

# European Blockchain Sandbox

## Application Terms

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### 1. Subject of the terms

1.1 These Application Terms govern the application process for the European blockchain regulatory sandbox (the “**Sandbox**”) to evaluate blockchain and other decentralized ledger technology (DLT) use cases (hereinafter referred to as “**Blockchain use cases**”).

1.2 The Sandbox is a safe environment in which through dialogue and close cooperation between one or more regulators and supervising authorities (jointly referred to as “**regulators**”) and a Blockchain use case, the legal and regulatory questions pertaining to innovative blockchain solutions are explored with the aim to provide legal certainty and facilitate the development of best practices in certain regulatory areas. The Sandbox is described further in EU Tender CNECT/2021/OP/0019 (“the Sandbox”).

1.3 Parties involved in application process:

- European Commission Initiator of the Sandbox;
- Bird & Bird Bird & Bird AARPI and its affiliates (hereinafter jointly referred to as the “law firm Bird & Bird”) and subcontractors OXYGY, WBNoDE (operating under the name Warren Brandeis) and Spindox who have been procured by the EU Commission to set up and operate the Sandbox;

- Selection Team Blockchain experts from Warren Brandeis or other experts designated by the law firm Bird & Bird who will undertake the selection of Blockchain use cases for the Sandbox for approval by the European Commission;
  - Panel of Experts Multi-disciplinary panel of independent experts from different European universities who will oversee the selection process.
- 1.4 In order to avoid conflict of interest, the Selection Team and the Panel of Experts will not be involved in the application of Blockchain use cases and will abstain from participating in the evaluation and ranking of Blockchain use cases if this could lead to a conflict of interest. Bird & Bird may second legal expertise to the selection team but will not participate in the selection and will not have access to the applications.
- 1.5 Although the application and selection process will be organised in accordance with a transparent and objective procedure set forth in these Application Terms, the application procedure for the Sandbox does not qualify as a tender under public procurement rules and/or to which public procurement principles apply.

## 2. Who can apply

- 2.1 The applicant (and the use case leader as described in the application form if applicable) must be established in the EEA and must (by the deadline for the submission of an application specified on the website) have been a legal person for at least six (6) months either as: i) a legal entity registered in the professional or commercial register for companies or non-profit organisations (other than public bodies) according to the rules of the EEA Member State where it is established, or ii) a public body established in one of the EEA Member States which will be determined in accordance with the EU Commission's 'Rules for Legal Entity Validation, LEAR Appointment and Financial Capacity Assessment' Version 4.0. A copy of the registration (or other evidence for public bodies) has to be attached to the application form.
- 2.2 Each applicant, determined on the basis of the evidence submitted under **Clause 2.1**, will only be allowed to submit one application per cohort. The entire Sandbox will consist of three cohorts. If more than one application is submitted by an applicant, only the latest application will be taken into account.
- 2.3 Each application must be submitted by the person authorised to enter into legally binding commitments on behalf of the applicant (and its consortium members if applicable) using the application form which is hosted on EUSurvey. An application will only be accepted for the selection process if all eligibility criteria regarding the applicant and the Blockchain use case as set out in the application form are met and if all mandatory fields in the application form are completed.
- 2.4 If an application is submitted on behalf of a consortium, then the applicant will make sure to have the permission to submit the application on the behalf of all parties. All consortium parties must be either legal persons or public bodies. The leader of the Blockchain use case could be the applicant or one of the other consortium partners, as long as the leader and the applicant are a legal entity that is located in the EEA.

- 2.5 A self-declaration has to be submitted by the applicant (and its consortium members if applicable) together with the application in accordance with the prescribed form which is accessible through the application form.
- 2.6 Before the final selection is made, a final eligibility check will be performed and documentary evidence on compliance with the information provided in the application form and the self-declaration may be requested. Such documents could include, e.g., evidence documents, or equivalent documentation showing fulfilment of tax and social contributions, good conduct and that the company is not in bankruptcy, as well as documents to enable Bird & Bird AARPI to perform its usual client acceptance test for the purpose of participation in the Sandbox. The applicant is advised to have these documents readily available as they can be requested within a period of 2 weeks following pre-selection.

### **3. How to apply**

- 3.1 Applicants can apply for the Sandbox by filling out the application form, which is hosted on EUSurvey. The form is aimed at collecting the necessary information for the selection of Blockchain use cases for the Sandbox.
- 3.2 The application form, which is submitted via EUSurvey, needs to meet the following criteria, the form needs to:
  - 3.2.1 be complete, accurate and up to date and needs to be submitted with the requested annexes;
  - 3.2.2 use the English language; and
  - 3.2.3 be submitted by the deadline specified on the website.
- 3.3 By submitting the application form, the applicant accepts the latest version of the Application Terms, the Selection Criteria, the Privacy Statement and the Protocol for Participation in the Sandbox if selected. All documents can be accessed through the public website ([hyperlink](#)).
- 3.4 FAQs will be published on the website with respect to the application and selection process and the operation of the Sandbox. While filling out the application form, the applicant can submit questions regarding the application form itself via the EUSurvey page. Questions about the application or selection process can also be sent to the project email address ([info@blockchain-sandbox.eu](mailto:info@blockchain-sandbox.eu)). Questions can be submitted up to 10 days before the application deadline specified on the website.
- 3.5 The contractual relationship between the applicant and the lawfirm Bird & Bird commences only once the applicant accepts the positive selection result and has onboarded for participation in the Sandbox in accordance with the Sandbox Protocol.

### **4. Application & Selection process**

- 4.1 The application will be considered submitted once all required information on the application form has been completed and submitted by an authorized representative of the applicant.
- 4.2 The selection will take place by the Selection Team on the basis of the Selection Criteria as published on the website ([hyperlink](#)). EBSI use cases that are proposed by the

European Blockchain Partnership (EBP) are automatically qualified to participate in the Sandbox as part of the public entities lot. After approval by the European Commission of the overall package of the selected Blockchain use cases and the participating regulators for each cohort, the applicant is informed about the pre-selection for the Sandbox and that the final eligibility check will be performed referred to in **Clause 2.6**.

- 4.3 The selection process consists of the following phases:
- 4.3.1 Eligibility test: (i) Form complete, (ii) Annexes complete, (iii) eligibility & other mandatory criteria fulfilled, and (iv) acceptance of the application terms, the sandbox protocol and the Privacy statement for sandbox application and selection by the applicant.
  - 4.3.2 The selection of Blockchain use cases for which an eligible application is submitted will be performed in accordance with **Clause 4.2**.
  - 4.3.3 The selection process results in the selection of Blockchain use cases that are accepted for the Sandbox.
  - 4.3.4 In addition, the selection process may result in the selection of additional Blockchain use cases that are wait-listed for the current cohort and – if they agree – for the next cohort in which case such wait-listed applications will have to be updated during the application term for the next cohort and will be treated as applications for the next cohort.
- 4.4 Applicants will be informed about the outcome of the application and selection process and whether they are accepted or wait-listed. No further correspondence is possible about the selection and results.
- 4.5 Once an application is submitted, the applicant agrees that the application will remain valid for at least 6 months and – if accepted or wait-listed – for the duration of the Sandbox unless terminated in accordance with **Clause 13**.
- 4.6 By submitting the application, the applicant agrees to participate in the Sandbox if selected in accordance with the Protocol for Sandbox Participation.

## **5. Costs**

- 5.1 No fee will be charged for the application and participation in the Sandbox.
- 5.2 No funding will be given for applications and no costs will be reimbursed during the application process.
- 5.3 The same applies for participation in the Sandbox if the Blockchain use case is selected or wait-listed.

## **6. General cooperation and information obligation**

- 6.1 The applicant will have to cooperate with parties involved in the application and selection process and provide any and all information requested as part of the application and selection process.

## 7. **Announcement of results**

- 7.1 The name of the selected applicant (and its consortium partners if applicable), the applicable EEA countries or regions and a summary description of the Blockchain use case will be published on the website for the Sandbox.

## 8. **Conservation of documents**

- 8.1 The application forms, selection process outcomes and other associated data will be destroyed after the end of the Sandbox operations of each cohort (after a maximum of one year). Wait-listed applications that participate in the next cohort will be retained until the end of the Sandbox operations for the next cohort.
- 8.2 Personal data (such as staff contact details) provided by the applicant in the context of its application for participation in the Sandbox will be conserved in line with data protection record DPR-EC-18668 and the relevant privacy statement ([hyperlink](#)).

## 9. **Intellectual Property rights**

- 9.1 By submitting an application, the applicant does not transfer any of the pre-existing rights in the Blockchain use case including intellectual property rights. Notwithstanding the foregoing, the Union shall be entitled to use these pre-existing rights in relation to the EU Regulatory Sandbox for Blockchain CNCECT/2021/Op/0019 project in accordance with article II.13 of the Model service contract - CNECT/2021/OP/0019 ([hyperlink](#)).
- 9.2 By submitting an application, the applicant agrees that the application can be reviewed for the purpose of the application and selection process set forth in these Application Terms and the Selection Criteria.
- 9.3 The applicant warrants that it has all rights and title to submit the application for review as part of the application and selection process and to participate in the Sandbox if selected.
- 9.4 The applicant warrants and undertakes to ensure that the participation in the application and selection process and in the Sandbox (if selected) will not infringe the rights of any third party.
- 9.5 The applicant agrees to defend, indemnify, and hold harmless the Parties involved in the application and selection process specified in **Clause 1.3** from and against any liability or loss (including, without limitation, any legal costs) incurred by them as a result of, or in connection with, the application and selection process and the participation in the Sandbox (if selected).

## 10. **Confidentiality and communication about results**

- 10.1 The applicant endeavours to minimise the involuntary or voluntary disclosure of business confidential information when completing the application process. If submission of business confidential information cannot be avoided, the applicant must clearly identify which information out of the information provided is considered to be confidential and must be kept confidential in accordance with Clause 10.2

- 10.2 Information contained in the Applications, the application and selection process will be kept confidential apart from (i) the announcement of results of the application and selection process referred to in **Clause 7** and/or (ii) the provision of feedback or other support in connection with the application and selection process and the Sandbox and/or (iii) unless permitted or required to do so by law or court order and/or (iv) unless otherwise permitted under these Application Terms or the Protocol for Sandbox Participation.

## **11. Processing of personal data**

- 11.1 The European Commission (controller) and its contractors (processors) will process all personal data in accordance with Regulation 2018/1725 and the GDPR.
- 11.2 Personal data (such as staff contact details) provided by the applicant in the context of its application for participation in the Sandbox will be processed in line with data protection record DPR-EC-18668 and the relevant privacy statement ([hyperlink](#)).
- 11.3 The applicant will only share personal data in the application form or otherwise in the context of the application for participation in the Sandbox if it is absolutely necessary.

In this case, the applicant will ensure that this transfer is completed in accordance with the applicable law, including the relevant data protection law. This may include but is not limited to providing additional privacy statements and/or obtaining any necessary consent, for the further processing of the personal data in the context of the application process, where appropriate.

The applicant will also provide a copy of the privacy statement to any data subject whose data the applicant is transferring to the European Commission and/or Bird & Bird and/or the panel of experts in the context of the application for participation in the Sandbox.

- 11.4 The applicant acknowledges and agrees that its application and potential participation in the Sandbox does not affect its data protection obligations under the GDPR and its responsibility or liability if personal data is corrupted, damaged or improperly used or disclosed by the applicant in the course of the application or participation in the sandbox.

## **12. Responsibilities**

- 12.1 Given the nature of the Sandbox and the application and selection process, liability is excluded by the parties involved in the application & selection process specified in **Clause 1.3** to the extent permitted by law.
- 12.2 Neither the European Commission, Bird & Bird and the panel of experts are liable for damages for applications not being selected or wait-listed.
- 12.3 The applicant is liable for incorrect or false applications including incorrect or false information regarding its consortium partners.

### **13. Termination of the application and selection process**

- 13.1 Failure to (continue to) comply with these Application Terms or with the eligibility criteria may result in the application not being taken into (further) account for selection.
- 13.2 Any attempt by an applicant to influence the selection panel or any of the other parties involved in the Sandbox may result in the application not being taken into (further) account for selection.
- 13.3 The European Commission and Bird & Bird may terminate or suspend the Sandbox and/or the application process with respect to one more cohorts at any time.
- 13.4 In the event of termination referred to in **clauses 13.1, 13.2 and 13.3**, no costs or damages will be reimbursed.

### **14. Amendments to the terms**

- 14.1 The European Commission and Bird & Bird may amend these application terms from time to time. Changes of these Application Terms will be published on the website.
- 14.2 In the event of an intermediate change, the applicant may withdraw its application.