

Processing of Personal Data through Blockchain Technologies

Dear members of the EDPB,

As a European citizen and long-time Bitcoin user, I submit the following statement as part of the public consultation on Guideline 02/2025.

1. Summary

The EDPB Guidelines 02/2025 provide valuable clarification on data protection in the context of blockchain. However, I must highlight a central issue:

The risks to data protection do not stem from Bitcoin itself, but from regulatory requirements that force identity linkage – especially through KYC.

2. A Regulatory Paradox Created by the EU

The EU rightly demands:

Privacy by design (Art. 25 GDPR)

Strong rights such as erasure and anonymity (Art. 17, Art. 5 GDPR)

Protection of privacy in digital systems

At the same time, EU regulations such as AML and MiCA enforce:

Mandatory identification (KYC)

Linking pseudonymous blockchain addresses to real-world identities

Permanent logging of personal transactions on an immutable public ledger

➡ This conflict results in technologies like Bitcoin – which are privacy-preserving by nature – becoming GDPR-problematic solely because of imposed regulations.

3. Bitcoin Does Not Store Personal Data

The Bitcoin protocol does not store:

Real names

Addresses

IP addresses

Device data

Identification only occurs off-chain, typically as a result of regulatory requirements, e.g. KYC by exchanges – not through the protocol itself.

4. Recommendations

The EDPB should clearly distinguish between protocol-level design (e.g. Bitcoin) and regulator-imposed identity linkage (e.g. KYC).

The EDPB should raise awareness among lawmakers of the systemic contradiction between GDPR and financial surveillance.

The EDPB should evaluate whether forced de-anonymization via KYC violates fundamental GDPR principles.

5. Conclusion

Bitcoin is not a threat to data protection – it is a prime example of data-minimized, decentralized architecture without central data storage.

The GDPR problem arises from the regulatory structure, not the technology.
This contradiction must be addressed honestly.

6. Declaration of Digital and Financial Self-Determination

As a citizen of the European Union, I demand that my fundamental rights to privacy, informational self-determination, and financial freedom also be respected in the digital realm.

I strongly object to a future in which technologies like Bitcoin – open, decentralized and privacy-preserving – are distorted by excessive regulation (e.g. KYC) and their users treated with suspicion by default.

I hereby declare my will:

That the EU follows the principle of "Privacy by Default" in practice, not just on paper.

That cash-like digital systems such as Bitcoin are not criminalized, but respected as part of a pluralistic monetary ecosystem.

That people – not states or intermediaries – retain control over their data and value.

This declaration forms part of my statement on Guideline 02/2025 and is intended to be recognized as such.

Sincerely Max Müller