



# The Distributed Future

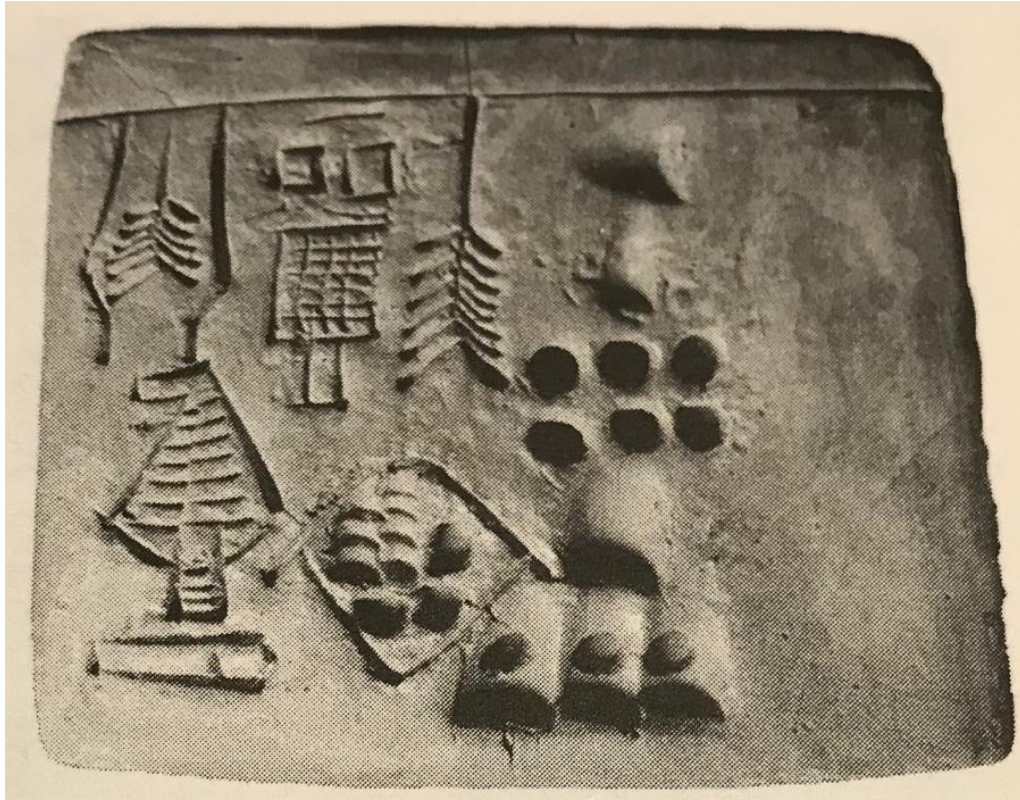
## Regulatory, Tax and Accounting Challenges

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

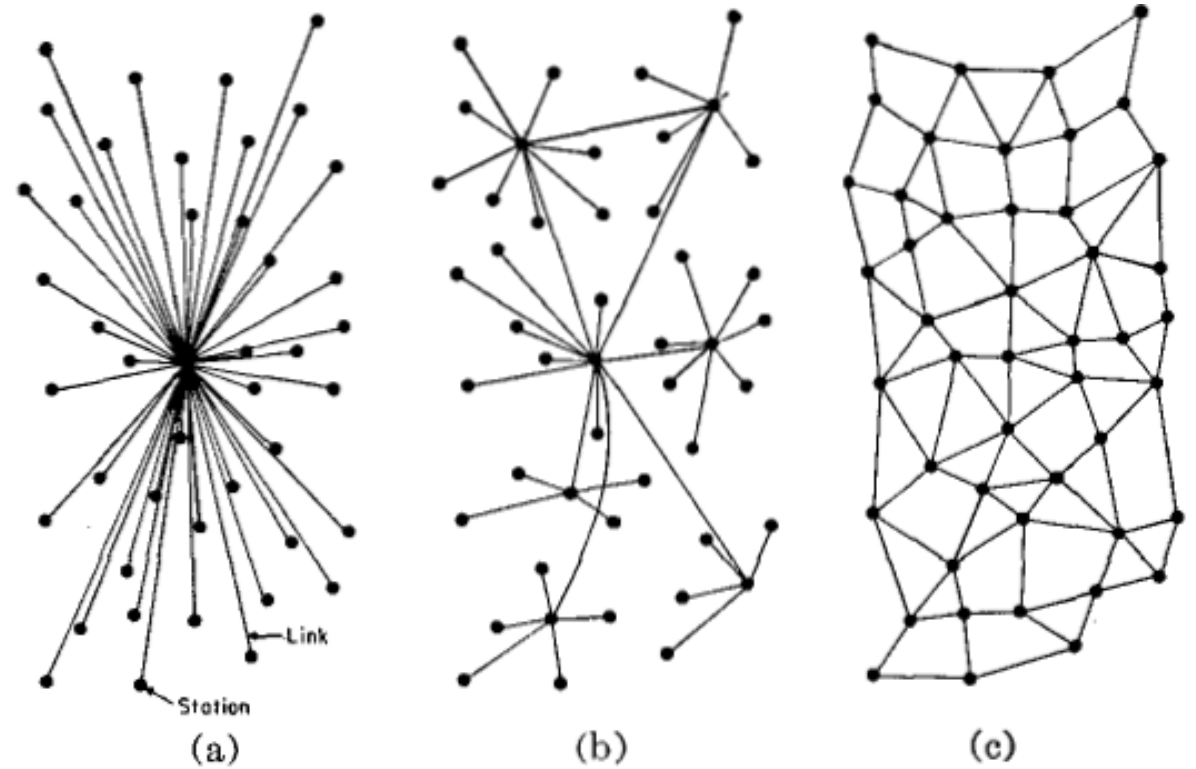


Fig. 1—(a) Centralized. (b) Decentralized. (c) Distributed networks.

# Digital Asset Regulation



- **Distributed transactions**
- **Pseudo anonymous users**
- **Hard to characterize tokens**
- **No single “throat to choke”**
- **Willful disregard for regulations**

## 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

# Areas of Uncertainty

- Rights
- Contracts
- Costs

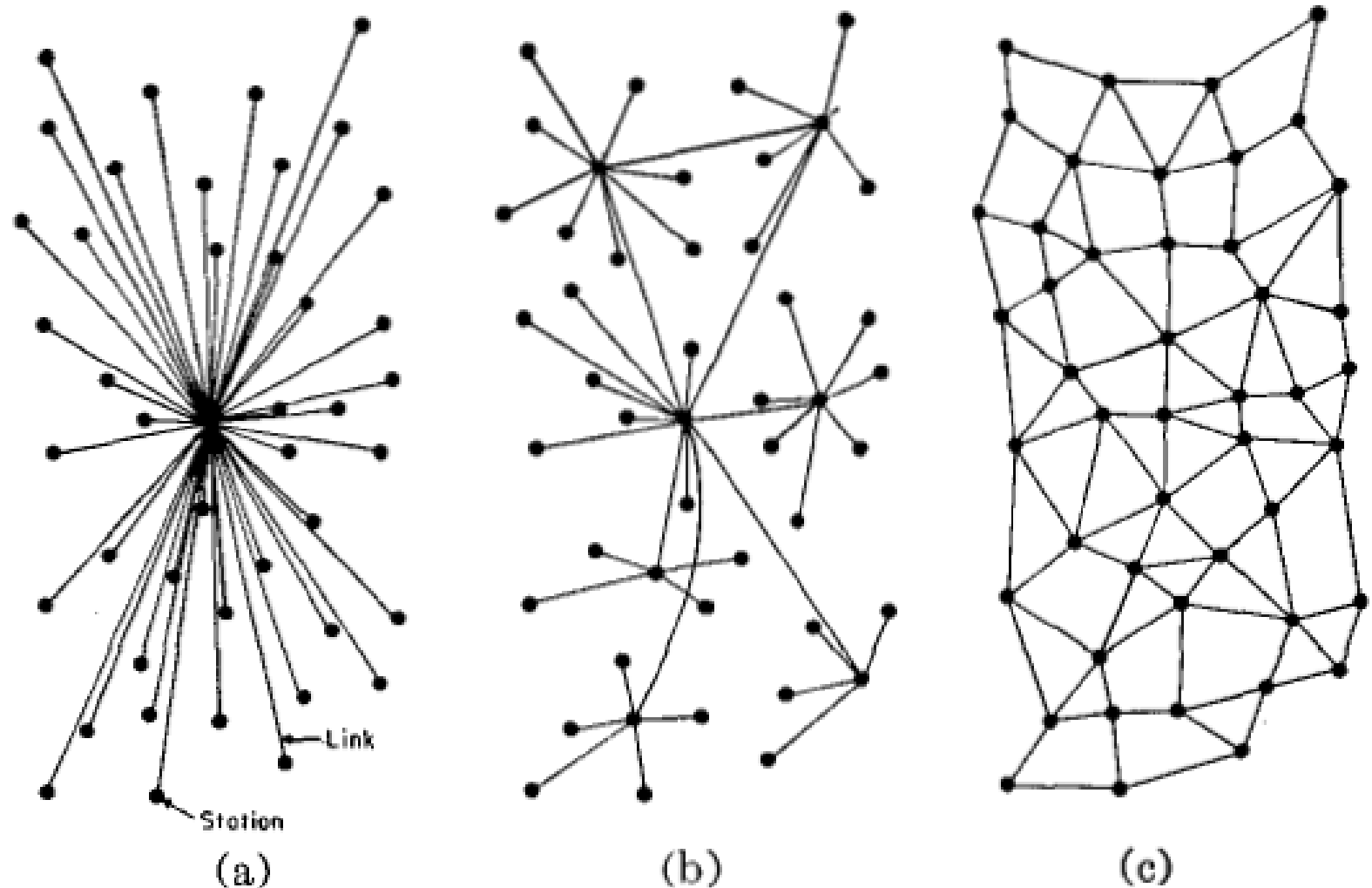
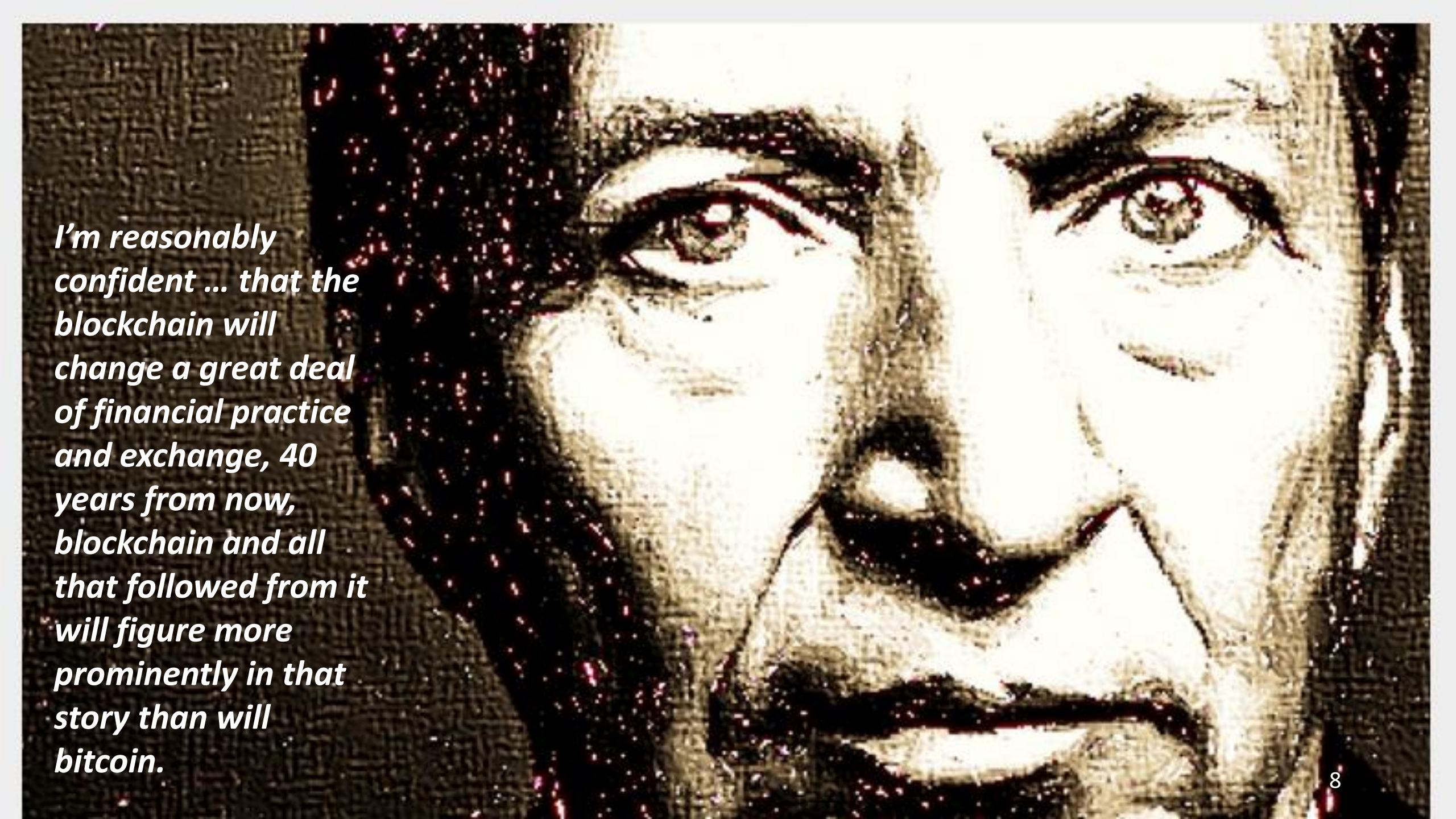


Fig. 1—(a) Centralized. (b) Decentralized. (c) Distributed networks.





*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.*



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# 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.