

New Report Outlines How Policymakers Can Support Blockchain Innovation

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Blockchain is a technology that creates a distributed digital ledger—a database—that allows multiple parties to engage in secure transactions with one another without an intermediary. This technology is having a significant impact on many different industries, from improving

transparency in supply chains to enabling new methods of startup financing.

The report demonstrates a series of blockchain use cases, including cryptocurrencies, shared data services, smart contracts, decentralized marketplaces, provable authenticity, and digital identity.

The report outlines ten policy principles to support blockchain innovation and adoption:

1. Ensure technology neutrality
2. Actively support blockchain adoption and deployment in the public sector
3. Support blockchain research and development
4. Promote legal certainty for blockchain applications
5. Set rules for blockchains at the national level
6. Create a flexible regulatory environment that enables experimentation
7. Use targeted regulatory enforcement to incentivize companies to protect consumers
8. Avoid laws and regulations that prevent the use of blockchain technology
9. Promote data interoperability for blockchain applications
10. Work to establish international harmonization of blockchain regulations across sectors

“Blockchain is moving from hype to reality. Given the potential magnitude of its impact, policymakers need to understand how it works and why it matters,” said ITIF Vice President Daniel Castro, co-author of the report. “Many regulations, from tax policy to data protection, will have an impact on blockchain adoption. If policymakers do not have a firm grasp on the technology, they will be unable to facilitate the continued roll out of blockchain in the public and private sectors.”

Read the report.