

What are the EU institutions doing to lead on Distributed Ledger Technology?

Distributed Ledger Technology (DLT), sometimes referred to as blockchain, is coming under increased scrutiny by policy makers in the EU institutions. The European Commission is seeking to cement Europe as a leader of this technology and has set the following priorities:



Supporting new business models



Advancing FinTech DLT



Addressing legal jurisdiction issues



Ensuring enforceability & legality of smart contracts



Establishing the legal status of Initial Coin Offerings

WHAT HAS HAPPENED SO FAR?

MONITORING



- The **EU Blockchain Observatory and Forum** launched in February 2018. The Observatory's July 2018 report recommended key areas for the Commission to address.
- [Consensys](#) will set up the **European Expertise Hub on Blockchain and DLT**, which will identify objectives for the Observatory. The Hub will find blockchain initiatives and analyse trends and opportunities.
- Q2 2019 is the deadline for the Commission to set up an Expert Group to review the EU financial services regulatory framework for the use of DLT and AI.
- The European Supervisory Authorities (ESAs) are analysing how the Member States have incorporated tokens into the implementation of MiFID II and may advise further guidance or steps.

RESEARCH



€83 million has been allocated to blockchain projects through **Horizon 2020**. This could rise to €340 million between now and 2020. Projects include:

- European Innovation Council (EIC)/Horizon 2020 Prize '**Blockchains for Social Good**': five awards of €1 million (2 April 2019 deadline for registration; 3 September 2019 deadline to submit applications).
- The **Collective Awareness Programs for Sustainability and Social Awareness (CAPS)** has been supportive of blockchain projects, for instance [NEXTLEAP](#).
- **EU Fintech Lab**: The first session was held in June 2018. The Lab aims to facilitate knowledge sharing between regulators and address concerns.

INFRASTRUCTURE



- The Commission is assessing the need for and benefits of an **EU public blockchain infrastructure**. A call for tender for a feasibility study on '**EuroChain**' ended earlier this year. The study, due to start in 2018, will assess if, when and how DLT may help public authorities to deliver European services and implement policies.
- 24 Member States have signed a declaration on '**European Partnership on Blockchain**'. The Partnership will enable Member States to exchange experience and expertise.

STANDARDS & GOVERNANCE



- The EU is participating in setting **international standards** through the **ISO Technical Committee 307** and the **ITU-T Focus Group** on blockchain and DLT. The Commission's work with international FinTech standardisation bodies will include a focus on blockchain.
- The EU is also funding projects to support the development of a **governance and interoperability framework** through initiatives such as [D-Cent](#), [MyHealthMyData](#), and [DECODE](#) which aim to address concerns around data centralisation through DLT.
- The **European Committee for Standardisation (CEN)**, **European Committee for Electrotechnical Standardisation (CENELEC)**, and **European Telecommunications Standards Institute (ETSI)** will work with the Blockchain Observatory on legal, governance and scalability issues. They will support interoperability and standardisation.



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