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City Bar Launches Task Force on Digital Technologies

Issues Report on New York’s Uniform Commercial Code

New York, February 16, 2022 – The New York City Bar Association has launched a Task Force on Digital Technologies to engage on issues involving recently developed and emerging technologies that are having a substantial impact on legal practice and policy, as well as on the U.S. and global economies. The Task Force aspires to become a center of excellence and thought leadership on digital technologies issues and provide a leading source for stakeholders who wish to track developments in digital technologies.

Among the Task Force’s first activities is a [report](#), released today, endorsing enactment of the New York version of the Amendments to the Official Text of the Uniform Commercial Code (2022).

The Emerging Technology Amendments are designed to modernize, rationalize and clarify New York’s UCC so that it effectively governs transactions in digital assets. The amendments would apply to certain digital assets the unique characteristics of New York law that facilitate the negotiability of written instruments and, thereby, enhance transactional certainty.

“Most importantly, the Amendments utilize the concept of a ‘controllable electronic record’ to provide legal recognition for, and thereby facilitate the creation of, a broad range of new forms of intangible property or digital assets (rather than limiting digital assets to specifically enumerated types of property) and to define the rights of purchasers of such digital assets in order to enhance their commercial utility,” the report states.

The amendments would tailor the rules of the UCC to make them more appropriately and usefully applicable to cryptocurrencies, crypto-tokens, electronic money, electronic promissory notes and bills of exchange, and to any existing or future forms of payment obligations evidenced by a controllable electronic record payable to the person in control, which are maintained on distributed ledger platforms, or any future technology platforms, satisfying the criteria for a controllable electronic record.

“Enactment of the Amendments is necessary to preserve New York’s preeminence as a leading commercial jurisdiction by adapting New York’s Uniform Commercial Code to recent and

potential future developments in technology and related new methods of doing business,” the report states.

The Task Force on Digital Technologies has approximately 90 members, representing 44 City Bar Committees, and adjunct members, who will track and report on developments in digital technologies; make recommendations for market participants and policymakers; host webinars, seminars and Continuing Legal Education (CLE) programs; and facilitate discussions among the legal community and the public on the use, trends and regulatory landscape of digital technologies.

In January, the Task Force produced a program on Cybersecurity, Privacy and Data Protection to satisfy the new Continuing Legal Education requirement in that area. The Task Force has established 11 subcommittees, each of which focuses on a discrete area of digital technologies. The subcommittees are currently exploring issues in Artificial Intelligence; Cryptocurrencies; Cybersecurity; the Digital Divide; Distributed Ledger Technology and Blockchain; Electronic Transportation Services; the Metaverse; Non-Fungible Tokens; Payment Services and Systems; Privacy; and Web3.

According to its co-chairs – Lorraine McGowen, Edward So and Jerome Walker – “the goal of the Task Force is to be an important resource that addresses issues in digital technologies for the benefit of the legal community, policymakers, market participants, regulatory agencies, law enforcement and the general public.”

Read the report here: <http://bit.ly/3Iu5fUZ>

About the Association

The mission of the New York City Bar Association, which was founded in 1870 and has over 23,000 members, is to equip and mobilize a diverse legal profession to practice with excellence, promote reform of the law, and uphold the rule of law and access to justice in support of a fair society and the public interest in our community, our nation, and throughout the world. www.nycbar.org