



The Law and political economy of decentralised digital ecosystems: where does EU Blockchain fit?

1st International Workshop on
Distributed Infrastructure for
Common Good

bitcoinkleidner

Pēteris Zilgalvis, DG CONNECT, Head of Unit F.3 Digital Innovation & Start-Ups and Co-Chair FinTech Task Force of the EU Commission



EXPLORING - CONNECTING - SUPPORTING



JOINED-UP POLITICAL VISION (EU-MS)

JOINT DECLARATION ON THE ESTABLISHMENT OF THE EUROPEAN BLOCKCHAIN PARTNERSHIP [EBP] AND THE DEVELOPMENT OF THE EUROPEAN BLOCKCHAIN SERVICES INFRASTRUCTURE [EBSI] FOR CROSS-BORDER DIGITAL SERVICES OF PUBLIC INTEREST



PUBLIC-PRIVATE PARTNERSHIP

SUPPORTING THE CREATION OF THE INTERNATIONAL ASSOCIATION OF TRUSTED BLOCKCHAIN APPLICATIONS [INATBA]; A MULTISTAKEHOLDER ORGANISATION TO PROMOTE TRUST AND INTEROPERABILITY AT GLOBAL LEVEL



CONNECTING GLOBAL and EUROPEAN EXPERTISE

THE EU BLOCKCHAIN OBSERVATORY AND FORUM BRINGS TOGETHER THE LEADING GLOBAL EXPERTS TO IDENTIFY OBSTACLES, INCENTIVES AND PRACTICAL SOLUTIONS TO PROMOTE BLOCKCHAIN UPTAKE.



INVESTING IN EU RESEARCH, INNOVATION AND START-UPS

THROUGH THE CONNECTING EUROPE FACILITY AND H2020 PROGRAMMES, THE EU IS CO-INVESTING IN THE MOST ADVANCED DIGITAL INFRASTRUCTURE AND THE MOST INNOVATIVE EU START-UPS
NEW EU INVESTMENT SCHEME FOR AI AND BLOCKCHAIN + SUPPORT PROGRAMME



PROMOTING AN ENABLING DSM LEGAL FRAMEWORK, INTEROPERABLE STANDARDS and SKILLS DEVELOPMENT



The European Blockchain Partnership



MANDATE OF THE EUROPEAN BLOCKCHAIN PARTNERSHIP JOINT DECLARATION 10th OF APRIL 2018

SIGNATORIES AGREE TO ENGAGE IN COOPERATION TO ESTABLISH A EUROPEAN BLOCKCHAIN SERVICES INFRASTRUCTURE [EBSI]

In order to harness the many opportunities of blockchain and avoid a fragmented approach, the signatories of this declaration agree to cooperate to establish a European Blockchain Partnership with a view to developing a blockchain infrastructure that can enhance value-based, trusted, user-centric digital services across borders within the Digital Single Market.

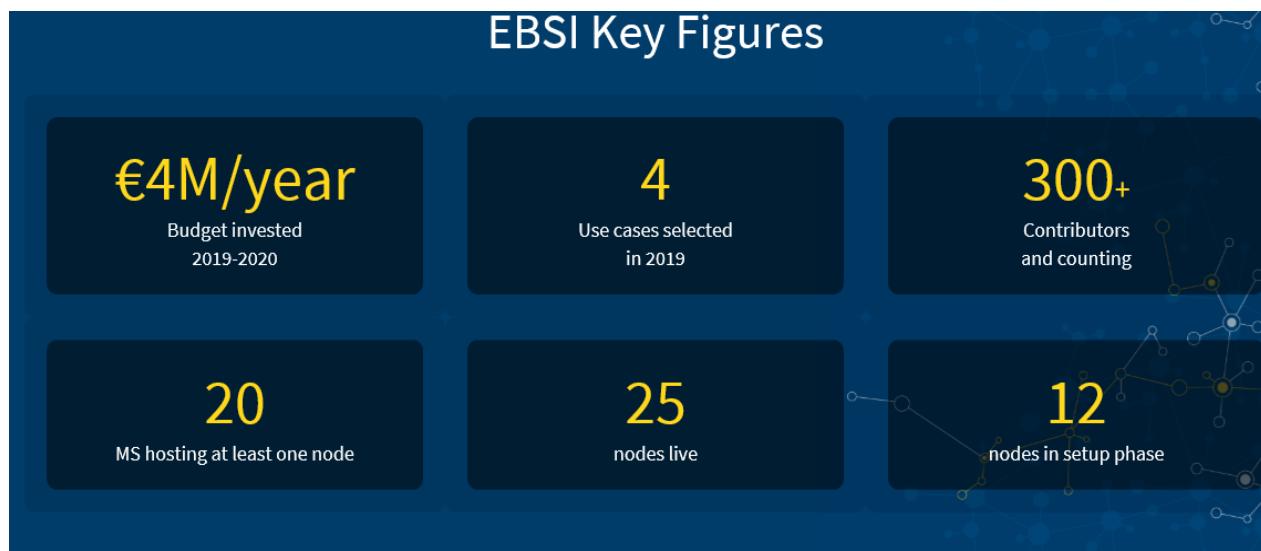
- All EU Member States, Liechtenstein and Norway
- Each member of the EBP – the 27 EU Member States, Norway, Liechtenstein and the European Commission – will run at least one node.
- Deliverables:
 - Use-cases cross border digital public sector services
 - Functionalities and architecture of the EBSI
 - Governance Model
 - Entering pilot & deployment phase in 2021



What is the European Blockchain Services Infrastructure (EBSI)?

EBSI means services and infrastructure

- The use cases with focus on the delivery of cross-border digital public services.
- The infrastructure aspects including the blockchain nodes at EBP / Member State level and the central services provided by the European Commission.
- The same infrastructure is expected to be re-used in different use cases.





EBSI Use Cases 2019



Notarisation of Documents for Auditing Purposes

Leveraging the power of blockchain to create trusted digital audit trails, automate compliance checks in time-sensitive processes and prove data integrity.



EU Self-Sovereign Identity Framework

Implementing a generic Self-Sovereign Identity capability, allowing users to create and control their own identity without relying on centralized authorities.



Certification of Diplomas

Giving control back to citizens to validate their education credentials, significantly reducing verification costs and improving authenticity trust.



Trusted Data Sharing

Leveraging blockchain technology to securely share data (e.g. IOSS VAT identification numbers and import one-stop-shop) amongst customs and tax authorities in the EU.



New EBSI use cases for 2020

Leveraging the EBSI blockchain for:

- SME financing,
- European Social Security Identification Number,
- and Asylum process management.



Official launch in Brussels, 3rd April 2019
105 founding members, till date more
than 170 members www.inatba.org

INATBA Focus

Its mandate



The **IN**ternational **A**sso**c**iation for **T**rusted **B**lockchain **A**pplications is an **open** and **inclusive multi-stakeholders** organisation, created in **Europe** bringing together all stakeholders committed to **promote interoperability, transparent governance, legal certainty and trust** in services enabled by blockchain and DLT, **worldwide**, through continued collaboration and openness.

INATBA is bringing together members to develop open, transparent & inclusive **governance** model; **Interoperability** of DLT/Blockchains; Sector-specific **specifications** & promote convergence of policy by establishing **regulatory dialogues** between industry&public authorities at global level.

1st World Blockchain Congress, Malaga, 11-13 November 2019

EU Blockchain Observatory and Forum

Stakeholders engagement



**An Observatory and
a Forum, an online
and offline community,
a map of ~1000 projects,
workshops organised,
reports prepared,
available trainings**



**EU
BLOCKCHAIN
OBSERVATORY
& FORUM**



#EUBlockchain



EU Blockchain Observatory and Forum

Stakeholder Engagement

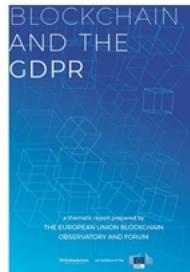


Content produced and workshops organized by the Observatory drive a lot of attention worldwide

Our thematic reports are viewed as strong thought leadership pieces



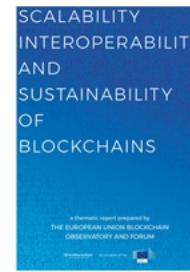
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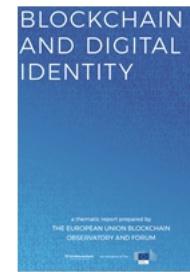
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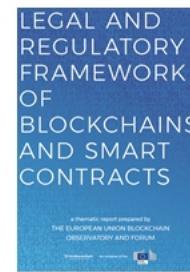
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Just released

12 workshops organized so far, gathering hundreds of experts



- Blockchain innovation in Europe
- GDPR
- Government services and digital identity
- Scalability, Interoperability and Sustainability
- Digital identity
- Legal recognition of blockchain and smart contracts
- Supply chain and traceability
- Convergence of Blockchain, AI and IOT
- Governance and new organizational challenges
- Digital Assets
- Healthcare
- Financial services

Academic papers participate to the research effort

- On Blockchains and the General Data Protection Regulation (University of Southampton)
- Government services and digital identity (Open University)
- Legal Recognition of Blockchain Registries and Smart Contracts (Open University)
- An overview of blockchain scalability, interoperability and sustainability (Hochschule Luzern)
- Tokenization of physical assets and the impact of IoT and AI (Hochschule Luzern)
- Blockchain and Digital Assets (University of Southampton)

Workshops and events videos available in replay

5800 views total
35 videos published



More details in our [special edition newsletter](#)



An active twitter account spreading awareness

6000 followers
450 tweets published

Legal Issues



Smart Contracts : Is the current legal framework sufficiently clear to ensure the enforceability of smart contracts and clarify jurisdiction in case of legal disputes?

Tokenisation : Is the current legal framework appropriate for issuing and trading tokens (crypto assets), when they are not considered financial instruments ? ☐ Forthcoming Market in Crypto-Assets MiCA Regulation.

GDPR & Blockchain: Forthcoming Blockchain Guidelines by the EDPB

SSI solutions under eIDAS Framework (currently up for revision.)

-> Regulatory sandboxes could help with live-testing the deployment of innovative blockchain solutions in line with EU standards and values.

The EU's Crypto Asset Regulation

Legislative Proposals on:

- **'Regulation on Markets in Crypto Assets' (MiCA)**, creating a pan-European regulatory regime for crypto assets and related services;
- **'Pilot regime for market infrastructures based on distributed-ledger technologies'**, creating a safe space for testing innovative DLT-based financial market infrastructures in the EU.

➤ Adopted 24.09.2020.

1. A Regulation – full harmonisation

2. Balances consumer protection and market integrity needs with promotion of innovation

3. EU Passport Principle (« one stop shop » principle for single framework across EU)

4. Regulatory requirements are proportionate to type of crypto asset & risks to consumers, investors or market integrity (Lighter regime for utility tokens and payment tokens; stricter for stablecoins and significant stable coins)



Public Consultation running from 02 October 2020 - 11 January 2021

Crypto Assets & Legal Uncertainty

Fragmentation
of Digital
Single Market

Member States
step in with
diverging legal
approaches

Application of
MiFID2 to
crypto assets
remained
uncertain so far

National crypto regulation
frameworks:

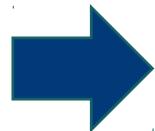
- **France**, PACTE Loi n° 2019-486 (May 2019)
- **Malta**, Virtual Financial Assets Act (2018)
- **Cyprus**, working on regulatory framework
- (Switzerland, “Blockchain Act” (2020))

Various national interpretative
guidance of different scope:

- **Germany**, BaFin
- **France**, AMF
- **Italy**, CONSOB
- **Lithuania**, Ministry of Finance
- (UK, FCA)

Filling Gaps

Type of Crypto Asset	Regulation	Examples
Investment Tokens	MiFID2	E.g.: Tokenised equity or bonds
Utility Tokens	MiCA	E.g.: Filecoin (a digital voucher)
Payment Tokens	EMD or MiCA	E.g.: Litecoin, Bitcoin
Stablecoins	MiCA	E.g.: Libra, Tezos, TrueUSD



Regulating all crypto-assets previously in the grey area, whether they qualify as financial instruments, e-money, or were previously unregulated.



International Standardisation Bodies working on Blockchain



And others...

Blockchain for Climate Action and Sustainable Blockchain

- Exploring the **sustainability and carbon footprint of blockchain** solutions and related policy measures.
- Promoting the use of **blockchains for sustainability**, such as for the '**farm to fork**' strategy, **Circular economy and other etc.**
- Under the **European Strategy for Data** (02/2020), developing of **digital 'product passports'** providing information on a product's origin, durability, composition, reuse, repair and dismantling possibilities, and end-of-life handling. Blockchain can help to trace and verify relevant production information.





Investments in AI and/or Blockchain

Investment for start-ups, early and growth stages

100 M€ (EU contribution in 2020) - >300 M€ in startups

- Financing **a portfolio of innovative AI/blockchain companies**
- Developing a **dynamic EU-wide investors community** on AI&blockchain
- **Scaling up the volume of investments** at the national level by facilitating co-investment with national promotional banks (NPBs)
- **Incentivising further private sector investments**
- Making **Europe become more attractive for start-ups** to stay and grow
- ⇒ Prepare **future support through InvestEU Programme** (starting in 2021)



Thank you!

[https://
ec.europa.eu/digital-single-market/
en/blockchain-technologies](https://ec.europa.eu/digital-single-market/en/blockchain-technologies)

