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Blockchain Explained (Part 1)

Video Transcript

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What is blockchain in its most basic terms?

Blockchain at its most basic level is a general purpose data technology that allows actors to share access to the same data confidently. They can do it in a secure fashion, they can trust that the data hasn't been tampered with and they can control the access as to who gets to see it.

It's got wide popularity now in financial services for its use in supporting transactions and payments and cryptocurrencies, but there are much wider applications that are a more fundamental aspect of just at that shared data construct that really unlocks a lot of business potential.

Why is now the time for blockchain technology in Capital Markets?

Now is the time for blockchain solutions to come into the forefront because the realization has been

made that this old technology that was born out of 1920s and 1930s cryptography has tremendous applications in our current business environment. It's been widely popularized by bitcoin and the cryptocurrencies base but that fundamental realization of the underlying technology which allows participants to share data confidently and not have to maintain their separate fragmented data stores has been a blocker to stripping out inefficiencies from the business environment and in particular, from the capital market's ecosystem.

It's not new, it's being newly applied and evolved in very creative ways to solve current business problems. The excitement about it is that at a fundamental level it takes us into the next phase of what you can do with data.

What are the likely next steps in blockchain adoption?

There are really three streams of activity underway with respect to where blockchain is headed from here. There are the market infrastructure activities underway that provide platforms and industry-wide solutions upon which businesses can take advantage of the underlying capabilities and start to change their business processes and serve clients differently off the back of a central market infrastructure platform.

There's a second stream of activity where individual banks or organizations are getting together on a bilateral or multilateral basis between small consortiums or large consortiums even do the same thing. There's a third category of activity underway where individual organizations are realizing that you can generate benefits from internal solutions that take advantage of how to manage your data better and take advantage of some of the fundamental characteristics of what this technology provides.