

Law at the edge of code

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There are moments in legal history when the foundations of doctrine do not merely shift; they redefine themselves and are called into question. We are living through such a moment. The rise of crypto-assets, blockchain infrastructures and algorithmic governance is not just a technological development but a structural challenge to the way law understands value, trust, authority and the institutional forms through which they are sustained.

TalTech Journal of European Studies (TJES) has a history of publishing special issues focusing on certain topical issues, fields or geographical scope (Nystén-Haarala and Solarte-Vásquez, 2025; Dung *et al.*, 2025; Chochia *et al.*, 2023; Chochia and Kerikmäe, 2018; 2020; Vernygora *et al.*, 2019; Kerikmäe and Chochia, 2018). This special issue of *TJES* is situated precisely on that fault line to engage with yet another important field, as those described above. The issue brings together a set of contributions that do not merely observe change but interrogate it, probing how law, across jurisdictions and traditions, is adapting to a world where decentralisation is no longer theoretical but operational.

The theme, *Crypto-assets and the law in transition: global regulatory pathways, technological integration and legal challenges*, captures a legal landscape in flux. Across the globe, regulators and courts are confronted with

questions that strain inherited categories: the classification of crypto-assets, the enforceability of smart contracts, the legal consequences of tokenisation, the role of legaltech in compliance and dispute resolution.

Recent developments demonstrate that crypto-asset regulation has entered a fundamentally new phase in 2026. What distinguishes the current period from earlier stages of crypto governance is that digital assets are no longer viewed merely as speculative instruments operating at the margins of financial systems. Instead, they are increasingly integrated into payment infrastructures, cross-border transactions, investment markets and institutional financial operations (PwC, 2026, pp. 4–5). As a result, regulatory debates have shifted from the question of whether crypto-assets should be regulated toward the more complex issue of how regulation should be designed to ensure market integrity, financial stability, innovation and consumer protection simultaneously.

The urgency of this regulatory transformation is closely connected to the extraordinary growth and systemic relevance of crypto markets. According to recent assessments, the global cryptocurrency market exceeded USD 4 trillion in 2025, accompanied by increasing concerns regarding market volatility, financial crime, fraud, money laundering, cyber risks and operational resilience (Boult, 2025). As crypto-assets increasingly interact with traditional financial systems, regulators and policymakers have intensified efforts to establish comprehensive legal frameworks capable of addressing these risks while facilitating responsible innovation.

Accordingly, the year 2026 is widely regarded as an “inflection point” for digital assets and digital finance more broadly (Waliczek, 2026). The World Economic Forum emphasises that regulatory clarity is now facilitating the adoption and scalability of digital assets, while blockchain technologies are evolving from experimental technologies into enterprise-grade infrastructure integrated into mainstream financial activity (Waliczek, 2026).

One of the most influential regulatory developments has been the European Union’s Markets in Crypto-assets Regulation (MiCaR), which became fully applicable in December 2024. The MiCaR introduced harmonised rules concerning licensing, disclosure obligations, governance requirements and consumer protection standards across the European Union (Boult, 2025). The significance of the MiCaR extends beyond Europe itself, as it increasingly serves as a global reference point for jurisdictions attempting to balance innovation with effective market supervision.

Similarly, the United Kingdom has accelerated efforts to establish a comprehensive domestic crypto-asset framework through the *Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026*. The UK regime extends regulation to activities such as stablecoin issuance, crypto-asset trading platforms, custody services, safeguarding activities, and staking operations (FCA, 2026, pp. 2–3). The Financial Conduct Authority (FCA) has further emphasised the principle of ‘same risk, same regulatory outcome’, reflecting attempts to align crypto regulation with broader financial regulatory principles while maintaining the United Kingdom’s international competitiveness and innovation objectives (FCA, 2026, p. 3).

In the United States, regulatory clarification has likewise accelerated. In March 2026, the U.S. Securities and Exchange Commission (SEC) and Commodity Futures Trading Commission jointly issued interpretative guidance concerning the application of federal securities and commodities laws to crypto-assets (SEC, 2026). This development is particularly important because legal uncertainty surrounding the classification of crypto-assets has long represented one of the principal obstacles to institutional participation and market development. The SEC guidance introduced a taxonomy distinguishing digital commodities, digital securities, stablecoins and digital collectibles, thereby contributing to greater legal certainty and regulatory coherence (SEC, 2026).

Another major area attracting regulatory attention concerns stablecoins and tokenised payment infrastructures. Stablecoins increasingly function not merely as speculative crypto-assets but as instruments for payments, settlement, treasury operations and cross-border financial transfers. PwC observes that tokenised money, tokenised deposits and stablecoin infrastructures are moving rapidly from pilot projects toward scaled implementation within financial systems (PwC, 2026, p. 7). This evolution raises significant questions concerning monetary sovereignty, financial stability, consumer protection and prudential supervision.

The United Kingdom’s recent policy initiatives concerning ‘UK qualifying stablecoins’ illustrate these emerging regulatory complexities. HM Treasury’s 2026 proposals seek to facilitate innovation in tokenised payments while ensuring that stablecoin arrangements remain subject to appropriate safeguards and consumer protection obligations (HM Treasury, 2026, pp. 4–5). Such developments demonstrate that policymakers increasingly view crypto-assets as integral components of future financial infrastructure rather than isolated technological experiments.

Meanwhile, international regulatory convergence remains incomplete. Although organisations such as the Financial Stability Board (FSB), the Financial Action Task Force (FATF) and the International Organisation of Securities Commissions (IOSCO) continue to promote harmonised standards concerning anti-money laundering obligations, prudential supervision and market conduct, significant differences persist among national approaches (PwC, 2026, pp. 9–10). These divergences create continuing challenges concerning cross-border supervision, regulatory arbitrage, enforcement coordination and jurisdictional consistency.

The contributions assembled in this issue have been deliberately and carefully selected not to present an exhaustive or descriptive catalogue, but to offer something more meaningful: a structured and comparative reflection on where we stand now. The jurisdictions represented, from the European Union and the United Kingdom to the United States, Switzerland, Türkiye, Brazil, Vietnam and beyond, capture a spectrum of regulatory responses, from highly developed frameworks to systems that are still actively negotiating their approach. This is not accidental. It reflects a conscious choice to foreground both convergence and divergence: mature regulatory frameworks alongside experimental approaches, and areas of legal clarity alongside continuing uncertainty. In doing so, the issue offers a panoramic yet precise account of a global legal order undergoing transformation.

What emerges from these contributions is not uniformity but tension, and it is precisely in that tension that the most meaningful insights arise. The articles show that legal systems do not simply react to technological disruption after the fact but also participate in the construction of the conditions under which digital markets, automated systems and decentralised infrastructures will acquire legitimacy. This issue does not seek to resolve those tensions. Instead, it gives them form, structure and voice.

Yet, this project is more than a scholarly undertaking. It is the realisation of a shared intellectual vision.

This special issue was conceived together with Professor Tanel Kerikmäe, whose intellectual energy and commitment to interdisciplinary inquiry were instrumental in shaping both its direction and ambition. That he did not live to see its completion is deeply felt. And yet, his presence is unmistakable throughout these pages—in the questions asked, in the breadth of perspectives brought together and in the insistence that law must engage, rather than retreat, in the face of technological transformation. This

journey has also been defined by the collaboration and dedication of Dr. Pınar Çağlayan Aksoy, Dr. Archil Chochia and Ebru Metin.

At its core, this special issue examines a moment of legal transformation, not only as a descriptive condition but as a methodological challenge. It calls on us to rethink fundamental legal concepts, such as ownership in a tokenised world, agreement in automated environments, enforcement across decentralised systems and accountability where decision-making is increasingly embedded in code. It asks us, implicitly and explicitly, whether law is capable of adapting without losing its normative foundations.

This question is institutional but also conceptual. Crypto-assets and related technologies compel lawyers to ask where legal authority resides when transactions are distributed, when performance is automated and when trust is mediated through technical design rather than through traditional intermediaries. The challenge, therefore, is not only to regulate new objects, but to understand how those objects alter the legal imagination itself.

Nevertheless, the increasing institutionalisation of digital assets demonstrates that regulation is no longer external to the crypto ecosystem. Rather, regulation itself is becoming part of the architecture that enables digital finance to scale responsibly. As the *PwC Global Crypto Regulation Report 2026* observes, “regulation is no longer a constraint—it is actively reshaping markets” (PwC, 2026, p. 4). In this respect, the contemporary debate concerning crypto-assets is no longer solely about technology or financial innovation; it is equally about the future structure of global financial governance, economic sovereignty and digital market regulation.

If there is a single thread that runs through this issue, it is this: the future of law will not be shaped solely in legislative chambers or courtrooms, but increasingly within digital architectures, protocols and code. The task before us is not merely to respond to these developments, but to understand their implications and to engage with them critically, constructively and with due attention to the public values that law is meant to protect.

It is in this spirit that this special issue is offered, not as a conclusion, but as a point of departure.

The law is already changing. The question now is whether it will do so deliberately, coherently and justly.

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