



BLOCKCHAIN TECHNOLOGIES

All-Party Parliamentary Group

Minutes from the Blockchain Technologies All-Party Parliamentary Group (APPG)

Parliamentary Industry Roundtable

Date: **Wednesday 22 May 2024** 5:00 PM -7:00 PM, The Palace of Westminster, UK Parliament

In attendance:

- Natalie Elphicke MP OBE (APPG Chair)
- The Rt. Hon. Lord Taylor of Warwick (APPG Member)
- Professor Dr Naseem Naqvi MBE (British Blockchain Association, APPG Secretariat)

1. Introduction

- a. Chair of the APPG Natalie Elphicke OBE MP officially opened the meeting and welcomed attendees to the APPG's second roundtable discussion on the topic of **'Tokenising the UK's Digital Economy'**.
- b. Natalie said the purpose of the roundtable was to hear from a range of industry leaders and interested stakeholders on the subject of Tokenisation, and the future of the UK's Digital Economy.
- c. Natalie welcomed Professor Dr Naseem Naqvi MBE, President of the British Blockchain Association, as the secretariat of the APPG and thanked them for their work in advancing the understanding of blockchain technologies in the UK and their support of the APPG.
- d. Natalie also welcomed Lord Taylor of Warwick and thanked him for participating in the Roundtable.

2. Speakers & Presentations

- a. The roundtable heard short presentations from APPG Advisory Board Members, external guest speakers and industry experts who shared their insights into the key issues and opportunities in terms of Tokenisation, challenges and opportunities, and highlighted a range of potential use cases.
- b. **The speakers were:**
 - i. Lord Taylor of Warwick, House of Lords (APPG Member)
 - ii. Professor Dr Roman Beck, European Blockchain Center
 - iii. Professor Dr Naseem Naqvi MBE, The BBA (APPG Secretariat)
 - iv. Ms Doro Unger-Lee, Algorand
 - v. Prof Nikhil Vadgama, UCL Centre for Blockchain Technologies (CBT)
 - vi. Mr Jamie Burke, Outlier Ventures



BLOCKCHAIN TECHNOLOGIES

All-Party Parliamentary Group

3. Key questions for speakers and contributors:

- a. The roundtable explored three principal themes, specifically:
 - i. ***Blockchain and Crypto Start-Ups: Talent & Skills Planning***
 - ii. ***Building a National Blockchain Services Infrastructure***
 - iii. ***Evaluating Impact : Blockchain for UK's Digital Economy***

4. Summary of the Roundtable Discussion:

The Chair opened the session by expressing gratitude for the opportunity to chair the All-Party Parliamentary Group (APPG) on Blockchain, citing it as a privilege and highlighting a personal achievement of speaking at the Financial Times Summit. Their focus was on the UK's pivotal role in crafting a future roadmap for blockchain, underlining the importance of investing in skills and training for this transformative technology.

Emphasising the critical need to integrate blockchain technologies into the UK's national economic infrastructure for greater efficiency, the Chair advocated for a forward-thinking approach to harnessing blockchain's potential economic and societal benefits. She welcomed the Roundtable speakers, aiming to showcase leadership in blockchain regulation and Tokenisation roadmap development, while acknowledging the contributions of the British Blockchain Association (BBA) in keeping parliamentarians informed about sector opportunities and developments.

Professor Naseem Naqvi MBE, President of the BBA and Head of the BBA APPG Secretariat, provided insights into the APPG's mission and objectives, praising the hard work of BBA members in developing a long-term program of work beneficial to society and industry. He outlined the BBA's role in informing and educating parliamentarians for evidence-based policymaking and introduced the focus on tokenization to reshape the UK's digital economy, emphasising the importance of blockchain skills, public services, and societal impact evaluation.

The Rt Hon Lord Taylor of Warwick stressed the bipartisan nature of blockchain technology, transcending political boundaries, and advocated for exploring solutions blockchain offers for society, particularly in skills development and diversity promotion. He highlighted the importance of inclusivity in blockchain ventures and noted the significant turnout at the meeting, signifying blockchain's relevance and its impact on the present and future.

Professor Roman Beck from the European Blockchain Centre detailed the European Blockchain Services Infrastructure (EBSI) and its role in supporting a single digital European market. He emphasised the EU's investment in blockchain, highlighted various projects, and discussed regulatory influences like the MICA regulation and the Data Act, aiming to protect European values through blockchain technology, focusing on digital sovereignty, privacy, and ownership.



BLOCKCHAIN TECHNOLOGIES

All-Party Parliamentary Group

Doro Unger-Lee, Advisory Board member of the Blockchain APPG and head of education and Diversity at the Algorand Foundation, highlighted the critical need for industry-academia partnerships to bridge the knowledge gap and foster innovation in the blockchain space. She

advocated for government incentives to encourage collaboration and underscored the importance of diversity, equity, and inclusion in shaping the future of blockchain ecosystems.

Jamie Burke, the chairman of Outlier Ventures, emphasised the importance of leveraging Web3 technologies to drive domestic economic activity and GDP growth. He advocated for a nuanced regulatory approach that fosters innovation and competition and proposed solutions to challenges faced by start-ups, including access to basic banking services and comprehensive capital value chain initiatives.

Professor Nikhil Vadgama from the Centre for Blockchain Technologies at UCL provided insights into tokenization's successes, challenges, and future prospects, emphasising the need for a systematic framework for evaluating blockchain solutions and addressing the gap between proof of concept and large-scale adoption in the UK.

Overall, the session provided comprehensive insights into Tokenisation, blockchain regulation and Web3 adoption, highlighting the importance of collaboration, clear communication, and regulatory agility in driving forward the blockchain revolution. With proactive approaches grounded in cross-sectoral collaboration, the blockchain ecosystem can continue to evolve and thrive, unlocking new opportunities for innovation and growth across industries.

Summary of Prof Naseem Naqvi's comments:

Prof Naseem Naqvi, President of the BBA and Head of the BBA APPG Secretariat, outlined the BBA's role in informing and educating parliamentarians to enable evidence-based policymaking. He stressed the importance of this two-way learning process, where parliamentarians gain a better understanding of blockchain technology, leading to more effective policies. The BBA also monitors global developments, exemplified by inviting Professor Roman Beck to the session.

Naqvi introduced the Roundtable's focus on Tokenization and its potential to reshape the UK's digital economy. He detailed three discussion areas for the Roundtable, which aligns with the APPG's exploratory domains: Blockchain skills and talent planning, Blockchain for public services, and evaluating the societal impact of Token economies. He emphasised the importance of learning from international best practices in blockchain technology, and the potential of tokenisation to transform the UK's digital economy. He also highlighted the importance of long-term workforce planning for blockchain skills, public services, as well as auditing the societal impact of token economies.



BLOCKCHAIN TECHNOLOGIES

All-Party Parliamentary Group

Summary of Lord Taylor's Comments:

Lord Taylor of Warwick emphasised that blockchain technology transcend political boundaries, a point on which there is consensus. He expressed a desire to explore the solutions that blockchain can offer, particularly in terms of skills development and promoting diversity. Taylor highlighted the importance of including all sectors of the community in the blockchain venture, drawing an analogy to the end of the Stone Age, which came not from a lack of stone but from the discovery of better methods. He noted the significance of the large turnout at the meeting, contrasting it with smaller attendance at previous APPG gatherings, and pointing out that this interest is a clear sign that blockchain is bringing the future into the present. The challenges in crafting a suitable framework for Tokenisation, and the fact that it is evident that there's an urgent requirement to establish a supportive environment conducive to responsible and sustainable progress, simultaneously fostering business expansion for the mutual advantage of citizens, was highlighted.

Summary of Prof Roman Beck's Comments:

Professor Roman Beck from the European Blockchain Centre detailed the European Blockchain Services Infrastructure (EBSI) and its role in supporting a single digital European market. He emphasised the EU's investment in blockchain, highlighting various projects and regulatory influences like the MICA regulation and the Data Act. Beck discussed the importance of protecting European values through blockchain technology, emphasising digital sovereignty, privacy, and ownership. He outlined the transition of the European Blockchain Partnership to the European Digital Infrastructure Consortium (EDIC) and its focus on developing a robust, federated system for blockchain infrastructure.

He highlighted the collaborative nature of the EDIC, involving multiple EU member states and non-EU countries like Norway, Liechtenstein, and Ukraine. Beck concluded by emphasising the initiative's goal to provide decentralised services, reinforce trust and privacy, and support EU policies, ultimately giving citizens control over their digital identities.

Summary of Jamie Burke's Comments:

Jamie Burke, the Chairman of Outlier Ventures, offers insightful perspectives on creating a thriving Web3 ecosystem in the UK. Drawing from his experience as an investor and engagement with thousands of founders annually, Burke underscores the importance of leveraging Web3 technologies, such as blockchain and AI, to drive domestic economic activity and GDP growth. He emphasises the need for the UK to position itself within the paradigm shift towards Web3 and stresses the natural regulatory fit of Web3 principles, such as user sovereignty and decentralisation.

Burke advocates for a nuanced approach to regulation, highlighting the opportunity for the UK to lead through harmonisation rather than competing with emerging countries on a zero-tax basis. He proposes initiatives to seed the digital economy with innovations that accelerate the transition from Web2 to Web3, emphasising the importance of creating an environment conducive to innovation



BLOCKCHAIN TECHNOLOGIES

All-Party Parliamentary Group

and competition. Additionally, Burke calls for greater clarity on UK Data Protection Act regulations in the context of blockchain technology and suggests a pro-innovation regulatory approach that fosters the growth of start-ups and innovators. Furthermore, Burke addresses challenges faced by start-ups, such as access to basic banking services, and proposes solutions, including mandating banks to facilitate transactions related to digital assets. He advocates for a comprehensive approach to the capital value chain, from pre-seed funding to listed assets, to create properly functioning markets that reward real innovation and impact-focused projects. Ultimately, Burke emphasises the transformative potential of Web3 technologies in enabling start-ups to operate globally and competitively from the UK, signalling a shift away from dependence on Silicon Valley for solutions.

Summary of Professor Nikhil Vadgama's Comments:

Professor Nikhil Vadgama, Deputy Director of the Centre for Blockchain Technologies at UCL and APPG advisory board member, delves into the realm of tokenization, dissecting its successes, challenges, and future prospects. With a wide array of use cases spanning supply chain management, financial services, real estate, media, entertainment, gaming, education, sustainability, and more, Vadgama paints a comprehensive picture of tokenization's potential impact. While acknowledging the successes in various sectors, Vadgama highlights a critical gap between proof of concept and large-scale adoption, particularly in the UK. Despite notable projects and advancements, ubiquitous use cases of UK-based blockchain solutions remain elusive, especially compared to global counterparts. The challenge lies in systematically understanding, evaluating, and promoting these solutions to drive widespread adoption.

To address this gap, Vadgama proposes a systematic framework for evaluating blockchain solutions, encompassing technical, financial, societal, and regulatory dimensions. He emphasises the need for interoperability, regulatory clarity, sectoral diversification, and government support to propel the UK's blockchain ecosystem forward. Vadgama underscores the importance of staying ahead in key sectors like fund management and embracing emerging technologies like AI and IoT to maintain competitiveness on the global stage. Moreover, Vadgama advocates for streamlined access to basic banking services for blockchain start-ups, highlighting the ongoing struggle to obtain essential financial infrastructure. By fostering an environment conducive to innovation, collaboration, and regulatory clarity, Vadgama envisions a future where UK-based blockchain solutions thrive, driving economic growth, societal impact, and technological advancement.

5. Closing Remarks:

- a. Chair of the APPG Natalie Elphicke MP thanked everyone for attending the roundtable and for participating in the discussion.
- b. The meeting was closed, and no other business took place.

- End -



BLOCKCHAIN TECHNOLOGIES

All-Party Parliamentary Group

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L to R:

The Rt Hon Lord Taylor of Warwick, APPG Member

Prof Dr Naseem Naqvi MBE, BBA President and APPG Secretariat

Natalie Elphicke OBE MP, APPG Chair



BLOCKCHAIN TECHNOLOGIES

All-Party Parliamentary Group





BLOCKCHAIN TECHNOLOGIES

All-Party Parliamentary Group

