

# **Bridging Innovation and Regulation: Towards Regulatory Equivalence for Blockchain-Based Dispute Resolution Platforms**

Jamilya Kamalova

Blockchain-based dispute resolution (BBDR) platforms represent a novel approach to resolving conflicts, yet face significant challenges in achieving widespread adoption. Unlike traditional alternative dispute resolution methods, which are supported by internationally recognised guidelines, BBDR struggles with compliance with these established norms. A key challenge to user confidence in BBDR is the lack of regulatory clarity, which affects the legal status and recognition of BBDR outcomes in traditional courts, thereby impacting their enforceability. This challenge underscores the importance of BBDR as an additional dispute-resolution tool for communities with limited access to conventional methods.

While there have been isolated instances where a case decided through the utilisation of BBDR was successfully enforced via a court order, and some state initiatives have sought to integrate BBDR into legal frameworks, a universal guideline for aligning BBDR platforms with existing regulations and court procedures remains absent. Recognizing the critical need for regulatory equivalence, this research proposal will tackle the broader challenge of aligning BBDR platforms with legal standards.

The research aims first to identify jurisdictions that are not only receptive to blockchain-based dispute resolution but also likely to achieve regulatory equivalence with BBDR, considering various factors. The next phase will review existing BBDR platforms through a case study to assess their regulatory compliance based on their design. For those platforms falling short of regulatory standards, the study will explore feasible approaches for BBDR platforms to attain or evolve towards regulatory compliance without forsaking the foundational principles of blockchain-based dispute resolution.

Building upon previous research in this field, the paper aims to analyse the potential for regulatory equivalence of BBDR platforms, focusing on how these platforms can be adapted to meet prevailing regulatory frameworks. By examining the design and governance of these platforms, the research intends to bridge the gap between innovation and regulation, emphasising the urgent need for BBDR to align with established legal and regulatory norms. Ultimately, the research aims to promote broader acceptance of BBDR by providing a comprehensive overview of current dispute resolution initiatives within the Ethereum ecosystem, enhancing understanding of available tools, and identifying paths for further development in line with regulatory compliance.