

Blockchain Applications in Digital Finance (beyond cryptocurrencies)

John Soldatos, March 4, 2021



Hellenic
Blockchain
Hub



Blockchain Traction in 2021



Interest in Cryptocurrencies is Booming

- BTC reaches all time high!
- Crypto Marketcap exceeded 1 trillion in 2021!
- Tesla bought 1.5 bn \$ in BTC
- Cryptocurrencies promoted as “digital gold” due to scarcity

Wider Interest in Blockchain Technology Remains Vivid

- Many startups, increased equity investments, several EU based blockchain startups



Bitcoin jumps as Tesla buys currency
Tesla purchased \$1.5bn of Bitcoin and announced it will start accepting the cryptocurrency as payment



Source: Bloomberg. Last update 08 February 2021, 15:00 GMT



Using Blockchain Technology in Digital Finance (Beyond Crypto) - Criteria

Use Blockchain In Industrial Applications when:

- There is a need for a shared database
- There is a need for a database with multiple writers.
- The use case involves with multiple non-trusting writers.

- It is not appropriate or feasible to rely on a trusted intermediary (i.e. Trusted Third Party (TTP)).
- There is a need for interactions between transactions in the database

Avoid Blockchain in Industrial Applications when:

- There is a lack of any of these five conditions (e.g., when a TTP can ensure trustworthiness across the different writers.
- When trust and robustness are not an important issue for the use case at hand.

Blockchain Themes for FinTech (1)

(Cross-Border) Payments

- Value Proposition: Faster Payments & Reduced Transaction Costs

Real Time Settlements – Stock Exchange Transactions

- Value Proposition: Eliminate Regulatory approvals & mandatory clearances – Reduced Transaction Costs

Automated Trading (Smart Contracts)

- Value Proposition: Token Transfer with Less Regulatory Overheads – Automated Trades

Blockchain Themes for FinTech (2)

Crowdfunding & ICO (Initial Coin Offerings)

- Value Proposition: Trust and Reduced fees, based on Security Token Coins (STC) that replace intermediaries

KYC – AML and Customer Centric Products (e.g., Loans)

- Value Proposition: Syndicated Lending based on Seamless Data Sharing and Verification following KYC & AML Processes

Auditing in a Variety of Settings (e.g., Electronic Notary)

- Value Proposition: Speed, Trustworthiness and higher Security

Blockchain Themes for FinTech (3)

Data Sharing for Credit Risk Scoring - Assessment

- Value Proposition: Lower the Barriers of Data Sharing across financial organizations (Credit Risk Assessment)

Collaborative Risk Assessment

- Value Proposition: Lower Barriers for Data Sharing (Cybersecurity data)

Polyviou, A.; Velanas, P.; Soldatos, J. Blockchain Technology: Financial Sector Applications Beyond Cryptocurrencies. Proceedings 2019, 28, 7. <https://doi.org/10.3390/proceedings2019028007>



Today's Agenda

March 4th (10.00-12.00) CET

Session 1: Blockchain Applications Presentations and Demonstrators	
10:00 - 10:10	"Overview of Blockchain Applications in the Finance Sector - Workshop Overview" , John Soldatos
10:10 - 10:30	"Decentralized Management of Consent in Finance Applications" , Dimitris Miltiadou, UBITECH S.A.
10:30 - 10:50	"Empowering Digital Finance Innovation with Blockchain Tokenization" , Fabiana Fournier, IBM Israel
10:50 - 10:55	Break
10:55 - 11:15	"Know Your Customer (KYC): A Blockchain Based Implementation" , Nikos Kapsoulis, INNOV-ACTS LTD
11:15 - 11:35	"Analysing Blockchain Transaction Graphs for Fraudulent Activities" , Alper Sen, Boğaziçi University
11:35 - 11:40	Break
Session 2: Open Discussion and Stakeholders Feedback	
11:40 - 11:50	Open Questions and Answers Session - (Questions from the Audience)
11:50 - 11:55	Guided Feedback - Questionnaires Filling (All Participants)²
11:55 - 12:00	Meeting Close & Conclusions

Call for Action:

- Please provide your feedback – Fill-in our Survey
- Subscribe to INFINITECH Newsletter
- Join the INFINITECH Marketplace (to be launched March 2021)

