



BLOCKPOOL

# Risks of implementing Blockchain & DLT

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Date



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# INTRODUCTION

The purpose of the webinar is to present and discuss the key risks during Blockchain and DLT implementations.

The results are presented first and then the room is opened up for a discussion.

We actively seek your feedback on these findings.

The results of our study and this webinar will influence EU policy recommendations, so make your voice heard!

## Respect the presenters!

- When you join a meeting you will automatically be muted
- Please respect the speakers and stay on mute unless we are in an open discussion
- There is zero tolerance for „Zoom bombers“ – if you disturb the meeting, you will be removed.
- Unless you are in an open discussion, please raise your questions via the chat first.
- Meetings must finish on time, so that people can dial into next session.

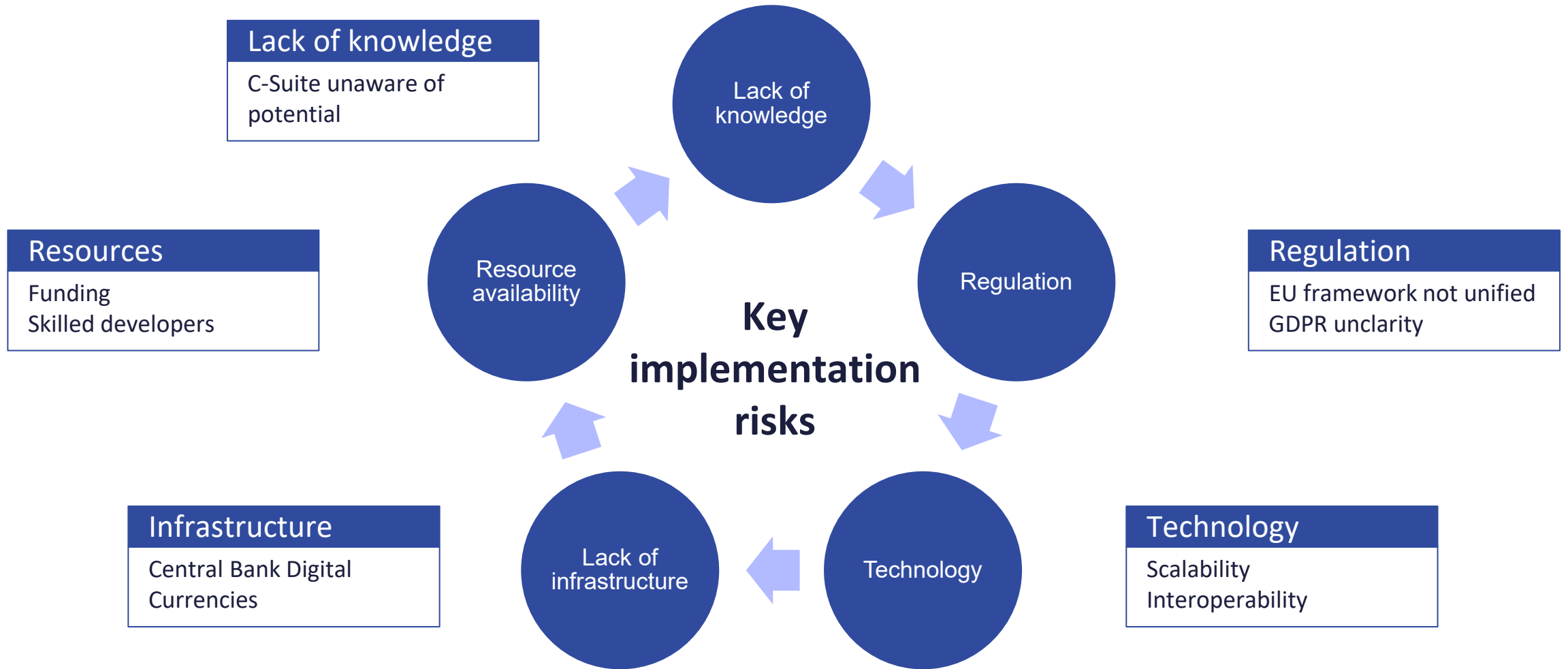
## Questionnaire

- 49 participants – 30 companies and 19 individuals
- Respondents came from 11 European countries and the USA
- Germany and Spain were most heavily represented
- Respondents had diverse backgrounds ranging from attorney to CEO or professor
- CEOs and founders were most heavily represented

## Expert Interviews

- 9 interviews – 4 BDLT SMEs, 4 corporations and 1 independent BDLT expert
- Semi-structured interviews of 30-60 mins
- The interview questions focussed on the topics:
  - Challenges in product development
  - Technology limitations
  - Legal framework
  - Use of smart contracts
  - Funding

# KEY FINDINGS



## Stakeholders appear to be unaware of the technology's potential

- C-Suite does not understand the technology and cannot identify use cases in their own companies.
- The lack of understanding of executives hampers investment in the technology
- Technology is still prejudiced as technology for terrorists and money-laundering.
- Few experts exist, which impacts recruitment of a skilled workforce

# LACK OF INFRASTRUCTURE

## Current infrastructure does not allow for large scale roll-outs

- Infrastructure not large/ deep enough for large scale deployment
- For example manufacturing industry could not cope with a switch to sophisticated technology
- Central Bank Digital Currencies (CBDC) not advanced enough to base an entire business model on it

## Regulation still evolving and not unified across the EU

- Regulation is a heavy burden for start-ups
- Regulation still evolving, which means businesses need to adapt continuously
- GDPR guidance required
- Sandboxes required, because regulatory burden hampers innovation
- Cooperation with law firms difficult, because few specialised lawyers exist that can bridge the gap between traditional law and world of coding



## Scalability and interoperability still issues?

- Proof of work not scalable and memory intense
- The interoperability of different systems was raised as an implementation risk
- Concerns about global systems (e.g. self-sovereign identities)
- Adoption of smart contracts suffers from limited functionality and file/data integration

## Constraints likely the outcome of the lack of knowledge

- Little access to funding
- Few skilled workers and developers on the market
- Access to large, established networks

## Let's hear your views!



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