



*Creating Open & Interoperable,
Secure & Compassionate
Digital Infrastructure*

Christopher Allen

@ChristopherA

ChristopherA@BlockchainCommons.com

cell +1.510.908.1066

Executive Director,

Blockchain Commons, LLC

7302 Yellowstone Rd

Cheyenne, WY 82009-2077

www.BlockchainCommons.com

main +1-307-220-7988

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TO: Wyoming Legislative Select Committee on Blockchain,
Financial Technology, and Digital Innovation Technology

Re: June 14 2022 Sheridan Meeting, 3:15pm Digital Assets

Committee Chairs, members of Wyoming Legislative Select
Committee on Blockchain, Financial Technology, and Digital
Innovation Technology & LSO:

Thank you for having me back to testify again on the future of
blockchain and related digital technologies in Wyoming.

My name is Christopher Allen, and I am the founder of Blockchain
Commons, a non-partisan blockchain infrastructure development
& research organization. My past achievements include being co-
author of SSL/TLS, the broadest deployed security standard in the
world and the basis upon which most Internet traffic moves
securely.

Over the last four years, I have been quite proud to witness
Wyoming, through the Blockchain Task Force, become a leader in
the area of digital asset technology & regulation. It is because of
laws successfully begun at those meetings that I founded and
domiciled my organization Blockchain Commons in Wyoming and
have encouraged other companies to do the same.

I appreciate the Wyoming Legislature being one of the first
legislatures to give clarity on Digital Assets through the 2019
SB-125, which interpreted digital assets within the existing Uniform
Commercial Code (UCC) and authorized a unique security interest
status for digital assets.

The past three years have brought with them more evolution of
blockchain technology, the emergence of new applications such as
NFTs, and various proposals for laws and regulations in other
jurisdictions. Noting this growth we find that more clarity is still
needed surrounding digital assets, particularly the tokenization of
various kinds of property. We look forward to the great work the
lawyers of this state will take up.

We suggest that there is an opportunity under the UCC, to
leverage the Wyoming two-year window to demonstrate
perfection.

Presently, there is no mechanism to prove perfection other than through the court system. As technologists, we propose to resolve this through the consideration of a new concept: a Wyoming Registered Digital Asset (WRDA).

The WRDA would be a mechanism to clarify the tokenization of specific digital assets that need perfection of security interests under Wyoming law. These also might allow for registration of NFTs, IPs, Trademarks, and other assets, to not only allow them to be perfected but also have standing under Wyoming law and access to the chancery court. Further, the WRDA can provide a framework to clarify the taxation of such assets and act as a grab bag for additional statutes surrounding the status of digital assets.

Through the WRDA, consumers, investors, and businesses can be reassured about the protection of their digital assets in the state of Wyoming. Ensuring such a foundation is a prerequisite to significant business and economic benefits stemming from blockchain technology.

Related to this topic, during tomorrow's session, Blockchain Commons has been asked to speak about digital identity and the concept of eResidency. Implementation of these supports a combined digital Commercial Registered Agent and a Communication Contact for corporations registered in the state. The WRDA and eResidency together offer a synergistic opportunity that will encourage economic growth and investment by offering clarity to investors and businesses on the set of protections their digital assets held in the state.

Intellectual Property, NFTs, real property concepts, and other digital assets should be given statutory recognition — including potential taxation with property taxes for tokenized assets that can be deemed real estate. Similar to vehicle registration having transaction and sales tax, tokenized titles may face similar taxation.

Presently, the equivalence of digital assets under the law is not well developed and should be clarified. The Office of the Secretary of State's support for corporate record filings and digital identity could be leveraged to register such intellectual property under Wyoming state-based trademark law. In addition, there are opportunities for State Chartered Banks to facilitate such certifications.

Codifying a legal framework for the WRDA will give Wyoming a competitive advantage in business and innovation. A slideshow, included, contains additional details and can be also be found at <https://docs.google.com/presentation/d/1HeeriDG834w-BaczqbioKYioaMQhD5F4m2goYhS5ih0/edit?usp=sharing>

Thank you for the opportunity over the past several years to address the Wyoming Legislature through testimony. I always remain available for any discussions or clarifications of my testimony, and I am particularly available for any work you need regarding digital identities and digital assets.

I would like to extend my thanks to Sunint Bindra, a student at Dartmouth College studying computer science and economics and a summer intern at Blockchain Commons, for working with me on this testimony. He is also available this summer to assist with any further research, clarification, or input on this topic.

Thank you once again and we look forward to continuing to work with the Wyoming legislature in the future.

Regards,

A handwritten signature in black ink, appearing to read 'Chris Allen', with a stylized, cursive script.

Christopher Allen