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DIGITAL ASSET INVESTMENTS & TRANSACTIONS:

KEY STRATEGIC, IP, AND TAX CONSIDERATIONS

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TODAY'S PRESENTERS

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WHAT WE WILL COVER

1.) **Strategic Opportunities in Digital Investments and Transactions**

– Key trends and best practices

2.) **The Importance of IP Rights in the Digital Revolution**

– The role of patents, trade secrets, copyrights and trademarks

3.) **Crypto, IP and Tax: Tax Structuring and Protection of IP Rights for Digital Asset Platforms**

– Global tax structuring and strategic IP management

STRATEGIC OPPORTUNITIES IN DIGITAL INVESTMENTS AND TRANSACTIONS

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A NEW RISK MINDSET FOR DIGITAL ASSETS STRATEGY

- Digital Assets: From Sidelines to Key Strategy
- Intentional, nimble, informed approach
- Market Context: Why Now
  - Convergence of TradFi and digital rails
  - Maturing M&A, JV, and investment activity
  - Stablecoins and alternative asset adoption

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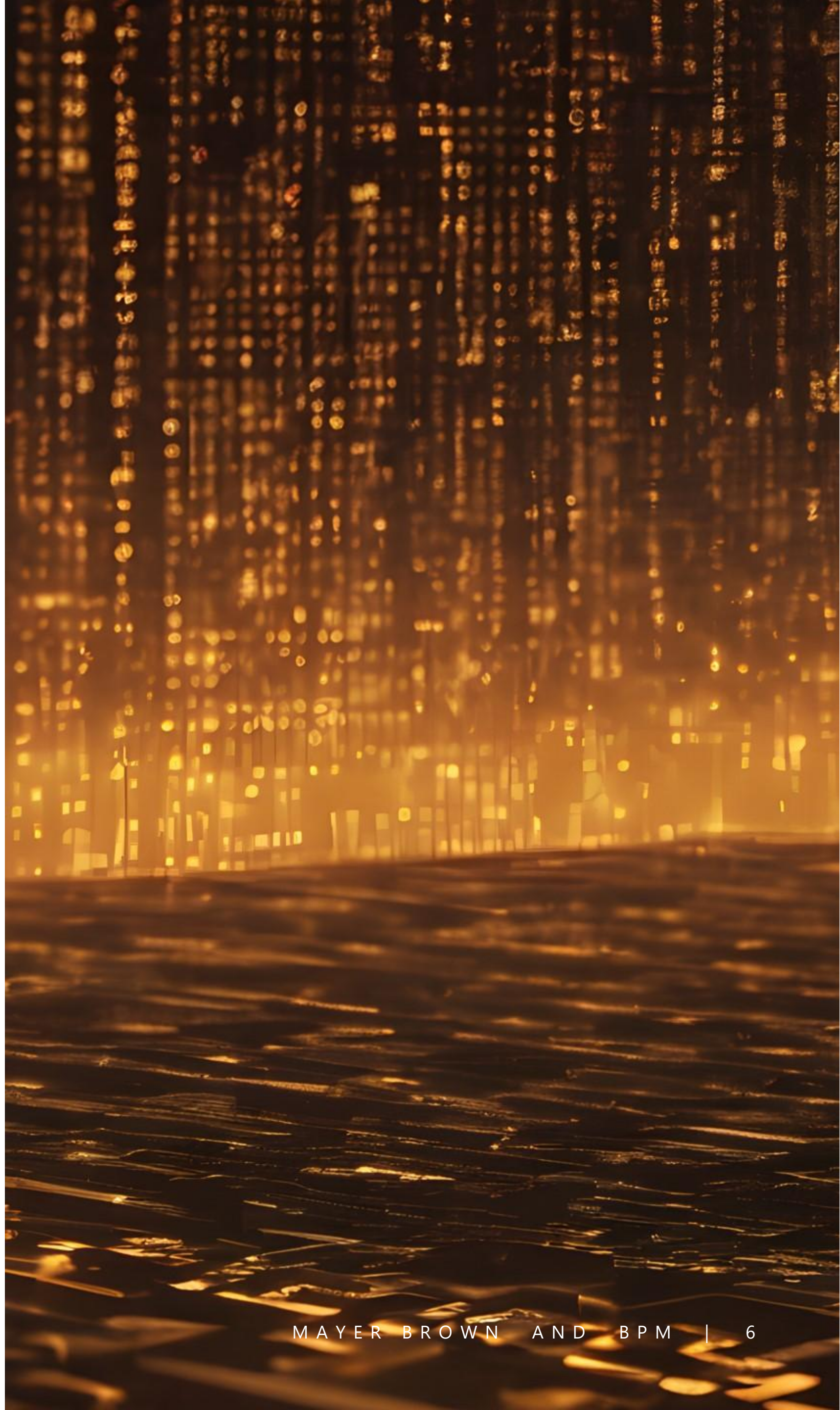
THE NEW RISK MINDSET

- Actionable knowledge, not noise
- Resist FOMO
- Intentional assessments and integration

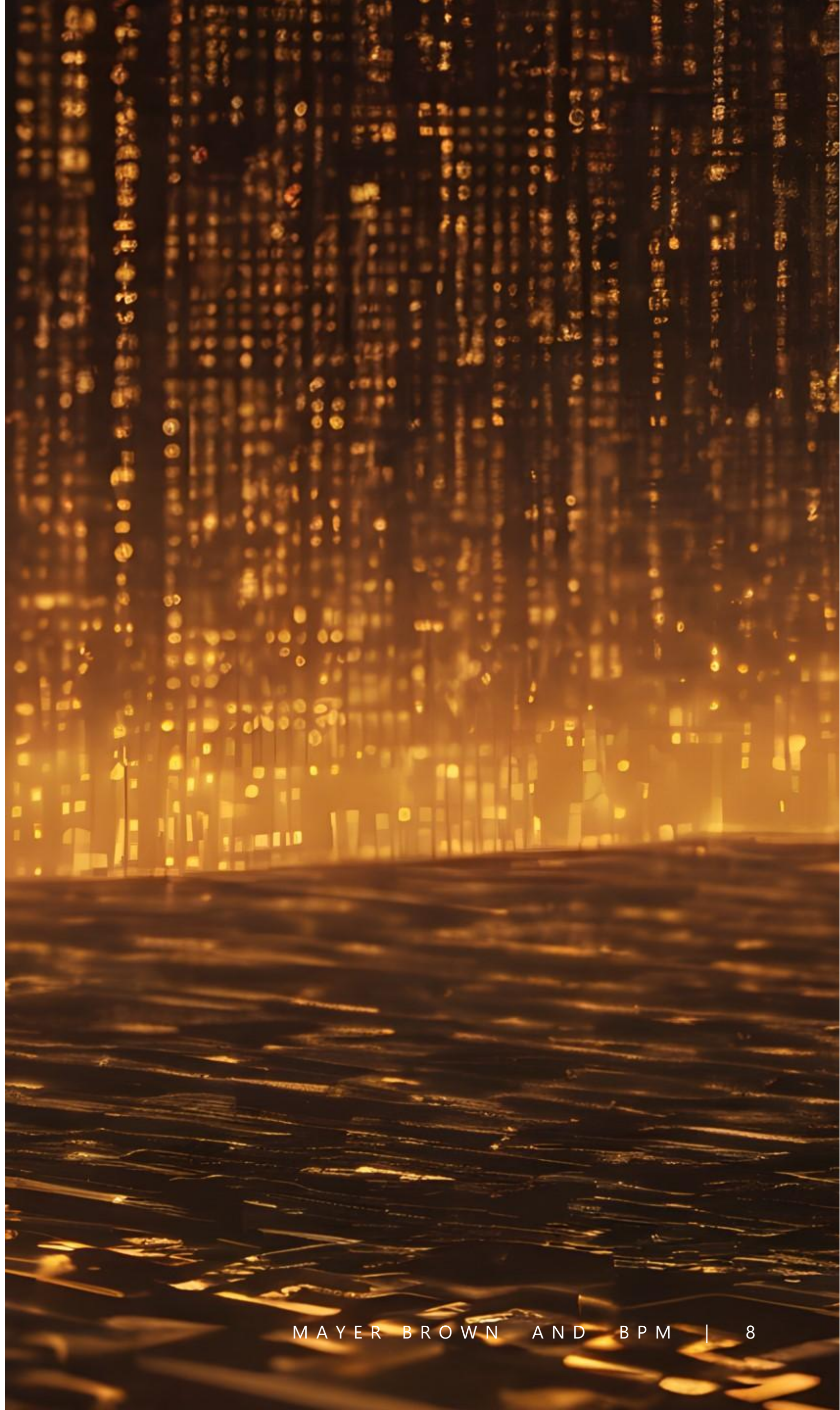


BEST PRACTICES – TURNING MINDSET INTO ACTION

- Create a digital asset strategic plan - four key questions to anchor strategy
- Operate with Eyes Wide Open
- Align strategy to customers, competitors, goals
- Build the Right Advisory Bench
- Operational Integration

EXECUTING STRATEGY THROUGH DEALS

- Address valuation challenges with creative deal structuring
- Risk allocation



WHAT A SUCCESSFUL STRATEGY LOOKS LIKE

- Speed with discipline
- Designed resilience to regulatory change
- Clear ROI and optionality

DIGITAL ASSETS AND IP

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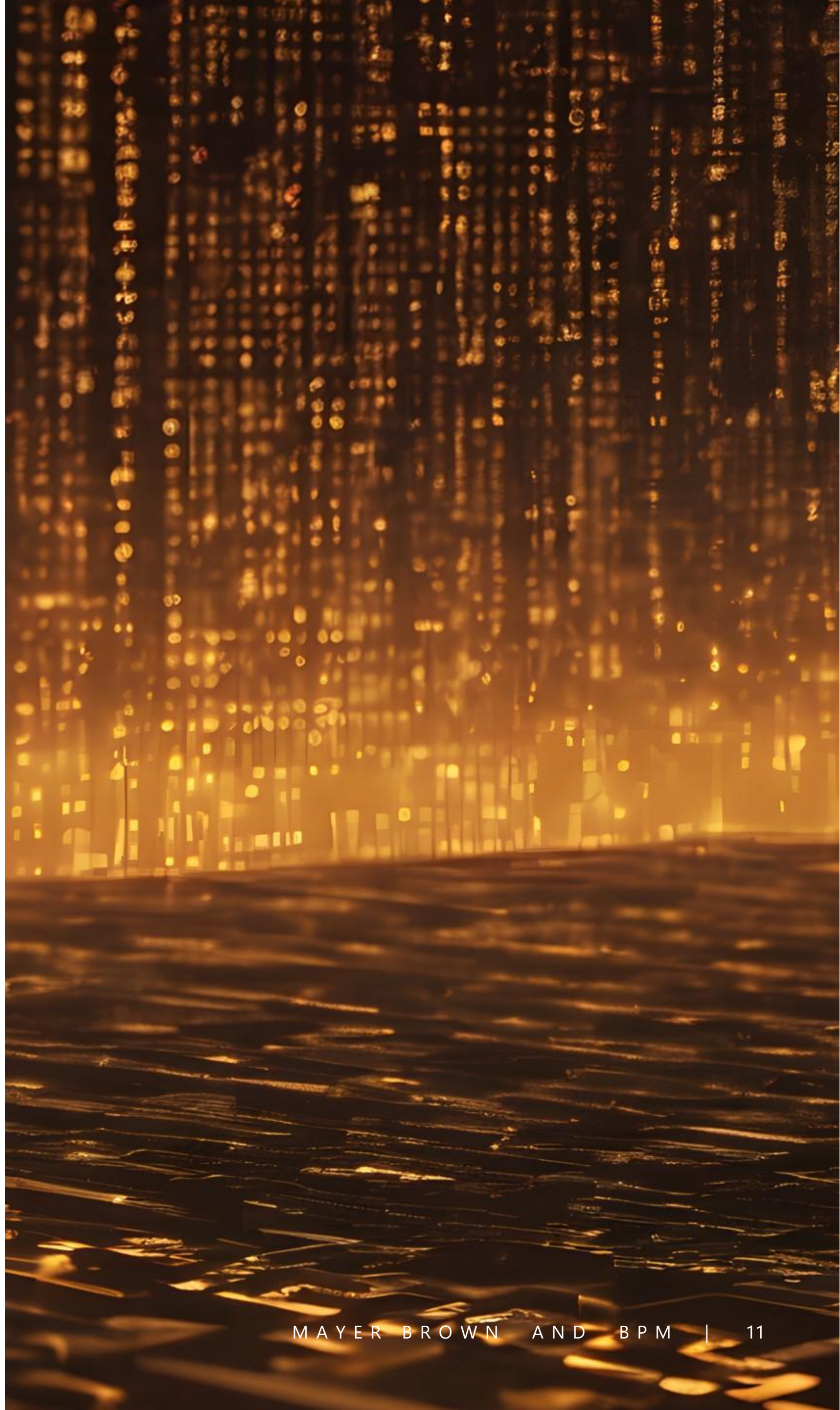
DIGITAL ASSET INNOVATIONS: REPRESENTATIVE EXAMPLES

- **CRYPTOCURRENCIES**
  - Digital currencies using blockchain
- **STABLECOINS**
  - A digital currency based on value of dollar
- **NFTs and REAL-WORLD ASSET TOKENS (RWAs)**
  - Physical assets converted into digital tokens
- **DECENTRALIZED FINANCE**
  - Smart contracts for financial services
- **AI-IMPROVED SECURITY**
  - Integrates AI with blockchain technology

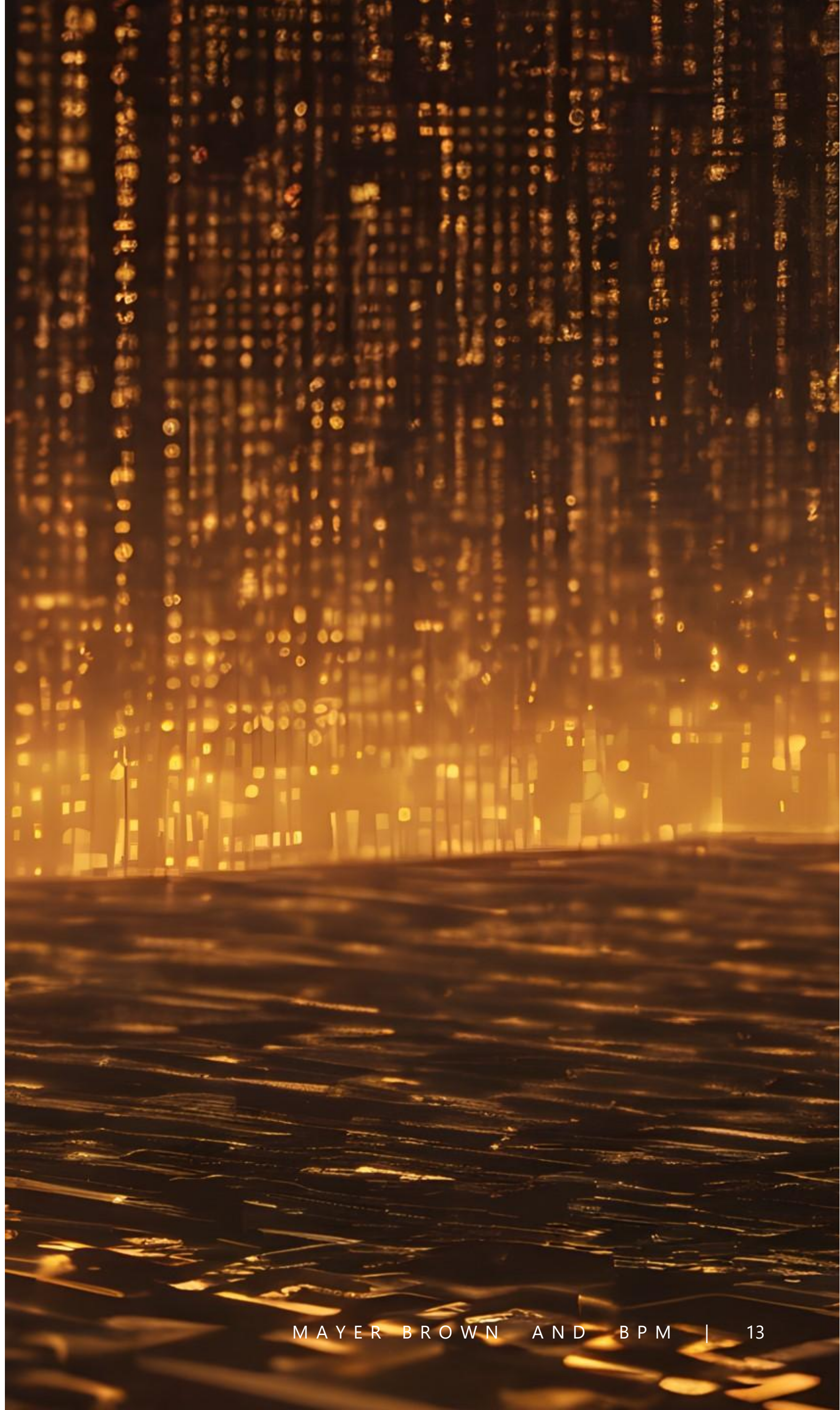


DIGITAL ASSET INNOVATIONS:
DIFFERENT TYPES OF IP PROTECTION

- **PATENTS**
  - Protects inventions (including methods & processes)
  - Exclusivity for 20 years
- **TRADE SECRETS**
  - Protects confidential data
  - Potentially unlimited duration
- **COPYRIGHTS**
  - Protects works of authorship
- **TRADEMARKS**
  - Protects brands and logos

DIGITAL ASSET INNOVATIONS: LIMITATIONS ON DIFFERENT TYPES OF IP

- **PATENTS (Inventions)**
  - Do not protect abstract ideas; only new technologies
  - Must meet strict novelty and non-obviousness criteria
  - Requires publication of the invention
- **TRADE SECRETS (Confidential Data)**
  - Requires reasonable measures to protect secrecy
  - Only effective as long as kept secret
- **COPYRIGHTS (Works of Authorship)**
  - Protects only expression of ideas

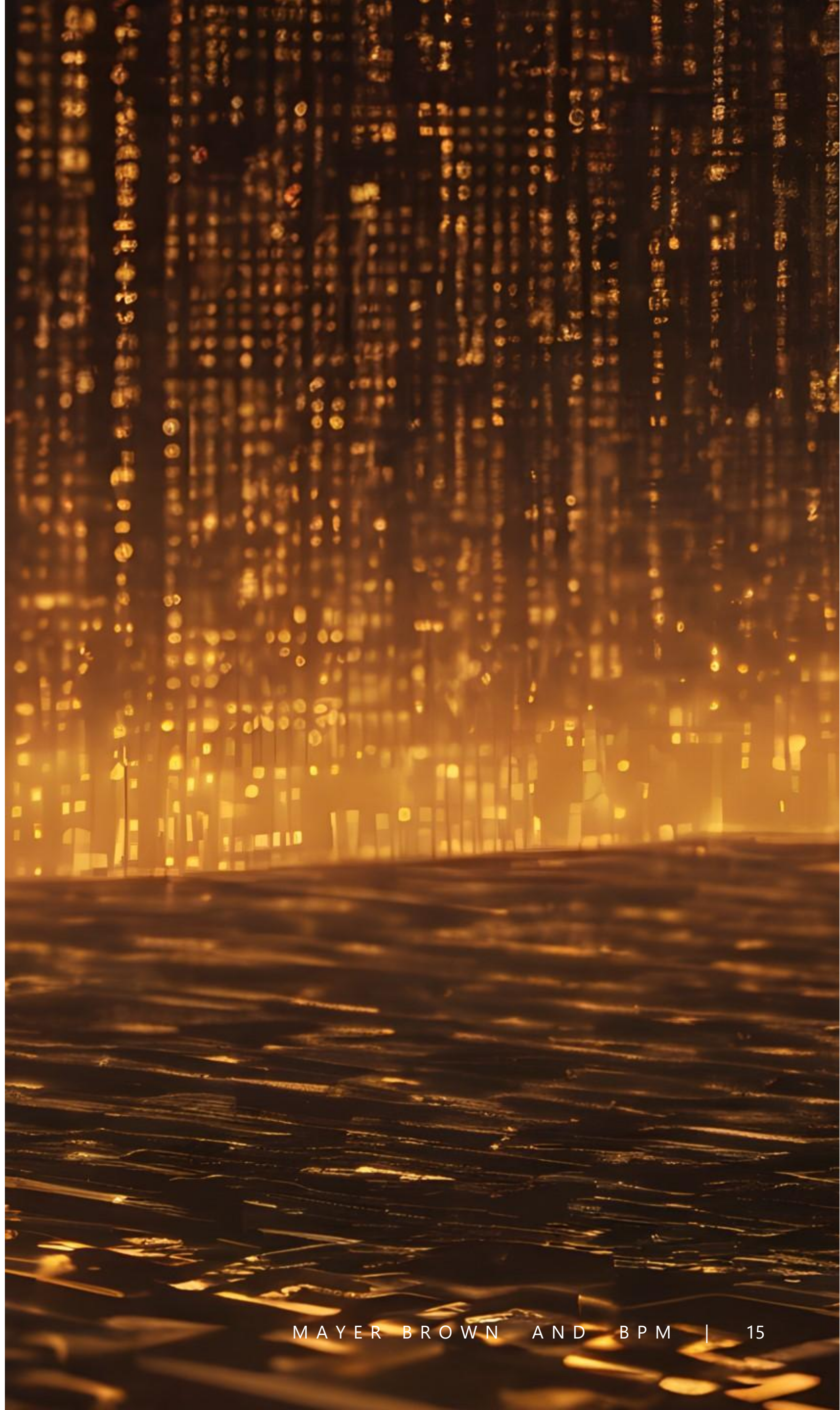


DIGITAL ASSET INNOVATIONS
EXAMPLES OF IP PROTECTION

- **PATENTS (novel inventions)**
  - Novel blockchain protocols; novel cryptographic techniques; novel smart contract protocols; novel ways to authenticate NFTs
- **TRADE SECRETS (non-public data)**
  - Proprietary algorithms; pricing mechanisms; unique business processes
- **COPYRIGHTS (works of authorship)**
  - Source code; software

DIGITAL ASSETS INNOVATIONS
STEPS FOR PROTECTING TRADE SECRETS

- **Identify the specific information that qualifies as a trade secret**
  - Must be confidential and not capable of being easily reversed-engineered
- **Designate the identified information as a trade secret**
- **Prevent disclosure with strong internal controls**
- **Prevent unauthorized access with strong internal controls**



DIGITAL ASSET INNOVATIONS
LICENSING DIGITAL ASSET IP

- **IP LICENSES TO AFFILIATES**
  - What affiliate will own the IP and what affiliates will be licensees
  - Every affiliate that uses the IP must have a license
  - Cross-border licenses to affiliates may raise tax issues
- **TRADE SECRET LICENSES (to Affiliates and to Third Parties)**
  - Ensure that all trade secrets are adequately defined
  - Ensure that the license has non-disclosure obligations
  - Limit field of use (e.g., application or industry)

CRYPTO, IP, AND TAX: STRATEGIC INTERNATIONAL TAX STRUCTURING AND PROTECTION OF IP RIGHTS FOR DIGITAL ASSET PLATFORMS

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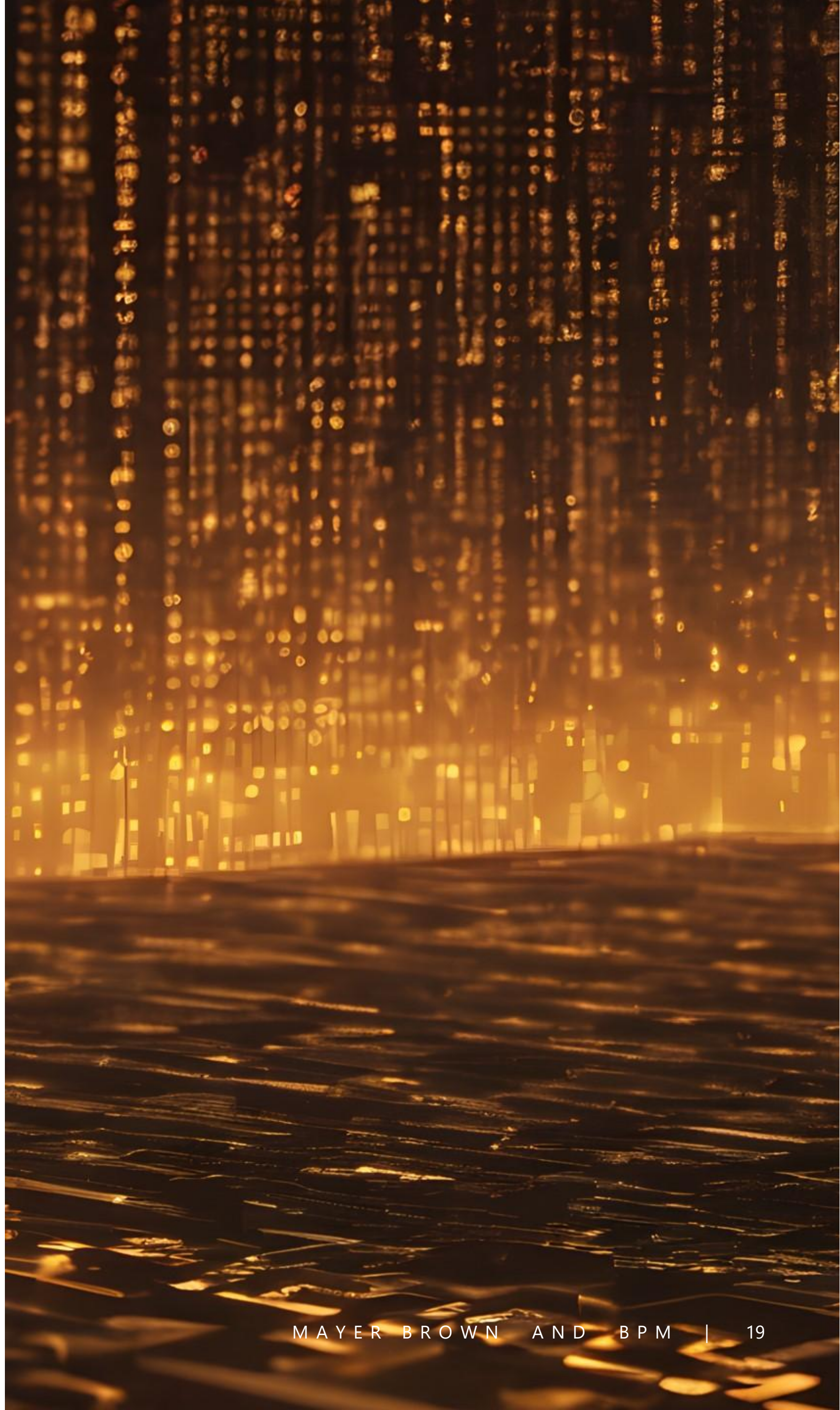
BPM OVERVIEW & EXPERIENCE IN DIGITAL ASSETS

- 11+ years serving the digital asset industry since 2014
- Among the first CPA firms to audit major Bitcoin miners and exchanges
- Clients: exchanges, miners, stablecoin issuers, DeFi lenders, payment platforms, and RIAs
- Integrated tax, audit, and advisory services across jurisdictions
- Audit: financial audits, proof of reserves, digital asset controls
- Tax: compliance, global structuring and planning, and technical tax analysis
- Advisory: valuation, technical accounting, IPO readiness, outsourced crypto accounting

STRUCTURING & TAX-CRITICAL ISSUES

- IP location and ownership — U.S., foreign subsidiary, or holding entity
- Commercialization models: SaaS, licensing, or transaction-based
- Interplay between IP and token economics
- R&D functions, management location, and taxable presence
- Withholding tax and treaty qualification considerations
- Transfer pricing for defensible global allocations

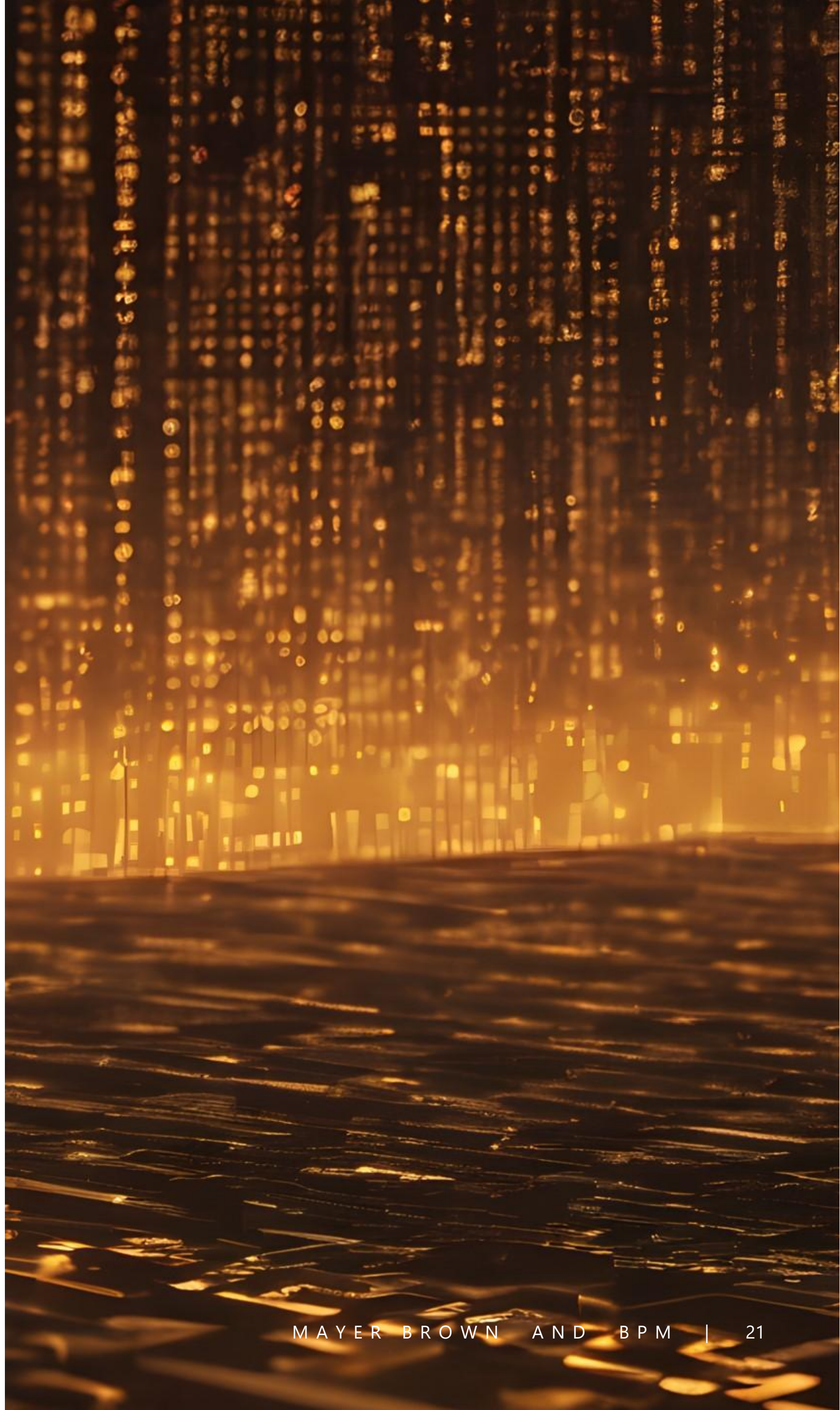


ONGOING OPERATIONS & MATURE COMPANIES

- Rationalizing intercompany structures and pricing methodologies
- Supporting R&D cost-sharing and global service allocations
- Cross-border reorganizations and M&A: tax-efficient structuring and mitigation planning
- IP migration, inversion risk, and tax-efficient exit readiness
- Aligning entity functions with regulatory requirements across international geographies

YEAR-END & COMPLIANCE PLANNING

- Transfer pricing true-ups aligned with benchmarks
- Tax provision and audit readiness for consolidated reporting
- Reconciling on-chain data with GAAP books
- Foreign reporting readiness: Forms 5471, 8858, 8865, etc.
- Integration of digital asset data tools (Cryptio, Bitwave, Lukka)



CLOSING TAKEAWAYS

- Legal, IP, and tax planning should be an integrated strategy
- Early alignment enables long-term compliance and efficiency
- BPM provides full lifecycle support – from token or IP development to expansion
- Positioned as cross-functional advisor in digital asset ecosystem

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