24 October, 2019

Workday, a leading provider of enterprise cloud applications for finance and human resources, is pleased to provide feedback about the implementation of the eIDAS Regulation.

Founded in 2005, Workday delivers financial management, human capital management, planning, and analytics applications designed for the world's largest companies, educational institutions, and government agencies. Organizations ranging from medium-sized businesses to *Fortune* 50 enterprises have selected Workday.

Workday is headquartered in Pleasanton, California with approximately 11,500 employees worldwide and nearly 2,100 employees across Europe. Dublin serves as the hub of our international operations, where we employ a rapidly growing workforce focused on all aspects of our business from R&D, legal, sales, and operations.

Approximately 40% of the *Fortune* 500 are customers of Workday, and our services are deployed in more than 175 countries in over 30 languages. We have over 450 customers across Europe and an overall customer community representing 40 million workers. This includes some of Europe's largest and most innovative companies, such as Airbus, Deutsche Bank, Primark, Sanofi, Siemens, booking.com, and BlablaCar.

Workday supports the important goals of eIDAS, namely establishing interoperable electronic identification schemes (eID) and the development of a European internal market for electronic trust services. However, while the implementation of eIDAS has demonstrated some positive advancement of these goals, the Regulation could also use updating in light of rapidly advancing technology and consumer practices. Only by providing certainty on the legal validity of both public and private digital services across all technology choices, will businesses, consumers, and government realize the full benefits of eIDAS.

Expanded Definition of Trust Services

As more and more aspects of everyday life, from banking to applying for work, are being conducted digitally, the definition of "trust services" should be expanded to include not just authenticating a signature or other means of verification (such as a seal or time stamp), but also to include services verifying information and credentials (including diplomas and other educational achievements) provided by electronic means. For

example, a nurse can prove various required qualifications and skills by providing certification to a hospital upon applying for a job, and a qualified trust service provider can then quickly authenticate those credentials. Under the current Regulation, a qualified trusted service provider can only provide authentication of the applicant themselves, but the nursing certification must still be independently verified, which is a time consuming process.

Expanding the definition of trust services to expressly include the authentication of any information or transaction, not just signatures or seals, ultimately will create more utility, and in turn greater adoption of eID.

Legal Recognition of Blockchain-based Records and Transactions

Current EU law, including eIDAS, leaves some ambiguity regarding the use of blockchain to conduct legal transactions. As the use of blockchain has quickly become more common and widespread, Workday supports policies that give legal effect to blockchain-based records and transactions, including transactions based on information and identity authenticated by using blockchain and distributed ledger technology.

An update to eIDAS should provide a clear recognition that electronic transactions and trust services conducted on the blockchain or a distributed ledger are legally valid, and that information created, stored, or secured on or through a blockchain can in turn be provided as part of the expanded definition of trusted service.

This could be done by amending eIDAS to add the concept of a “qualified trusted blockchain or distributed ledger” capable of issuing legally binding trust services. Several aspects of the existing requirements for qualified electronic signatures in the Regulation are highly impractical for blockchain networks (especially open or “permissionless” networks). Conversely, certain configurations of blockchain networks could raise unique risks that the Regulation did not contemplate and does not address. Amendments to the Regulation should seek to resolve these issues. For example, if all validating nodes of a blockchain system must be qualified trust service providers (or qualified electronic signature creation devices) in order to issue qualified electronic signatures, this will increase transaction cost and impose significant costs—and potentially also liability—on the operators of any such nodes.

Thank you for your consideration. Please contact Adam Schlosser (adam.schlosser@workday.com), Director International Public Policy, with any questions. We look forward to working with you on this important review.