

Article Information

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SEAL launches Legal Defence Fund for Whitehats

Michael Bacina, Steven Pettigrove & Jake Huang of the Piper Alderman Blockchain Group bring you the latest legal, regulatory and project updates in Blockchain and Digital Law.

The Security Alliance (**SEAL**), the coalition behind a number of leading security initiatives for the Web3 ecosystem, has [launched its latest initiative, the first Legal Defence Fund](#) for Whitehats hackers in Web3. The Fund is intended to provide financial assistance to good faith security researchers who face legal action in connection with research activity. The fund has been launched in collaboration with the [Security Research Legal Defence Fund](#) (the **SRLDF**).

Whitehats are security researchers who engage in ethical hacking in order to identify and secure computer systems. Security researches who identify or expose vulnerabilities in software can face legal threats or prosecution over their work, including allegations of unlawfully accessing computer systems or misappropriation of data or assets. Since 2022, [the official policy of the US Government is not to prosecute “good faith” security researchers](#). However, this does not mean that researchers will not face legal threats from the company which published the software or users, or allegations which call their good faith into question. Legal threats can have a chilling effect on good faith security research.

SEAL’s Legal Defence Fund complements its broader toolkit for Web3 security researches.

The SEAL Toolkit for Crypto Whitehats



SEAL 911

Free 24/7 emergency hotline for users, developers, and other security researchers who need help with incident response, vulnerability disclosure, or any other security problem.



SEAL-ISAC

World's only free Information Sharing and Analysis Center tailor-made for crypto, blockchain, and Web3. Backed by dozens of leading organizations in crypto security.



Whitehat Safe Harbor Agreement

A legal framework for protocols to protect whitehats who aid in recovering assets during an active exploit.



SEAL Whitehat Legal Defense Fund

A collaboration with the Security Research Legal Defense Fund that provides financial assistance to pay for eligible good-faith security researcher's counsel.

The [Whitehat Safe Harbour Agreement is intended to incentivize Whitehat hackers to rescue funds](#) by offering agreed rewards and pre-emptive legal releases from the protocol and its users, and reducing the risk of criminal prosecution. The new Legal Defence Fund will assist [eligible Whitehats who use the Whitehat Safe Harbor Agreement](#) in good faith to protect the crypto ecosystem.

Whitehats that face legal threats or lawsuits due to good faith security research can apply for grants from the Security Research Legal Defense Fund to offset the cost of legal representation. The eligibility criteria are set out on the Fund's website. The SEAL Whitehat Safe Harbor Agreement is now included in the grants that can be made under the SRLDF.

As part of this initiative, SEAL is also making an initial donation to the fund thanks to its donors including Paradigm, a16z, Electric Capital, Framework, Dragonfly, Paperclip, E-girl Capital, the Ethereum Foundation, and the Filecoin Foundation.

The [Security Alliance](#) is the [coalition behind several other security initiatives, including the Whitehat Safe Harbor, SEAL Wargames, which allows developer teams to simulate security incident scenarios](#), and the SEAL 911 Emergency Hotline, which enables users, developers and security researches who need access to urgent security advice, help with disclosing a critical vulnerability, or to connect with a team of carefully vetted expert volunteers. SEAL 911 has helped disrupt, intercept, and remediate several hacks, recovering over USD 50 million in crypto-assets. SEAL has also built [the world's first crypto ISAC](#) or information sharing and analysis centre to enhance real time sharing of threat intelligence, and combat cyber hacks and financial crime in Web3.

Piper Alderman is an [advisor to the Security Alliance and was pleased to collaborate with SEAL on the Whitehat Safe Harbor Agreement](#) alongside leading blockchain and cyber security lawyers including Gabriel Shapiro, the Lexpunk coalition, Debevoise & Plimpton LLP, and the policy teams at Paradigm and A16Z Crypto, among many others.