



# Teton Trust Company



Custody of Digital Assets in Wyoming

# What is a Blockchain?

It is not just a cryptocurrency vehicle.

Invented by Satoshi Nakamoto.

His aim was to create an international currency that could operate without financial intermediaries (banks).

To do this he created Blockchain technology.



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# Blockchain Terminology?

A blockchain is analogous to a bank vault, holding safety deposit boxes, but each box holds only part of the asset that comprises an investor's wealth. But in this case the boxes are computers.

Another analogy is a jigsaw puzzle. Only when all the pieces are fitted together, do you see the whole picture. In this case, each piece of the jigsaw is contained in a separate computer.



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# Terminology

- “Block” is the total transactional data that has taken place in ten minute intervals
- “Key” is the code that enables access to a block of data
- “Hashing” is the process whereby the block transactions are encoded.
- “Nonce” is the whole number that identifies the hashed number
- “Chain” is the whole history of a block of digital data, that is contained in the constantly changing digital transactional data in each block



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# The effect of Blockchain

Blockchain is a system protocol, deployed over a network of computers (a farm) allowing for a virtually incorruptible (and unhackable) database, by reason of the impossibility of obtaining sufficient information to access the block of data at any one time.



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# Digital Assets

Digital assets are notional bundles of rights and obligations, contained in a block of data, which is only accessible by the case of a token (the equivalent of a bitcoin)



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# The Swiss Financial Markets Supervisory Authority categorises digital tokens in 2018

- Payment tokens: what we call cryptocurrencies
- Utility tokens: tokens that give access to a digitally stored application or service
- Assets tokens: these can encompass assets such as company shares, bonds or derivations. These include physical assets that can be traded as a blockchain.



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# Wyoming and Digital Assets

Wyoming has adopted a similar categorisation. Further, it has eliminated the need for ownership of these assets by a custodian.

Under Wyoming law investors in digital assets will still directly own their digital assets under custody as a bailment, which means they retain direct ownership while merely giving up control <sup>(1)</sup>



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<sup>(1)</sup> Caitlin Long – Forbes, 4 March 2019