

EU BLOCKCHAIN meetup

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EU BLOCKCHAIN MEETUP

Celje, 20.10.2017: EU Blockchain meetup as one of the most important steps towards Slovenia as Blockchain heaven took place at Celje Fair “Feel the Future” on 20th of October 2017 and motivated attention of more than 300 participants and speakers to attend and co-create the development of the Blockchain ecosystem in Slovenia and abroad.

The “Feel the Future Declaration: Initiative Blockchain Europe” adopted in the final part of the meetup means a strong commitment to support blockchain economy on the European level.

Blockchain technology is one of the most important forces in digital transformation in private sector, in public sector and in economy as general. Slovenia identified this enormous potential of Blockchain as a technology capable of tackling complex social and economic issues. Although the regulatory framework is in its very beginning, prospects of the Blockchain technology are exponential.

After strong support from the **Prime Minister of Slovenian Government dr. Miro Cerar**, stating that Slovenia is becoming one of the most recognized player in the area of Blockchain economy, saying that the Government aims to position Slovenia as the most recognized Blockchain destination in the European Union, the EU Blockchain meetup was logical step forward in building the Blockchain ecosystem in Europe and wider.

The EU Blockchain meetup started with the introductory speech of **Mr. Boris Koprivnikar, deputy Prime Minister of the Republic of Slovenia, Minister for Public Administration and Chief Digital officer**. As responsible minister for digital and initiator of Blockchain Think Tank, network initiative under Digital Coalition, pointed out, that Slovenia as Green Reference country in Digital Europe, would like to invent the way, how to use existing technology in the new manner. One of the crucial things, important to make a change in the technology system, is to make an ecosystem to support that change. The similar situation is with the Blockchain technology. With the media, we have access to information and distributed knowledge, economy is starting to grow, through the distributed economy it is becoming global and we need the global mechanisms to support for example the payment of taxes, insurances, protection of our clients, voting about different things, and “I strongly believe that only blockchain is a technology that enable a support for this distributed global economy, global information and global communication”, and continued “so this is why



Slovenia is aiming to really encourage the blockchain solutions and the advantage of our country is, that there is a lot of knowledge, a lot of start-ups, a lot of very serious, mature companies working here and they need support and recognition on the system level". If we want to achieve the benefits and the solutions of blockchain technologies, **we need trust, the trust of clients, citizens, businesses, but also of decision makers, parliaments, and the fact that they recognize this technology as trusted technology,** which can be used to solve many different social, economic, political legal problems or communications. Blockchain is also technology than can bring back the trust to the government with the inclusion of the citizens into decision making processes. "With the blockchain we can **reshape our democracy processes**, we can gain direct democracy and may be in the end, we can vote on blockchain technology, but first we have to gain the trust in blockchain and through this we gain the trust in how we run our communities."

Mr. Tadej Slapnik, State Secretary in the Prime Minister's Office of the Republic of Slovenia, responsible for social, green and circular economy and the policy level of Blockchain economy, summarized the one year step by step process of development of idea of implementation of blockchain technology. "Here are two fields of cooperation we have to build, on one side green economy, and on the other the use of digital technology as a tool." He described the milestones, the main steps towards the development of the blockchain concept in Slovenia. **First, the consultation on the steps Slovenia has to make towards the transformation into circular economy in the Summer 2016.** By this occasion Prime Minister hosted ex European Commissioner Mr. Janez Potočnik, and with the presence of the ministers, the high importance of circular economy was highlighted. **Second in November 2016 the Conference Slovenia in 4th Industrial revolution** was organized, where we reached a consensus that "we have to go towards circular economy, but we will not able to do it if we do not understand blockchain economy". **The third milestone was European Conference on circular economy,** Slovenia with strong support of Prime Minister organized together with World economic Forum, together with the countries which are most progressive in the area of circular economy, like Finland, Luxembourg, The Netherlands, UK, it was clear that use of the blockchain technology is needed, but at that moment it was still too early. "With the Blockchain Meetup – it was organized in Slovenia space Centre Herman Potočnik Noordung in Vitanje, we opened the hands of collaboration to the Blockchain community we have in Slovenia, we started to collaborate and we found out that it was years ago everything started, before we as a government became aware of blockchain technologies and its potential". **It was the most important, the fourth milestone.** And the collaboration started **on the fifth milestone, at the meeting in the Ministry of Public Administration on the 13th of July 2017,** where there was initiated the idea, steps were defined and the decision was adopted to initiate Think Tank for Blockchain in Slovenia, to create a network among the community, the companies, the knowledge, and the government, ministries on the other side, to accelerate and follow up the activities. **The most recent but the most important milestone was achieved in October 2017,** as announced by Zenel Batagelj, **after 5 months of hard work with the government and regulators, the launch of the Datafund, pilot project based on blockchain become possible also from Slovenia.** The Prime minister last week announced that **Slovenia is positioning itself as one of the most blockchain friendly country in Europe".** As we



would like to share blockchain initiative across Europe, the discussion was started in Silicon Valley with the European commission, the director of DG CNNECT. The Commission is in the process of establishing working group under the Blockchain observatory. “EU Blockchain meetup is to open the space also for other countries, regions of Southeast Europe, Balkan countries which are also fast moving in the field of Blockchain technology. Today we are to see, what was done, the future steps, how the ecosystem is building up and how emerging stars”.

Pierre Marro, the representative of DG Connect, Department for digital single market, presented the work of European commission in the area of blockchain. The Commission treats Blockchain as a great opportunity, entire new economy, mult centralized model, that enables users and providers to improve the efficiency. “If we want to talk about simplification using blockchain we have to know that this is still in an early stage, it is innovation, we still have to regulate it. It is a technology challenge. When we talk about blockchain, we have two important distinctions to make: talking about blockchain as a technology and talking about blockchain as the application and how this is regulated”. Benefit which are brought by blockchain: decentralization aspect, share of data, a question of guarantee, a transaction, execution of a specific task. **First message, given by mr. Marro was “we need to involve in our regulatory system, future proof that it is innovation friendly”.** The cycle of notification - it is on member state level - is to see, how to adopt the regulation, and “as blockchain technology is decentralized, we need to have global regulatory response” and create the harmonized approach. “The reputation and privacy is very important when we talk about the regulation”. GDPR is for example important through the context – formally, the GDPR will not have a specific influence on blockchain, but can be relevant for data protection, against terrorism. **“The existence of smart contracts, the validity, the use of crypto currency by state is not regulated, but some countries have their own systems for crypto currencies, and ICO will probably have to be regulated.** Harmonized approach is needed, not only for blockchain, but also for FinTech as a whole”. With the purpose to engage the dialogue the Commission is establishing Blockchain Observatory – with member state representatives, member state regulatory bodies, public administration, start-ups and the industry, to make a good framework, also connected by the trust. “We also have to think about interoperability, for different sectors in industry, for different countries, we have to work on standardization and to have cheaper solutions, support the pilot project with the possibility to be financed by Horizon 2020. European blockchain infrastructure is technological solution, but we are setting the rules to ensure interoperability.” Blockchain is one of the emerging technologies and it is recognized by EC putting it very high on European Agenda.

The second part was dedicated to the development of an ecosystem for blockchain in Slovenia. **Jure Pirc, the president of Bitcoin Association of Slovenia (www.bitcoin.si),** pointed out that the association grew from 30 members three years ago to 235 at the moment with the community on social media of 4000 participants. He explained that in Google trends Slovenia is no.1 in the terms of crypto currency research.

Nejc Novak, lawyer at NovakRutar, emphasized that it is very important that have knowledge “and it is not the friendly regulator, you want to have, it is a knowledgeable one. Knowledge, expertise and knowhow are the things that always work. And I am very happy



that I could give them some answers with the high degree of certainty”. “I certainly believe that blockchain can be something that is going to put the EU on the step. This is the opportunity for EU to catch on the train of blockchain and to overtake other very established Venture Capital system such as the US”. Today even Silicon Valley is facing the trend of moving many EU citizens and entrepreneur back to EU, as the prices are very high. But the EU shall not have the case when each country has its own set of rules on how to deploy a smart contract, how to do a crowdsale, other things on blockchain. And the ability to deploy solutions, to develop and to grow projects “that is something that has economic value, something that generates growth and something that generates jobs and is also something that brings young Europeans back to EU or that keep them here. Regulation of events or moves or products on blockchain follows the principle of technological neutrality, supporting the idea that more and more assets to be tokenized, because this is the way that future assets are going to be registered, transferred... and we do not like EU directives, we support EU regulation”.

Nena Dokuzov described Noordung Blockchain hub and its role in the blockchain ecosystem: to structure, present the knowledge, and transfer it to the community. The Hub has an ambition to become a global hub, but also in the other parts of Slovenia and abroad, connecting with other hubs, to establish strong network in the region, in South East Europe and Balkan countries and wider in Europe.

Denis Avrillonis from Compell.io (Luxembourg) explained the situation in Luxembourg: “End of august 2017 in Luxembourg 3.9 trillion under management of the fund industry and there was no way that this big industry will jump into blockchain to make all transitions to blockchain.” So they used the world blockchain literally. The other problem is that there are about 21 million software engineers in the world today but only a few thousands of developers of blockchain contracts. It is not possible to cover the needs of any sort of protocol. The third thing is the difference between public and private blockchains that both function under different manner regarding mutability: private are immutable, but in public blockchains Bitcoin, Ethereum etc. The mutability is much more guaranteed.

Dražen Kapusta, Blockchain Adria: founder of Cotrugli business school and the representative of Blockchain Adria emphasized “while there are 21 million of IT developers in the world but only 8.000 blockchain developers and by all knowledge of platforms maybe 1000 there are really good, there is a need to train them and train the managers, who will lead blockchain ICOs initiatives”. Two years ago Cotrugli introduced blockchain education and technology transformation programme, today they are launching specialization and training of blockchain, they develop “smart scholarship” and are planning to make token for the events to increase accessibility for people. to the events. Next conferences: Zagreb, Belgrade, Ljubljana, Vienna, London, Dubai and Singapore that can be done with Slovenian partners.

Primož Ramovš, explained a role of Blockchain Think Tank, predominantly on raising awareness and providing information to the public. In the process of building an ecosystem composed of government, developers and start-ups, “start-ups are not the same as developers: start-ups come with an idea, developers have to programme this idea”.



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BLOCKCHAIN TECHNOLOGIES



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Ervin Uršič Kovač, Iconomi (CFO): Presented Iconomi: “In summer 2016 Iconomi raised 10,7 million USD which was the biggest crowd funding campaign and among 11 biggest worldwide. In 1 year they employed more than 40 people, created two separate companies, one of them is Cofound.it with today employed more than 40 people itself. The vision of Iconomi is to build the bridge between the old and the new economy and goal is to build the project that would definitely change economy and to help to digitalize the world”.

Erika Pogorelec: Cofound.it CTO: presented Cofound.it’s platform for connecting start-ups that have an idea, and experts and the investors together. They are helping blockchain start-ups to build the communities, which also decide, which project is good and which not. And for the project ideas in early stage they offer small funding for start to finance seed projects.

Dejan Podgoršek: IBM Innovation Centre described the ecosystem, which enable existing 21 million of developers to start to develop blockchain, utilizing their current knowledge. IBM blockchain is based on Hyperledger at Linux foundation. Different blockchain technologies address different challenges. Some are good for financial markets, other for bitcoins – for crypto currency, third for businesses, for asset transfers etc. They are public, private, permissioned, some are consensus based ... IBM in January 2015 started to develop their own blockchain technology. In February 2016 donated the code to the Linux Foundation and launched Hyperledger project. “Why we shall use blockchain if there are other solutions? When we have other parties that need trust, if you have unknown people, it has to be public blockchain, if you have known people, you have private blockchain. In supply chain, when you work with the suppliers, are all known parties, you enable them to join private blockchain with the certificate.”

In the last part **Luka Birsa from Visionect** presented the project of the development of the system of global display chain, which is trying to solve the problem of monetizing digital signage. **Rok Podgornik from SunContract.org** described the global platform where consumers and producers will be able to meet each other and trade electricity. **Žiga Lukša, CIO at Futourist** presented global review platform that rewards customers for creating content, with the use of blockchain companies with the ultimate goal to proof that any kind of content can and should be monetized. **Marko Filej CEO at Sportyfi** presented their project they are launching – the blockchain based financial platform that will allow entrants to raise funds, and to allow small investors to invest in athletes. **Goran Jeras, manager of Croatian cooperative for ethical science** presented the project Aluvium, on the creation of an algorithm that will be able to reconcile debts arising from delayed payments and to have the multiledger debt cancellation system based on artificial technology **Tamas Leder: MKB FinTechLab** presented the Hungarian accelerator, funding the start-ups up to 100.000 eur, give them coworking space and net, providing sandbox where start-ups can do their own projects, ideas.

In his closing remarks, State Secretary Tadej Slapnik, announced the declaration “Feel the Future Declaration: Initiative Blockchain Europe”.