



## **LSTA Publishes Second of Three White Paper on Blockchain and Distributed Ledger Technology**

March 1, 2018 - Today, the LSTA has published Part Two of a three part White Paper on Blockchain and Distributed Ledger Technology (DLT). Part Two discusses the concept of smart contracts, explains the relationship between traditional legal agreements and computer code, and explores how smart contracts can build on the innovation of blockchain technology and has the potential to allow parties to structure and effectuate transactions in a more efficient and secure manner than traditional contracts. In the context of the loan market, it examines the origination of a syndicated loan on both a non-DLT network and a DLT network. In addition, Part Two discusses how existing legal regimes will apply to smart contracts, and highlights how such technology must still comply with KYC and AML requirements, anti-trust laws, and federal and state electronic signature laws.

Part Three of the White Paper, which will be published next month, will discuss the tremendous potential of this new technology when effectively utilized in well-developed use cases, its potential impact on the loan market, and the different challenges that must be overcome before such smart contracts become commonplace.