

**Question for written answer E-006364/2016
to the Commission**
Rule 130
Barbara Kappel (ENF)

Subject: Virtual currencies

The European Parliament's original recommendation in connection with virtual currencies was to observe them and not take any action until their market power was such that they became systemically relevant. The Commission has proposed to focus more closely on virtual currencies and prepaid cards in combating terrorism.

1. It is proposed that platforms for the exchange of virtual currencies into real money should no longer treat sellers anonymously. However, blockchain technology already possesses mechanisms that clearly detail the purpose of a currency unit, including the whole route the unit has travelled so far. What is the Commission's view on proposals to monitor this purpose more closely instead of restricting anonymity?
2. The advantages of blockchain technology for public authorities, banks, depositary agents, clearing houses, notaries, distribution platforms or indeed new payment service providers, are immense; furthermore, security would be increased, as many intermediaries would be eliminated. However, one crucial problem is the development of common standards. How will the Commission ensure that measures to regulate blockchain technology with a view to combating terrorism do not undermine the setting of common standards?
3. How will the Commission treat the issue of liability for decentralised, autonomous organisations which are themselves only codes, which conclude contracts that are also codes, given that this raises the issue of whether hacking is merely the use of a poorly programmed contract (code)?