DEVELOPING A GLOBAL REFERENCE POINT ON POLICY FOR DLT

OECD BLOCKCHAIN POLICY CENTRE

OECD

A technology-enabled future, facilitated by blockchain

Artificial Intelligence (AI)
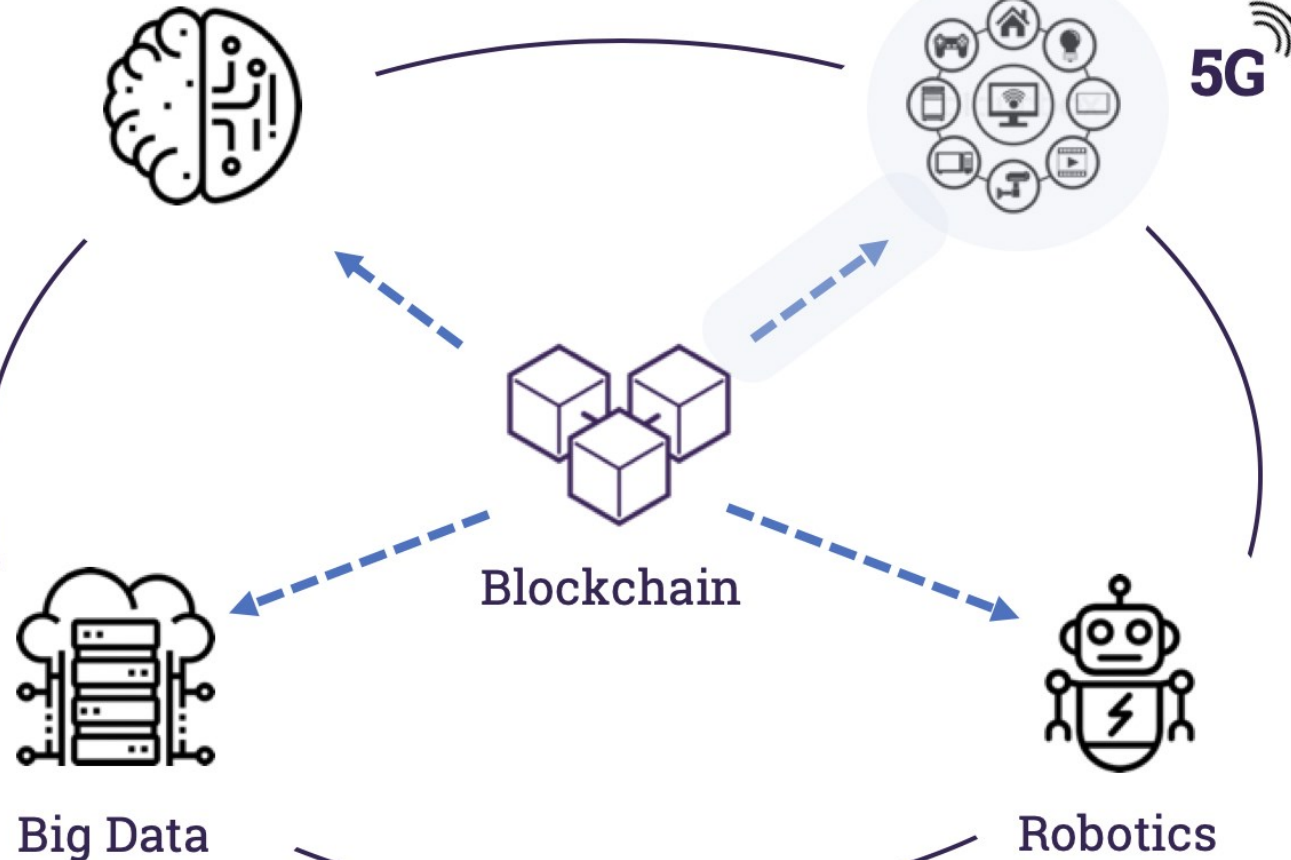
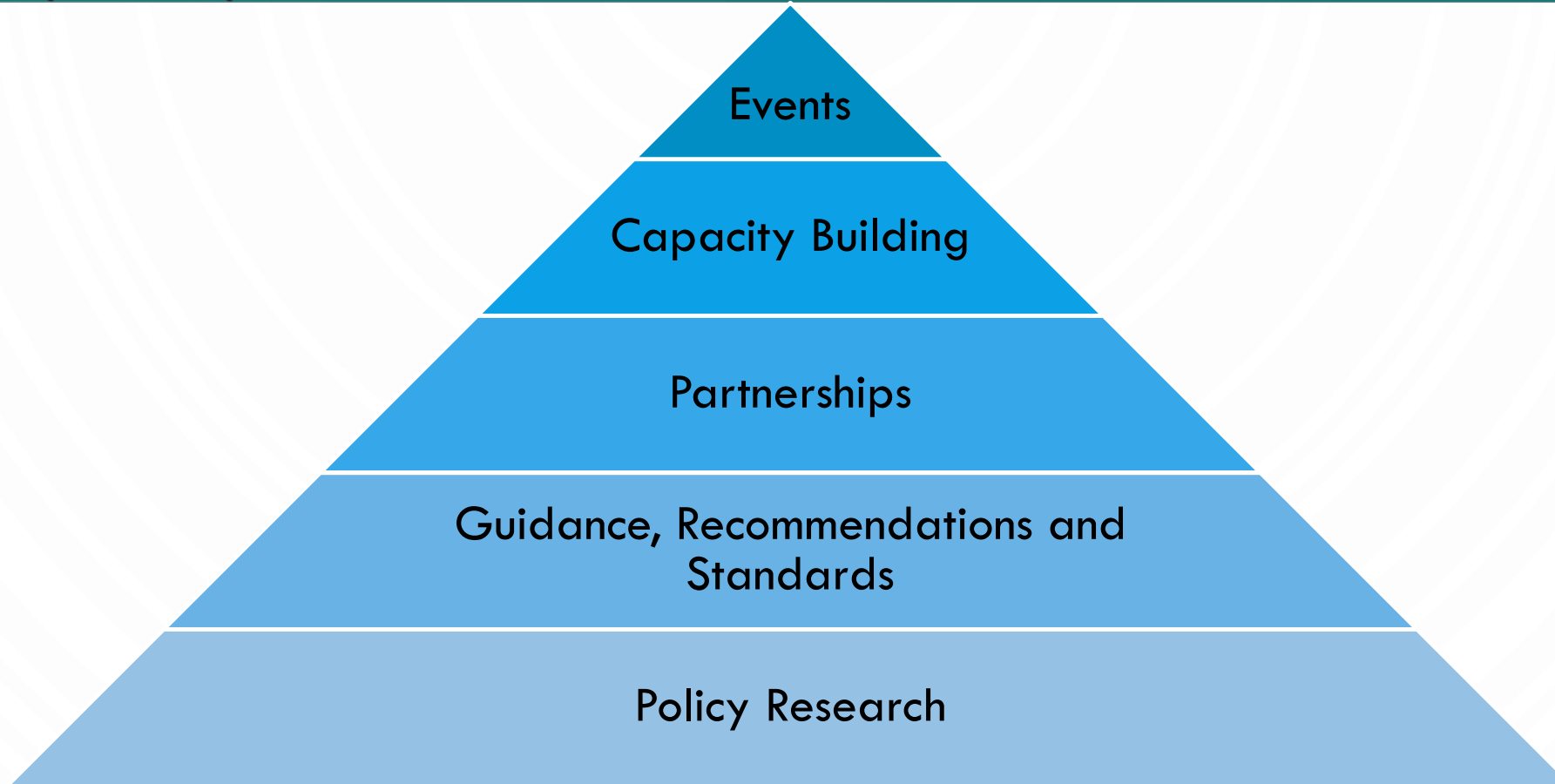Internet of Things (IoT)

5G

Finance

Government

Transport

Healthcare

Blockchain

Education

Infrastructure

Supply chains

Big Data

Robotics

OECD

The OECD Blockchain Policy Centre:

- Events
- Capacity Building
- Partnerships
- Guidance, Recommendations and Standards
- Policy Research

OECD Blockchain Policy Centre

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Convening Events

Flagship event: the Global Blockchain Policy Forum….

- More than 1600 participants from over 80 jurisdictions in 2019

- Videos of all sessions are available on our website, and have so far been viewed by more than
14,000 people

- http://www.oecd.org/finance/oecd-blockchain-policy-forum.htm

…But also, workshops, expert speaker series, webinars….

The 4th OECD 2021 Global Blockchain Policy Forum is

Being schedule for September 2021

Already 10 Blockchain-related OECD publications in 2017-19, and +20 ongoing projects
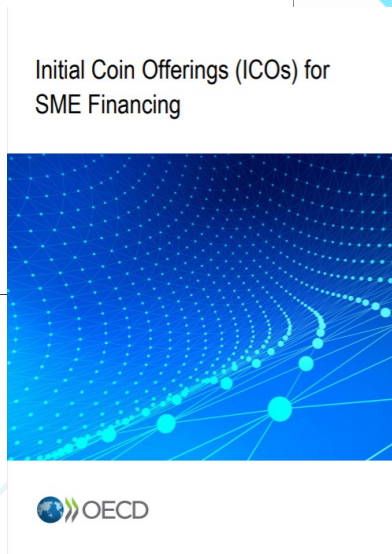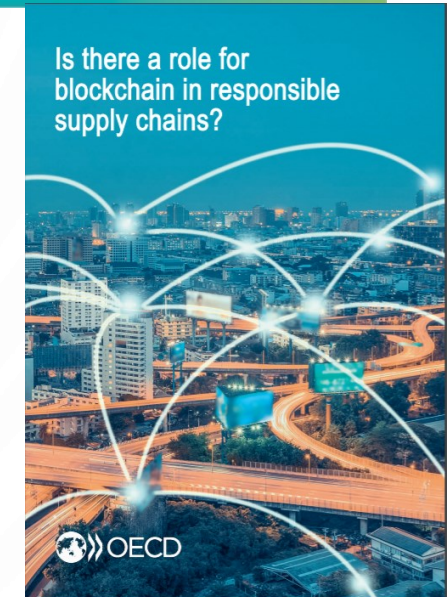
Finance

Governing blockchain

Policy Research

Supply Chains

Government/ public goods

OECD Corporate Governance Working Papers No. 21

The Potential for Blockchain Technology in Corporate Governance

Vedat Akgiray

https://dx.doi.org/10.1787/ef4eba4c-en

Initial Coin Offerings (ICOs) for SME Financing

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Financing Climate Futures

Blockchain Technologies as a Digital Enabler for Sustainable Infrastructure

CASE STUDY

OECD ENVIRONMENT POLICY PAPER NO. 14

OECD

Is there a role for blockchain in responsible supply chains?

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Why create a global policy framework for blockchain?

➢ *The leading barriers to greater adoption of distributed ledger technologies like blockchain*

Regulatory issues

30%

Implementation: replacing or adapting existing legacy systems

30%

Potential security threats

29%

Uncertain return on investment (ROI)

28%

Lack of in-house capabilities (skills and understanding)

28%

➢ *With NO existing international standards to frame DLT innovation and adoption*

Deloitte, 2019

OECD

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Towards an over-arching policy framework for Blockchain/DLT

➢ *Objective: A high-level framework of policy principles to guide innovation and adoption of blockchain and other distributed ledger technologies*

➢ *High-level guidance for government and industry*

➢ *Similar to the OECD Principles on Artificial Intelligence, adopted as a recommendation by Council in May 2019, https://www.oecd.org/going-digital/ai/principles/, and supported by the G20 in June 2019: https://www.mofa.go.jp/files/000486596.pdf*

➢ *To be developed drawing on the expertise of the Blockchain Expert Policy Advisory Board*

The Blockchain Expert Policy Advisory Board

Multi-stakeholder expert group

Geographically diverse

Broad sectoral perspective

An example: OECD Council Recommendation on Artificial Intelligence

➢ *Contains 5 values-based principles for the responsible stewardship of trustworthy AI:*

- *AI should benefit people and the planet by driving inclusive growth, sustainable development and well-being*

- *AI systems should be designed in a way that respects the rule of law, human rights, democratic values and diversity, and should include appropriate safeguards – for example, enabling human intervention where necessary to ensure a fair & just society*

- *There should be transparency and responsible disclosure around AI systems to ensure that people understand AI-based outcomes and can challenge theme.*

- *AI systems must function in a robust, secure and safe way throughout their life cycles and potential risks should be continually assessed and managed.*

- *Organisations and individuals developing, deploying or operating AI systems should be held accountable for their proper functioning in line with the above principles.*

➢ *Plus, five recommendations to governments:*

- *Facilitate public and private investment in R&D to spur innovation in trustworthy AI*

- *Foster accessible AI ecosystems with digital infrastructure and technologies and mechanisms to share data and knowledge.*

- *Ensure a policy environment that will open the way to deployment of trustworthy AI systems.*

- *Empower people with the skills for AI and support workers for a fair transition*

- *Co-operate across borders and sectors to progress on responsible stewardship of trustworthy AI*

Impetus for Policyframework for DLT

- Policymakers and regulators have a strong interest in the implications of technological developments for their economies, financial systems and citizenry generally.
    - May imply higher productivity, foster trust and confidence in institutions, and the creation of highly-skilled jobs.
    - Potential for highly distributed and completely decentralised governance, ease of operation across borders, and its implications for digital security, raise important issues and concerns.
- Providing a timely, balanced, global response to these challenges is therefore key, with the lack of regulatory certainty

Considerations in developing an over-arching policy framework for DLT

Potential considerations in developing a policy framework for distributed ledger technologies like blockchain, could include:

➢ *Accountability: recognising that in distributed and decentralised systems, this may require a multi-stakeholder approach to governance*

➢ *Security and safety: including data privacy and management*

➢ *Global: recognise the essentially borderless nature of the technology*

➢ *Skills and education: avoiding a dual-speed or gender-divided future for technology progress, through awareness and investment in skills development and education to support dissemination of the benefits of DLT*

➢ *Values-based: promoting a human-centric approach to DLT development and adoption*

➢ *Interconnectedness: acknowledging the relationship between DLT and other emerging technologies including artificial intelligence*

THANK YOU

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