

# WHAT HAVE BUSINESSES BEEN UP TO WITH BLOCKCHAIN IMPLEMENTATIONS?

6 June 2021

## Introduction

To the public, interest in Blockchain appears to fluctuate with the price of cryptocurrencies. Despite this inadvertent association, many industries and businesses have set the wheels in motion for the use of blockchain in their business applications. Blockchain's capabilities to cut inefficiencies and complexities has prompted deployment of blockchain-based solutions across wider stakeholders in various industry ecosystems. Global Trade Finance and Capital Markets are two such domains.

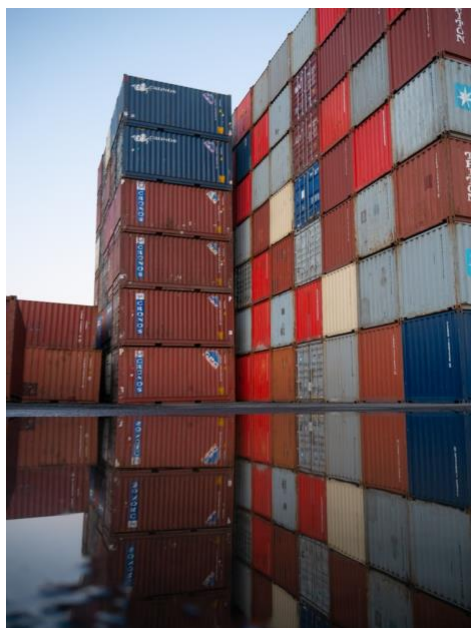
Facilitated by Managing Director of TrueVA Capital, Mr. Swee Siong Lee, the 3rd cohort of Blockchain for Business Application & Strategy Course at the SMU Academy was held on 24 - 25 May 2021. Distinguished guest speakers included Samuel Mathew, Managing Director & Global Head of Doc & FI Trade at Standard Chartered Bank and George Nast, CEO & Co-founder at Atlas One Digital Securities.

*“Whatever the blockchain proposition is, it needs to present very clear benefits to all stakeholders, whether this is cost-savings, efficiency gains or increased market access”*

*– Common sentiment shared by Samuel Mathew and George Nast*

Kickstarting the discussion, Mr. Mathew introduced Standard Chartered Bank's various implementations in trade finance using blockchain-based solutions. Trade finance involves banks playing a trusted intermediary role in the credit process and in the flow of goods between exporters and importers. Mr. Mathew explained “this process involves various paper documents for the purpose of evidence, which is complex, prone to fraudulence, and unsustainable.” Placing each of the parties as nodes on the blockchain cuts inefficiencies and eases the exchange of information.

Capital markets is another area where blockchain is solving many of its previous challenges. The adaptation of blockchain has given birth to digital securities: a digital representation of traditional securities where their ownership and transactions are recorded on blockchains. Mr. Nast commented that “due to the fractional investment service on blockchains, markets that require very high initial capital to enter, such as the real estate, can be lowered to attract more investors.”



Both industries faced common challenges. Currently the majority of blockchain platforms in the trade finance and digital securities space are private permissioned blockchains in which only authorized participants can join due to privacy concerns. The process of including all relevant parties and adoption of a common standard is a hindrance to scalability. And while digital laws are constantly evolving to lower the hurdle, infrastructure that link unique digital titles to physical products are still missing, thus inhibiting true independence from paper documents.

However, some measurements have taken place to mitigate these issues. Mr. Nast and his team has been developing on the application of whitelists, which is a feature that would save necessary credentials of registered investors to their wallets. This exempts them from repetitive accreditation processes for each offering and allow easing of traditionally difficult post issuance management through smart contracts.

The discussion ended with an active Q&A session, which included an audience's question on what the biggest challenge was in implementing blockchain at a mass scale. Other than regulations lagging behind the potential of blockchain technology, the lack of a common standard, supporting infrastructure and interoperability, Mr. Mathew added that managing the expectations of over-enthusiastic stakeholders can also become a challenge. "Especially at a time when blockchain is considered the panacea of all problems (including trade finance), management easily lose hope when it doesn't work at the get-go." He concluded that "you must understand the processes of the industry and be convinced that it will work eventually" as the technology becomes more mature. One way

to ensure that is to ask difficult questions such as 'is it scalable from one transaction to the next thousand transactions?'" Mr. Nast also commented that "Whatever the blockchain proposition is, it needs to present very clear benefits to all stakeholders, whether this is cost-savings, efficiency gains or increased market access".

### For more information

For more information on SMU Enterprise Leadership for Transformation (ELT) programme, click [here](#) or visit TrueVA's website [here](#) to book an appointment to discuss your organisation's digital strategy.

### About TrueVA Capital

TrueVA Capital is a dynamic and fast-growing firm providing digital strategy, business transformation, startup investment advisory, data analytics and training services to corporates and financial institutions. In this age of digital disruption, our mission is to help businesses and their people navigate bravely through the unknown with sound judgement and foresight. We will harness the power of knowledge and technology for the betterment of humanity.

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SMU Academy Course  
**Blockchain for Business Application & Strategy**

Facilitator:   
Swee Siong Lee  
Managing Director  
TrueVA Capital

Guest Speakers:   
Samuel Mathew  
Managing Director,  
Head of Doc & FI Trade,  
Standard Chartered Bank

  
George Nast  
CEO & Co-founder  
Atlas One Digital Securities

When: 24 – 25 May 2021      Where: Online. Scan QR to register 

Supported by:        Organiser:  SMU Academy