The Distributed Future
Regulatory, Tax and Accounting Challenges
To help organizations navigate accounting issues related to digital assets and distributed ledger technologies, including blockchain. We offer a platform for our members to contribute their knowledge and expertise while fostering best practices.
History: Of Ledgers and Monetary Change
Uncertainty

Fig. 1—(a) Centralized. (b) Decentralized. (c) Distributed networks.
Digital Asset Regulation

- Distributed transactions
- Psuedo anonymous users
- Hard to characterize tokens
- No single “throat to choke”
- Willful disregard for regulations
Areas of Uncertainty

Audit and Accounting
- Considerations:
  - New Asset Class,
  - Treatment/Analogy,
  - Proof of Existence /Access
- Stakeholders:
  - SEC, PCOAB, AICPA, Big4

Taxation
- Considerations:
  - Capital Gain/Loss,
  - Income Wage/Self/Business,
  - Sales & VAT/Special Events
- Stakeholders:
  - IRS, States, Nations,
  - AICPA, ABA

Regulatory Compliance
- Considerations:
  - Classification, Jurisdiction,
  - Multiple Regulatory Regimes,
  - AML/KYC
- Stakeholders:
  - SEC, Treasury, G20,
  - Digital Chamber, SROs

Internal Controls
- Considerations:
  - Fraud/Hacks,
  - Smart Contracts,
  - Custody & Private Key Mgmt.
- Stakeholders:
  - Congress, COSO,
  - Exchanges, Investors
• Rights
• Contracts
• Costs

Fig. 1—(a) Centralized. (b) Decentralized. (c) Distributed networks.
I’m reasonably confident … that the blockchain will change a great deal of financial practice and exchange, 40 years from now, blockchain and all that followed from it will figure more prominently in that story than will bitcoin.
Dialog / Q&A
Contact

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Objectives

• Upon completion of the session, you will be able to:
  • Describe the difference between centralized, decentralized and distributed industry structures
  • Discuss major areas of uncertainty for businesses arising from this phase shift in structures
  • Frame current events and future policy proposals and business strategies in light of this structure shift and continuing uncertainties
Biography

David Deputy brings a wealth of experience in finance, tax and enterprise software across three continents. Beginning his career as a regulatory analyst at the Federal Home Loan Bank during the S&L crisis, he later served in operational and strategic roles at both fortune 500 corporations and software firms. He is currently in a leadership role in Vertex Labs, a client centric new product incubation unit within Vertex, an established regulatory tax technology company.

He also serves as President of the Accounting Blockchain Coalition, a nonprofit industry association focused on educating tax and accounting professionals on industry specific issues related to digital assets and the application of blockchain technologies as well as an active member of the Chamber of Digital Commerce. He is a frequent conference speaker and often contributes articles to tax, IT and blockchain specific trade publications and media. He has degrees from Cornell, University of Florida and attended executive education courses at Harvard. He is married with two children, speaks Japanese and resides near Philadelphia.