📅 **23-24 May, 2023**

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EUROPEAN
WEB3 SUMMIT 2023

THE SUMMIT WHERE WEB3 MEETS EU POLICYMAKERS AND WEB2 BUSINESSES

WEB **3.0**
european
summit

OPENING KEYNOTE

VICTOR BEREZENKO, THE EUROPEAN WEB3 SUMMIT 2023 ORGANIZER, CO-FOUNDER OF THE INSTITUTE FOR GLOBAL TRANSFORMATION

The Summit brings together European policymakers and Web3 leaders to promote open dialogue and innovation.

The world today is undergoing a significant transformation driven by a new mindset prioritizing trust transparency and sustainability. We are the in the midst of rebuilding from both pandemics and geopolitical wars and facing the reality of climate change.

Blockchain technology will radically change the way we interact with the world. As a result, a more inclusive democratic and decentralized global economy is created.

A growing number of people are realizing the importance of the blockchain industry to encourage innovation and growth, and the role of governments and organizations in creating supportive regulatory environments.

The key to interconnected blockchain adoption and development is to focus on practical use cases for Web3.

WHAT ARE THE CHANCES THAT EUROPE COULD BE AT THE FOREFRONT OF WEB3 INNOVATION IN THE WORLD?

It is our pleasure to invite you to explore together the future of the Web3 in Europe!

We will cover 13 topics related to the development of Web3 businesses and regulatory frameworks. So, let's dive in!

EUROPEAN
WEB3 SUMMIT 2023

DAY 1

23 May, 2023

1. **Policies & strategies for Web3 transformation in Europe**

2. **Making Europe a Global Center for Web3 in Governance**

3. **Is blockchain technology ready-to-use to strengthen the EU economy?**

4. **Digital Payments Future In Europe**

5. **Decentralized Finance: Safe, Trusted, Or A Trojan Horse For The Users?**

6. **Developing Web3 economies to advance the EU Green Deal**

POLICIES & STRATEGIES FOR WEB3 TRANSFORMATION IN EUROPE

SPEAKERS:

IRAKLI BERIDZE | Head Centre for Artificial Intelligence and Robotics, United Nations, UNICRI

RICARDO SIMOES | Executive Director INATBA

IOANA SURPATEANU | Chief Innovation Officer Swash, NED CryptoUK

RAPOLAS LAKAVICIUS | Policy Officer European Commission

HUGO VOLZ OLIVEIRA | Founding member and secretary New Economy Institute

ALEX COHEN | Moderator, Cointelegraph

WHAT IS WEB3 TRANSFORMATION FOR YOU, AND HOW DO YOU ASSESS THE CURRENT APPROACH TO ITS REGULATION?

IRAKLI: We are witnessing a tremendous change in our life, which is happening much faster than many would anticipate. That requires adjustment of the way we look at the regulations and setting the frameworks globally and internally in Europe.

As I'm working for the United Nations, we're focusing on more global approaches. At the moment, we don't have a global charter or convention which would regulate technologies, but we do need frameworks that would ensure Web3 benefits us all.

IOANNA: Web3 is a new face of the internet that promotes and deploys a new type of architecture, that enables community ownership and more direct control of users over the economy of the internet. This was not possible before. Web3 can actually enable the portability of a user's social graph, assets, gaming activities, online behaviors, etc. It basically enables the integration of a person's lifestyle into new tech. But what if we don't need to regulate each emerging technology, but let it flourish at least for a while?

RAPOLAS: In my view, Web3 is basically the internet of the future where we are exchanging value and empowering users to have more control over their own data.

In the European Commission, we started looking at blockchain and Web3 technologies a few years ago, and by working with numerous stakeholders, we received an indication that more regulation would be very much welcome. Multiple players would like to use values the Web3 offers, but they want to be sure it's done legally, in line with applicable rules and regulations.

The European Commission has proposed quite a few initiatives, such as MiCA, the European Digital Identity Act, also the Cyber Resilience Act which are going through adoption, and I already see they are beneficial.

RICARDO: Web3 is the natural evolution of our digital lives. It will enable alternative ways for individuals, businesses, and the public sector to generate value, which today is concentrated on a few players, as well as empower entrepreneurship.

But we cannot only think about Web3 as a development. We need to put ourselves in the perspective of the end users and businesses, and the instruments that will allow them to actually engage with this space. I believe policy can be definitely one of them.

HOW WILL THE WEB3 ADOPTION BENEFIT GLOBAL SOCIETY?

HUGO: As of today, finance is expensive and not accessible to poor people. We have an average of 8-10% bank's operating expenses and focus on compliance.

But if we have a different infrastructure for banking, powered by Web3, crypto and DeFi, we can remove those compliance costs. And everyone will be happy, from users to regulators, as having better finance means having a better world.

IRAKLI: We need a sort of education to let policymakers understand the benefits of Web3 and how it works. Right now, most people within the UN, not just regulators, don't see crypto as a positive force, but rather something we should be worried about.

We need to shift this and bring more successful use cases to the top policymakers, explaining how crypto can solve problems and drive innovation, and that crypto is actually a solution and not used by criminals to hide money.

IOANA: We used to analyze crypto from the point of view of developed countries. But in other parts of the world, people often don't have access to the banking system or ID, they are excluded from the global economy.

But DeFi has created the user-driven ability to test finance. To me, the fact that we will have more self-aware and more educated individuals is good enough.

MAKING EUROPE A GLOBAL CENTER FOR WEB3 IN GOVERNANCE

SPEAKERS:

DR. IUR. ABIR HADDAD | Director Institute for Legal Transformation

ISAURE COURCENET | Founder Ascent

STEPHAN POUYAT | CSO & Managing Director The Digital Economist

ANASTASIA KALININA | Moderator, Managing Director Blockchain Founders Group

KEYNOTE

Europe has a unique chance and history to establish itself as a technology and practice hub for the future of governance and Web3, becoming the blueprint and the source of information for others, and defining the way forward for humanity.

ISAURE: I would like to open with a quote by Jean Baudrillard: "Seduction is the tool that takes down governing bodies of power." And Web3 is very seductive indeed, as it sets up the cross field of economic, ecological, and societal problems, and empowers people who have never been able to play with these tools before. Governing is not just for experts: it's for everybody.

STEPHAN: When I look at Web3, I realize that we are only at the beginning of the encyclopedia, still at the indexes, not even in the book yet. And we are going to create this book. But I believe the engineers and thinkers who are focusing on that new types of communications are way ahead of the game, unlike traditional bankers as I have been for 20 years. Technology will help us in solving many problems, fighting fraud and inequality.

HOW CAN WEB3 FACILITATE GOVERNING PROCESSES?

ABIR: When I think about Web3, cryptocurrencies, and blockchain, I see that unfortunately lawyers mostly focus on regulating them rather than using them for creating regulations. If we go back to what law is, it's basically a code, a civil code we agree on.

So why won't we think of encoding the law in a digital way, which can be blockchain-based? Many things can be done by governments on a smart contract level, for example, each political party in the future could have a smart contract in which it would implement itself. And I, as a citizen, would be able to vote with my token.

WHAT IS EUROPE'S PLACE IN THE GLOBAL WEB3 ADOPTION RACE?

ISAURE: We're obviously late. In Dubai, right now they have the court of blockchain, where every single paper is tokenized as NFT and everything is traceable. Australia is winning too. They don't talk or do conferences, they just act. Where are we, missing the 2000s and letting others go ahead? In Europe, we have some of the best engineers, experts, and regulatory bodies, and of course, we can do it, but we need to actually start doing things.

HOW CAN THE EU OVERCOME THESE BARRIERS AND BECOME A GLOBAL WEB3 LEADER?

ABIR: We encounter a problem of mindset. Well, Dubai is a completely different mindset which is 'we need to catch up and be ahead, if we don't act right now, we're going to be behind'. By contrast, European governments often say they have many other problems to solve, postponing tech development. But the problem is that Web3, AI, and blockchain are exponential technologies, and we cannot keep up the pace of regulations with them. If we get stuck in the same way of thinking and acting, we won't get very far.

STEPHAN: There is clearly a sense of distrust, and a problem with the relationship of value, control, and stability. Web3 may bring economic distress and rebuilding.

But the revolution won't come from people like me, it will be made by the young generations, who are much faster and don't have our fears. And that's my hope.

IS BLOCKCHAIN TECHNOLOGY READY-TO-USE TO STRENGTHEN THE EU ECONOMY?

SPEAKERS:

HELEN KOEPMAN | Deputy Head DG CNECT Digital Innovation and Blockchain, European Commission

TOMMASO ASTAZI | Head of Regulatory Affairs Blockchain For Europe

SHEILA WARREN | CEO Crypto Council For Innovation

DR. MICHAEL GEBERT | Chair European Blockchain Association E.V.

ISAURE COURCENET | Moderator, Founder Ascent

WHAT FRAMEWORK ARE WE CURRENTLY EVOLVING IN?

HELEN: What we've been doing the last time is setting the ground for blockchain technology in Europe, as we should have the capability to step into the development of the future. We've set a number of initiatives, with MiCA being the largest package. Another aspect is letting the ecosystem grow, supporting research and innovation, working together with the industry to develop roadmaps, and co-create what's happening right now. And we're also developing our own blockchain services infrastructure and our first use cases that could set the ground.

TOMMASO: *We have a very good starting point, and especially outside of Europe, we can finally have some achievement to show to other jurisdictions.*

During the last few years, European policymakers did something really remarkable, as they saw the potential of this sector, and not only decided to give pilot regimes to try these technologies but also pushed to introduce a brand new regulatory framework.

IS THE TECHNOLOGY ITSELF READY TO SCALE UP TO THE EUROPEAN DEMAND?

MICHAEL: Despite some challenges, I believe that blockchain technology has the potential to significantly strengthen the EU economy, and I'm confident that the EU will play there a leading role.

Some of the specific application cases are, of course, the financial sector, where blockchain could be used to create more efficiencies, secure payments, and reduce costs, and also the healthcare sector, where it can secure patients' data and create a cloud-based quality assurance cab program.

So, I think the potential of the technology itself is huge, but the opportunity for the EU, with different agendas, regimes, and political settings is definitely something that means to be transformed.

HOW DOES BLOCKCHAIN FIT WITHIN OUR FINANCIAL SECTOR AND SUSTAINABILITY?

TOMMASO: In fact, the EU has started from the development of the crypto asset market within the financial services sector. The initial goal was to ensure investor protection through regulatory measures.

However, there is now a growing realization among industry experts and policymakers that we need to broaden our discussions beyond finance. We should explore how technologies like blockchain, big data, and AI can influence and revolutionize other sectors of society and the economy. For instance, we should consider how blockchain technology can enhance healthcare or deal with sustainability challenges, especially climate change.

MICHAEL: At the moment, the CO2 market in terms of carbon credits is not really on the blockchain, but it can be. A number of startups and companies, such as Siemens and EnBW, are already researching blockchain and decentralized NFT certificates. They already imagine how to use CO2 certificates in both the real world and Web3 metaverse, in a gamified and accessible way, involving open-minded people and even the younger generation.

WHAT FURTHER ACHIEVEMENT CAN WE ANTICIPATE NEXT YEAR?

TOMMASO: We are very hopeful for the next European elections, as this Commission really took the right approach, creating this regulatory sandbox. So, whether there will be new compartments or new commissioners elected, the one thing that this industry wants to keep seeing is this openness to dialogue and understanding.

SHEILA: I would like to finish by telling you my favorite use case. There's a group called Starling Lab (the University of Southern California) and they're actually using the filecoin protocol in decentralized file storage to document atrocities committed in Ukraine. And the hope is that when the ICC eventually takes up the call to justice, the timestamped immutable nature of these records that they're keeping will serve as indisputable evidence.

All in all, blockchain technology is indeed working towards furthering and helping us to solve real environmental, societal, and financial crises that our planet is facing, and so that is actually what keeps me going along with the Web3 industry.

DIGITAL PAYMENTS FUTURE IN EUROPE

SPEAKERS:

ELIZABETH ROSSIELLO | CEO & Founder AZA

TEANA BAKER-TAYLOR | Vice President, Policy & Regulatory Strategy Circle UK/EU

SARAH PALUROVIC | Executive Director Digital Euro Association

GREGORY KLUMOV | CEO Stasis

STEPHAN POUYAT | CSO and Managing Director The Digital Economist

WHAT ARE THE CURRENT ADVANCEMENTS IN DIGITAL PAYMENTS IN EUROPE?

TEANA: The settlement systems in Europe are quite advanced, but what we don't have is the ability to make peer-to-peer cross-border transactions at that same level of efficiency, removing some costs and being able to conduct payments 24/7. Digital currencies are really able to solve this today.

Additionally, in Circle, we are seeing significant interest from humanitarian aid organizations and NGOs to enable humanitarian payments for disaster relief. One of the projects that we've been involved in recently, together with Stellar and MoneyGram, is helping the UN refugee arm to deploy capital to people who suffer from the war in Ukraine.

ELIZABETH: Right now, businesses are prone to risks related to traditional banks. Several of my peers exited the market because they lost their banking partners, while some are unable to get a bank account for years. So, we definitely need this Web3 innovation, products, and companies that are less discerning, because that's our future.

STEPHAN: The emerging Web3 technology should be transforming, but we as well need to maintain our cash infrastructure. It is extremely expensive, so that's why Europe will obviously digitalize.

GREGORY: Web3 is a whole new marketplace, it's a new generation of people who would value digital assets. Blockchain disrupts clearing, custody, and settlement — these services were historically oligopolized by big banks. Here is where commercial entities like us can step in and fill this gap. We can settle today the euro to any digital asset through a central bank account, and MiCA will only solidify this capacity.

Right now, the dollar-to-euros stablecoin market gap is 200-250 times. The euro stablecoin market is so small because Europeans have been using the dollar product of Circle and Tether just because they were not confident enough that it is a legitimate solution in Europe. Finally, there is now a piece of legislation that governs all that and allows to have this direct central bank account to settle for digital currencies or CBDCs.

ON THE IMPORTANCE OF WEB3 EDUCATION

SARAH: We now see big shortcomings in education, but central banks need this knowledge to understand what advantages CBDCs will offer them. Such a thing will of course impact the welfare of the people, GDP, unemployment, and welfare of the economy completely.

WHAT CAN FOSTER THE ADOPTION OF WEB3-POWERED DIGITAL PAYMENTS?

STEPHAN: The token payment ecosystem remains extremely small today, and I'm convinced it's going to be transformative and the acceleration is about to start. But for me, the driver of acceleration is less innovation but rather a massive geopolitical crisis that is happening right now: in the Middle East, India, Ukraine, etc. The world is shaking, and the new ecosystem cannot be built on the old legacy mainframe. That's why the global adoption of Web3 financial solutions is unstoppable.

GREGORY: Around 10% of the population in developed economies is underbanked, partially because banks suffer from negative rates and are not ready to onboard new customers.

At the same time, in Web3 you just download a custodial wallet and get your address for transactions. And the good news is that this Web3 application market is growing fast.

DECENTRALIZED FINANCE: SAFE, TRUSTED, OR A TROJAN HORSE FOR THE USERS?

SPEAKERS:

**DR. JOACHIM SCHWERIN | ** Principal Economist Unit for Digital Transformation of Industry, DG Grow, European Commission

**PETER GROSSKOPF | ** Co-Founder/CTO Unstoppable Finance

**FRANS SCHOLTEN | ** Venture Capital Lead Flow Traders Capital

**MARC ZELLER | ** Founder Aave-Chan Initiative

**GAEL ABONGI BOKONGO | ** Moderator, Advisor for Web3 Startups, Ph.D. in Financial Mathematics

HOW CAN DEFI CHANGE THE PARADIGM OF CHOICE AND SAFETY?

MARC: DeFi is a binding shift in managing your assets. Unlike traditional financial institutions, DeFi allows you to conduct transactions anywhere 24/7, and have full control over your assets. And all protocols are completely open-source and audited, so you know exactly what happens when you interact with the protocol and where your money goes. And all of that is impossible to even comprehend in traditional finance, where everything is a black box.

PETER: For me, as a technician, the issue is that everywhere where you have humans involved there is a possibility of taking a short track or even performing criminal intentions. The beauty of DeFi, open protocols, and permissionless finance is that most of the financial services are delivered in an automatized way. There's a smart contract and a software program that's executing certain rules, and unlike humans, the machine is always doing it the same way.

FRANS: I think more from a trading angle, and what we see is that DeFi, especially decentralized trading, can create much deeper liquidity pools and make markets more accessible to lots of people.

JOACHIM: From my point of view, as an economic historian, blockchain is not a new approach to finance. DeFi is the way how problems were solved in the traditional economy, in communities built on trust, before we had all these intermediaries that only appeared a couple of hundred years ago. But these communities could never scale, and what digitalization offers is the opportunity to scale based on trustworthy technologies.

HOW CANHOW WOULD REGULAR PEOPLE ADDRESS THE SECURITY OF BLOCKCHAIN? DEFI CHANGE THE PARADIGM OF CHOICE AND SAFETY?

JOACHIM: First, we would have to distinguish real DeFi from lots of fake DeFi projects. As far as it's not clearly regulated, I think we should go with the flow and accept what a community considers a good project. I mean, on the one hand, we have official audits, but on the other hand, there are groups, even anonymous, that check projects and try to alert others if there are any issues. They try to move sort of in-build security mechanism and do it in a decentralized and understandable way, especially when they are coming from the younger generation.

HOW COMMON WILL DEFI BE TO PEOPLE IN 10-15 YEARS?

FRANS: For a world that is becoming more and more divided, as there is a gap between emerging economies and developed ones, DeFi is a very appealing idea to support the global financial market. It allows for faster remittances, preserves wealth, gives more access, etc. So yes, I think that's where we will be in that time frame.

SO, CAN DEFI REPLACE OUR BANKING SYSTEM?

MARC: *I think DeFi will change the banking system as we know it now. I have a feeling that the base layer of the financial system will be more efficient and more secure using DeFi as the core technology.*

But we will always have intermediaries, because there's a need for that, so DeFi is only part of the solution.

PETER: I would say no, but it makes sense to build an alternative, so DeFi may become our second leg to stand on.
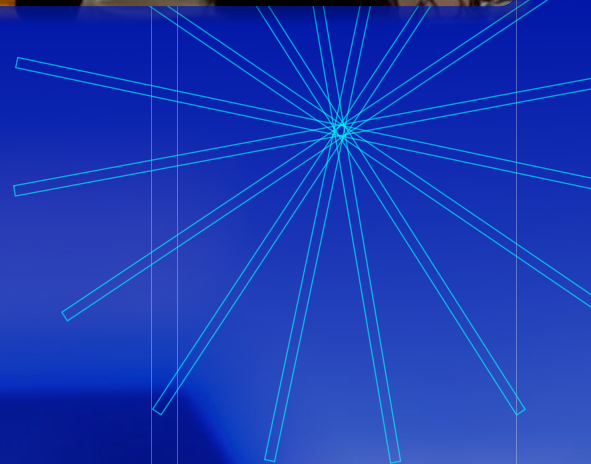
DEVELOPING WEB3 ECONOMIES TO ADVANCE THE EU GREEN DEAL
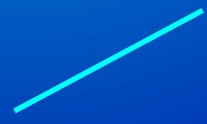
SPEAKERS:

FRANCOIS GARDIN | Senior Advisor DFA

ESTHER VAL | Consultant for Web3 for Impact and ReFi Projects

MUSTAPHA MOKASS | Founder and CEO Earth Technologies

MONTY BRYANT | Product & Content Lead ReFi DAO

PIERRE NORO | Moderator, Lecturer Sciences Po

WHAT IS REFI, AND HOW CAN IT CONTRIBUTE TO THE PLANET?

MONTY: ReFi stands for regenerative finance, and it's about creating financial and economic systems that work in harmony with the Earth, eliminating inequality, disparity, and various social harms. The term ReFi specifically has become known for using powerful Web3 and blockchain tools to enable those regenerative outcomes.

Use case: The Regen Network project has created a new blockchain specifically designed to host carbon and ecological assets instead of the current markets, which have lots of gatekeepers and are very slow and inefficient. Blockchain can make these carbon credits, 50% of which go to intermediaries, more accessible to different communities.

ESTHER: For me, there are four key elements to define ReFi. First, it is a new Web3-powered movement in the intersection between crypto and environmental impact. Second, it is rooted in regenerative economics and pushes for sustainability. Third, ReFi leverages Web3 tooling, such as decentralized governance, DeFi, etc. in order to tackle global failures like climate change and social injustice. And fourth, ReFi seeks to create wealth across the eight forms of capital, not just financial capital.

ReFi is a very diverse industry, but we usually classify projects by three main categories: environmental impact, social impact, and public good funding mechanisms.

MUSTAPHA: Climate change is a global issue, but it cannot be solved by the EU law. The EU has been leading the way with the Carbon Directive for the past 20 years, but emerging countries are adopting and following climate leadership through more liquidity and agility. Climate change needs to reach the 2 degrees scenario by 2050. In order to do that, the world must mobilize 1.5 trillion dollars per year, and we're falling too short. The way to bridge the gap is to unlock liquidity and make it more funneling. This for me is ReFi.

THE EU GREEN DEAL: HOW CAN REFI HELP US REACH THIS GOAL?

FRANCOIS: Currently, there are issues such as scalability, liquidity, and bringing capital to serve the Green Deal. There are about 10 trillion assets in EU funds that are not employed for these regenerative projects.

However, blockchain and digital tokens can create new ways to invest, verify data, improve the allocation of resources, and make it all more accessible.

MUSTAPHA: The EU Green Deal is a fantastic signal, along with the recent Green Industry Strategy that goes with the net zero banking alliance strategy. The idea is to funnel liquidity into sustainable projects in order to reach those STGs.

So, the private capital that will be able to leverage in the OECD countries and emerging countries, will only happen if we bring more transparency to carbon impact. That's where ReFi comes into play. Coming through that liquidity will have a lead on biodiversity and more inclusion, and this will let us reach our sustainability goals.

BENEFITING SMALL COMMUNITIES

ESTHER: ReFi is also about the financial and social inclusion of local communities. One of the ReFi projects I've worked with is helping farmers from the global South, the region that is barely "invited to the table," to break these barriers. They work with cooperatives of farmers from remote coffee plantations who don't have access to bank accounts, certification, or the carbon market either, but who will benefit from this inclusion through Web3. certification, or the carbon market either, but who will benefit from this inclusion through Web3.

SHOULD PUBLIC INSTITUTIONS GET INSPIRED BY REFI?

FRANCOIS: Yes, they have a very important role to play in the adoption of these new tools, giving the green light to investors and supporting the industry with a proper regulatory framework.

EUROPEAN
WEB3 SUMMIT 2023

DAY 2

24 May, 2023

1. **Nurturing emerging technologies through the EU's MiCA Regulation**

2. **Best regulatory practices from outside the EU: Switzerland, Lichtenstein, UK, Singapore, Dubai**

3. **"Liberte, Egalite, Fraternite": Can Web3 create a more just & equal society?**

4. **Shifting Europe's Web2 Private Sector Into The Web3 Future**

5. **Technology And Consciousness**

6. **Reverse on the metaverse, or enter a brave new world? - Panel discussion**

7. **Reverse On The Metaverse, Or Enter A Brave New World?**

NURTURING EMERGING TECHNOLOGIES THROUGH THE EU'S MICA REGULATION

SPEAKERS:

MARIA STASZKIEWICZ | Secretary General European Digital Finance Association (EDFA)

FRANCESCO PAOLO PATI | Head Blockchain Lawyers Group

DR. NINA-LUISA SIEDLER | Partner Möhrle Happ Luther

HEDI NAVAZAN | Head of Compliance and Regulatory Affairs Crystal Blockchain

JAN KLESLA | General Secretary INATBA, Co-Chair Finance SWG3, Co-Founder The Blockchain Republic

TOMMASO ASTAZI | Moderator, Head of Regulatory Affairs Blockchain For Europe

WHAT DO YOU THINK OF THE CURRENT REGULATORY FRAMEWORK IN THE EU? OPINIONS.

JAN: *We are glad to finally have a regulatory framework embodied in MiCA. There's still a long way to go toward its implementation on the national level, and some matters like electronic security are remaining unsolved.*

I would like to stress one point, and that's the importance of legal certainty. It is especially important not only for the crypto industry but also for traditional finance and European businesses. This is something that the regulatory framework should provide, and we hope it will.

NINA-LUISA: Looking at MiCA, we now really start analyzing how to use the next 18 months of the intermediate period. A lot of things are not clear yet. But in 18 months, we should have the licenses available, white papers done and procedures finished.

At the same time, we are trying to advocate that not all crypto is financial services. There is some danger that all this what we would typically put in non-financial area, is now swallowed by this kind of financial regulation that MiCA puts in place. It will be also very interesting to see how that ultimately turns out.

HOW IS MICA PERCEIVED OUTSIDE THE EU PARLIAMENT?

FRANCESCO: When you regulate such an emerging technology, you have to strike a balance: preserve the innovation, not harm it, and at the same time, protect weaker parties, which are investors in this case. Speaking of MiCA, all this could have been done in a different way. We already have rules on financial instruments in the EU, and theoretically, the legislators could have created a special section for crypto assets and applied the same rules. But I see the political will of creating a different set of rules that take into consideration the peculiarities of crypto assets.

I would highlight the first part of MiCA, very important for an issue of taxonomy.

It defines crypto as a separate asset class that is not a financial instrument in a proper sense. We already have a positive definition of a utility token, but also a broader definition of crypto assets. And apparently, the willingness of the European Union is to have a broad understanding of these assets.

HOW WILL THE WEB3 ADOPTION BENEFIT GLOBAL SOCIETY?

MARIA: We praise MiCA for many reasons, and one of them is establishing a general understanding of crypto assets. Now, the typical European consumer will know: "Yes, I can trust cryptocurrencies and blockchain solutions because the European Commission has a document on it. I am covered by protection measures."

The second thing is that MiCA is putting on par crypto service providers with traditional businesses. It doesn't of course mean that all the banks will now open cryptocurrency accounts, but at least we see that Web3-powered finance is now officially a part of the financial sector.

And last but not least, MiCA is set to establish a so-called Digital Finance Standing Committee, a working group that will be helping during implementation periods, and will facilitate the creation of a market of innovative solutions and products in the EU.

WHAT ARE THE BIGGEST CHALLENGES IN IMPLEMENTING MICA?

HEDI: For sure, MiCA is a landmark document, but let's not forget the recent Luna-Terra and the FTX collapses in which people lost their assets. The entire point is about protecting the consumer, and that's why there has been a lot of pressure on the regulatory side to bring transparency and clarity to the market.

The aspect I like in MiCA the most is segregation, meaning the consumer's assets are separate from the assets of the business, and a reserve exists. As a user, I should feel confident whenever I want to have my assets back, protected from any overnight collapse. That's why public society has trust in crypto platforms which are backed up by central banks, which go through various audits.

BEST REGULATORY PRACTICES FROM OUTSIDE THE EU

SPEAKERS:

DR. LISA CAMERON | Member of the UK Parliament, Chair of the Parliamentary Group on Cryptocurrency and Digital Assets

MARC TAVERNER | COO & Co-Founder XEROF

LISA-MARIE ROSS | Research Associate National University of Singapore, Expert Digital Euro Association

DR. THOMAS NAGELE | Chair of the Board INATBA

XAVIER GOMEZ | Moderator, Co-Founder & COO INVYO

PUTTING REGULATIONS ON WEB3: YES OR NO?

THOMAS: The question we heard a lot of times previously is that we might not even need regulation in our sector. Now, we all agree that we need good regulatory approaches. Back in 2018-2019, enforcing laws on crypto companies may have threatened them, and many jurisdictions were just afraid that companies would flee from their regimes to another country where there are no regulations. Today, there is a clear understanding of the importance of legal frameworks that will filter lots of side effects.

HOW DO NON-EU JURISDICTIONS ASSESS MICA?

LISA: Certainly, we congratulate European partners on the development of MiCA, it has been very groundbreaking. I've been looking at research that suggests that when there is regulatory clarity, then investment follows. We can see some of the returns from the first quarter of this year that some investment is already moving to the EU from other jurisdictions. So I think it's a very important piece of legislation, and certainly one that we are looking for in the UK.

WILL JURISDICTIONS COMPETE FOR ATTRACTING THE BEST WEB3 PROJECTS?

LISA-MARIE: As of today, each country is regulating the space, and every regulator is aware of the need to put a strong framework and have a good licensing system. So don't think there will be a competition between the jurisdiction for the best crypto framework.

MARC: I hope there is competition, because competition is a healthy process that drives innovation. In the UK, there is a place called Silicon Roundabouts where a lot of innovative companies are based. I remember when the UK announced it was going to leave the EU, lots of advertising boards appeared in Silicon Roundabouts — a place where many innovative companies are based — calling these innovators to relocate to Europe.

That's an example of how competition in the public sector can help the market, force governments to execute with greater speed, and pay more attention to customers, so this competitive spirit will end up with more efficient regulatory frameworks.

THOMAS: The regulatory pressure which we are now seeing in the US is the best example. Business and innovation are driving out of the US and going to Europe, Dubai, or Singapore. I agree that we need this competitive regulatory regime that will make it easy for businesses to operate.

WHAT ARE THE CURRENT TRENDS IN REGULATIONS OUTSIDE THE EU?

MARC: I'd like to share a practical example of how regulations can be accessible. So, the reason we chose Switzerland is that KYC and AML requirements there are super clear to us. We have a checklist where we go from A to Z and as long as we take every box we know we are compliant, which is absolutely what we want as a business. Very few jurisdictions in the world can provide the same easy procedure. This is a practical example of how an existing piece of regulation could be quite quickly adapted to provide that clarity.

LISA-MARIE

Maybe it'll be interesting to get some numbers of application licensing in Singapore. In fact, the success rate of licensing is rather low. However, the limited number of granted licenses stands in huge contrast to the license application, which, for example, amounted to 176 in 2020.

By the end of 2021, there were 104 applications that have been either withdrawn by the applicant or rejected by regulators. This shows the stringency of the licensing process in Singapore, as we are applying AML and anti-terrorism financing risk management standards in the banking sector.

"LIBERTE, EGALITE, FRATERNITE": CAN WEB3 CREATE A MORE JUST & EQUAL SOCIETY?

SPEAKERS:

MARIANA DE LA ROCHE WILLS | Regulatory Affairs Expert IOTA, Member of Board of Directors INATBA

PIERRE NORO | Lecturer Sciences Pro

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TOMMASO ASTAZI | Moderator, Head of Regulatory Affairs Blockchain For Europe

AT WHAT STAGE ARE WE NOW IN TERMS OF IMPROVING OUR FUTURE WITH WEB3?

MIKE: There's still a great deal of research and work to do. But I see supply chain management as one of the promising areas for Web3 applications. Today, the vast majority of supply chains are working "just in time," but we have the other type of supply chains, such as military and medical, where stockouts cost lives.

Can we render supply chains more robust and resilient using Web3? Here comes a use case from Clinica Las Americas in Columbia. There, essential medical items like pacemakers are traced on a blockchain, while producers, warehouses, logistic companies, and the clinic are interconnected. They managed to cut down delivery time from over a week to 36 hours, and error rates from 60 to under 5 percent.

I feel this is a true spirit of what Web3 can do in terms of the betterment of human outcomes and cost efficiency. So, if this kind of solution can be taken to scale, we're going to see major advances.

PIERE: When we are talking about blockchain, we mean revolutionizing the world and changing access to economics, finance, and money in general. But the main piece of knowledge that we've acquired is that the technical part of the blockchain is nearly the easiest thing to understand.

Blockchain is not just a technology core innovation. It's very much an organizational innovation, and making organizations evolve, and reshuffling the cards of governance takes a long time. Especially in terms of how blockchain is fostering democratic values and our societies, I think we have a long way to go still.

THE IMPORTANCE OF WEB3 EDUCATION

MARIANA: We are not there yet, as the problem of blockchain scalability is not limited by its tech part. For me, proper Web3 education is the primary thing. When you don't understand something, you put barriers and don't want to approach it. There is a lot of misinformation and misconceptions in all areas, among regulators, and in our everyday life.

Of course, we need different levels of understanding. If this is a regulator, I hope to see a high level of knowledge as they set the rules of the game. But if it comes to users, they don't necessarily need to understand what the consensus mechanism is. The technology should be there in a way that we won't even notice it is that complex. Just like with smartphones: we don't usually realize how they work, but we can use them easily.

SANTIAGO: Indeed, it's important to give people at least basic knowledge of how blockchain works and how they can really use the technology. Today, more and more big companies, such as Siemens and EON, are engaging with blockchain. What we need to do is to connect people who want to adopt blockchain in different industries, and fill this gap in knowledge on how traditional companies can change the way in which they function, or their business plan, in order to adopt this technology that will allow them to be more efficient.

CREATING A MORE EQUAL WEB3 SOCIETY: WHAT SHOULD WE DO?

SANTIAGO: Do a lot of advocacy and continue spreading the word about Web3, bringing education to different levels.

MARIANA: We can only grow as big as our bubble is, that's why our small blockchain bubble should explode. We can build bridges with governments, organizations that

that are already working on blockchain development, with universities, and generally accelerate the job they are doing.

PIERE: If you expect vulnerable, underrepresented communities to trust Web3 tools and to actually use them, you need to build that trust. Through what? Transparency and open-source tools.

SHIFTING EUROPE'S WEB2 PRIVATE SECTOR INTO THE WEB3 FUTURE

SPEAKERS:

NADIIA VASYLIEVA | Director Digital Transformation Institute, Director & Co-Founder Freedom Fund VC

SASKIA VAN UFFELEN | Digital Manager Agoria

OLEKSANDRA MAXYMENKO | EU Government Affairs Manager Revolut

SARAH GOTTWALD | Managing Director Blockchain Founders Group

REMY MERCKX | AMember of Advisory Board Profila

GIANLUIGI VONA | Moderator, Web3 & Metaverse Public Affairs Specialist

WHAT SUCCESSFUL USE CASES OF DIGITAL / WEB3 TRANSFORMATION ARE THERE?

NADIIA: There are really a lot of cases, so I would split them into five business models.

1. Transition of product companies from loyalty clubs to co-creation. A good example is Lego: they don't only create products but also engage customers in creation and design.

2. Transfer of a loyalty club (NBA, football clubs, yacht clubs, etc.) into a property certificate of value through NFTs and other blockchain solutions.

3. Control of making changes to databases for legal purposes. It's about registry and keeping data on the blockchain to avoid leaks and data theft. One of the examples is the Netherlands, where there is an option to keep marriage contracts and responsibilities of spouses on the blockchain.

4. Clarity of fulfillment obligations and supply chains. Blockchain can ensure contractors complete their duties and also enable transparency in supply chains. This can be applicable, for example, to control the implementation of sanctions by governments.

5. Cross-platform identification with cybersecurity underwear powered by Web3 technologies for gaming, IT companies, etc.

HOW IS THE FINTECH SECTOR MOVING TO THE WEB3 TRANSITION?

OLEKSANDRA: I believe fintechs are enablers of this space, and the best thing we can do is to embrace Web3, blockchain, and crypto. At Revolut, we started talking tokenized economy back in 2015 and launched our first token product in 201.7 We create a space where users can access tokens in a safe and compliant manner, and we also deliver knowledge-sharing platforms to educate them.

ARE THERE ANY APPREHENSIONS REGARDING THE WEB3 TRANSFORMATION?

SASKIA: The reality of our businesses is that many of them are even not ready for Web2. There is a lot of room for improvement. In the last years, businesses came up with energy, supply, and financial crises, so they have to deal with these priorities. So, the majority of organizations to whom we are talking are not ready to accept this Web3 phase, to evolve from the old pre-web world. I just want to emphasize that technology is not a problem, but people are not ready to let their businesses go forward.

HOW DO VCS WORK WITH WEB3 STARTUPS THESE DAYS?

SARAH: In 2022, almost any great idea in the blockchain space could explode your evaluation, and many VCs were eager to throw money on strartups. There was so much money in the market, easy to get. But now, there is the question about the product market fit. A lot of founders propose amazing ideas, however, people are only willing to pay if there is a problem and you give them a solution.

At the moment, the market is kind of hard for a startup to get money. So, I would recommend startups build an MVP and try whether somebody is willing to pay, and if not, you have to pivot and find out if there is real value in your product.

REMY: I agree that Web3 startups need to rethink the way they are building their products. Prior to creating a technical solution, list the use cases and what problems they are going to resolve, what impact it will have on the brand and the consumer, and if you tackle all these issues that is suddenly a market fit.

USING WEB3 TO IMPROVE USER DATA PRIVACY

At Profila, we try to prove that data privacy for the end consumer will become a valuable marketing attractive to brands. Consumers will become more eager to understand what brands are doing with the data they are sharing today for free. But it's going to end when users will finally become the masters of their data and share it with brands on a permission model, providing an ability to target ads in a more personalized way.

Brands are spending millions to buy Google keywords to acquire new customers, but they don't think about how to retain already existing customers. With Web3, the quality of the data you get from users can give you much higher conversion, while transparency and safety only increase.

So, I'm an evangelist of the new type of technologies to these more traditional industries that need to go through digital transformation.

OLEKSANDRA: I just wanted to add that if a business is consumer-centric, it will allow users to play with Web3. I hope in 10 years' time users of financial services can store their assets on unhosted wallets because that's what they want, and we should offer them such an opportunity.

TECHNOLOGY AND CONSCIOUSNESS
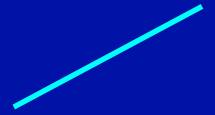
SPEAKERS:

HIS EMINENCE SHYALPA RINPOCHE |Tibetan Lama, Author & Meditation Master

VAL VAVILOV | Co-Founder & CVO Bitfury

MICHEL BAUWENS | Member P2P Cooperative

ALEXANDRA SEAMAN | Moderator,
Co-Founder & Visionary Strategist ReState Foundation

KEYNOTE

There is no neutral technology on the planet because there is no neutral human on Earth. Our consciousness extends into technology, not just something humans create.

ALEXANDRA: At ReState, we aim to rethink the future of governance and global collaboration, helping the governance system become more human-centric, transparent, and decentralized. This mission seems barely possible without modern technologies and elevation of consciousness on a global scale. Unfortunately, in our society, the theme of consciousness falls somewhere between well-being and entertainment. The fragile state of our world is a direct result of poor governance and the low level of consciousness among both the governing and the governed.

I firmly believe that the missing piece is not other than human consciousness. Web3, AI along with other technologies are an extension of our consciousness. As we elevate it, our technologies will naturally flow.

MICHEL: I'm convinced that the new technology will have many civilizational effects. Civilization has always been geographical, a relation between the city and the countryside based on agriculture. But now, we are inventing something new and non-territorial coordination: massive coordination through mutual signaling in open ecosystems. This can end very badly, but this also has a lot of promise at the same time.

VAL: As a computer scientist and tech entrepreneur, I spent most of my life searching for the solution of how to design systems that will work for the people, and not only for those who created them.For the last 25 years, I've been doing my personal research on technology and consciousness, and I would like to share some findings.

During 6000 years of humanity's evolution we're been growing exponentially in our technical development and science, but barely developing our ethics and consciousness. So it doesn't come as a surprise why we're choosing prise why we're choosing unhealthy competition instead of cooperation.

If we will remember that we are one, as one humanity, we will understand that choosing to co-create in open decentralized systems is much more efficient.

And the answer lies in Web3 and tokenized economies that humanity has already invented.

WHAT ARE THE POSSIBLE SCENARIOS OF THE SYMBIOSIS OF TECHNOLOGY AND CONSCIOUSNESS?

MICHEL: Civilization is a cybernetic system, which is true for already 10,000 years. Technology is the externalization of ourselves that we lose control over. But at this point, I would like to shift from talks that old humanity is done and we are going to be taken over by these "demonic" machines to the idea of creating prosocial AI. Well, I think we can create AI that will be a natural extension of our collaboration and collective intelligence, which will be open source and have a global community of people contributing to it.

As a capitalist society, we invented a narcissistic worldview that externalized costs and ignored impacts. So the big revolution that open source, Web3, and crypto are doing today is the shift toward open ecosystems.

VAL: I think Web3 by definition pushes us to be more conscious and collaborate. You cannot build a decentralized system with a competitive mindset, the same with openness — you need to be less selfish to create an open system, overwise you will end up with a closed and centralized one.

WILL MASS ADOPTION OF WEB3 FACILITATE A CONSCIOUS TRANSITION FOR HUMANITY?

VAL: It could, but I think that's not enough. We need to push the agenda of this gap between our technical and ethical development and raise the consciousness level. Without consciousness, this technology will create another loop, and we will end up with other centralized systems under beautiful Web3 umbrellas.

HOW CAN WE GAIN MORE CONTROL OF OUR EGO AND RAISE THE LEVEL OF HUMAN CONSCIOUSNESS?

SHYALPA RINPOCHE: When we talk about outreaching ego and the need for control, we encounter a problem.

The desire to control shows that we don't feel confident and comfortable in being ourselves. This need for control arises when we feel limited or conditioned in some way. However, when we are free from the urge to control others or anything external, the ego loses its significance. It is like a bubble that bursts. Similarly, when we no longer depend on external factors, we are liberated from the grip of ego. At this point, we can fully integrate the essence of our being, which is complete in itself. The question of who controls the ego or whether there is a separate, dominant ego is something that we need to ask to deepen our understanding.

DIGITAL IDENTITY: A WEB3 TOOL FOR EUROPE TO SPUR GLOBAL HUMAN RIGHTS?

SPEAKERS:

DANIEL DU SEUIL | Convenor of the European Self-Sovereign Identity Framework
European Blockchain Partnership

ERICH SCHNOECKEL | Business Development
Zaisan

ALLA ABOUDAKA | Founding Director
Access Advisors EU

SAMUEL GOMEZ ESCALANTE | Co-Founder &
CTO Gataca

SAMUEL CANGE | Moderator, Writer
BeInCrypto

WHAT DOES DIGITAL IDENTITY MEAN TO YOU?

ERICH: The identity that we've been given currently is authorized by the government, so the state issues a document and approves our identity. And the topic of today is how are things with people that don't have access to these public services and how they can prove who they are. The answer may be digital ID.

ALLA: Digital identity, or self-sovereign digital identity, is the online equivalent of our true or physical identity. It has the attributes that we have in our usual identities, such as name, age, address, etc. And if we go broader, digital ID also has other attributes like our browsing data, passwords, and other parts of our online lives.

DANIEL: It is basically your digital life, your every interaction with the digital world.

SAMUEL: When we are talking about self-sovereign identity, we mean putting the control of our digital representation in the users, not in the third parties.

HOW CAN DIGITAL ID ADVANCE GLOBAL HUMAN RIGHTS?

ALLA: If digital identity is being used carefully, taking into consideration privacy, security, and inclusivity, it can greatly improve human rights in Europe and globally. These tools can be utilized to democratize essential services such as healthcare, online banking, education, and social security, making them accessible for all people regardless of their physical location or socioeconomic status.

WHAT ARE THE CURRENT CHALLENGES?

ERICH: I see the challenge in how that digital identity can be accessible in less developed countries.

Each of us sitting here can go to the government and easily get a document to start creating our digital ID. But for the people who cannot, they have to build up that identity themselves.

DANIEL: I completely agree, and the only thing I would like to add is that digital ID is not only a technical solution. We have SSI with its satellite identity and a lot of possibilities, but this needs to be combined with legislation, regulation, or other kind of protection. If not, the user is alone with all this data. So you always need to combine this new privacy-enhancing technology with a new kind of way of how society and governments look at that.

IN WHICH WAY CAN WEB3 ENSURE INCLUSIVITY FOR DIVERSE POPULATION IN EUROPE?

SAMUEL: It can help avoid blocking points, for example, when we try to access a service across the border. Now, in Web2, we have all the information gathered in one single point, such as Google or Facebook. Big companies keep the data about citizens. And what we are trying to do with self-sovereign identity in our new NFC project is to distribute, decentralize that information, and allow citizens to control this data and the changes in it in a cross-border scenario.

## WHAT STEPS SHOULD BE TAKEN TO FOSTER DIGITAL IDENTITY?

ALLA: Digital ID is a complex and technical topic, and in order to implement it on scale, various stakeholders should be involved. Governments, as the custodian of the well-being of the public, should essentially create legislations and policies that safeguard people's rights and prevent risks. Civil society is another important actor, so governments should also consult it to see if there is a public interest.

ARE THERE ANY RISKS IN PROMOTING DIGITAL ID BY PRIVATE COMPANIES?

DANIEL: Well, it should not necessarily be a risk, but an opportunity. The only thing is that a private company is not the sole controller of that aspect, there is also a role of the government. You cannot control the digital identity of citizens by yourself, otherwise, that won't be healthy. So we need an ecosystem approach, where users are put in the center, and government and the private sector work together in their best way.

REVERSE ON THE METAVERSE, OR ENTER A BRAVE NEW WORLD?
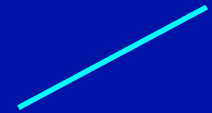
SPEAKERS:

COURTNEY WILLIAMS | Expert
Accenture's Global Metaverse Continuum Business Group

SUNNY JIANG | Founder, CEO MaasVentures

DAN NECHITA | Head of Cabinet Dragos Tudorache, European Parliament

ELENA BASCONE | Executive Officer XR4Europe

RAMESH RAMADOSS | Chair IEEE Blockchain Technical Community, Board of Governors IEEE Standards Association

GIANLUIGI VONA | Moderator, Web3 & Metaverse Public Affairs Specialist

METAVERSE: DEFINING THE CONCEPT AND CURRENT ISSUES

DAN: In our political thinking on the metaverse, it doesn't yet exist. There is this concept of a very large global platform, where you can put in your identity, or even real economics, but that's still far out in the future. Nowadays, many things from digital twins to virtual meeting places are on hype. But when we think about "the metaverse", we think about something bigger, and THERE is where you will need regulation.

RAMESH: Metaverse is basically the next evolution of our digital transformation. It is an immersive digital world created by computers that is hard to tell from our common environment.

COURTNEY: *While the metaverse is still in its infancy, we can think of it as the future state of the internet, where immersive and more engaging virtual experiences will become the norm.*

The way we engross ourselves in those experiences will shift to more advanced technologies, such as mixed reality, holographs, etc. By leveraging blockchain and distributed ledger technologies, we will gain the ability to port a persistent identity and exchange objects with value, such as digital assets, tokens, and cryptocurrency, within and across virtual spaces.

ELENA: I think that the real question of 2023 is not "Does the metaverse exist?", but "How many metaverses are there?".How do we overcome the fragmentation of metaverses and the XR industry? It's really important for us not to focus on how is the metaverse succeeding in the short term, but to already start dealing with the challenges of the future.

SUNNY: Let's try to consider the metaverse from the prism of Maslow's hierarchy of needs. We have sociological needs, we need love and connection, we need the feeling of security, and self-realization. So, I would say that the metaverse is a kind of mixed reality that heavily interacts with our real world on the one hand, and on the other hand, it enhances the real world to fulfill basic human needs ultimately.

IS THE EU ALREADY PREPARING REGULATIONS? OR SHOULD WE ALLOW THIS TECHNOLOGY TO EVOLVE FIRST?

DAN: Well, the European Commission is now preparing a communication, which resembles more of a white paper, it's basically statements of political intent rather than concrete rules on the metaverse. Though it's too early to regulate the metaverse right now, there are 3 things to pay attention to:

1. Social contract between the citizens and the state: Providing state functions such as national security, education, labor, etc. in the metaverse should be equivalent to ones provided in the real world.

2. Privacy: Right we have now the GDPR to protect our personal data. But users share so much inductive data when they link their identities to a virtual world; that is where we should preserve privacy.

3. What is illegal offline, should be illegal online as well. To ensure that the rules can be enforced in virtual worlds, we will need to intervene with regulation. But not now.

METAVERSE: ADDING VALUE TO REAL-WORLD ASSETS

SUNNY: The metaverse grants us many benefits of tokenizing real-world assets, making the illiquid assets liquidable. For instance, you can tokenize real estate, masterpieces or artworks, and a lot of things you could not imagine before.

With tokenization, it is possible to sell things, as you can fractionize assets and allow a lot of ownership, and open the global market immediately.

There are also direct benefits for the companies. Every company has two needs: raising money and improving customer engagement, and tokenization can help in both ways, offering an immersive, interactive experience.
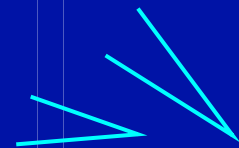
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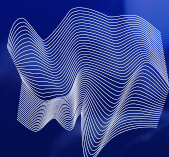
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