenner is of counsel in the FinTech and Regulation practice. He counsels financial services and technology firms on financial services regulatory and corporate matters. He focuses on the representation of financial technology companies working with blockchain, tokenization, digital assets, and cryptocurrencies, including broker-dealers, alternative trading systems (ATS), digital asset and currency trading platforms, digital asset issuers and custodians, securities exchanges, and derivatives trading platforms including swap execution facilities.

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## Events



May 13, 2024

## Death, Taxes, and Crypto Reporting – The Three Things You Cannot Escape

By [Tim Wagner](#)

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The IRS released a draft of Form 1099-DA “Digital Asset Proceeds from Broker Transactions” in April which will require anyone defined as a “broker” to report certain information related to the sale of digital assets. The new reporting requirements will be effective for transactions occurring in 2025 and beyond. The release of Form 1099-DA follows a change in the tax law.

In 2021, Congress amended code section 6045 to define “broker” to include any “person who (for consideration) is responsible for regularly providing any service effectuating transfers of digital assets on behalf of another person.” This is an expansion of the definition of a “broker.” The language ‘any service effectuating transfers of digital assets’ is oftentimes construed by many in the tax practitioner community as a catch-all term, in which the government could use to determine many people involved in digital asset platforms as “brokers.”

The IRS proposed new regulations in August 2023 to further define and clarify the new reporting requirements. Under the proposed regulations, Form 1099-DA reporting would be required even for noncustodial transactions including facilitative services if the provider is in a “position to know” the identity of the seller and the nature of the transaction giving rise to gross proceeds. With apparently no discernible limits, facilitative services include “services that directly or indirectly effectuate a sale of digital assets.” Position to know means “the ability” to “request” a user’s identifying information and to determine whether a transaction gives rise to gross proceeds. Under these proposed regulations and the expanded definition of “broker,” a significant number of transactions that previously did not require 1099 reporting will now require reporting. There has been pushback against these proposed regulations, but the IRS appears determined to move forward with these additional reporting requirements.

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## GET IN TOUCH



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## Press Releases



November 10, 2023

### **FinTech Partner Richard Levin Authors Chapter in Global Legal Insights' 2024 Laws and Regulations**

WASHINGTON, D.C. — Richard Levin, Kevin Tran, and Bobby Wenner of the Nelson Mullins FinTech and Regulation Practice have co-authored a chapter on the regulation of digital assets by the U.S. Securities and Exchange Commission (SEC). The [chapter](#), "Stoned Cats, Ripples, and Krakens, oh my! SEC regulation of digital assets by enforcement," appears in *Blockchain & Cryptocurrency Regulation 2024*, published by Global Legal Insights.

The chapter focuses on the regulation of digital assets in the United States, including: the regulation of digital assets that are securities; the regulation of trading platforms that facilitate the trading of digital assets that are securities; the regulation of platforms that facilitate the clearance and settlement of digital assets that are securities; and the regulation of stablecoins and staking.

Levin is chair of the FinTech and Regulation Practice and was one of the first lawyers to focus on the regulation of blockchain and digital assets. He is considered a thought leader in the FinTech space. Levin brings his experience as a senior legal and compliance officer on Wall Street and in London to bear in advising clients on FinTech, securities, and regulatory issues.

Tran is a partner in the FinTech and Regulation Practice. He counsels financial institutions and technology clients with financial regulatory, securities, and corporate matters. He focuses on the representation of early stage, mid-stage, and publicly traded FinTech companies focused on blockchain technology, digital assets, and cryptocurrencies, including broker-dealers, digital asset and currency trading platforms, digital asset custodians, alternative trading systems, and securities exchanges and swap execution facilities.

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Established in 1897, Nelson Mullins is an Am Law 100 firm of more than 1,000 attorneys, policy advisors and professionals with 33 offices in 17 states and Washington, D.C. For more information, go to [www.nelsonmullins.com](http://www.nelsonmullins.com).

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