Twitter Thread by Katherine Wu



Katherine Wu
@katherineykwu

1/ China's "Internet regulator" just put out draft guidelines for "blockchain information & related services" and are asking for public comments. This is China's first regulatory attempt at defining & setting the scope for the "blockchain information/ technology" category.

2/ For background: China's Office of the Central Cyberspace Affairs Commission (formed in 2014) is basically the regulator that has oversight in anything that is internet/ information-related— yes, that includes censorship/ information control/ etc.

3/ This is China's first attempt at both defining and setting the scope for the "blockchain information/ technology" category from a regulation aspect.

(Link to the notice here: https://t.co/5wMQWWKKiU)

4/ There are a few mains objectives as laid out in the guidelines: 1. to better define the scope of a "blockchain information service"; 2. To foster the growth of the industry; 3. To protect interests of citizens and 4. To protect the interest of the state.

5/ Rule 10 in the draft points to China's Internet Safety Laws and will be mandating all blockchain information service providers and **users** to provide identification proof (by way of government issued ID or phone number) in order to use/access the service.

5a/ BTW- I don't think it's abnormal for any internet platform user in China. In order to use Didi (China's Uber) or WeChat pay, users have to register this sort of information with the platform. Of course, this is just hard to implement on a **blockchain** for obvious reasons.

6/ Strict requirements (rule 9) around the service provider's content management: specifically, over the dissemination, recording, saving, and broadcasting. Under these rules, they must all comply with current national laws and standards.

7/ Plus, harsh penalties (fines/ shutting down/criminal penalties etc) for blockchain service providers that (among other requirements):

+ create, copy, or distribute any state-banned content
+ do not verify user information

+ do not take steps to store transactions/information

8/ Some critics of the draft have pointed out the dangers in trying to define “blockchain information services” too early on and making the definitions so broad as to include *any and all* blockchain-related services. (We’ve heard this argument before re: U.S. legislation too).

9/ Specifically, the guidelines target “information services”, which includes all kinds of information exchange and transmission, but does not specify what the technology is, or what information systems is it that the guidelines target.

10/ The major issue? These guidelines target “blockchain technology”, and assume central parties/ central points at any given point— but— given the decentralized nature of the tech— it’s hard to understand how these rules will get implemented.

11/ Text to the full draft guidelines are here (Chinese version only): https://t.co/DWAtbzI7dw

Keep in mind these are draft guidelines for now, and the comment period will be open for 10 business days. Staying tuned...