



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

1st International Workshop on  
Distributed Infrastructure for  
Common Good

[bitcointalks.net](http://bitcointalks.net)

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## 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.

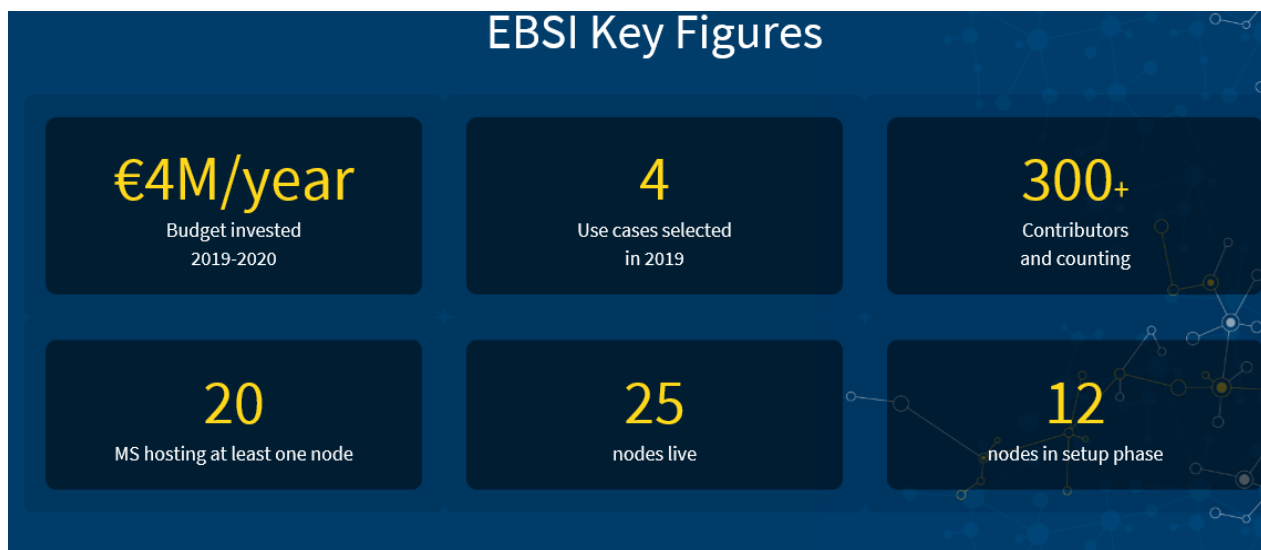
- **All EU Member States, Liechtenstein and Norway**
- Each member of the EBP – the 27 EU Member States, Norway, Liechtenstein and the European Commission – will run at least one node.
- **Deliverables:**
  - **Use-cases cross border** digital public sector services
  - **Functionalities and architecture** 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.



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



Official launch in Brussels, 3rd April 2019  
105 founding members, till date more  
than 170 members [www.inatba.org](http://www.inatba.org)

# INATBA Focus

## Its mandate



The **IN**ternational **A**ssociation 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.

*1<sup>st</sup> World Blockchain Congress, Malaga, 11-13 November 2019*

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



#EUBlockchain

# EU BLOCKCHAIN OBSERVATORY & FORUM





# EU Blockchain Observatory and Forum Stakeholder Engagement

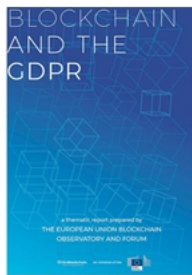


## Content produced and workshops organized by the Observatory drive a lot of attention worldwide

Our thematic reports are viewed as strong thought leadership pieces



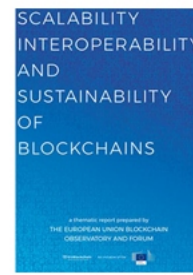
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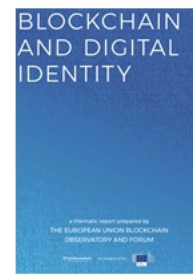
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**3200**  
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**1600**  
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**2400**  
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Just released

### 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

Prepared by ConsenSys for the EU Blockchain Observatory and Forum

### 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



**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

Application of MiFID2 to crypto assets remained uncertain so far

Fragmentation of Digital Single Market

Member States step in with diverging legal approaches

## National crypto regulation frameworks:

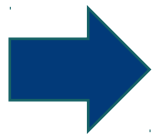
- **France**, PACTE Loi n° 2019-486 (May 2019)
- **Malta**, Virtual Financial Assets Act (2018)
- **Cyprus**, working on regulatory framework
- (Switzerland, “Blockchain Act” (2020))

## 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)**



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**@PZigalvis**

