

# Blockchain: Preparing for Disruption

What is Blockchain and how will it impact you in the coming years



# Introduction



Jay Schulman

Principal, RSM US

- Lead RSM's Blockchain and Digital Assets Practice.
- Engaged with clients who are building new cryptocurrencies, helping companies address how to accept cryptocurrencies, how blockchain is going to disrupt a company



# Bitcoin vs blockchain

What are we even talking about?

# So what exactly is a Blockchain anyways?

A Blockchain is a ledger where transactions are recorded and confirmed pseudo-anonymously. It's a record of events that is shared between many parties. More importantly, once information is entered, it cannot be altered.

# Bitcoin was merely one of the first applications





















“Blockchain is to Bitcoin, what the internet is to email. A big electronic system, on top of which you can build applications.

Currency is just one.”

—Sally Davies

# What about other cryptocurrencies?

There are 2321 currencies tracked at CoinMarketCap. Data from CryptoCompare:

#	Coin	Price	Direct Vol. 24H ⓘ	Total Vol. 24H ⓘ	Mkt. Cap. ⓘ	7d Chart (USD)	Chg. 24H
1	 Bitcoin BTC	\$ 9,761.60	\$ 1.03 B	\$ 6.19 B	\$ 173.96 B		-10.56%
2	 Ethereum ETH	\$ 201.47	\$ 228.78 M	\$ 2.27 B	\$ 21.54 B		-14.25%
3	 EOS EOS	\$ 3.631	\$ 27.71 M	\$ 1.16 B	\$ 3.70 B		-16.26%
4	 Litecoin LTC	\$ 80.44	\$ 74.97 M	\$ 1.16 B	\$ 5.04 B		-12.87%
5	 XRP XRP	\$ 0.2962	\$ 38.46 M	\$ 583.15 M	\$ 29.62 B		-6.50%
6	 Bitcoin Cash BCH	\$ 284.57	\$ 93.41 M	\$ 564.32 M	\$ 5.09 B		-12.12%
7	 Ethereum Classic ETC	\$ 5.522	\$ 5.02 M	\$ 302.30 M	\$ 618.42 M		-5.80%
8	 ZCash ZEC	\$ 69.30	\$ 2.54 M	\$ 284.66 M	\$ 483.92 M		-13.43%
9	 Binance Coin BNB	\$ 26.23	-	\$ 251.94 M	\$ 2.86 B		7.43%
10	 Bgogo Token BGG	\$ 0.001874	-	\$ 232.82 M	\$ 18.74 M		-3.12%

# Forget the price of Bitcoin



# What is Bitcoin (and other Cryptocurrencies)

- Coins are bought and sold like stocks and commodities, exchanged for other coins, issued to raise money, and used to purchase goods
- **But....**
  - They aren't (yet) regulated
  - The IRS says they're property (like a house)
  - The SEC says if it smells like a duck (Howey Test), it's probably regulated



# Blockchain

- One of the key underlying technologies behind Bitcoin (and other cryptocurrencies) is the blockchain
- Standing alone, blockchain has little value
- There is an enormous amount of hype around the word “blockchain”

Markets

## Long Island Iced Changing Its Nan

By [Arie Shapira](#) and [Kailey Leinz](#)

December 21, 2017, 8:06 AM CST *Updated or*

04.12.18

## Surprise! The Long Island Iced Tea blockchain pivot didn't work

BY CALE GUTHRIE WEISSMAN 1 MINUTE READ

Whenever you put your lips on a crisp, cold bottle of iced tea, do you ever think to yourself, “Man, I really could use decentralized ledger-based technology to free me from my current technological paradigm?”

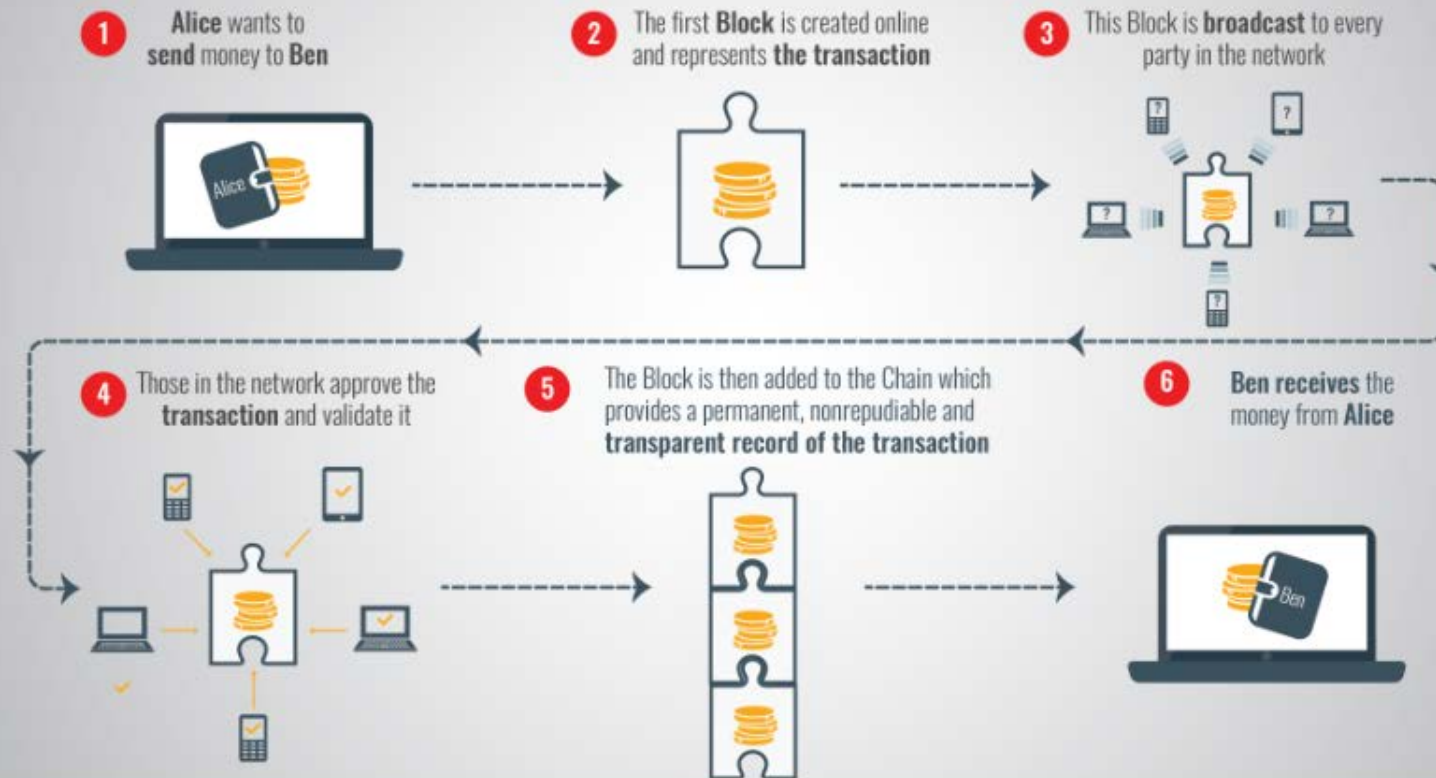
If you said no, Wall Street agrees.

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# What is Bitcoin and Blockchain

## HOW BLOCKCHAIN WORKS

“ A Blockchain is a cloud based database shared by every participant in a given system, in the case of this exemplar, its a currency trade. The Blockchain contains the complete transaction of the cryptocurrency or other record keeping in other applications. Think of it as a cloud based peer to peer ledger. ”



**Notes:** Transactions are not valid until added to the Chain. Tampering is immediately evident.

The Blockchain is regarded as safe as everyone in the network has a copy. The Source of any discrepancies are usually evident immediately.

@PDForrest

# How does this apply to you?

- Storing value
  - Using “coins” to facilitate money transfers
  - Multi-country transactions could be conducted in cryptocurrency
- Computing transactions
  - “smart contracts” – if this, then that
  - You get paid when your coded objectives are met
- Storing Information
  - information, tracking, anything where the order of the data and integrity of the data matters
  - Titles, Certificates, Licenses

# Use case: Real estate



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# Use case: Real estate

## Tokenizing the Plaza

- Financial statement and audit methodology
- Tax implications
- Security
- KYC/AML



# Applicability in Government

- Payments
- Land Registry
  - Cook County Pilot at Recorder of Deeds
- Licenses
  - Verifying the license status of any person or entity
  - Are you authorized to perform electrical work in our town?
- Citizen Identity
  - Dublin, OH pilot around authenticating citizens and citizen services
- Cannabis Track and Trace

# British Columbia Example

The screenshot shows the homepage of OrgBook BC, a public directory of verifiable organizations in British Columbia. The page features a search bar, an 'About OrgBook BC' section, and a 'Current Statistics' sidebar.

**Current Statistics**

528K	Active legal entities
1.4M	Verifiable credentials held
1633	Credentials added this week

# British Columbia Example

## R.C. PURDY CHOCOLATES LTD.

[← Back to Search](#)

[Share](#)

### Registration

[BC Corporate Registry](#)

#### Registration Type

BC Company


#### Registration Status

Active

#### Registration ID

BC0057742

#### Registration Date

 Aug 28, 1963

#### Details

Credential Date  Mar 5, 1965, 3:00 AM


Name Effective Date -

Status Effective Date -

### Doing Business As


[PURDYS CHOCOLATIER](#)

Registration: Active — Sole Proprietorship

Last Updated:  Aug 22, 2012

[PURDY'S CHOCOLATES](#)

Registration: Active — Sole Proprietorship

Last Updated:  Jul 5, 2007



# British Columbia Example

## Registration

[← Back to Organization](#)

[Share](#)

### Credential Type

Registration

### Issuer

[BC Corporate Registry](#)

### Related To

Registration: [R.C. PURDY CHOCOLATES LTD.](#)

Registration ID: BC0057742

### Attributes

Credential Issue Reason	Conversion Name Change
Home Jurisdiction	British Columbia
Registration Date	Aug 28, 1963, 3:00 AM
Registration Status	Active
Registration Type	BC Company

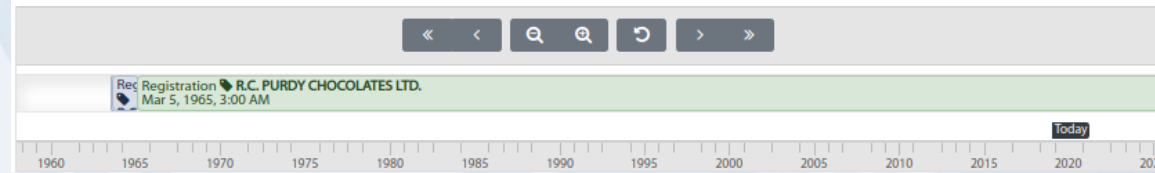
### Effective Date

Mar 5, 1965, 3:00 AM

### Issued Date

Jan 20, 2019, 4:26 PM

### Timeline



### What is a credential?

A credential is held by an organization, for example a permit or a business licence.

### What is an issuer?

An issuer issues credentials to organizations listed in the OrgBook BC. For example, BC Registries issues credentials for companies incorporated in British Columbia.

[See data for this credential](#)

# Reading Recommendations

- Bitcoin and Cryptocurrency Technologies: A Comprehensive Introduction (Princeton)
  - This is a very technical, math, and computer science book
- Any Andreas Antonopoulos book
  - The Internet of Money
  - Mastering Bitcoin

