

Open Letter for the preservation of the Electronic Ledger's provisions in eIDAS 2

13 March 2023



On February 9th 2023, the ITRE Committee adopted a version of the eIDAS 2 proposal that no longer contains Section 11 on Electronic Ledgers as a regulated trust service.¹ The intended and necessary technological neutrality of the file seems to have been the rationale for the withdrawal of these essential provisions.

This unfortunate withdrawal neglects that the concept of electronic ledgers is in fact technologically neutral, since it describes a generic category, rather than a concrete implementation. Removing this concept from the regulation would create many downstream problems, where electronic ledgers are now widely used as a key component of trust architectures.

Through this open letter, the International Association for Trusted Blockchain Applications (INATBA), the EU Digital Identity Wallet Consortium (EWC), the TRACE4EU Consortium, the Digital Credentials for Europe Large Scale Pilot (DC4EU), the European DIGITAL SME Alliance, the European Crowdfunding Network, Alastria, the French Federation of Blockchain Professionals (FFPB), IDunion, Association pour le Développement des Actif Numériques (ADAN), Crypto Economy Organisation, Mobility Open Blockchain Initiative (MOBI), Italia4Blockchain, the German Blockchain Association (Bundesblock), the Dutch Blockchain Coalition, Infrachain,

¹ Compromise amendments to the Proposal for a regulation amending Regulation (EU) No 910/2014 as regards establishing a framework for a European Digital Identity. Available online here: https://www.europarl.europa.eu/meetdocs/2014_2019/plmrep/COMMITTEES/ITRE/DV/2023/02-09/05_CA_eIDAS_EN.pdf

and many more stakeholders join forces to share their concerns and urge Members of the Parliament to reinstate these provisions to eIDAS 2.

- **Section 11, in its comprehensive wording, does not conflict with the principle of technological neutrality.**

The eIDAS 2 regulation needs to be future proof and able to support the societal and economic developments that have emerged in recent years. Among them is the concept of electronic ledgers that provide an innovative addition to the trust service landscape.

One of the big misunderstandings of electronic ledgers is that they are seen as a technological solution with a specific fixed type of excessive energy consuming technology implementation. However, electronic ledgers as described in Section 11 represent a technically neutral description of a new trust service characterized by the provision of a sequence of electronic data records which ensure the integrity and the accuracy of their chronological ordering.

Electronic ledgers can be implemented in various ways and technologies, both on a centralized server or in a decentralized network of nodes, and do not fit in one specific solution. The comprehensive wording adopted in article 3 (53) and in section 11 allows for the qualification of many electronic ledgers implementation.

- **Section 11 allows for the establishment of a needed trust service which is not redundant with existing ones.**

Electronic ledgers are different from electronic signatures, seals or timestamps trust services and would thus remain unregulated if withdrawn from the eIDAS 2 proposal.

The resilient and fault tolerant nature of electronic ledgers, together with their intrinsic properties of accountability and immutability, makes them an appealing technology. Ledgers are suitable for establishing a shared and integrated digital infrastructure across member states because they facilitate dependencies and interactions between the involved member states. Uniquely, ledgers can enable such an integration without simultaneously carrying the risks associated with such close dependencies since each member state can continue operating their ledger based digital infrastructure even without the involvement of other member states. Interdependence is fostered and collaboration facilitated without threatening national independence.

Electronic ledgers are essential in building European digital infrastructures that are robust against cyberattacks, for the benefit of European enterprises and consumers

alike. They are a class of trust services addressing European society demands to strengthen digital trust. Electronic ledgers are at the core of efforts by European innovators to prevent the forgery of digital assets, to prove or claim ownership of digital or tokenized resources, track the supply chain or digitize intellectual property rights.

Across Europe, multiple initiatives already build on top of the concept of electronic ledgers as trust services, such as the environmentally friendly European Blockchain Service Infrastructure² or recent prototypical implementations of the Digital Product Passport.³ To that extent, it is essential to point out the economic importance of the provisions of Section 11 as a breeding ground for innovation in Europe.

Section 11 provides for the establishment of a highly sophisticated trust service that does not conflict with the principle of technological neutrality and is crucial to the future European digital identity framework.

Thank you for taking the time to read this open letter and considering it in your future actions and or vision for the digital future of Europe. We remain at your disposal to further these key discussions.

Best regards

² <https://ec.europa.eu/digital-building-blocks/wikis/display/EBSI/Home>

³ <https://www.digitaleurope.org/digital-product-passport/>