

Blockchain and Cryptocurrency



HIGHLIGHTS

A Legacy of Representing Innovators in Decentralized Finance

Wilson Sonsini has been at the forefront of providing innovative corporate, regulatory, technology transactions, and IP counseling to blockchain and cryptocurrency companies. We specialize in providing a full range of services tailored to companies operating in the blockchain industry and at the forefront of decentralized finance. Select clients include a16z, Block, Microstrategy, Bitwise, Mastercard, Flexa, and Pantera Capital.

Broad Blockchain and Cryptocurrency Expertise

Wilson Sonsini has extensive experience across blockchain and cryptocurrency-related businesses, including Web 3.0 projects and blockchain-based gaming platforms, blockchain-based securities and settlement platforms, alternative trading systems, and money transmission providers, decentralized finance platforms, and capital-raising through equity and token warrants.

Wilson Sonsini Has a History of Firsts in Blockchain

As a leader in the blockchain industry, Wilson Sonsini has advised on a series of “firsts” in the industry, including:

- **Blockstack PBC**, in the first offering of a token to be either qualified or registered under U.S. federal securities laws for sale to the general public—a watershed moment for blockchain technology in North America.
- **Prometheus**, in connection with its application to become the first special-purpose broker-dealer approved to custody crypto asset securities.
- **Hashdex**, in relation to securing approval from the SEC’s Division of Trading and Markets for the launch of the first spot bitcoin exchange-traded product in the United States.

OVERVIEW

Wilson Sonsini is at the forefront of providing guidance to blockchain adopters, from start-ups to seasoned market leaders disrupting various sectors. Our partners' backgrounds with key fintech regulatory bodies, including the SEC and the Federal Reserve, equip us to navigate the evolving regulatory landscape related to blockchain and cryptocurrency.

Our blockchain and cryptocurrency practice includes attorneys with sophisticated experience in a wide range of areas: financial regulation, data and technology protection, commercial transactions, financings, and intellectual property. We have consistently and proactively advised clients about potential landmines in the blockchain and cryptocurrency regulatory landscape, often before many in the industry were aware of them. We have led many successful offerings and have advised clients on the development of emerging technologies and innovations related to decentralized finance, distributed ledger technology, smart contracts, and NFTs. We have also played a lead role in engaging with and advocating to regulators on behalf of our clients to achieve regulatory guidance around innovative products and services involving blockchain technology.

We bring to our blockchain and cryptocurrency clients sophisticated tax, corporate structuring, patent and intellectual property, technology licensing, employee compensation, CFIUS, litigation, and other expertise that is critical to their businesses. This includes assistance with compliance related to digital currency, open source software, capital markets, litigation, anti-money laundering, smart contracts, and other specific legal challenges.

Our diverse clients include:

- Venture firms, corporate investment arms, and others investing in blockchain companies and cryptocurrency;
- Cryptocurrency funds and other funds investing in cryptocurrency and blockchain companies;
- Companies considering and executing initial coin offerings (ICOs), tokens, simple agreement for future tokens (SAFTs), and other cryptocurrency-related offerings; and
- Companies providing distribution and other services to companies engaging in ICO, token, and SAFT transactions.

COMPREHENSIVE SERVICES

Financial Regulatory

Our fintech and financial services team has been at the cutting edge of counseling blockchain companies on compliance with the federal securities, commodities, payments, and banking laws. We also provide commercial negotiations and contracting for blockchain companies. We have been involved in significant firsts in the industry, including public offerings of digital assets, exchange-traded products based on digital assets, and registration of investment advisers, broker-dealers, and alternative trading systems using blockchain technologies and digital assets.

- We have played a lead role in advocating to regulators on behalf of countless clients to achieve regulatory certainty around innovative business models and products, including stablecoins, tokens, blockchain ecosystems, and more.
- We have also provided compliance counseling to web3 and other gaming companies using digital assets in their platforms, issuers and trading platforms for non-fungible tokens (NFTs), and financial intermediaries using blockchain as a technological basis for transactions.

Technology Transactions

Our technology transactions team has deep experience advising companies on the novel legal, intellectual property, and commercial issues arising out of the use of blockchain technologies of all types, including cryptocurrency, smart contracts, NFTs, and other digital assets.

- We have helped both start-up and public companies launch many of the world's most prominent and widely used blockchain-based platforms, marketplaces, products, and services, and we frequently draft and negotiate contracts related to blockchain and crypto-assets on behalf of companies that range from emerging companies to large banks.
- Our expertise regarding the intellectual property considerations that blockchain players need to consider is unparalleled and based on decades of addressing those issues with innovative companies.

Privacy and Cybersecurity Considerations

The use and sharing of data in the blockchain industry poses critical regulatory questions related to protecting the privacy of individual users and their transactions, and the vulnerability of data to hacks and other cybersecurity events. Our team understands the details of blockchain technology and counsels clients based on that deep expertise.

Corporate Counseling

Wilson Sonsini works with companies from inception to IPO and beyond, and is at the cutting edge of helping clients structure compliant offerings of tokens and equity, including through tools such as token warrants.