

# CRYPTO A.M.

Our series on AI, Blockchain, Cryptocurrency and Tokenisation

PARTNER CONTENT

## CITY A.M.'S CRYPTO INSIDER

JAMES BOWATER



As Ethereum and Ripple continue to vie for second position on the market cap leader board, Cardano, led by Charles Hoskinson, celebrated its first birthday this week. As the first Blockchain platform 'to evolve out of scientific philosophy and a research-first driven approach' Cardano's development is slow and methodical, whilst another notable third gen platform Block.One's EOS is using its sizeable war chest to create the network at break neck speed.

In fact Brendan Blumer and his whole Block.One team swung into action this week at Blockchain Live where the clear enthusiasm for EOS was there for all to see. Particularly interesting was the representation of all the investment funds EOS has seeded including London based SVK|CRYPTO led by Shane Kehoe and his co-founder Hugh Cochrane who are directing an initial \$50m to invest in start up projects intending to use the EOS platform. Shane explained, "we are thrilled to partner with Block.One to establish a fund that enables developers to thrive."

I met an interesting project called Organtree who are launching a Blockchain-based communications portal for organ donation. They are developing a decentralised platform where donors, recipients and medical entities can connect directly to save lives on a global level and put an end to the growing black market that exists today.

Swiss banking company SEBA Crypto AG (SEBA) grabbed my attention this week as it has secured CHF100m to build a regulated bank to bridge the gap between the crypto and traditional financial economies. SEBA wants to give institutions, corporates and individuals the confidence to operate in both economies, enabling new thinking, creating solutions and managing digital wealth efficiently.

Malta's Prime Minister, Joseph Muscat, made an important speech at the UN Assembly where he stated "Blockchain makes cryptocurrencies [the] inevitable future of money. More transparent, it helps filter good business from bad business." I am attending the Delta Summit this week in Malta to hear more about the government's plans for the Blockchain Island.

On 24 October Gibraltar will come to London (www.gibfinlondon.com) to showcase itself as one of the leading Blockchain and Distributed Ledger Technology jurisdictions in the world. It is the only jurisdiction with an operational DLT regulator and is currently introducing a regulatory framework for token sales.

Finally, I'm really pleased to announce that City A.M. is presenting the inaugural Crypto A.M. panel event on 18 October; those of you wishing to attend this event may apply by logging in at cityam.com/event/cryptoam.

With the USA in isolationist mode, if not paralysis, who will lead the west, post-Brexit and as we enter the full flood of what the World Economic Forum's Klaus Schwab dubbed The Fourth Industrial Revolution: "The possibilities of billions of people connected by mobile devices, with unprecedented processing power, storage capacity, and access to knowledge, are unlimited. These possibilities will be multiplied by emerging technology breakthroughs in fields such as artificial intelligence, robotics, the Internet of Things, autonomous vehicles, 3D printing, nanotechnology, biotechnology, materials science, energy storage, and quantum computing."

Add to that the remaking of money and the web itself and it's plain that the nexus for all these technologies will be not the web as we know it, but the blockchain-enabled decentralised web. Indeed, with the launch of Inrupt web inventor Prof Sir Tim Berners-Lee is busy reinventing his masterpiece for a new age. He is determined to not just reverse the centralisation, and so domination, of the web, but to re-decentralise it in a way that is permanent, for good and for everyone.

Think of the values that have deep roots in western and especially British culture. Ones we have historically helped contribute to the world not just through a judicial system based on open courts and evidence, and the 'Mother of Parliaments' spawning democracies around the world, but also carried along with the way each successive wave of industrialisation that has swept around the globe.

Britain has often led the world in innovation – and some think we can again. But what will it take?

Eddie Hughes MP co-author of the "Unlocking Blockchain" report called for setting of government targets and the creation of the iconic role of 'Chief Blockchain Officer'. The All-Party Parliamentary Group on Blockchain has similarly called for government recognition and support saying the UK could become a 'global hub' for blockchain in

## WILL BRITAIN LEAD THE 4TH INDUSTRIAL REVOLUTION?



Designed by  
Phill Snelling,  
Bowater Media

just a few years.

The British Blockchain Association (BBA), already a world leading institution with both the first peer-reviewed journal and, in March 2019, the first scientific conference in its field, seeks to support adoption of blockchain technologies in both private and public sectors.

With an enviable global network of some of the world's most eminent scholars, expert advisers, influencers and

thought leaders already in place in 18 countries it is not just an association for Britain but also for the world, in a strong position to help tackle some of the major problems globally – not least of the novel challenges of 'global governance'.

How can the inevitable patchwork of regulations by jurisdiction – a complete tangle – support, or even cope with, the kind of globalised innovation which knows no borders?

Attempts to reimpose and bolster

regimes designed in and for an earlier age may suit some in the short term but already show clear signs of strain – and threaten to limit the scope of innovations that are already bearing on some of the world's most pressing problems.

This is a crucial area where Britain has led the world in recent years: introduction of an 'Innovation Unit', and culture, within our financial regulator and resultant 'Sandboxes', now

copied across the globe, resulting from a long debate on regulation seated first in crowdfunding and then fintech more generally. This has put the UK at the forefront, from an initial position not unlike that of the SEC – of a regulator seeking to preserve the status-quo, seemingly at any cost.

We have learned much that can now be put to excellent use. One of the main lessons is that while data really matters, it is transparency, the flow of data, the

willingness to engage, embrace transparency and answer questions, that matters even more.

The truth is that regulation does not work very well. It is a costly and a blunt instrument. Plus as many have pointed out it has consistently failed to restrain the banks globally.

Some still seem to see it as a panacea. That to 'regulate it' is to wave a wand and everything will be OK. How? This is harder than it seems. Because first you have to thoroughly understand what it is you're regulating – and that's not easy while innovation is ongoing and so a moving target.

The reality is that though it is a 'necessary evil' in some circumstances it's very costly, largely ineffective and the hidden costs, in lost innovation, competition and opportunity for society dwarf even the apparent costs.

So why wouldn't we make the maximum possible use of techniques and technologies that are known to work – especially greater transparency – to limit the need for such costly and ineffective regulation, surfacing and exposing when there is a lack of such transparency? Why not try methods that, rather than breaking down as the challenge and scope gets bigger, naturally strengthen? Especially when combined with the immutable nature of the technology itself.

So it is through open debate, harnessing all we've learned over the last decade and more – and the leadership already achieved internationally – as well as through technical achievements and prowess, that Britain can best service the global community and the world.

The British Blockchain Association aims to be at the centre of this – it already is, in fact.

Author:  
Dr. Naseem Naqvi FRCP, President & Co-Founder, The British Blockchain Association in conversation with ICO Chair Barry James

IMPORTANT INFORMATION: THE VIEWS AND OPINIONS PROVIDED BY CITY A.M.'S CRYPTO INSIDER ARE OF THOSE NAMED IN THE ARTICLE AND SHOULD NOT BE TAKEN AS INVESTMENT ADVICE. THIS COMMUNICATION IS MARKETING MATERIAL.

## Crypto A.M. shines its spotlight on Varius World Tech

The betting and gaming marketplace is growing rapidly with more players joining online or using land-based casinos as a place of enjoyment and entertainment. Despite this growth there is a lack of trust from players who cannot be certain that the house edge (the profit a casino or gambling company makes from games played) is fair and does not change during game time. Moreover, players in online casinos often complain that it is hard to withdraw winnings or account balances in a timely manner, mainly because operators insist on complex know-your-customer (KYC) and anti-money laundering (AML) checks. Whilst this is understandable, the current process can be detrimental to the player's gaming experience.

Meanwhile Blockchain brings the promise of immutable transactions performed and validated over distributed ledgers. This brings transparency to transactions and engenders trust in an organisation's products. Varius World Tech (WWT) is a UK based software and technology company. Harnessing the strength of the blockchain, we are developing a series of applications for

the betting and gaming marketplace, starting with casinos. Gavin Berry (CEO) was inspired to create WWT, as he states: 'I am passionate about implementing decentralised technology to prevent corruption, biased outcomes and the use of third parties in the gaming industry'. Bringing fairness, respect and transparency to the sector, we expect our suite of software products to include a new secure e-money wallet, an innovative on-chain casino offer-

“

Consumers will no longer have to rely on a third party which could have resulted in a biased outcome



Gavin Berry, Founder & Co-CEO

ing unique game play and jackpot prizes, and a new protocol layer of software bringing functionality focused on the betting and gaming industry.

We will offer qualified investors the chance to subscribe to a dual-purpose security token. Whilst subscribers may wish to hold the token as an investment asset, the intention of the company is to make the token

available as a global gaming chip. Users will be able to purchase the WWT token using fiat or other cryptocurrencies.

With patent pending software, the protocol layer will power the token with transaction speeds of up to 50,000 transactions per second and provide additional governance checks. We intend on utilising AI and analytics to identify problem gamblers or unusual

patterns of transactions. Our aim is to have our own casino software whitelabelled to new or existing operators who wish to address the current shortcomings of game play through Blockchain solutions.

Working with online and land-based casinos, we aim to have operators accept the wallet and token as a means of purchasing gambling chips. Because KYC/AML checks will have been undertaken, all winnings can be transferred back to the wallet, used in other casinos or ultimately exchanged back to fiat.

We have started the process of obtaining an e-money licence from the Maltese regulators and are adding KYC/AML checks into the wallet registration process. This means that a holder of WWT tokens in the wallet will be fully checked and approved from a KYC/AML standpoint and bring integrity back to the gambling industry.

The recent launch of our ICO programme at Blockchain Live on 26 September is a key part of the company's strategy and increase brand visibility. We are embarking on a series of presentations and roadshows across Europe, Asia and the USA, presenting to qualified investors and institutions. This is to demonstrate our proposed products, technology and raise awareness of our ICO. Details can be found at [www.variusworldtech.com](http://www.variusworldtech.com)



## TECHNOLOGY DRIVES CHANGE – HOW BLOCKCHAIN MADE ME TAKE ON THE ONLINE PAYMENT SPACE

Meinhard Benn, Founder & CEO of SatoshiPay

Micropayments are not a new concept – they've been tried before, but due to high transaction costs and poor usability, previous attempts to achieve mainstream adoption have been unsuccessful. For example, under the current banking infrastructure, payment service providers are charging base fees of 10-30p per transaction plus a percentage, making it very difficult to maintain a viable micropayment business model.

This all changed with the emergence of blockchain technology. Having worked as a coder for most of my life and been involved with several web-related start-ups and organisations, I discovered Bitcoin in 2011 and became an early player in the blockchain revolution. I quickly realised its

potential to enable the execution of cheap and fast global transactions and established SatoshiPay in 2014. The team then embarked on a journey to build a system using distributed ledger technology, which has almost no transaction costs – \$1 allows you to make 500,000 transactions.

SatoshiPay's technology is already disrupting the payment landscape in the online publishing world. Its benefits to readers include enabling access to any website with a single digital wallet and charging as little as 1p per article, video, song etc without having to commit to a subscription bundle. Online publishers also benefit from the system, creating several new revenue streams including a

simple 'pay for content' offering or ad-free access. The latter is a sweet spot given the changing media landscape, which has seen most of the advertising revenues moved online, so naturally the number of ads displayed to the reader has increased exponentially. Now users can easily and cheaply remove this often-unwelcome distraction by paying a small fee and only pay for the content they want to consume.

I truly believe that our timing and positioning in the publishing market is spot on. But the opportunities for SatoshiPay stretch far beyond this sector; the same technology can be applied to mobile apps, e-sports, live streams or even the Internet of Things. I'm excited to see where we will go next!



TOKEN INTELLIGENCE  
Tokenintelligence.io

incuto  
[www.incuto.com](http://www.incuto.com)



## TOKEN INTELLIGENCE

The times, they are a-changin'. Innovation is happening faster than ever before, especially in the world of blockchain.

So too with ICO NEWS, which today becomes the TOKEN INTELLIGENCE column, reflecting the changing and broadening out of what started out as just ICOs. Now we have the rise of 'Tokenised Securities Offerings', along with TGEs (Token Generation Events – not necessarily linked to a funding campaign) and other crypto-assets, such as those fractionalising a holding of gold, silver, fine-wine or real-estate.

Tokens for 'utility'. Tokens to reward the network. Tokens for 'air-drop' marketing. Even tokens for loyalty. Thousands of them exploring new ways of creating, sharing and transferring value.

This is all possible because it becomes clearer by the day that blockchain technology provides a new, altogether tougher, level of public infrastructure. A 'grown up internet' engineered with military-grade encryption creating tamper proof locking mechanisms.

Because of this new, better, environment, 'Decentralising' the web, we are able to do far more things than ever before, and collaborate in myriad new ways.

Meanwhile the web's inventor Prof. Tim Berners-Lee is now on a mission to re-decentralise it. "The spirit [back

then] was very decentralized. The individual was incredibly empowered. It was all based on there being no central authority that you had to go to to ask permission," he said. "That feeling of individual control, that empowerment, is something we've lost."

The explosion of tokens and the blockchain technology that enables them will play a pivotal role in our future. We are changing not just money and the entire digital environment on which we all depend but in so doing the nature of what is now possible. This will alter business and society as a whole, for better or worse.

This will involve many choices, much debate and there's a long way to go before public understanding is up to grasping the implications and making the choices.

One choice we do not have is to halt this careering train. It will continue to move ever faster. If we do nothing, learn nothing, then we'll get what we're given – and risk being the victims rather than architects of our future.

So please stick with me, join me in the ongoing Token Intelligence journey, here and on ICOrad.io, as we continue the ongoing struggle making sense of not just the tokenisation of assets and the economy but the re-making of our world.

Listen to the latest at [ICOrad.io](http://ICOrad.io) or email [questions@BarryJames@TokenIntelligence.io](mailto:questions@BarryJames@TokenIntelligence.io)



E: [CryptoInsider@cityam.com](mailto:CryptoInsider@cityam.com)

@CityAm\_Crypto

In association with