

What is a Smart Contract?

A Bloomberg BNA article by two Holland & Knight lawyers on **blockchain technology** and its potential application to the legal industry sets out basic concepts and terminology surrounding smart contracts.

While there is no universally accepted definition of smart contracts, write partner Joe Dewey and associate Shawn Amual, “most people involved with the blockchain would expect at least the following three elements in order to consider something to be a smart contract: i) the transaction must involve more than the mere transfer of a virtual currency from one person to another (i.e., a payment transfer), ii) the transaction involves two or more parties (as every contract must), and iii) the implementation of the contract requires no direct human involvement after the smart contract has been made a part of the blockchain. It’s this last element that makes these contracts “smart,” and therefore, merits a more detailed discussion.”

Read the article.