The 2nd Workshop on Coordination of Decentralized Finance (CoDecFin) 2021

Regulators meet Industry meet Devs meet Researchers
2021-03-05
In association with Financial Cryptography and Data Security 2021 https://fc21.ifca.ai/

Date and Venue

- Date: March 5, 2021
- Venue: Radisson Grenada Beach Resort, Grenada

Background

On June 8th and 9th 2019, Distributed Ledger Technology-related innovations have been referenced in the Communique at the G20 Finance and Central Bank Meeting in Fukuoka, Japan, referencing the report produced by the Financial Stability Board (FSB).

- G20 Communique
  Section 13 "We welcome the FSB report on decentralized financial technologies, and the possible implications for financial stability, regulation and governance, and how regulators can enhance the dialogue with a wider group of stakeholders."

- FSB Report
  Decentralised financial technologies: Report on financial stability, regulatory and governance implications;
  Direct link to the FSB Report document

Blockchain Governance Initiative Network(BGIN - pronounced 'BEGIN') was initiated on March 10, 2020 after several multi-stakeholder workshops including CoDeFi 2020, an associated workshop with Financial Cryptography 2020. This is a multi-stakeholder discussion network which aims at providing an open and neutral sphere for all stakeholders to deepen common understanding and to collaborate to address issues they face in order to attain sustainable development of the blockchain community.

Workshop on Coordination of Decentralized Finance (CoDecFin)

This workshop is designed to provide multi-stakeholders an environment for the

understanding, exploration and discussion of the Coordination of Decentralized Finance (CoDeFi). As permissionless blockchain and distributed ledger technology (DLT) platforms evolve and mature, there is a need for multi-stakeholders to engage in their planning, development, roll-out, and operation, in order for innovation of a wide variety of financial applications to proliferate and become mainstream. Thus far it has been mainly developer & startup communities which are driving these protocols, platforms, and applications for this new era of computing. New standards, governance mechanisms and design patterns are evolving and need input from a variety of perspectives. There is a growing trend towards decentralized computing systems in which distributed ledger technologies are a fundamental component. These systems are designed to be global computing systems; they will likely form the basis of new financial services and businesses including a distributed Financial Market Infrastructure (dFMI). These new financial services and businesses could bring huge benefits to the global financial system. However financial regulators, central banks, the BIS and IMF, while recognizing the potential of DLT systems, have also been keenly aware of the challenges in the adoption, and designing for the consumer protections required to balance usability, safety while supporting innovation. While it is likely that many G20 countries will be leading the design and development of these new infrastructures, all countries should be considered and encouraged to participate in the planning.

Roundtable discussions may include the following questions - e.g. one question per table:

Potential of decentralized finance

- How may blockchain tech transform securities and derivatives markets? (see: The Promise of Blockchain Technology for Global Securities and Derivatives Markets: The New Financial Ecosystem and the 'Holy Grail' of Systemic Risk Containment
- What current day institutions are likely to disappear if they do not adapt?
- How may the new trading markets evolve e.g. stock markets, using DLTs? Tzero vs Linq vs ASX
- How may new decentralized online markets impact KYC/AML regulations? OpenBazaar, Origin

Governance

- How may governance of decentralized permissionless ledgers platforms best serve multi-stakeholders? (ledger protocols, platforms, cryptocurrencies, digital assets)
- How may “legal code” become integrated with “computer code”? Accord project

- What new institutions are needed to help this new societal structure be equitable?
- How do we design and achieve harmonization of automated systems, human intervention and regulation?
- How best to integrate centralized and decentralized financial infrastructure e.g. cryptocurrencies with today's fiat currencies? In the near future, how may CBDCs be integrated with permissioned and permissionless systems?
- Which organizations should guide standards development? What efforts should be focused on harmonizing standards e.g. ISO, NIST, Enterprise Ethereum Alliance, Hyperledger/Linux Foundation?
- How may we foster robust innovation while preventing risks designated by regulators and steer clear from enforcement actions?

Custody as a point of adoption and potential regulation

- Design and operations of centralized and decentralized custody
- With over 250 DEXs and 30 DEX protocols , How may decentralized exchanges (DEXs) harmonize with existing financial infrastructure and markets?

Identity and privacy

- Requirements derived from regulatory goals
- Balancing privacy enhancing technologies and regulatory goals

Global and multi-stakeholder collaboration

- How can regulation of such technologies bridge across geo-political boundaries?
- How may smart contracts operate across global jurisdictions?
- Which multi-stakeholders should be included to provide vision and stability to global financial market distributed ledger systems?
- How may we co-design and evolve permissionless blockchain protocols to be environmentally sustainable and 'green'?

Organizing and Program Committees

(Alphabetical Order)

- Julien Bringer, Kallistech
- Joaquin Garcia-Alfaro, Telecom SudParis
- Byron Gibson, Program Manager at Stanford Center for Blockchain Research
- Feng Chen, University of British Columbia

- Shin'ichiro Matsuo, Georgetown University and BSafe.network (tentative chair)
- Steven Nam, Stanford Journal of Blockchain Law & Policy
- Michele Benedetto Neitz, Golden Gate University
- Roman Pavlov, SafeStead Inc.
- Robert Schwentker, DLT Education and BSafe.network
- Yonatan Sompolinsky, The Hebrew University of Jerusalem, DAGlabs
- Shigeya Suzuki, Keio University
- Ryosuke Ushida, JFSA and Georgetown University
- Robert Wardrop, University of Cambridge Judge Business School
- Pindar Wong, BSafe.network
- Aaron Wright, Cardozo Law School
- Anton Yemelyanov, Base58 Association
- Aviv Zohar, The Hebrew University of Jerusalem