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Cryptocurrencies and Consumer Rights in New Zealand: Risky Business?

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I Introduction

Decentralised cryptocurrencies and blockchain technology are taking the world by storm (*See* Garrick Hileman and Michel Rauchs “Global Cryptocurrency Benchmarking Study” Cambridge Centre for Alternative Finance 2017). Cryptocurrencies as an internet-based encrypted form of virtual currency are nothing new. However, it was perhaps the 400% rise in Bitcoin’s price, the first and best known cryptocurrency among the public, in 2017, which has caused the new wave of interest in cryptocurrencies (Charles Bovaird “Why Bitcoin Prices Have Risen More Than 400% This Year” (1 September 2017) Forbes).

The Oxford Dictionary defines cryptocurrency as “a digital currency in which encryption techniques are used to regulate the generation of units of currency and verify the transfer of funds, operating independently of a central bank.” In 2008, the creator of Bitcoin defined it as “as a chain of digital signatures. Each owner transfers the coin to the next by digitally signing a hash of the previous transaction and the public key of the next owner and adding these to the end of the coin. A payee can verify the signatures to verify the chain of ownership” (Satoshi Nakamoto “Bitcoin: A Peer-to-Peer Electronic Cash System” (31 October 2008) at 2). Bitcoin was the first cryptocurrency to use blockchain (a per-to-peer encryption system) which has since become ubiquitous with other cryptocurrency providers (*See* for a description of blockchain and distributed ledger technology Marc Pilkington “Blockchain Technology: Principles and Applications” in Xavier Olleros and Majilinda Zhegu (eds) *Research Handbook on Digital Transformations* (Edward Elgar, Cheltenham, 2016) 225-253).

Since the creation of Bitcoin, the cryptocurrency market “has evolved erratically and at unprecedented speed (Ryan Farell “An Analysis of the Cryptocurrency Industry” (2015) 5 Wharton Research Scholars 130 at Introduction). The seemingly upwards growth of the value of cryptocurrencies together with the ease and speed of use- that initially made fiat currencies popular and dominant- is perhaps the main contributor to their popularity and appeal to the general public; at least if we ignore other factors such as the role of pop music (Thuy Ong “Japan has a new cryptocurrency-themed J-pop band” (12 January 2018) The Verge <www.theverge.com>).

“Cryptocurrencies offer tremendous opportunities for innovation and development but are also uniquely suited to facilitate illicit behavio[u]r” (Omri Marian “A Conceptual Framework for the Regulation of Cryptocurrencies” (2015) 82(1) UCLR 53 at 53). The online peer-to-peer, encrypted, and anonymous transactions of cryptocurrencies pose a significant concern for consumer rights protection (*See* United States Government Accountability Office “Virtual

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Currencies: Emerging Regulatory, Law Enforcement, and Consumer Protection Challenges" May 2014). In a 2017 note, the New Zealand (NZ) Reserve Bank indicated that cryptocurrencies "raise consumer protection, anti-money laundering, and counter-terrorism financing concerns" (Aaron Kumar and Christie Smith "Crypto-currencies – An introduction to not-so-funny moneys" (Reserve Bank of NZ, Wellington, November 2017) at 3). Around the same time, the Financial Markets Authority (FMA) also issued a commentary on initial coin offerings (ICOs) and cryptocurrencies. While the commentary had a welcoming tone, it can also be read as a warning to both providers and users of cryptocurrencies. The Commentary explained that "the FMA wants to facilitate responsible innovation" but warns investors of the difficulty of recovering any lost funds, of scammers, of the volatility and unpredictability of the value of cryptocurrencies, and of the threat of theft associated with digital wallets (FMA commentary on ICOs and cryptocurrencies (25 October 2017) <www.fma.govt.nz>).

Analysis of the technological, legal, socio-economical, and ethical implications of cryptocurrencies is quickly producing a vast and often interdisciplinary body of literature. A simple search for the term cryptocurrency on Google leads to about 52 million hits. Yet, it is easier to grasp the technology behind cryptocurrencies and even trade in them than to define their legal nature. Rapid technological advances and the murky legal waters in which providers and users of cryptocurrencies sail, make it challenging to fully underline the involved parties' legal rights and obligations.

In the absence of a specific regulatory framework, laws that could be applied to cryptocurrencies either relate to the protection of their users or to the protection of society at large against criminal uses of such currencies (*See* Misha Tsukerman "The Block is Hot: A Survey of the State of Bitcoin Regulation and Suggestions for the Future" (2015) 30 *Berkeley Tech LJ* 1127 at 1153). Too much or too little regulation at the early stages of development of a new technology can be problematic (*See* Sarah Hughes and Stephen Middlebrook "Advancing a Framework for Regulating Cryptocurrency Payments Intermediaries" (2015) 32 YJR 495 at 499-500). A recently published white paper by the Edmond Hillary Fellowship on cryptocurrencies recommends that, due to the evolving nature of the technology and the market, principles would be preferred over prescriptive legislation (EHF "New Zealand: Unblocking Blockchain's Potential" (December 2017) at 7). The author agrees that before embarking on creating a new regulatory framework, it would be beneficial to first evaluate how existing legislation can be adapted and used to best respond to challenges that cryptocurrencies have created for protection of consumer rights.

As Part II will underline, the legal treatment of cryptocurrencies depends on whether they are viewed as currencies, commodities, investments, or something altogether different. Depending on its perceived nature, different set of laws would be applicable to a cryptocurrency and the goods and services associated with it. This paper focuses on the consumer rights aspect of trade in cryptocurrencies in New Zealand. The aim of the paper is to provide an analysis of the application of existing consumer rights protection laws to users of cryptocurrencies. The analysis is built on the manner in which cryptocurrencies are currently treated for legal

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purposes in New Zealand. This paper will not engage with relevant legislation that would apply to cryptocurrencies as financial products, investments, or money. The analysis, however, does contribute to the larger debate on the regulation of cryptocurrencies and related technologies in New Zealand and elsewhere.

II The Legal Nature of Cryptocurrencies

Governments around the world have taken different approaches to cryptocurrencies. (*See* for a recent list of regulatory action from across the world MarketWatch "Here's how the U.S. and the world regulate bitcoin and other cryptocurrencies" (28 December 2017) <www.marketwatch.com>). These approaches range from complete silence in countries such as Iran, to cherry picking in India (Ananya Bhattacharya "India's government wants to kill bitcoin, but it loves blockchain" (1 February 2018) Quartz India), to the defensive reaction taken by countries such as China where cryptocurrencies are currently banned (Sidney Leng "Beijing bans bitcoin, but when did it all go wrong for cryptocurrencies in China?" (6 February 2018) South China Morning Post). Others such as NZ and Australia have adopted a more moderate response to cryptocurrencies. The NZ Reserve Bank does not view cryptocurrencies as a serious threat to financial markets (Kumar and Smith, at 38) and the FMA acknowledges the value of innovation to financial markets (FMA commentary, above).

Finally, a handful of countries have had a rather progressive approach to cryptocurrencies markets: Japan and the Philippines have officially legalised Bitcoin as a method of payment (Gareth Keirns "Japan's Bitcoin Law Goes Into Effect Tomorrow" (31 march 2017) coindesk; Bangko Sentral NG Pilipinas "Guidelines for Virtual Currency (VC) Exchanges" (19 January 2017)). Canada has amended its anti-money laundering and terrorist financing legislation to address the use of cryptocurrencies (William Suberg "Canada Signs First Ever Official Law Regulating Bitcoin" (23 June 2014) Cointelegraph); and, similarly, the New York State Department of Financial Services in the United States (US) has enacted the aptly named "BitLicense" regulatory framework as a tool to police business activities involving cryptocurrencies in the state (*See* for an analysis of BitLicense Hughes and Middlebrook, at 536-546).

With the exception of a few countries, cryptocurrencies and the associated blockchain technology remain unregulated across the world. In the US, the Commodity Futures Trading Commission (CFTC) and the Securities and Exchange Commission (SEC) have commented on the need to fill the regulatory gap to protect consumers in the trading markets (Michelle Price "U.S. regulators to back more oversight of virtual currencies" (6 February 2018) Reuters). The NZ Reserve Bank does not currently regulate cryptocurrencies but is including them together with blockchain and distributed ledgers technology in its review of currency operating models (Jonathan Underhill "IRD sets its sights on bitcoin and cryptocurrencies" (22 Dec 2017) NZHerald).

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Hughes and Middlebrook attribute the slow pace of regulatory response to cryptocurrencies to the daunting nature of "crafting the right, first-stage regulation of any new technology" (Hughes and Middlebrook, at 498).

Currently, the legal treatment of cryptocurrencies across the world varies according to their perceived nature. Each of such legal frameworks has merit and all or a combination of them may be required for a fully functioning global cryptocurrency market (Hughes and Middlebrook, at 548).

In a 2013 decision, the US District Court for the Eastern District of Texas accepted an argument that Bitcoin should be treated as money for investment purposes (*SEC v Shavers*, No. 4:13-CV-416, (E.D. Tex. Sept. 18, 2014); See also *US v Faiella*, 39 F. Supp. 3d 544, 545–47 (SDNY 2014), and *US v Ulbricht*, 31 F. Supp. 3d 540, 548 (SDNY 2014)). However, the United States CFTC and Internal Revenue Service (IRS) have considered cryptocurrencies a commodity since 2015 (*See* IRS Notice 2014-21, <www.irs.govt>). This view was recently confirmed by a federal judgment that allows CFTC to bring legal action against the Coin Drop Markets company that has been allegedly offering fraudulent trading advice on cryptocurrencies (*CFTC v Patrick McDonnell* 1:18-CV-361(ED NY 2018)).

In its 2017 budget report, the Australian Government announced that "purchases of digital currency will no longer be subject to GST, allowing digital currencies to be treated just like money for GST purposes" (Australia Budget 2017-18 (9 May 2017) <www.budget.gov.au> at 22-23). This move changed the treatment of digital currency from intangible property to money in order to avoid subjecting the users of cryptocurrencies to GST payments twice. Since this treatment seems to be limited to GST purposes only, it begs the question of cryptocurrencies' status for consumer rights protection measures. Japan has adopted the same approach by exempting the sale of virtual currencies from Japanese Consumption Tax (Kevin Helms "Japan Declares Sale of Bitcoin Exempt from Consumption Tax" (1 April 2017) Bitcoin).

Similar to the US authorities, the New Zealand FMA does not generally view cryptocurrencies as money but rather "money's worth" (Underhill, above). This is in line with the US CFTC and the recent Federal Court judgment that consider a trade using cryptocurrencies to be a form of barter. However, the FMA may consider cryptocurrencies as securities for the purposes of the Financial Markets Conduct Act (*ibid*). Where the cryptocurrency has the characteristics of a financial product, it would be treated as such and its offering would also be subject to the requirements of the Financial Markets Conduct Act 2013 (Financial Markets Conduct Act 2013, s 7).

The NZ Inland Revenue Department (IRD) currently treats cryptocurrencies as gold bullions for tax purposes ("IRD may treat crypto-currencies like gold" (22 December 2017) Newshub). The NZ Reserve Bank Acting Governor views Bitcoin as "very much like gold" because "it [is] mined, it has a fixed quality and the price is very volatile" ("Bitcoin gains looks like speculative bubble, Reserve Bank boss warns" (10 December 2017) Stuff). Ametrano argues that "in the successful attempt to get rid of any centralized monetary authority using the Bitcoin

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protocol, bitcoin has elected to have a deterministic inelastic monetary policy, establishing itself more as digital gold than as a currency or good money" (Ferdinando Ametrano "Hayek Money: the Cryptocurrency Price Stability Solution" (2016) <www.ssrn.com>). However, the World Gold Council has indicated that cryptocurrencies are not suitable for storing value due to their high volatility and a lack of regulatory frameworks or investment role for them ("Cryptocurrencies are no substitute for gold" (25 January 2018) World Gold Council).

In view of the current treatment of cryptocurrencies as rather a commodity than a currency in New Zealand, the next section evaluates the consumer rights implications of that treatment under existing legislation. This paper evaluates the application of the Consumer Guarantees Act 1993 (CGA), the Fair Trading Act 1986 (FTA), and the Credit Contracts and Consumer Finance Act 2003 (CCCFA), as the holy trinity of consumer protection laws in NZ.

III Cryptocurrencies and Consumer Rights in NZ

Different stakeholders take part in use of cryptocurrencies such as Bitcoin. The more important role-players include a variety of "bitcoin wallet service providers; exchanges and trading platforms; providers of payments processing for merchants selling goods or services for bitcoin; intermediation services for [users]; bitcoin ATM operators; and the blockchain itself" (Louise Parsons "Bitcoin: Consumer protection and regulatory challenges" (2016) 27 JBFLP 184 at 189). The following sections evaluate the rights and obligations of all or some of these actors under consumer law in NZ.

A Consumer Guarantees Act 1993

Some of the provisions of the Consumer Guarantees Act 1993 may apply to transactions involving cryptocurrencies, provided that the conditions of the Act are met. Most importantly, the person (natural or legal) bringing a claim must be a consumer as per s 2 of the CGA. Section 2 defines a consumer as meaning a person who:

> (a) acquires from a supplier goods or services of a kind ordinarily acquired for personal, domestic, or household use or consumption; and
>
> (b) does not acquire the goods or services, or hold himself or herself out as acquiring the goods or services, for the purpose of—
>
> > (i) resupplying them in trade; or
> >
> > (ii) consuming them in the course of a process of production or manufacture; or
> >
> > (iii) in the case of goods, repairing or treating in trade other goods or fixtures on land

Based on this definition, a person purchasing cryptocurrencies for the sole purpose of selling them on in trade for profit would not have access to the remedies that CGA offers.

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The Act defines goods as meaning "personal property of every kind (whether tangible or intangible, other than money and chose in action" (CGA 1993, s 2). Direct reference to intangible property under the Act signals the possibility of inclusion of cryptocurrencies as consumer goods. The Act's definition may cover cryptocurrencies if their treatment as property rather than money (as advocated by IRD and FMA) is extended to consumer rights purposes (*cf* Parsons, above, at 194 arguing that there is reason to "doubt bitcoins would be classified as 'goods' within the meaning of the [Australian Consumer Law]").

Exclusion of money from consumer goods protected by the Act is also of importance. It means that investors would not have recourse under CGA in circumstances where a token is deemed money due to the characteristics of the cryptocurrency or the nature of the transaction.

The Act defines services as any rights, interest in personal property, benefits, privileges, or facilities that are "provided, granted, or conferred by a supplier [in trade]" (CGA 1993, s 2). This definition is rather comprehensive and most likely encompasses any party that, in trade, provides a service related to cryptocurrencies. The FMA currently views the provision of cryptocurrencies as a specific form of "financial service known as a 'value transfer service' for the purposes of New Zealand law" (Underhill, above).

Supply of goods and services in trade means supply in the course of "trade, business, industry, profession, occupation, activity of commerce, or undertaking relating to the supply or acquisition of goods or services" (CGA, s 2). We know from case law that "in trade" relates both to large companies and well-established traders as well as individuals who are seemingly not traditional businesses (*See* for example *Xiao v Sun* [2016] NZHC 4554 at [108]-[111]). This means that someone with a computer system at home that operates a small electronic wallet service may still be seen as a supplier in trade depending on the "nature of the activities […] the period over which they are engaged in, the scale of operations and the volume of transactions, the commitment of time, money and effort, the pattern of activity and the financial results" (*Calkin v Commissioner of Inland Revenue* [1984] 1 NZLR 440 (CA) at 446).

Parts 1 and 4 of the CGA lay out the required guarantees for goods and services respectively. Effective application of the CGA requires a clarification of what these guarantees, particularly carrying out a service with "reasonable care and skill" (CGA, s 28), mean in relation to cryptocurrencies. The available remedies for the breach of guarantees under the CGA include a request for repair or replacement of the good, a refund for the good or service, remedying the faulty or unsatisfactory service, or cancelling the contract for supply of service (CGA ss 18-23 and 32).

Despite the theoretical availability of these remedies, the unique nature of cryptocurrencies, lack of jurisprudence, and lack of guidelines from the Commerce Commission may pose a number of challenges for the application of GCA, at least for the time being. The anonymity of blockchain and the international nature of providers of cryptocurrencies and exchanges might stand in the way of recovering damages. Each token (e.g. bitcoin) is created uniquely and arguably cannot be replaced under s 19(1)(b) of CGA. Providing a refund would also be

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problematic due to the lack of a central authority that regulates the price of the cryptocurrency and the volatility of the market. It is also unclear what "failure of substantial character", that gives the consumer the right to reject the good, in relation to cryptocurrencies means (CGA, ss 18(3) and 21). The lack of clarity partly relates to the difficulty of identifying who a "reasonable consumer" is in the cryptocurrencies markets (CGA, s 21(a)).

B Fair Trading Act 1986

Investors, particularly those without sufficient technological or financial expertise, are likely to fall victim to fraudulent schemes involving cryptocurrencies. The Fair Trading Act 1993 may offer the public another layer of protection in addition to the guarantees stipulated in the CGA. The conduct of those that are in the business of acquiring or supplying goods and services related to cryptocurrencies may fall under the umbrella of "misleading or deceptive conduct" as prohibited by the FTA.

A practice that may easily mislead or deceive the public is the initial coin offering of a cryptocurrency. As per the definition of FMA, "initial coin offers (ICOs) and token events are a form of fundraising where you receive tokens that carry certain rights, such as providing access to a new product or service, or an interest in an underlying asset or project" (FMA Commentary).

Globally, Initial Coin Offerings (ICOs) are estimated to have raised more than 25 billion US dollars (Dirk Zetzsche, Ross Buckley, Douglas Arner and Linus Föhr "The ICO Gold Rush: It's a scam, it's a bubble, it's a super challenge for regulators" UNSW Law Research Series 83 (16 February 2018) at 2). This is arguably why ICOs have been the subject of government scrutiny in relation to misleading or deceptive conduct due to their sensationalised nature. A study of over 450 ICO white papers in the US found that "more than half the ICO white papers are either silent on the initiators or backers or do not provide contact details" (Zetzsche et al, at 40). In 2016, the US Federal Trade Commission fined 'Butterfly Labs' for participating in deceptive and unfair acts or practices for the marketing and sale of Bitcoin mining products and services such as machinery and online tools for calculation of profits (Jamie Redman "FTC settles with Butterfly Labs for $38 million" (18 February 2016) Bitcoinist). The US SEC has even gone as far as requiring celebrities endorsing ICOs to disclose "the nature, source, and amount of any compensation paid, directly or indirectly" in lieu of their endorsement (SEC "SEC Statement Urging Caution Around Celebrity Backed ICOs" (1 November 2017)). The US equivalent of the NZ Commerce Commission, the Consumer Financial Protection Bureau has been accepting complaints about cryptocurrencies and businesses that offer dealing with wallets and exchanges (Tsukerman, at 1162).

The Australian Securities and Investments Commission (ASIC) has also recommended that "care should be taken to ensure promotional communications about an ICO do not mislead or deceive potential investors, and do not contain false information" (ASIC "Information Sheet 225 (Info 225)" September 2017).

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In January 2018, Facebook banned advertisements relating to cryptocurrencies generally and ICOs more specifically due to "deceptive promotional practices" (Facebook Advertising Policies, "Prohibited Financial Products and Services"). Marketing scams relating to offering of Cryptocurrencies have also spread to Twitter (Aditya Worah "Twitter Goes Strict on Cryptocurrency Scams" (10 March 2018) Cryptoground). Google seems to have also taken a stand against marketing of services and products related to cryptocurrencies and blockchain. Google has reportedly removed ads and accounts associated with cryptocurrencies on its Google Adwords platform that is used for online advertising on its search engine (Michael Pearl "Is Google Quietly Purging Cryptocurrency Ads and Content?" (8 March 2018) FinanceMagnets). At the time of writing of this paper, Google announced that it will "restrict the use of its AdWords platform to advertise cryptocurrency-related products and services" (Laurie Sullivan "Google To Ban Cryptocurrency-Related Advertising In June" (14 March 2018) MeidaPost).

The NZ FMA recently commented that "ICOs and tokens that are not financial products will still be subject to general consumer protection laws in New Zealand" (FMA Commentary).

The penalties provided in the FTA would most notably apply to any person who "in trade, engage[s] in conduct that is misleading or deceptive or is likely to mislead or deceive" (FTA, s 9). The Act also provides more specific examples of misleading or deceptive conduct such as unsubstantiated or false representations and unfair practices (FTA, Part 1). The prohibitions of the Act would relate to the actions, claims, and promotional and marketing materials of those who provide coins, exchange platforms, wallets, and other relevant products or services.

A recent incident where the FTA could have been potentially applied was the case of a 19-year-old former Auckland Grammar student who raised millions for his cryptocurrency, SMG Cash. In November 2017, his Sell My Good website withdrew its ICO after hacking claims, the publication of an investigative report by the New Zealand Herald, and the issuance of a notice by the FMA advising New Zealanders not to invest in the scheme. (Matt Nippert, "Teen's under-fire cryptocurrency offer withdrawn", (28 November 2017) NZHerald). The NZ Herald's investigation allegedly found unsubstantiated or misleading claims on the website. Among the alleged findings was the point "that traffic and economic activity on [the] site has been inflated by a factor of 10,000, or four orders of magnitude" (Nippert "Teen's $220m cryptocurrency bid triggers official warnings" (25 November 2017) NZHerald).

Had the Sell My Good ICO been investigated for breaches of FTA, it could have led to, among other penalties, fines (s 40), injunctions (s 41), and other court orders (s 42: order to disclose information or publish advertisement; s 43: orders declaring a contract void, to refund money or return property, to pay for loss or damage, to repair goods; and s 46C: management banning orders). However, many of the challenges identified with relation to the application of the CGA standards and remedies also relate to FTA and its mandate.

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C Credit Contracts and Consumer Finance Act 2003

The primary purpose of the Credit Contracts and Consumer Finance Act 2003 is "to protect the interests of consumers in connection with credit contracts, consumer leases, and buy-back transactions of land" (CCFA, s 3). The provisions of the Act may apply to general lenders as well as those providers of cryptocurrency goods and services that also offer consumer credit contracts (within the meaning of s 11 of the Act). Consumers have the right to cancel a consumer credit contract or ask for a change of terms (CCFA, ss 27 and 55). A number of remedies including statutory damages, injunctions, infringement fees, and reopening of credit contracts become available upon infringement of the Act (CCCFA, Parts 4 and 5).

The CCFA may not play as great a role as CGA and FTA in protection of consumer rights in relation to cryptocurrencies. There are, however, a number of questions worth engaging with as to the application of the Act to the cryptocurrencies markets.

It can be reasonably expected that consumers would attempt to receive credit in order to invest in cryptocurrencies. If credit is provided through a consumer credit contract, the creditor would have certain obligations under the Act. Of relevance to the current discussion is the lender's responsibility to make reasonable enquiries as to whether "the credit or finance provided under the agreement will meet the borrower's requirements and objectives" and to "assist the borrower to reach an informed decision as to whether or not to enter into the agreement" (CCCFA, ss 9C(3)(a)(i) and (b)). As part of this, lenders may be required to ensure that borrowers understand the risks associated with an investment in cryptocurrencies, for which they seek credit.

An interesting point regarding consumer credit contracts that might arise in the future is the provision of cryptocurrencies as security interest under CCCFA. A security interest is one of the guarantees that can be offered in a consumer credit contract (CCCFA, s 11(1)(c)(iii)). Section 17(1)(a) of the Personal Property Securities Act 1999 defines a security interest as "an interest in personal property created or provided for by a transaction that in substance secures payment or performance of an obligation". The definition of personal property under the Act includes intangibles, investment securities, and money (Personal Property Securities Act 1999, s 16). It can be argued that cryptocurrencies meet this definition, especially if they become more common or gain legal tender (money) status in the future. Recognition of cryptocurrencies as personal property would then beg the question of whether they can be provided as security interest. If so, there would be much to be explored regarding the application of the relevant provisions of the CCCFA on security interest considering the unique nature of cryptocurrencies (*See* for example CCFA, s 9C(3)(d), Part 3A Subpart 2).

IV Conclusion

This paper argued that treatment of cryptocurrencies as commodities subjects them to existing consumer rights protection laws in New Zealand. In the absence of a clear and specific regulatory framework, businesses using blockchain and cryptocurrencies should ensure that

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they comply with their existing obligations. This could include ensuring compliance with the FTA when advertising ICOs and their products and services, and better safeguards of consumers' interests through secure services (e.g. strong protection of electronic wallets and consumer's data against theft).

However, even though consumers may arguably have rights under the CGA, FTA, and CCFA, most exchanges are conducted online on platforms that are controlled from outside of New Zealand. Therefore, consumer interests are still at risk despite the existing protections as it might prove extremely difficult, if not impossible, to identify the proprietor of a cryptocurrency service and recover any damages. This issue should be considered in any future regulatory frameworks. Temporary measures that control the players in the market such as registration requirements can complement the existing consumer law legislation in New Zealand. Requiring registration, for instance, can ensure that investors have knowledge of the identity of issuers of cryptocurrencies, exchange markets operators, or wallet providers.

It would also be useful to make the application of consumer rights laws to cryptocurrencies clear by way of explanatory notes, guidelines, awareness raising campaigns, or regulations that build on existing legislation. Although not yet put to test, it can be reasonably expected that the Commerce Commission's authority extends to protection of consumer interests with regards to cryptocurrencies and blockchain technology. The Commerce Commission and other relevant authorities can inform and educate both consumers and providers regarding their rights and obligations until a better understanding of cryptocurrencies and their impact is reached.

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