9 QUESTIONS TO ASK YOURSELF WHEN STARTING A BLOCKCHAIN PROJECT

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WHY? BLOCKCHAIN RIGHT FROM THE START

Blockchain technology is new and exciting and moves fast. Some aspects of blockchain projects are similar to those of any other IT project, but others are completely new. Blockchain projects can therefore be extra challenging. To get an overview of the most important aspects of your blockchain project, ask yourself these nine questions.

PREPARATION

1 What are the project characteristics?

For example: What is the purpose of the blockchain solution? Is blockchain the right technology for your solution? Is it a public or a private blockchain? Who are the controllers/processors? Do you intend to launch an ICO or generate tokens?

2 Who owns the IP rights?

Like any other IT project it is important to make clear arrangements about the allocation of the intellectual property rights when the blockchain solution will be developed with the help of third parties, e.g. external programmers.

3 Have you conducted a DPIA?

Not only must organisations comply with the GDPR, they must demonstrate their compliance. Carrying out a Data Protection Impact Assessment (DPIA) is a useful tool to achieve this purpose. As part of the DPIA you can determine the privacy roles of the stakeholders involved (processor, (joint) controller).

DESIGN

4 Have you set up a governance model?

Smart governance structures, clear responsibilities, and focused policies for handling topics such as changes, disputes and fixing bugs will enable you to keep control and mitigate risks.

5 Is your IT-design privacy-friendly?

Organisations need to incorporate data protection principles into the blockchain (privacy by design). And they must make sure that the default settings keep processing to a minimum (privacy by default). For further security you should store all identifiable personal data off-chain and limit data stored on the blockchain to links or hashes.

6 Are you prepared for a data breach?

Organisations are required to report data breaches. You must be able to detect, investigate, and report data breaches as soon as they occur. A security incident response plan and clear procedures will help a dedicated data breach team to act swiftly when this happens.

EXECUTION

7 Do you have a privacy policy?

Organisations need to provide individuals with extensive information about what they do with personal data, including their retention terms, processing reasons, and profiling considerations. Effective, understandable, and well-designed privacy policies and other customer-oriented materials lead to better-informed individuals.

8 Is your smart contract legally binding?

Most types of agreements have no prescribed form, therefore an agreement can (in theory) be entered into by a smart contract. However, a smart contract is a piece of code and not every legal obligation can be easily converted into code. Therefore we recommend that you use smart contracts in conjunction with traditional contractual terms – i.e. a hybrid contract.

9 Does your Platform have Terms of use?

As part of your Know Your Customer (KYC) process, users of the blockchain platform will need to be "on-boarded" and agree to the appropriate terms. Platform Terms of Use are therefore recommendable.

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