

Special Feature



George Z. Georgiou
& Associates LLC

Lawyers, Arbitrators & Legal Consultants

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THE POWER OF BLOCKCHAIN TECHNOLOGY

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special feature

THE POWER OF BLOCKCHAIN TECHNOLOGY

GEORGE Z. GEORGIU & ASSOCIATES LLC

The Future of Digital Money

Let's be honest, you've probably come across the terms 'bitcoin', 'blockchain', 'distributed ledger', 'immutability' and 'cryptography' at some time during the last 14 years. Why 14 years? That's when 'Satoshi Nakamoto' published the white paper named "Peer-to-peer electronic cash system", in which Satoshi built upon past research into distributed systems, cryptography and network security and created a purely peer-to-peer version of electronic cash that would allow online payments to be sent directly from one party to another without going through a trusted third party.

While approximately 1 billion people around the world use cryptocurrencies in 2022, every time bitcoin's price falls in the midst of a crisis, the critics come out and proclaim that its end is near. The remarkable and encouraging developments in the bitcoin world, as well as the immensely creative and helpful community that is forming around bitcoin and blockchain, are frequently ignored by the mainstream media.

TECHNOLOGICAL INNOVATION

Until recently, most people believed bitcoin and blockchain to be the same thing. However, that is not the case – the latter is the underlying technology that powers most applications, one of which is cryptocurrencies.

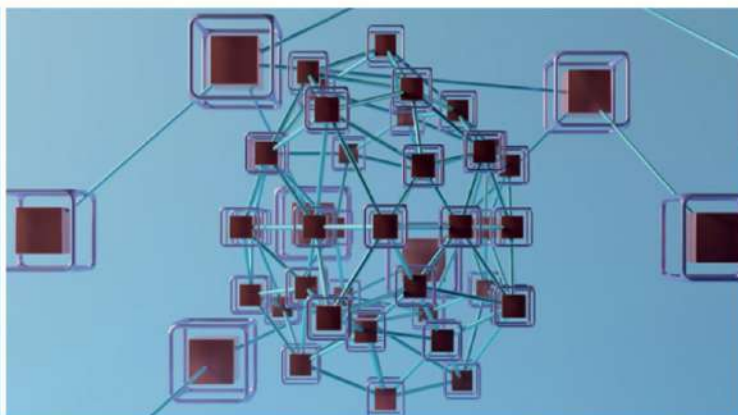
Currency is the first application that you can build on a distributed consensus system. Other applications include distributed voting, smart contracts, asset registration, notarization and many other applications that we've never thought of before. The technology is now a crucial component of global business-to-business and business-to-consumer trade and goods. Growth is anticipated to be aided by the increasing use of blockchain in applications including digital identities, payments, exchanges, and documentation in the banking, financial services, and insurance sectors.

Over the past year, we've seen (and analysed) many blockchain applications ma-

terialize and gain momentum, such as Decentralized Autonomous Organisations (DAOs), Non-Fungible Tokens (NFTs), Tokenisation, Smart Contracts, Blockchain domains (ENS Domains, Unstoppable Domains) and more.

REGULATORY DEVELOPMENTS

On the regulatory side, governments around the world are moving forward with their blockchain and crypto-assets policies, some trying to stop the evolution by banning cryptocurrencies completely and others, like Europe, taking major steps forward in harmonising their legal and policy frameworks relating to crypto assets. EU's Digital Finance package, which includes a digital finance strategy and legislative proposals on crypto-assets (MICA, DLT pilot regime) and digital resilience (DORA), aims to support the digital transformation of the financial sector and the development and use of new financial products in the EU, while at the same time safeguarding consumer rights and financial stability.



EXCHANGES

While it's true that we are going through turmoil, with some centralized exchanges closing in the last few months, this was due to human failure rather than insufficient regulation or a corrupted codebase. Although the cryptocurrency economy is still relatively young, some industry analysts think that its future may be enhanced by the shutdown of some exchanges which do not follow a transparent policy. The view is that the current weakened market is a great chance for the industry to become more transparent with potential customers. Instead of blaming the crypto industry in general, recent exchange-related incidents show that Web3 technologies that are genuinely decentralised, transparent and open, may better safeguard consumers and create a more equitable and robust digital financial system. The necessity for data-rich, transparent accounting and compliance systems that safeguard participants while still protecting an individual's privacy is well demonstrated by this.

THE FUTURE

The future of our economy will be dominated by blockchain and crypto assets. They have been invented so they will play a role in the future of our world – this technology cannot be undone.

As blockchain technology in general and bitcoin in particular are still in their infancy, we have just scratched the surface of this space. Can you even begin to anticipate what the future will bring when today's brightest minds in technology are talking about bitcoin and blockchain?

GZG**Tech**

The GZG**Tech** department of George Z. Georgiou & Associates LLC is currently considering processes that might be simplified and enhanced, using technological innovations like Blockchain, which will allow us to handle large quantities of administrative work and deliver faster to our clients. On all projects, our specialists work closely with and complement the strategic legal advisory services provided by the other practice groups in the Firm. This combination of legal expertise and leading technology working seamlessly together enables our teams to arrive at informed decisions faster and more efficiently, enabling us to deliver better outcomes for our clients.

In the last two years, GZG**Tech** has participated in many national and international events and authored numerous publications regarding Blockchain, crypto assets, their use cases and regulatory developments regarding the sector. Our aim is to help shape the legal tech market in Cyprus, blend our technical and legal capabilities and solve our clients' complex problems with compliant by design solutions.

The GZG**Tech** department is headed by Vasilis Charalambous, vice president of the

Technology Committee of the Cyprus Bar Association, a member of the International Association for Trusted Blockchain Applications (INATBA) and the Tech London Advocates Blockchain Legal and Regulatory Group.

GZG**Tech** provides clients with information about the most important innovative advances in technology. It collaborates closely with external IT experts, programmers and engineers to provide a complete service to clients.

The team combines legal and business expertise to help clients with the daily running of their IT business, drafting and negotiating agreements, solving complex problems, understanding regulatory and legal issues and acting in contentious matters.

The GZG**Tech** team advises on legal matters relating to (but not limited to)

Fintech, Regtech, Insurtech, Healthtech, Proptech, Distributed Ledger Technologies, Internet of Things, Information Technology, Machine Learning, Electronic Commerce, Blockchain, Crypto assets, Artificial Intelligence, Software, app and website development agreements.

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