

UNDERSTANDING BLOCKCHAIN & DIGITAL ASSETS

You've heard of cryptocurrency, but do you know what it is? Simply put, it is a type of digital asset — an electric file of data used as a currency in transactions or a means of storing intangible content. These digital assets are enabled by blockchains — technological solutions designed to securely record the information on a network for peer-to-peer use.

Why Hold Digital Assets?



Can be issued quickly



Are easily accessible



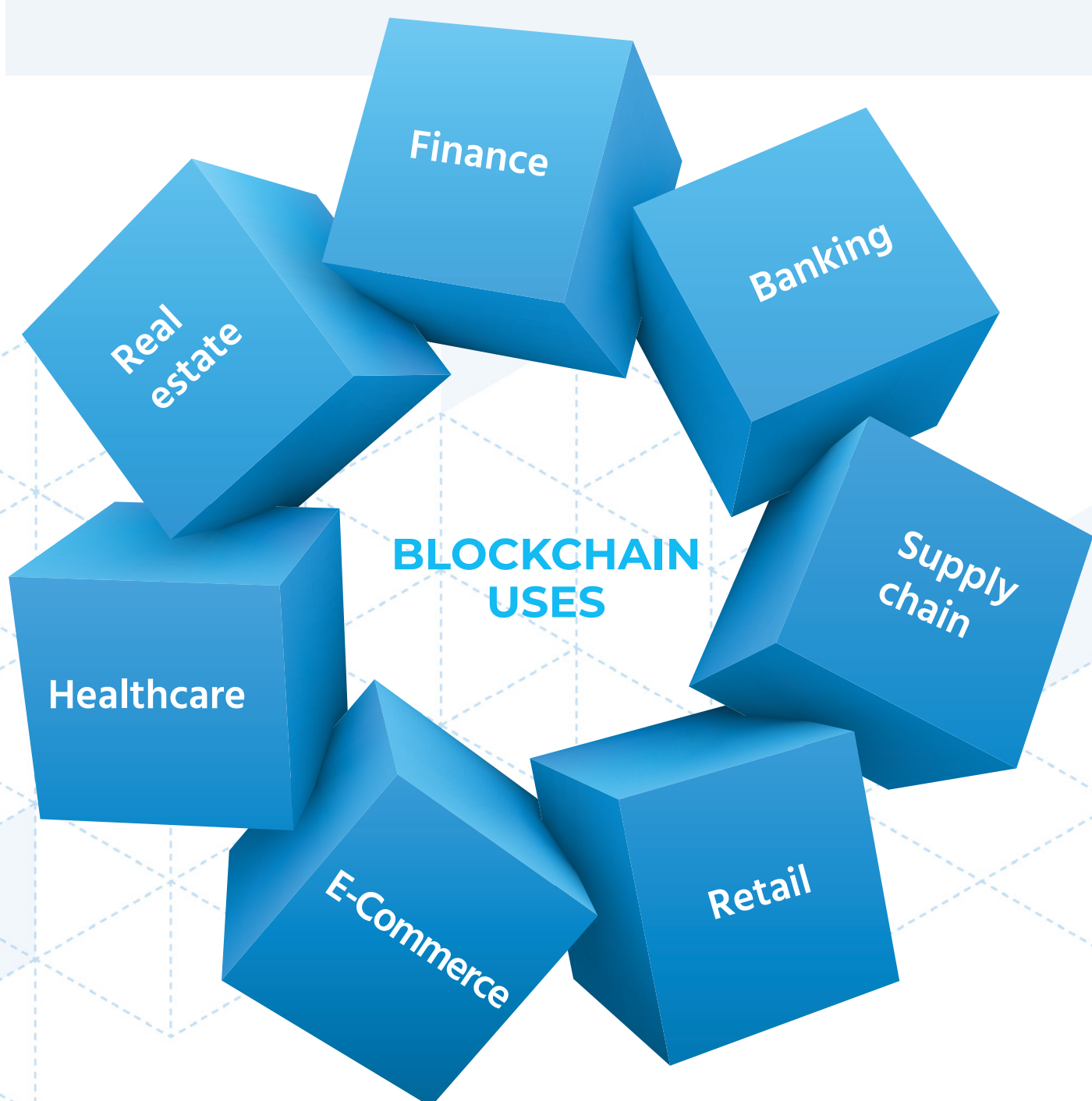
Centralize the collateral for digital marketing



Streamline the transaction process



Boost efficiency of online transactions



Types of Digital Assets?

Crypto assets

- Creating a coin to fund a project
- Investments
- Payments

Stablecoins

- Cross-border payments and transfers
- Foreign exchange
- Payments

Non-fungible tokens (NFTs)

- Ownership of virtual items
- Proving identity
- Tokenizing elements of the supply chain for tracking purposes

Central bank digital currencies (CBDCs)

- Cross-border payments and transfers

Security tokens

- Tokenized versions of real-world assets
- Tokenized versions of stocks and bonds



The Role of Marketplaces

Often, digital assets are sold through an online marketplace where users exchange them for products and services, such as a real-world experience or digital products like NFTs. As NFTs and other digital assets become more widely used, states are considering implementing a sales tax on blockchain transactions. Having a thorough understanding of this is important for those who will be expected to abide by such regulations.

