



Staff Memorandum

HOUSE OF DELEGATES Agenda Item #10

REQUESTED ACTION: Approval of resolutions of Task Force on Emerging Digital Finance and Currency.

The Task Force on Emerging Digital Finance and Currency was formed by President Sherry Levin Wallach in June 2022 to study and evaluate the legal issues and questions surrounding the expansion and regulation of the digital assets, digital finance, and digital currency industries in New York State, including technological innovations with the Metaverse.

The Task Force has submitted two resolutions and a report for the consideration of the House.

The first resolution, entitled “Legislative Regulatory Resolution,” reads as follows:

Whereas The New York State Bar Association formed a Task Force on Emerging Digital Finance and Currency in June 2022 to study the impact of digital assets, digital currency, non-fungible tokens, Web3, and the Metaverse on the legal profession, to educate lawyers on how to represent clients effectively, ethically, and knowledgeably in these areas, and to evaluate and study the regulatory, legislative, and licensing structures governing emerging digital assets, finance and currency.

Whereas The Task Force has held education programs on the topics of digital assets, digital currency, non-fungible tokens, Web3 and the Metaverse and its impact in and on the law and legal profession and presented to bar leaders on the effects of these emerging technologies across many practice areas.

Whereas NYSBA, in conjunction with the Task Force, has taken notice of the rapid growth and expanded application of digital finance and underlying distributed ledger and other decentralized web technologies, and has undertaken a careful consideration of the manifest need for consumer and environmental protection against certain risks posed by virtual currency markets.

Whereas Given the interest, knowledge base and broader informational needs of its membership in the complex legal, regulatory and practice

aspects of the industry, and the leading role New York State has played in licensing and enforcement, the Association shall take a position of public advocacy for clear, efficient, and effective state regulation.

Resolved The New York State Bar Association supports prioritizing consumer and environmental protection while balancing and encouraging the growth of well-regulated digital finance and related business within New York State.

Resolved The New York State Bar Association recommends regulation, legislation and licensing that is consistent across the country to prevent inequities in the use of currency and assets across the country.

Resolved The New York State Bar Association suggests exploration of regulation, legislation and licensing of digital finance and currency, digital assets, and Web 3 across the country and globally.

The second resolution, entitled “Web3 Resolution,” reads as follows:

Whereas The New York State Bar Association formed a Task Force on Emerging Digital Finance and Currency in June 2022 to study the impact of digital assets, digital currency, non-fungible tokens, Web3, and the Metaverse on the legal profession, to educate lawyers on how to represent clients effectively, ethically, and knowledgeably in these areas, and to evaluate and study the regulatory, legislative, and licensing structures governing emerging digital assets, finance and currency.

Whereas The Task Force has held education programs on the topics of digital assets, digital currency, non-fungible tokens, Web3 and the Metaverse and its impact in and on the law and legal profession and presented to bar leaders on the effects of these emerging technologies across many practice areas.

Resolved, that the Task Force recommends that the New York State Bar Association explore and engage in the Web3 space by providing information-sharing opportunities, educating its members, and promoting the mission of the Association through use of the Web3 and other emerging digital technologies, including the potential use of blockchain, the Metaverse, NFTs, and digital currency to store and deliver content and provide value and access to the membership.

The accompanying report, which was circulated to the House for informational purposes at the January 2023 meeting, provides a primer on blockchain and digital assets, identifies the governing regulatory frameworks, and outlines the Task Force’s areas of focus.

The resolutions were submitted to the Reports Group in February 2023. No comments have been submitted as of March 17, 2023.

The resolutions will be presented by Task Force co-chair Jacqueline J. Drohan.

**New York State Bar Association
Task Force on Emerging Digital Finance and Currency**

April 2023

Legislative Regulatory Resolution of the NYSBA Task Force on Emerging Digital Finance and Currency

Whereas The New York State Bar Association formed a Task Force on Emerging Digital Finance and Currency in June 2022 to study the impact of digital assets, digital currency, non-fungible tokens, Web3, and the Metaverse on the legal profession, to educate lawyers on how to represent clients effectively, ethically, and knowledgeably in these areas, and to evaluate and study the regulatory, legislative, and licensing structures governing emerging digital assets, finance and currency.

Whereas The Task Force has held education programs on the topics of digital assets, digital currency, non-fungible tokens, Web3 and the Metaverse and its impact in and on the law and legal profession and presented to bar leaders on the effects of these emerging technologies across many practice areas.

Whereas NYSBA, in conjunction with the Task Force, has taken notice of the rapid growth and expanded application of digital finance and underlying distributed ledger and other decentralized web technologies, and has undertaken a careful consideration of the manifest need for consumer and environmental protection against certain risks posed by virtual currency markets.

Whereas Given the interest, knowledge base and broader informational needs of its membership in the complex legal, regulatory and practice aspects of the industry, and the leading role New York State has played in licensing and enforcement, the Association shall take a position of public advocacy for clear, efficient, and effective state regulation.

Resolved The New York State Bar Association supports prioritizing consumer and environmental protection while balancing and encouraging the growth of well-regulated digital finance and related business within New York State.

Resolved The New York State Bar Association recommends regulation, legislation and licensing that is consistent across the country to prevent inequities in the use of currency and assets across the country.

Resolved The New York State Bar Association suggests exploration of regulation, legislation and licensing of digital finance and currency, digital assets, and Web 3 across the country and globally.

**New York State Bar Association
Task Force on Emerging Digital Finance and Currency**

April 2023

**Web3 Resolution of the
NYSBA Task Force on Emerging Digital Finance and Currency**

Whereas The New York State Bar Association formed a Task Force on Emerging Digital Finance and Currency in June 2022 to study the impact of digital assets, digital currency, non-fungible tokens, Web3, and the Metaverse on the legal profession, to educate lawyers on how to represent clients effectively, ethically, and knowledgeably in these areas, and to evaluate and study the regulatory, legislative, and licensing structures governing emerging digital assets, finance and currency.

Whereas The Task Force has held education programs on the topics of digital assets, digital currency, non-fungible tokens, Web3 and the Metaverse and its impact in and on the law and legal profession and presented to bar leaders on the effects of these emerging technologies across many practice areas.

Resolved, that the Task Force recommends that the New York State Bar Association explore and engage in the Web3 space by providing information-sharing opportunities, educating its members, and promoting the mission of the Association through use of the Web3 and other emerging digital technologies, including the potential use of blockchain, the Metaverse, NFTs, and digital currency to store and deliver content and provide value and access to the membership.