

## **Policy Statement of Electronic Signatures & Records Association on the Implications of Blockchain Technology to Electronic Signatures and Records Laws**

The Electronic Signatures & Records Association (“ESRA”) recognizes the potential benefits of the development, standardization and deployment of blockchain and other distributed ledger technologies. These technologies present new opportunities for multiple sectors and will enable transactions to be conducted and records to be stored in an efficient, secure, transparent and immutable environment.

ESRA supports and encourages uniformity and interoperability of technology without preferring one technology over another. ESRA promotes the principle of technology neutrality, exemplified by E-SIGN and UETA, in contemplating the introduction of new technologies and processes. ESRA believes that blockchain technology can coexist under current federal and state electronic signature and records laws.

Consistent with the principles above, ESRA further supports and encourages adoption of blockchain and other distributed ledger technologies through enabling laws, regulations and standards that:

- (a) Are technology neutral, focusing on the desired outcomes rather than on the technical means by which outcomes are achieved;
- (b) Advance, enable and support the adoption and recognition of blockchain and other distributed ledger technologies; and
- (c) Are consistent with E-SIGN and UETA.

ESRA opposes laws, regulations and standards that create new or more stringent requirements for use of blockchain and other distributed ledger technologies when compared to requirements for non-electronic records.

***Innovation*** -- ESRA supports innovation and recognizes the opportunity for new technologies to enhance and improve today’s processes in areas such as “smart” transactions, records management, security, efficiency and user experience. Electronic technologies such as blockchain can, without limitation:

- (a) Generate valid, reliable and immutable blockchain transaction records which contain an inherent audit trail;
- (b) Utilize data and technology to improve identity validation;
- (c) Replace centralized repositories of transaction records that require extensive security and protections against tampering with distributed records that are self-checking and self-verifying; and
- (d) Enable governments and businesses to respond to the increasing demands of citizens and consumers for secure, trusted records.

***Interoperability*** – ESRA supports blockchain and distributed ledger standards and best practices that can be adopted within and across industries and geographies, leading to broader acceptance and adoption. ESRA reaffirms the importance of uniformity of statutes and rules to boosting

long-term adoption of electronic processes such as blockchain and distributed ledgers, and supports:

- (a) Expansion of education and use;
- (b) Industry collaboration as well as input into laws, regulations and standards that may affect blockchain and distributed ledgers;
- (c) Laws, regulations and standards that support interoperability between blockchains and distributed ledgers across jurisdictional lines; and
- (d) Interoperability between blockchains and distributed ledgers to facilitate adoption and support.

***Removal of barriers*** – ESRA opposes laws and rules that create new or more stringent requirements for the legal effectiveness of electronic signatures, contracts and records created using blockchain or other types of distributed ledger technology.

- (a) ESRA favors reliance on E-SIGN and UETA for the creation of electronic transactions and records using blockchain or other types of distributed ledger technology.
- (b) ESRA encourages law and policy makers to acknowledge the applicability of E-SIGN and UETA to electronic transactions and records created through blockchain or other types of distributed ledger technology.
- (c) ESRA opposes government agency prohibitions or limitations on the acceptance and use of, and reliance upon, blockchain or other types of distributed ledger technology in transactions with vendors and customers of governmental services, except to the extent permitted by E-SIGN and UETA.

***Security and Verifiability*** – ESRA promotes awareness that electronic processes can provide equivalent or even heightened security, verifiability and transparency over processes performed by paper-based means.

Specifically, the data durability that comes from a decentralized network, and the transparency and immutability of data stored in a distributed ledger technology have the potential to make digital transactions dramatically safer, removing errors and cost while increasing reliability.

### ***About ESRA***

The Electronic Signature & Records Association (ESRA) is the premier trade association representing organizations that adopt or provide electronic signature and document technology. Founded in 2006, ESRA's mission is to further public policy and educate its members and the general public on current legal, regulatory and operational issues regarding the use of electronic signatures and records.

Globally, ESRA leads endeavors to advocate the use of electronic signatures and records, promote process efficiencies and provide educational resources to the public, businesses and government. ESRA frequently issues position statements on pending legislation or rulemaking, and ESRA may also offer policy positions that seek to change current laws or rules that do not comport with ESRA's mission.