The Commission shares the views of the Honourable Member that the use of Blockchain in the
digitisation of trade has the potential to simplify and improve the work of customs authorities, increase
the efficiency, speed and volume of global trade, and bring more benefits to the different actors. It
could create economic opportunities for Small and Medium Enterprises to internationalise and to
overcome the costs associated with exporting. The European Parliament has recently approved a
report “Blockchain: a forward-looking trade policy” which explains in details the advantages and
challenges associated with the use of Blockchain in international trade.

The Commission is looking into different challenges for the deployment of Blockchain, including the
one related to compliance to EU laws. Regarding Blockchain and the General Data Protection
Regulation (GDPR), the European Union Blockchain Observatory and Forum has recently issued a
report which analyses in detail the different possible elements of tension between the technology and
the GDPR and attempts to provide different solutions to solve them. With respect to security issues,
though any IT system can be subject to attacks, one could argue that private Blockchains are likely to
be more robust, difficult to attack and resilient than central database systems. On the subject of
energy consumption, though it is still a burning issue for permissionless systems such as Bitcoin and
Ethereum, in permissioned distributed ledgers, the consensus mechanisms are automatically
executed, and hence much more energy-efficient.

The Commission continues to monitor whether the legal framework is sufficient to allow the further
beneficial development of blockchain technology and its applications in the EU.

---

2 https://www.eublockchainforum.eu/reports