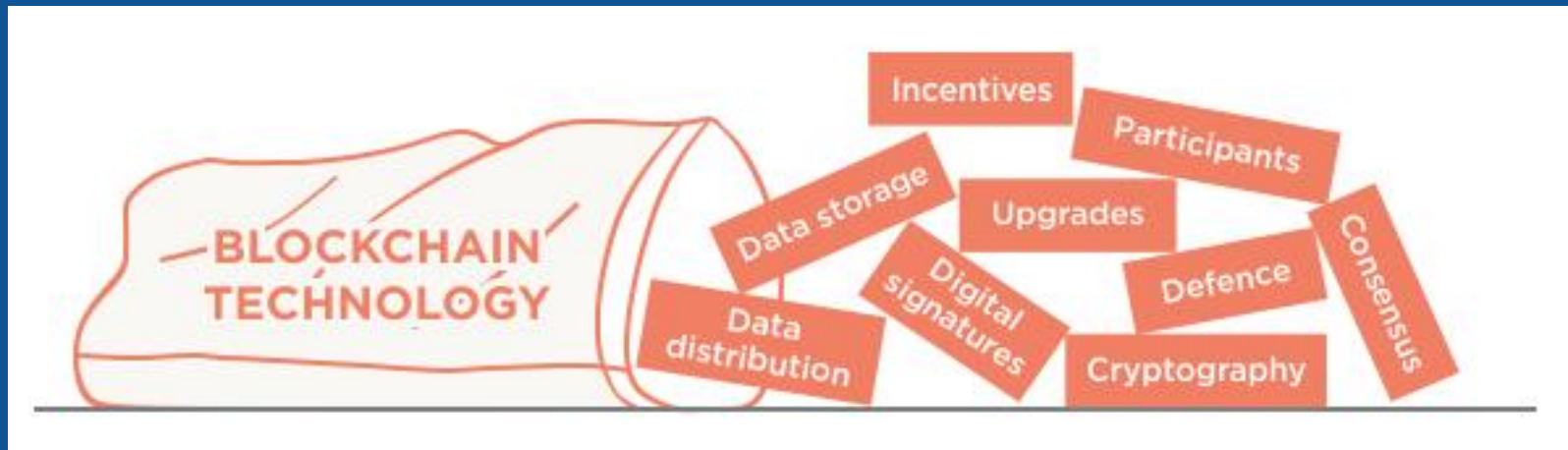


# FinTech and Blockchain: A digital (R)evolution?



**FIN-TECH EU project – kick-off meeting**

**Pavia, 1st February 2019**

**Chiara MAZZONE**

**Innovation Policy Officer**

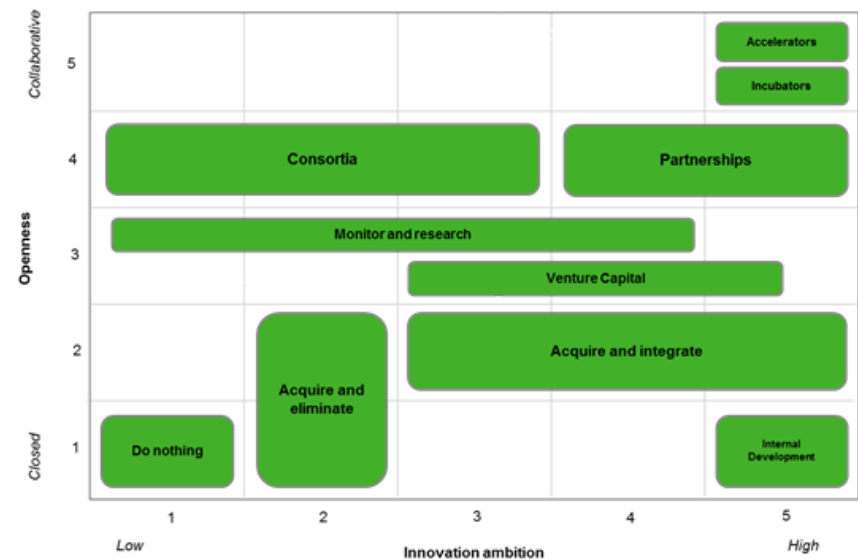
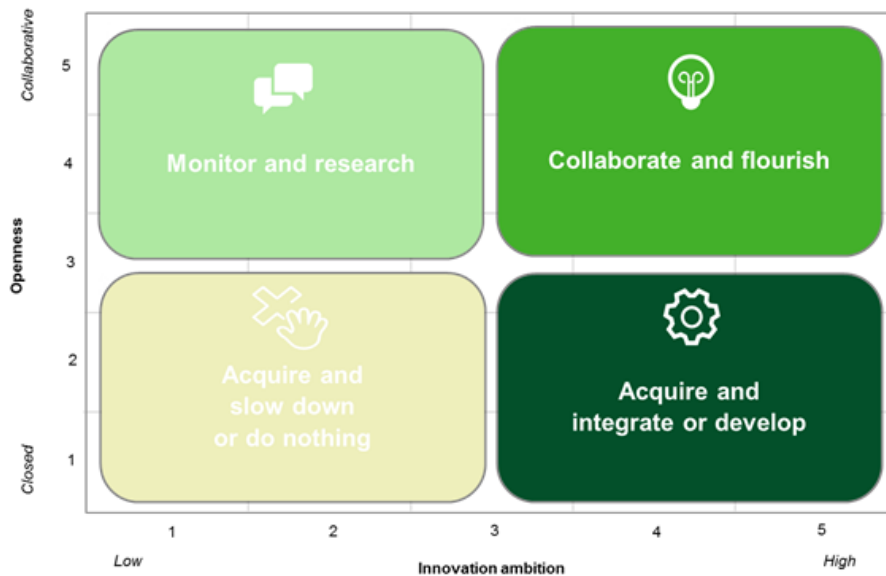
**Digital Innovation and Blockchain Unit – DG CONNECT**



## *Incumbent strategies dealing with FinTech*

Overview of the Fintech sector:  
challenges for the European  
players and possible policy  
measures at EU level

Extract from conclusions



*Incumbents are using Fintech to externalize parts of their innovation function; Collaborative approaches are favoured; No more "old" incumbents vs Fintech battle*

➤ *Published 8<sup>th</sup> March 2018*

➤ *Aim to help financial industry to make use of rapid technology advancements, such as blockchain and other IT applications, and strengthen cybersecurity*

- ✓ **Enable innovative businesses to scale up**
- ✓ **Support uptake of new technologies**
- ✓ **Outlying blockchain strategy, beyond FinTech**

# Licensing for Innovative FinTechs

## Regulatory sandboxes EU Blockchain Initiative



# FIN-TECH as a relevant EU project

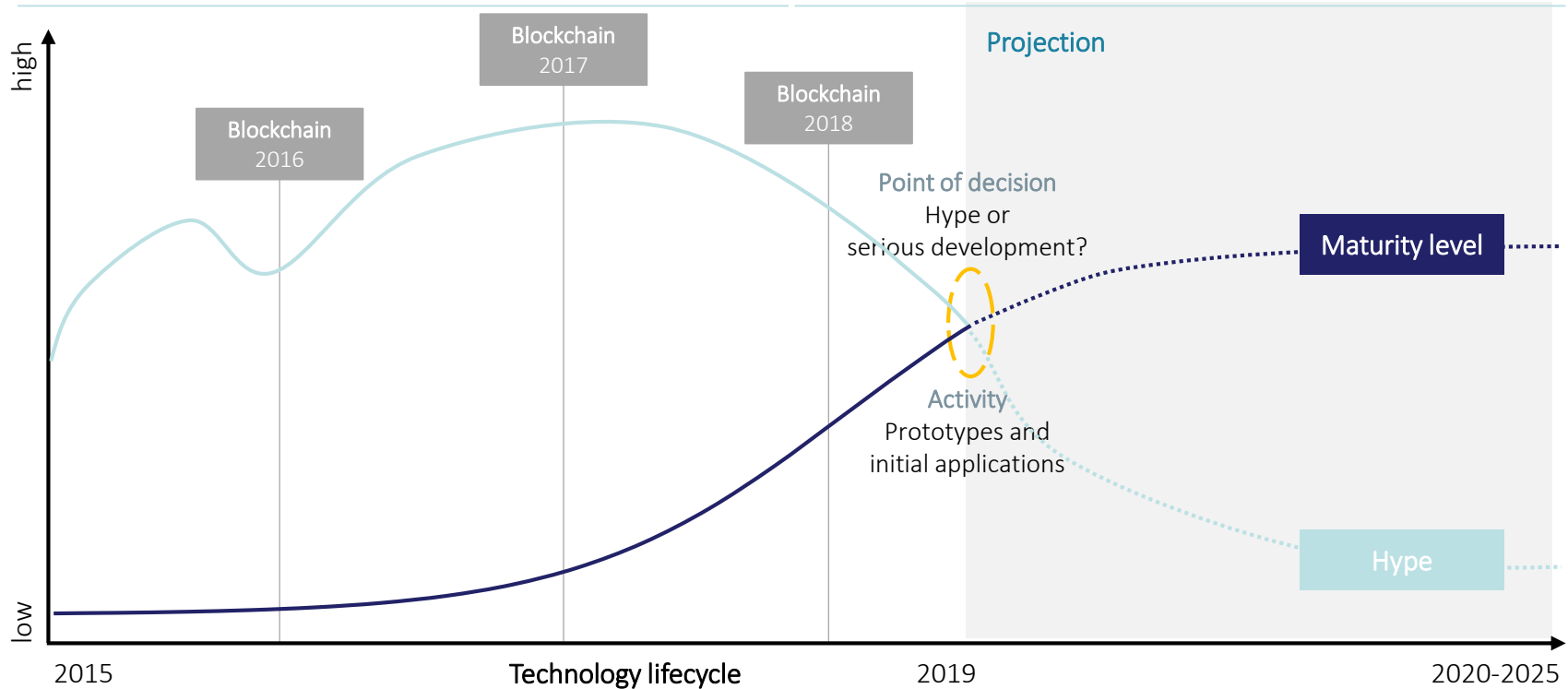
- *EU network and coordinated regulatory and supervisory responses for FinTechs to scale up – (innovation hubs & regulatory sandboxes Report)*
- *Cross-sectoral cooperation (financial, DPA, etc) and across sectors (supply chain, trade finance, etc)*
- *EBA to encourage dialogue with international bodies (FATF, FSB, BCBS, etc), also possible through INATBA*
- *All ESAs to push for level-playing field and avoid fragmented approach (ICOs or crypto-assets)*
- *Determine specifically regulators's (and FinTechs) needs at national level and connect them to have impact*

## Still in the phase of active experimentation

*Technology lifecycle*

Hype around blockchain on the decline...

...but maturity level on the rise



**Continue work around experimentation to deepen understanding of blockchain**



# Why the EU is interested in blockchains?

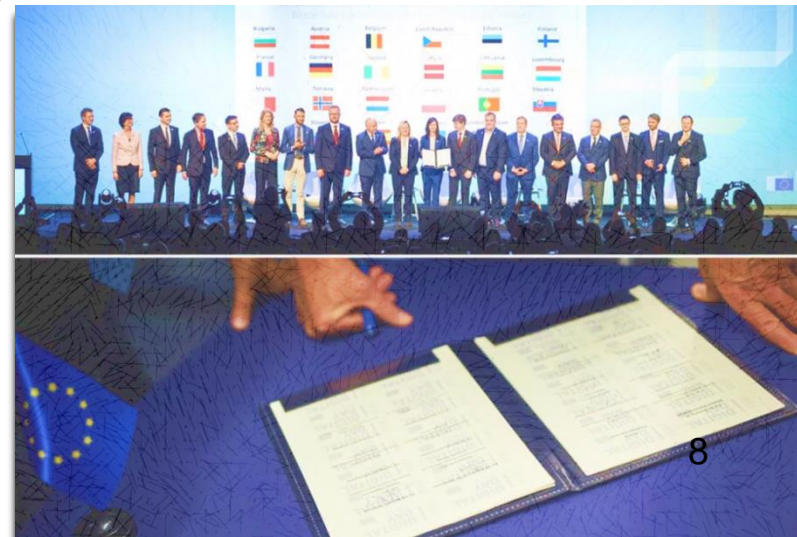
- *We try to provide answers to challenges put forward by new tech*
- *We encourage new paradigms and collaborative models in the digital economy (>TRUST)*
- *We see new opportunities that Europe must seize (NOW)*
- *We can deploy policy measures and regulatory framework*
- *We want to reinforce the "EU blockchain ecosystem"*
- *We see opportunities for improving public/gov services (Xborders)*
- *New tech are trail-blazers beyond public sector organisations (e.g. KYC)*



## European Blockchain Partnership

26 Member States + Norway to:

- Cooperate towards the establishment of a European Blockchain Services Infrastructure to deploy cross-border digital public services;
  - Compliant with EU values and laws, which meets the highest standards of privacy, cyber-security and energy efficiency
  - Position Europe as a global leader
- **Working on deliverables: vision, guiding principles, cross-border use cases, governance (end 2018)**
- **Use cases testing and deployment under CEF 2019**







**An observatory,  
a forum, an online  
and offline platform,  
6 workshops organised,  
12 to come, 500+ projects, trainings**



#EUBlockchain

## EU **BLOCKCHAIN** OBSERVATORY & FORUM

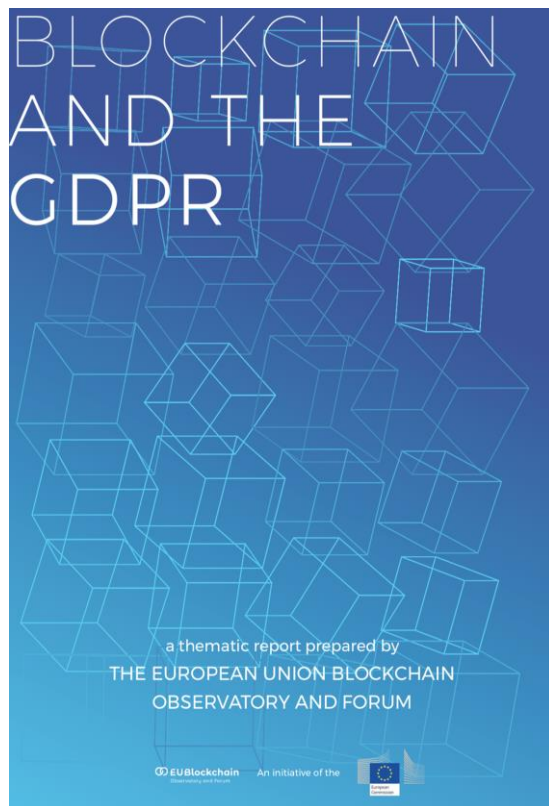


# State of blockchain innovation in Europe



- EU Governments and institutions are supporting blockchain technology
  - Europe is home for many projects and is well represented on the global scene
  - European cities are home for many vibrant blockchain communities
  - European academic institutions are recognised worldwide and we can count on strong developers pools.
- *But lack of legal and regulatory certainty impacts innovation*

# Blockchain compatibility with GDPR



“GDPR compliance is not about the technology, it is about how the technology is used. Just like there is no GDPR-compliant Internet, or GDPR-compliant artificial intelligence algorithm, **there is no such thing as a GDPR-compliant blockchain technology.** There are only GDPR-compliant use cases and applications.”



# Legal and regulatory conditions work

Legal and regulatory issues

- *Liability*
- *Legal recognition of smart contracts*
- *Decentralised Autonomous Organisations*
- *Legal value of a blockchain-based proof*
- *Blockchain and transfer of values*
- *Tokenisation – financial instruments (ESA reports) and beyond*



Legal workshop, 12 December  
2018, Paris Part 4 Working  
sessions



Legal workshop, 12 December  
2018, Paris Part 3 Second  
Panel



Legal workshop, 12 December  
2018, Paris Part 2 First Panel

## INTERNATIONAL ASSOCIATION OF **TRUSTED BLOCKCHAIN** APPLICATIONS





- **Standardisation, Interoperability**

Participation into ISO TC 307, ITU-T, CEN-CENELEC White Paper on blockchain

- **Funding R&I actions through EU programmes**

~30 collaborative projects funded (eg IoT, smart grids, home and cities, health, social goods, Media, transport & logistics, eGov etc...)

Other projects will come for a total of around 250M€ in Horizon 2020  
Support to R&I will continue under Horizon Europe (2021>)

- **Education and digital advanced skills** (Digital Europe Programme)

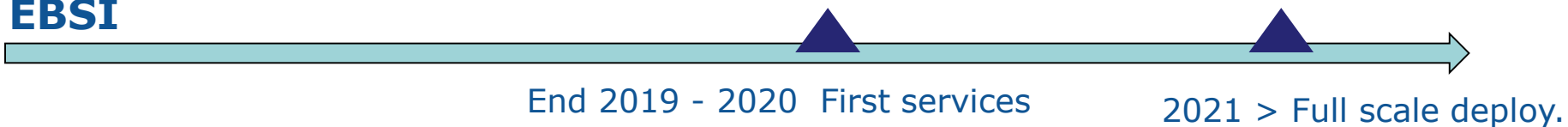
- **Networking EU institutions, EC, agencies and toward more legal certainty** eg EC inter-service group, work with EUIPO, with ECA...



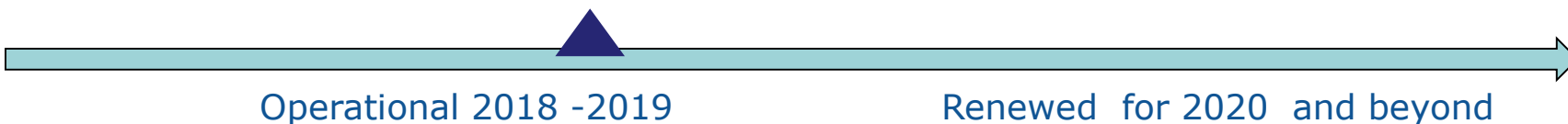
## European Blockchain Partnership



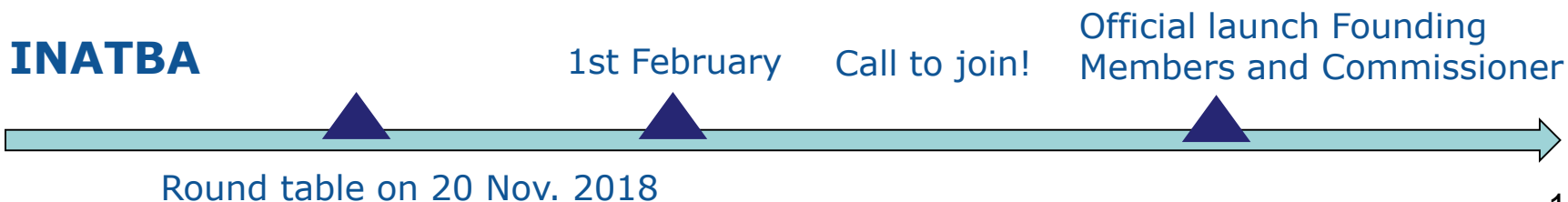
## EBSI



## EU Blockchain Observatory & Forum



## INATBA





# Thank you!

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**@EUBlockchain**

