The Blockchain Revolution, Smart Contracts and Financial Transactions

Blockchain-based smart contracts have enormous potential to streamline financial transactions and reduce the counterparty risk associated with monitoring or enforcing contractual obligations, write **Nicolette Kost De Sevres**, **Bart Chilton** and **Bradley Cohen** in **an article** published on the website of DLA Piper.

“Although the blockchain was developed to facilitate cryptocurrency transactions, entrepreneurs are now developing the technology for use in smart contracts,” the explain. “To develop a smart contract, the terms that make up a traditional contract are coded and uploaded to the blockchain, producing a decentralized smart contract that does not rely on a third party for recordkeeping or enforcement. Contractual clauses are automatically executed when pre-programed conditions are satisfied. This eliminates any ambiguity regarding the terms of the agreement and any disagreement concerning the existence of external dependencies.”

Read the article.