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## FINRA Issues Report on Implications of Blockchain

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On January 18, the Financial Industry Regulatory Authority, responding to increased industry interest in distributed ledger technology (DLT) known as “Blockchain,” issued a report on the uses and potential implications of this technology in the securities industry.

The report provides an overview of DLT and its applications in various markets as well as discussing governance, operational structure and security concerns. The report also discusses regulatory challenges for broker-dealers, noting that a DLT network may create new ways to hold customer funds, impact a member firm’s net capital requirements, afford market participants the ability to develop and maintain certain records on the network itself, and alter clearance and settlement processes.

The report does not suggest new rules or guidelines, but instead seeks comments on the challenges associated with DLT and is intended to be an initial contribution to an ongoing dialogue with market participants.

The FINRA report is available [here](#).

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**Katten**  
Katten Muchin Rosenman LLP

Article By  
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