



Russian Digital Sovereignty Effort Led by FSB

OE Watch Commentary: The Federal Security Service (FSB) has been participating in the International Standardization Organization (ISO) effort to develop a standard for blockchain technology. This will allow the Russian government to use the new technology in the future, and to keep it Russian, according to Aleksey Urivskiy, one of the Russian members of the ISO's special committee.

As described in the article, the first in-person meeting of the ISO Special Committee to Develop a Standard for Blockchain Technology took place in Sydney, Australia in April 2017. The Russian delegation of four people was led by FSB agent Grigoriy Marshalko, according to ISO member Maxim Shevchenko. However, Marshalko told Russian business daily *Vedomosti* that he represents the FSB on a different committee, the Russian Committee of RosStandard for Standardizing Cryptography. He referred all questions regarding his participation in ISO to the FSB, which did not respond for comment.

According to Shevchenko, the legal regulation of blockchain throughout the world in general, and in Russia in particular, is just starting to be developed, while the government regulates cryptographic information protection relatively strictly. For example, those projects certified by the FSB are connected to systems that review personal data, and to bank-client systems for legal entities.

The government laid out its plans for blockchain in the Program for the Digital Economy, which was approved at the end of July. According to the document, a set of normative acts which would allow for a legal experiment in using blockchain should be ready in the fourth quarter of 2018. By the end of March 2019, the documents should be approved, and the experiment itself is planned for the fourth quarter of 2019. The experiment will last one year, and the results will be used to set the legal conditions for using blockchain.

The biggest challenge now is how to move forward quickly, while at the same time maintaining an all-Russian technology. According to the article, as well as to the many official opinions stated in the months prior to the President's announcement about the creation of a 'cryptoruble' in October 2015, Bitcoin and other cryptocurrencies use "Western" technology, while Russia should use Russian technology. In fact, as the Vice President of Sberbank (a state-owned Russian banking and financial services company) admits in the article, its blockchain projects primarily use foreign cryptographic protection. Meanwhile, one of their projects, the Masterchain platform, has already been certified by the FSB.

According to the author of the book "Battle for the RU-net," The FSB is trying to add Russian algorithms to the international register to make Russian Internet users choose the domestic blockchain – voluntarily at first, then as a requirement. In his opinion, this is part of the digital sovereignty the government is developing. **End OE Watch Commentary (Hall)**



FSB Emblem.

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- Aleksey Urivskiy, Expert and member of Russian ISO Special Committee to Develop a Standard for Blockchain Technology

Source: Екатерина Сирнова, Елена Мухамешина, “ФСБ участвует в разработке международного стандарта блокчейна (The FSB is participating in developing an international standard for blockchain),” *Vedomosti*, 18 August 2017. <https://www.vedomosti.ru/technology/articles/2017/08/18/730045-fsb-blokcheina>

Because cryptographic protection is at the heart of blockchain technology and cryptocurrencies, the delegation to the international committee is comprised of members of the Russian committee of RosStandard for standardizing cryptography, according to Shevchenko. The committee develops standards for cryptographic information protection. The FSB is in charge of its work: according to the committee regulations, the Chairperson is a member of the FSB. A special committee for blockchain in Russia will start its work in the Fall. RosStandard started selecting experts for the committee August 11, 2017.

The task of the Russian representatives to the ISO committee is to ensure Russian cryptographic algorithms make their way into the international standard for blockchain, according to one of the experts and member of the committee, Aleksey Urivsky.

The lack of blockchain-based decisions certified by the FSB and the FSTEK (Federal Technical and Export Control Service) is one of the minuses of this technology, a representative of the Ministry of Communications told Vedomosti in May.

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Without the means to certify electronic signatures, as used in blockchain, Russian institutions will likely not be able to use blockchain, Urivsky continues. It should not include any Western cryptography, he says. According to a representatives of the Ministry of Communication, the plusses of blockchain are that it's impossible to change past transactions and you can trace all the stages of a deal.

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