How to Think About “Smart” Contracts

Lance Koonce, writing on Medium.com, discusses the meaning of “smart” contracts, saying, “Before we can decide whether smart contracts are going to bring significant change to business and law, we first need to make sure we’re all talking about the same thing.”

“It does seem that everyone is talking about smart contracts. People tend to line up on one side or the other: Either smart contracts are going to have a revolutionary impact on business, or they are doomed to fail,” **Koonce writes**.

He contends that in some situations a smart contract really just a transaction, and in others it’s more like a legal contract.

“One way to view these two different categories of smart contracts is just to see them along a scale, from existing legal contracts, to legal contracts that are partially reduced to code, to transactional terms completed reduced to code. Which type we chose will depend on a variety of factors, and in particular on balancing the need for efficiency and speed with the need to cover all contingencies,” he explains.

Read the article.