

Groundbreaking rules published to enable rapid resolution of blockchain and crypto legal disputes, as worldwide smart contract market expected to reach \$345.4 million by 2026¹

- Rules published today by Government-backed UK Jurisdiction Taskforce at LawtechUK will address uncertainty, encourage fast resolution of disputes, and foster increased confidence for businesses in adoption of digital technology including blockchain, crypto assets and smart contracts
- UK legal infrastructure continues to be world leading following publication in November 2019 of UKJT's legal statement on the status of digital assets and smart contracts under English and Welsh law
- A growing awareness of non-fungible tokens and the smart contract market predicted to reach \$345.4 million by 2026.

London, 22 April 2021: The UK Jurisdiction Taskforce of LawtechUK, chaired by Sir Geoffrey Vos, Master of the Rolls, has today published its Digital Dispute Resolution Rules designed to enable faster and more cost effective resolutions to legal disputes relating to novel digital technology such as crypto assets, smart contracts, and blockchain applications, and foster confidence amongst businesses in the adoption of these technologies.

The use of these technologies in business has rapidly gained in popularity in recent years. JP Morgan, for example, is just one of many large-scale corporations already regularly taking advantage of the use of smart contracts (self-executing contracts run on blockchain technologies that automatically process transactions without the need for a third-party). The business benefits of smart contracts are wide-ranging, including enhanced security, improved efficiencies, and cost reduction in the implementation (and automating performance of) contracts between parties.

However, until now, there has been little consistency in how legal disputes relating to these types of technologies should be resolved, leading to lengthier and more costly processes.

¹<https://www.prnewswire.com/in/news-releases/smart-contracts-market-size-to-reach-usd-345-4-million-by-2026-at-cagr-18-1-valuation-reports-832536081.html>

Drafted in extensive public and private consultation with lawyers, technical experts and financial services and commercial parties, the **Digital Dispute Resolution Rules** published today are designed to facilitate the rapid and cost effective resolution of disputes arising in the context of these technologies, and to foster industry confidence in their use.

One important feature of the Rules is that they allow parties to resolve their disputes by an arbitrator, rather than by a judge in court (which can be a more time-consuming and costly process). They have also been drafted to provide maximum flexibility to adapt to as yet undeveloped technologies, and to reach a resolution to disputes quickly and efficiently by arbitrators with appropriate technical expertise and enabling on-chain implementation of decisions.

The UK has been at the global forefront of developing the legal infrastructure to support the deployment of these nascent and evolving technologies. In November 2019 the UKJT published its well-received [legal statement on the status of cryptoassets and smart contracts under English and Welsh law](#). The legal statement was a significant step by the UK towards legal certainty for blockchain technology and crypto assets. Furthermore, English law provides an established and familiar framework by reference to which rights in respect of digital technologies can be effectively established and enforced, and has an impressive track record of dealing with and adapting to technological developments.

Master of the Rolls, Sir Geoffrey Vos, chair of the UK Jurisdiction Taskforce and LawtechUK Panel member, commented: *“I am delighted to welcome the publication by the UK Jurisdiction Taskforce of the ground-breaking Digital Dispute Resolution Rules. International business is rapidly adopting the use of digital documentation and on-chain smart contracts. The Rules aim to provide a process for speedy and cost-effective resolution of disputes originating digitally. They will hopefully give global businesses greater confidence to adopt and utilise new digital technologies.”*

Jenifer Swallow LawtechUK Director at Tech Nation, comments: *“Analogue ways of doing business will be widely restructured and digitised in the coming years, increasing efficiency and transparency. The smart contracts market alone is set to reach \$345.4 million by 2026. Methods of dispute resolution must keep pace. The Digital Dispute Resolution Rules are a step change in that evolution and in enabling wider*

confidence and adoption of these technologies - underpinning those readily-available today and capable of adapting to those yet to be developed. This is an exciting next step in the UK's leadership at the forefront of business, law and technology, and also demonstrates how simple legal processes can be."

The UKJT will keep a close watch on how the Digital Dispute Resolution Rules are used, and will aim to consider whether further development or revision would be valuable within the coming year, based on user feedback.

ENDS

The Digital Dispute Resolution Rules

The Rules are available for download [here](#).

UK Jurisdiction Taskforce and LawtechUK

LawtechUK, a government-backed initiative within Tech Nation, is established to support the transformation of the UK legal sector through technology, for the benefit of society and the economy. Established in 2018 by the Secretary of State for Justice, the LawtechUK Panel, then the Lawtech Delivery Panel, are a group of leaders and experts from the public and private sectors working to achieve that objective and acting as the advisory board to LawtechUK.

The UKJT was established by the Panel as a taskforce to demonstrate that English law and the jurisdiction of England and Wales together provide a state-of-the art foundation for the development of distributed ledger technology, smart contracts and associated technologies.

The members of the UK Jurisdiction Taskforce (UKJT) are:

Sir Geoffrey Vos, Master of the Rolls and Chair of the UKJT

Lawrence Akka QC, Twenty Essex

Sir Nicholas Green, Chair of the Law Commission of England and Wales, as an observer

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