Blockchain without borders: when technology redefines uses

Understanding the benefits of blockchain through simple and concrete use cases related to cash management.

Traditional finance vs. Blockchain

- **Blockchain:** use of a "blockchain" ledger technology, which operates as a network of computers that work together to record and verify transaction.
- Expected benefits:
  - ✓ Instantness
  - ✓ Unalterability
  - ✓ Cost efficiency

Use case: Tokenised deposit

- **Tokenised deposit:** bank deposit represented as digital tokens on a permissioned blockchain. Instead of being stored in a legacy core banking ledger, tokenised deposits exist as programmable, 24/7 transferrable digital tokens.
- Advantages:
  - ✓ Instant movement and settlement
  - ✓ Automated reconciliation
  - ✓ Enhanced security
  - ✓ Process efficiency
  - ✓ Better liquidity management

Use case: 24/7 payments

- Blockchain field is now being investigated by corporate groups following late structural changes:
  - The recent success of stablecoins in the field of personal finance and international payments.
  - The development of more 'crypto-friendly' regulatory frameworks in US and Europe (still under pilot phase).
  - Adoption of digital currencies by major asset managers (Blackrock and others).
  - New momentum and initiatives from banks with proposals to corporates to develop use cases and pilots.

- Blockchain for corporates is an emerging field. The supporting environment should be stabilized to confirm this new trend.

- International payment solutions through blockchain offer several immediate benefits to corporates:
  - Immediate payment and settlement.
  - Full traceability.
  - No time constraints (payments are possible any time 24/7).
  - Embedded code (by programming automatic rules to trigger payments).

- 2 main use cases:
  - Blockchain solutions as a complement tool to improve cash management (cash-pooling optimization for instance).
  - Blockchain payments for specific transactions (with specific time constraints and/or traceability requirements).

- There are several obstacles to build new pilots and projects on blockchain for corporates:
  - Regulatory frameworks are still new and quite unstable in 'developed countries'.
  - Regulatory environment is still hostile to crypto and digital currencies in most countries.
  - Digital currency infrastructures and solutions from banks or financial institutions are still fragmented and heterogeneous (lack of interoperability between banks).
  - Lack of widespread or common solutions shared with counterparties.
  - Need to understand the specifics of each blockchain solutions (stable coins, blockchain-based accounts, tokenized deposits, tokenized assets...) and solutions from banks.

Pour en savoir plus sur la formation en lien avec cette thématique, flashez le QRCode

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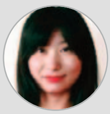

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