

## About the EBA

The European Blockchain Association combines, synchronises and leverages blockchain-related activities of European corporations, startups, scientific institutions and DAOs. It is active in education, policy advising, lobbying and setting technological standards. The association is made up of five working groups including the Proof-of-Stake Working Group, the Tokenization Working Group, the Custody Working Group and the Self-Sovereign Identity Working Group.

EBA members have, up until now, largely worked on a volunteer basis to produce a number of policy and education materials, foster networking and grow the member base.

Selected examples include:

- The [Proof of Stake Position Paper](#): A position paper aimed at policy makers in addressing the importance of the staking industry.
- Policy statements: Official statement on the upcoming [German Tax Guidelines](#).
- Co Hosting [panel discussion on regulation & taxation of digital assets](#) with our member Staking Facilities
- Co-organizing panel discussions along with the European Commission's DG Internal Market (GROW) on the latest technical/regulatory developments in Web 3.0 and the Metaverse.
- Educational courses: Partnership with Technical University of Munich (TUM) to offer the [Certified Blockchain and DLT Manager](#) course for continuing managerial education in the blockchain space.
- [Expert discussions](#) in Connect.Club
- Interview in the [Berliner Zeitung](#)
- Interview with [Cointelegraph](#)
- Joint Position Paper with Dentons and Unstoppable Finance on [Regulating DeFi](#)

The EBA is organised as a Semi - Decentralised Autonomous Organisation which means that it basically uses a [DAO-like governance structure](#) driven by [snapshot voting](#) much like LIDO. It has the benefit however of being structured as a German club (Verein) which gives it a legal standing and makes it easier to interface with traditional off-chain actors.

Many of the LIDO members are already EBA members. An abbreviated member list includes the following organisations.

- Staking Facilities
- Datarella GmbH
- Dokia Capital
- vDL Digital Ventures GmbH
- StakingTeam
- Happy Tezos
- Certus One
- ChainLayer
- Cryptio
- Chorus One
- Staking Rewards
- Interchain Foundation
- IOTA Foundation
- T-Systems
- Tangany
- Immutable Insight
- Hyperledger Foundation

- Instituto New Economy

## Current Lobbying Initiatives

1. One of our founding members Datarella GmbH, along with input from Erwin Voloder is currently consulting the European Commission Directorate-General Justice and Consumers (JUST) for an ongoing study aimed at assessing the civil law obstacles to effective use of smart contracts within the European Single Market. The study will be published towards Q2 2023. This highly impactful work due to the likelihood of a future legislative proposal on so-called 'embedded supervision' arising from the Commission within the next couple of years. It is imperative that we provide clear evidence that a lighter regulatory touch made possible through the unique technical solutions DLT infrastructure provides is an option available to policy makers should they choose to take it. Therefore, Datarella and Erwin are actively involved in providing ample empirical evidence to support this and are in weekly dialogue with DG JUST. Erwin has also helped involve pro-industry senior officials from Directorate-General Internal Market (GROW) in the study through his previous tenure in DG GROW to ensure balance and proportionality is maintained.
2. The EBA participated in a newly launched initiative coordinated by the German Bankenverband and the European Commission called 'Tokenize Europe 2025.' Industry stakeholders include Commerzbank, Deutsche Bank, Santander Group, Daimler Group, the Association of Italian Banks, Evonik, Repsol, CashOnLedger, Allastria and the government of Liechtenstein (among others). Our policy team was closely involved in the expert working groups proposing clearer treatment of cross-border token taxonomy, the future of M2M payments, and a programmable private digital euro for the Single Market. The EBA contributed to research which was published at EU level aimed directly at policy makers
3. Erwin was also invited by the Office for Financial Market Innovation (SFID) Liechtenstein to represent the EBA in an expert working group on decentralised finance regulation and to contribute to the forward strategy for Liechtenstein's own approach to regulating DeFi.
4. Our policy team worked closely with Dentons and Unstoppable Finance to produce a position paper on the future regulation of decentralised finance in Europe. There was a follow-up event held at Dentons in Frankfurt on February 28, 2023 with panellists from the European Commission's DG FISMA, GROW, the SFID Liechtenstein, Uniswap Labs and deltaDAO AG. We coordinated with Politico and BeInCrypto for further media outreach.
5. The EBA is currently finalising a new working group on data governance, to target regulatory developments surrounding the adopted Data Act, and GDPR. Our new co-chair Dr. Clara Guerra who is also Deputy-Director for the Office of Financial Market Innovation, Liechtenstein will be leading the working group initiatives along with our policy team.
6. We are starting a new project to create an industry minded 'Rulebook for Future Virtual Asset Regulation.'

## Context:

At present there is a knowledge gap among lawmakers setting down European regulations in understanding what the Proof of Stake Industry does, where the value add for the overall economy lies and what sensible regulatory models for protecting that value might look like. The European Blockchain Association is in a good position to fill this void but has recognized that the volunteer efforts of its members are not sufficient to produce the required impact at EU level.

New regulations are being proposed in Europe and elsewhere that could significantly impact the future development of the industry. As the ink is still proverbially wet on MiCA, the European Central Bank has come out publicly in favour of MiCA 2.0 - one that would more concretely bring DeFi and NFTs under the regulatory perimeter. The ECB is currently in backchannel talks with the Commission to put pressure on such an outcome - which already shares the tacit support of Commissioner for Financial Stability and Financial Supervision, Mairead McGuinness. Second, the European Commission has recently put forth a public tender on TED (Tenders Electronic Daily) to engage relevant stakeholders on providing technical solutions for on-chain compliance (embedded supervision) aimed specifically at the Ethereum public blockchain. The Commission has put up EUR 250,000 for this endeavour. The European Parliament recently adopted a version of the Data Act that would see kill switches and reverse transaction features become mandatory across all smart contracts designed and deployed in the EU.

We are also closely following the ongoing regulatory developments in the United States and are further aware of the close relationship that regulators on both sides of the Atlantic share. That being said, it is imperative that we maximise our resources to advocate, educate and elucidate to regulators in the EU that the path not taken (in this case) is the better one for the industry.

Broadly this concerns current players in the field, such as LIDO. One example of this is the use of unhosted wallets and AML requirements for cryptocurrency transactions and custody services. Another relates to blockchain protocols in the context of the digital and green transition, and yet a third around the heterogeneity in taxing the space as its use-cases continue to proliferate and cross-pollinate. There is also the concern that regulators may force protocols to prioritise, block or potentially re-write transactions at the whim of regulators has startling implications for freedom and innovation. Most importantly, we are diligently fighting back against the assumption that receipt tokens, and the activity of liquid staking protocols constitutes unregulated financial activity, investment contracts or otherwise.

## Funding Proposal:

The European Blockchain Association is seeking funding in the sum of 25,000 from LIDO. This will constitute part of a syndicated funding raise totalling

100,000 to support 1 full time policy staffer and bootstrap public affairs capacities for pushing Proof of Stake relevant policy work and education with a particular focus on policy makers in the EU. The proposed personnel would engage in a mixture of policy work at the local, community and EU levels. We have identified Erwin Voloder as the proposed expert to hire for this task.

The European Blockchain Association has already sourced an initial \$ 25,000 of anchor funding through Datarella GmbH. It is further proposed to source the additional funding from a combination of supporting industry partners.

#### Primary Proposed Activities:

##### Commentary, Undertakings and Education

- Creation of Educational Materials for policy makers and the public including (but not limited to) MiCA, PSD2, MiFID II, SFD, UCITS, DLT Pilot Regime, AIFMD, DORA and other legislative initiatives slated to touch on blockchain within the ambit of the EU Single Market.
- Direct participation for EU level studies and workshops aimed at the blockchain industry.
- Impact assessment reports and commentary related to complementary regulatory proposals stemming from the FSB, BIS, FATF, G20 and IMF which have a direct impact on the legislative language of EU blockchain inclusive regulatory initiatives.
- Lobbying activities including joint activities with other policy groups such as POSA, European Crypto Initiative, the Digital Euro Association, and others.
- Official responses to governmental requests for public input from the DLT industry.

##### Events and Outreach

- Organising workshops between industry stakeholders and regulators at EU level including online/in-person workshops on the PoS industry and future challenges to Web3 adoption in the Single Market.
- Leveraging policy group partnerships to hold joint-initiative events in Brussels to showcase the value add of the blockchain industry by bringing an annual convention style event for public-private partnerships to the EU bubble.
- Continuing/extending the EBA's presence at leading international blockchain conferences by partnering with and representing our members through booths, on-site lobbying and outreach, alongside speaker contributions and fire-side chats.

#### Reporting and communications:

- Outcomes associated with this work will be communicated through our communication expert Heidi Schall (who is already working with the EBA half time)
- Additionally to ensure value for money quarterly reportings will be made available to the members of the PoS working group and to LIDO in particular. This reporting will be synchronised with communications across our socials.

Why would it benefit LIDO?: LIDO has a lot to gain from sensible ex-ante regulation at European level given the size and reach of the Single Market. Europe is home to a diffuse network of talent both front and back end which provides fertile ground for continued expansion into untapped markets. In the end, sensible regulatory approaches and better educated public representatives provide a whole-of-industry net benefit by cultivating a proactive growth environment, where LIDO can continue to carve out its competitive advantage. Regulators in Europe (like their counterparts in the United States) are taking more ambitious strides to pin down staking with regulations that are increasingly difficult to reconcile with the ambitions of the industry. Exerting an influence to make these outcomes as balanced as possible has never been more important.

#### Timeline:

Initial Funding: March 2023 - March 2024

Onboard Erwin Voloder as first employee, and Senior Policy Fellow for the EBA lobbying group. Continue with the current pipeline of ongoing deliverables and build out further strategy in regards to ongoing regulatory proposals (ex. MiCA, proposed MiCA 2.0, embedded supervision) and represent interests of the Staking industry in Europe.

Stage 2: March 2024 - November 2025

Upon successful onboarding of the first full-time policy fellow in 2022-2023 our aim is to source additional support staff over the period 2023-2025 to round out a dedicated team with the aim of further increasing the EBA's legislative influence at EU level. This additional staff will be instrumental in furthering engagements such as:

- Fostering continued dialogue with regulators and industry contacts while nurturing all currently cultivated relationships.
- Organising more educational/outreach events.
- Coordinating with other international lobbying groups, e.g. POSA.

The official ethereum address of the EBA is as follows:

0x1DCC19852C2681E2dfF10231686Bf99EDffEa7bE

This address is posted publicly as part of the EBA official membership agreement: [EBA Governance - European Blockchain Association](#) >> [EBA Membership Agreement](#)