



checkbook iras and digital assets: a bet against the house

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MSK Partner **Seth Pierce** authored the article, "Checkbook IRAs And Digital Assets: A Bet Against The House," published by *Law360* on June 22, 2018.

From the **Law360** article:

"Bitcoin's price increased roughly 2,000 percent between December 2016 and December 2017. Ethereum, LiteCoin and Ripple increased approximately 13,000 percent, 7,500 percent and a whopping 46,000 percent, respectively, in roughly the same time period. Digital or cryptocurrency is no longer a fringe asset. It has gone mainstream and new digital currencies and initial coin offerings, or ICOs, are launching every day in the hope of being that next must-have asset.

Many, perhaps most, American buyers use after-tax dollars to purchase digital currencies — significantly limiting the size of the market, as most Americans do not have significant non-retirement savings or investment portfolios. But a 2014 tax ruling from the Internal Revenue Service — which held that digital currencies are not, in fact, currency but property akin to real estate — permits Americans to use retirement funds to purchase digital currencies and a growing number of people are doing just that, vastly expanding the pool of potential investors."

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practice areas

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