

KN Tech Law Roundup

Winter 2022

As 2021 starts to disappear in the rear-view mirror, now is a good time to take stock of the UK tech sector in the year gone by. The picture is overwhelmingly positive given that 2021 represented a [record-breaking year for investment into the UK tech industry](#) with £29.4 billion flowing into the sector, the most ever invested in a single year and a sum which represents 2.3 times more than the £11.5 billion invested in 2020.

A trickle of articles in the mainstream media at the start of 2021 on non-fungible tokens (NFTs – crypto tokens traded on blockchains most-commonly used to attribute ownership of digital artwork) became an avalanche by the end of it. Given that the total value of trade for NFTs was estimated to be worth some \$40.9m in 2021, it's unsurprising that Collins Dictionary made 'NFT' its [word of the year](#), which is apt for arguably the biggest new mainstream tech trend in 2021. However, many consumers seem unaware that the purchase of a NFT rarely results in ownership of the intellectual property rights in the underlying artwork. In addition, it's been revealed that some employees of NFT marketplaces have been conducting ['insider trading'](#) with a view to increasing the already sky-high valuations of NFTs. There are also increasing concerns that consumer crypto trading activity is largely an expression of [compulsive gambling addiction](#) fuelled more by 'fomo' (fear of missing out) rather than any real understanding of the value of the assets being traded. Will 2022 be the year when the regulators move in to increase regulation of a cryptoasset sector which remains largely unregulated? Watch this space.

The term that's on everyone's lips at the start of 2022 is Web3 (or Web 3.0), which refers to the third iteration of the internet. Web 1.0 is a reference to the 'read only' pages of the early web, whereas Web 2.0 refers to the user-generated content of the web as we currently know it, albeit with the data (and the ability to monetise it) concentrated in the hands of the social media giants. Web3 envisages an internet based on applications built using blockchains, which are therefore free of central ownership and allow users to profit directly from using and maintaining these networks (often by being issued cryptoassets, such as cryptocurrencies and NFTs). 2021 saw [significant investment into Web3 startups](#) and the expectation is for decentralised web applications to go mainstream in 2022. However, don't expect the Web 2.0 heavyweights to go down without a fight, particularly given that Facebook (or should we say 'Meta') is currently developing its [metaverse](#), a 3D virtual reality-powered evolution of current social networks where we interact digitally using avatars. Whilst 2022 may not be the year that we see the emergence of a truly decentralised Web3 utopia, the steps taken towards it should be compelling viewing.

We've curated a wide selection of our recent content for this first edition of the KN Tech Law Roundup in 2022, ranging from commentary on the [regulation of cryptoasset firms](#) and [tax breaks for innovative tech startups](#), to the [journey from social media influencer to tech entrepreneur](#) when influencers take steps to build and launch their own digital platforms.

Do get in contact with any of the team with your feedback or any suggestions for future topics you would like covered, or indeed if there is anything in this edition that you would like more information on.

Kind regards,
KN Tech Law Team

Blog

Framework Agreements: the customer contract model for technology service providers



In the latest blog Andrew Solomon discusses how technology service providers (such as managed service providers and IT consultancies) can use Framework Agreements to structure their customer contracts.

READ THE BLOG

Lifecycle of a Tech Startup series: Episode 9 - Research and Development Tax Relief

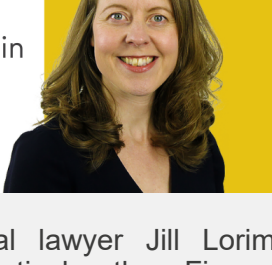


In the latest blog from our Lifecycle of a Tech Startup series, tax lawyer Matt Spencer answers some FAQs on research and development tax relief and provides some practical points to note.

READ THE BLOG

Blog

FCA as gatekeeper of UK crypto AML regime: two years in

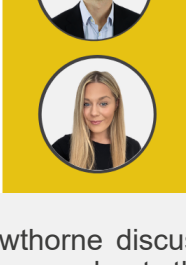


In this blog, criminal lawyer Jill Lorimer examines how effectively the Financial Conduct Authority (FCA), which became the anti-money laundering (AML) and counter-terrorist financing (CTF) supervisor for UK crypto-asset firms, has been performing its role as a gatekeeper of the new registration regime two years in.

READ THE BLOG

Blog

The journey from social media influencer to tech entrepreneur



Alex Torpey and Jordan Hawthorne discuss everything you need to know about the transition from social media influencer to tech entrepreneur. Alex and Jordan provide some of the key practical and legal considerations to help you start your own digital platform or an online business.

READ THE BLOG

WATCH

Raising investment for startups: shareholders' agreement

In this video Emer Hughes and Mei Chung discuss the key points of negotiation in a shareholders' agreement when looking at protective measures for founders and investors.





Angel Academe

Supported by Kingsley Napley for over five years, Angel Academe is an award-winning network dedicated to investing in female-founded tech businesses and introducing more women to angel investing. If you're a female-founded tech startup currently fundraising, applications are currently open for the [Angel Academe 2022 pitch events](#). If you're a high-net worth individual interested in knowing more about the angel investment process, you can find out more and contact the team on the [Angel Academe website](#).

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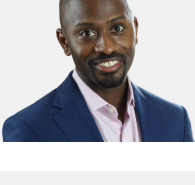
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Should you need assistance with any legal matters, especially those that are technology focused or investment related, please get in touch with our [Technology Law](#) and [Startup Investment](#) teams.

You can also follow us on Twitter via [@KNTechLaw](#) and on LinkedIn via our showcase page [Corporate, Commercial & Finance | Kingsley Napley](#)



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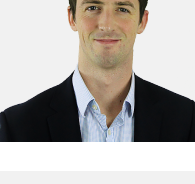
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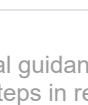


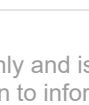
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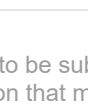


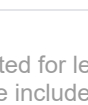
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