

CRYPTO

A new series on AI, Blockchain, Cryptocurrency and Tokenisation

PARTNER CONTENT

CITY A.M.'S CRYPTO INSIDER

JAMES BOWATER

I've spent an amazing week interacting with vibrant and pioneering world of London's Blockchain & Crypto scene. Chris Gale, Co-Founder of Verasity, was kind enough to invite me to attend an informal gathering of likeminded industry people and I wasn't disappointed. The range of fascinating projects I'm being introduced to beggars belief and the real sense of purpose the teams of people behind them have is undeniably infectious. From an exceptional master class in the future of bond trading to the creation of a London exchange for cryptocurrencies; from the tokenisation of night life to the same of the adult entertainment industry and from a new charitable lottery to zero carbon trading. The common denominators being, aside from the underlying technologies, the intelligence, drive and conviction all these young determined entrepreneurs. If you are reading this then you probably have at least a passing interest in the industry, but what type of skills do these companies look for? Alastair and Angus, the hirsute founders of Blockchain Beginners (www.blockchainbeg.in), are hosting an event tomorrow evening 1st August at Wiser in Baker's Yard; head down and see what makes the industry go round – City A.M. readers will be very welcome! They already have a following of over 3,000 members and are incredibly eloquent and knowledgeable hence drawing good speakers to their meetups.

Through meeting Gary Smith and JC Oliver, another interesting project that has come to my attention is that of MovieCoin who have launched a transformational entertainment industry financing fund that will offer qualified investors an unprecedented opportunity to invest in Hollywood films, television programs and other strategic assets using a Blockchain-based financing platform and cryptographic tokens that will dramatically increase stakeholder transparency and significantly improve industry accounting and payment practices. The MovieCoin financing platform will tokenize the films and television programs the Company plans to finance using BANKEX's Proof-of-Asset Protocol, smart contracts and smart asset assembly. The platform will provide financiers and other institutions with an immutable, transparent ledger of all of the expenditures, receipts, entitlements and ownership of each project the Company finances. Perhaps this will finally disrupt the age-old issue of "Hollywood Accounting"?

Today's interview is with Benjamin Dives and Adam Bryant, CEO and Executive Chairman respectively of London Block Exchange (www.lbx.com) who share the same vision as City A.M.'s Crypto Series to help educate and inform the City of London's financial workers to the possibilities that Blockchain and cryptocurrencies offer.



If you dip even a toe into the realm of artificial intelligence, you'll come across artificial neural networks.

Artificial neural networks are the systems that power artificial intelligence. Neural networks process vast amounts of information to help create an understanding of what's already right in front of you.

People think the key to understanding neural networks is calculus, but this system of computing has roots in biology. The human brain inspired scientists who created these systems.

So, what better way to explore computing than by thinking about the way we process information?

WHAT ARE ARTIFICIAL NEURAL NETWORKS?

An artificial neural network is a type of computing system. It's made up of simple processing elements. These elements are also highly interconnected.

Interconnectivity lies at the heart of neural networks because it helps the system operate dynamically. The dynamic nature of the system also makes these machines challenging to comprehend. Fortunately, there's a simple comparison available.

Artificial neural networks operate on a far simpler plane compared to the human brain, which host billions (at least) of neurons that connect with every single cell in our bodies. A system will only include thousands or hundreds of thousands of connections compared to the billions found in the human brain.

Moreover, the processing power is presently far weaker than your cerebral processing power.

HOW NEURAL NETWORKS WORK: LAYERS OF LEARNING

Neural networks feature layers and layers of connections. Each layer features an input layer to receive information and output layers to share the information. Hidden layers process all the information in between.

For instance, walking down the street, you look down and see a

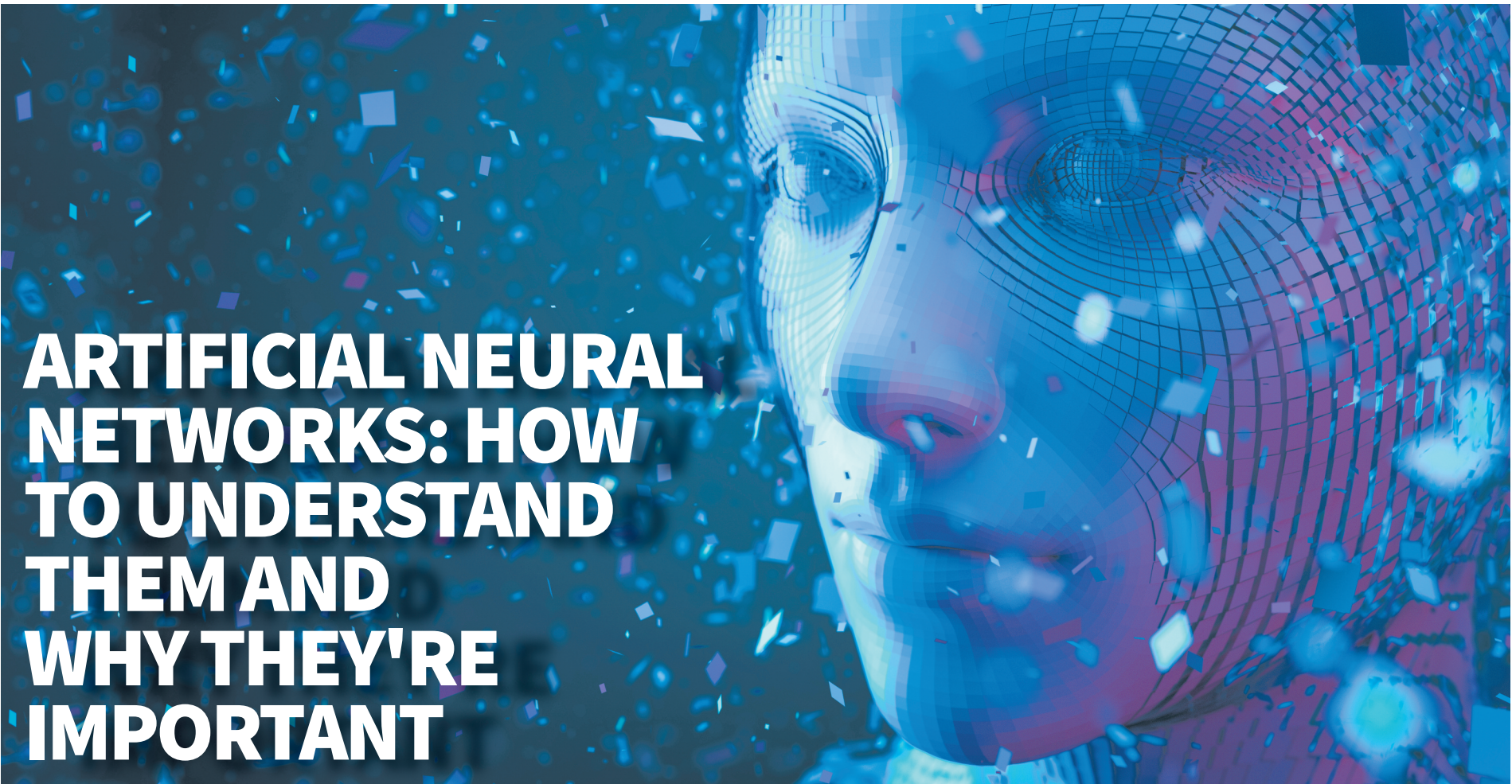


Image supplied by the author

golden retriever. How do you know it's a golden retriever? Well, you were taught to use logic to recognize things. The 'data' presented to you shows that it has four legs.

It also has a furry body and a long, feathered tail. His cheerful face is also consistent with what you know to be a golden retriever.

Plus, someone at one point taught you the words 'golden retriever', so you have a name for what you're looking at.

In the end, your brain processes all

these details using logic and comes up with an answer. If it looks like a golden retriever, and it walks like a golden retriever, then it must be a golden retriever.

Artificial neural networks work similarly. They receive information, like four legs, and reason based on the information given and what's called a "learning rule."

Just as you had to be taught that a big, yellow dog with a happy smile is a "golden retriever" so do networks. A neural network's learning depends on

the type of learning it engages in.

HOW IS THIS DIFFERENT FROM A NORMAL COMPUTER?

Surely, you think, the processing happening here isn't so far away from the way a conventional computer works. The truth is that artificial neural networks are vastly different in both structure and function.

A traditional computer has a central processor that reads instructions given to it from other parts of the machine and the memory. Your com-

puter is merely performing like a trained monkey. If you provide it with information that's new and unknown, you'll get an error.

An artificial neural network doesn't feature a central processor. It uses hundreds of simple ones that collect information from other processors. These networks don't follow the rules. They respond to the information given to them.

You can see the difference in the dog analogy just used. Conventional computers hold a sin-

HOW WE USE ARTIFICIAL NEURAL NETWORKS

Artificial neural networks are interpreters and approximators. They use prescribed learning rules to reason with the data they receive.

Because they're approximators, their best uses are in interpretations that tolerate errors well. These networks to discover patterns. These tools are particularly helpful when the amount of data is too significant for humans to see patterns. For example, medical researchers sort through every single published paper about chemotherapy. They can use neural networks to find patterns and associations beyond the subject of chemotherapy.

NEURAL NETWORKS HELP US LEARN

Artificial neural networks don't create new facts. Instead, they help us make sense of what's already in front of us.

Their structure is what enables artificial intelligence, machine learning, and super-computing to flourish.

Terence Mills, CEO of AI.io and Moonshot N.A., is an AI pioneer and digital technology specialist. Connect with him about artificial intelligence on LinkedIn at in/terencemills or Twitter @terence_mills.

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ICO NEWS



Blockchain Tech: Opportunity or Threat?

Last week PwC, this week Deloitte - another strong signal cutting through all the noise - concluding in their new 'New Tech on the Block' report that "those who do not consider the possibilities [of Blockchain technology] are at risk of falling behind" and "by contrast early adopters of the technology will have the ability to gain first mover advantage in generating value for their business".

Natwest too have been in the news as they announced they're joining R3's Blockchain based Marco Polo trade finance network - perhaps less surprisingly given that almost every bank on the planet is experimenting with Blockchain technology or has established a Blockchain lab in the last year or two.

What is questionable is whether they've missed the point: "We're delighted to see NatWest join the growing network of financial institutions... to bring much-needed transparency and efficiency to trade finance." David E. Rutter, CEO of R3

Yes, the ability to share a single ledger across many cooperating, or even competing, organisations safely can lead to massive efficiencies and so savings in many circumstances but to focus on these is surely to look only skin deep when what lies within is the potential for transformative change. New, better, more efficient markets and better, fitter, business models.

Meanwhile decentralisation and open blockchains are at the heart of many ICOs where unencumbered by legacy systems or business models mostly-young 'turks' seek new ways of doing things.

Look out for my forthcoming interview with the authors or download the report, linked via ICORad.io

Please Tweet/Telegram your questions to @BarryJames or listen at ICORad.io.

While it's understandable that incumbents rarely seek disruption, decentralisation remains at the heart of blockchain technology because it was its genesis. More importantly the solutions and services promise to be not just more democratic but Darwinianly fitter for the next phase of the dance between technology and society, as each shape the other.

To ignore this is as dangerous as ignoring Blockchain technology entirely - they can both pose an existential risk to a business.

The rationale for and value of investing in blockchain will depend on a company's overarching strategic objectives as well as its capacity, capabilities and culture.

However, those who do not consider the possibilities are at risk of falling behind. By contrast early adopters of the technology will have the ability to gain first mover advantage in generating value for their business.

Deloitte 'New Tech on the Block' report, July 2018

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City AM's Crypto Insider speaks to Benjamin Dives and Adam Bryant of London Block Exchange

The London fintech scene has gone from strength to strength, with blockchain businesses spearheading this success. One of these companies has not only made a huge impact in less than a year, but has big ambitions going forward too. I spoke to CEO and founder Benjamin Dives alongside his Executive Chairman, Adam Bryant, to tell us about the only UK-dedicated crypto exchange, LBX.

"A year ago, Britons weren't well served if they wanted to buy or sell crypto," says Benjamin.

"Even those who understood crypto faced using exchanges that were expensive, offered a poor experience - or both. For example, Coinbase offers a good user experience but has high and obtuse fees and only offers a limited number of coins. Cheaper exchanges, with more coins are often hideously complex. Most exchanges require converting GBP to EUR or USD too - further compounding the expense. We set out to change all this and we think

we've done a great job and see ourselves as the natural choice for any UK crypto enthusiast. Being the only exchange to offer UK onshore banking also means our members don't have issues withdrawing funds either."

Chairman Adam Bryant, who comes from the traditional realm of managing hedge funds with the likes of UBS and Credit Suisse, added:

"We've done this as a grown up, safe pair of hands in the cryptocurrency space too. We use cutting edge KYC/AML technology and protocols to ensure we're as hot on illicit activity as any bank, we use top-spec security software to prevent attacks and

We offer a range of guidance for those new to the arena



we've kept customer service as a top priority, with a UK-based team.

It's been welcomed. Furthermore we know that not everyone coming to us is a crypto-expert, so through our 'College of Crypto' we offer a range of guidance for those new to the arena." It seems that after

landing in November last year, they've been successful, building a community of tens of thousands of users, but these plans are just the start.

Benjamin concluded: "We've added additional coins on a monthly basis, with 11 currencies available at the moment and more

on the horizon. We're also planning on creating our own token to offer members better value and added benefits, and will be sure to update City AM about this development in due course. We set out to democratise the crypto revolution for everyone and we're not stopping anytime soon.



Rick O'Neill, Founder of Look, Touch & Feel - a Specialist Digital Marketing Agency, pulls back the curtains on ICOs, and their Marketing campaigns, to reveal the real indicators of potential success and failure.

Last week we looked at Advisers. This week I want to talk about brand and why it's important to an ICO.

Do not underestimate how big an indication the quality of the brand and presentation of an ICO can give you on the quality of the project and it's team.

In a sense, it's not surprising. Traditional investors have always been impressed by the quality of individual CEOs during investor presentations - often being swayed by their performance (or lack of it). It's therefore no surprise in the ICO arena that quality of brand materials carries significant value. Not least because of the amount

of scam projects and fear in the market.

Because there is a lot of rubbish out there from second-rate ICOs and out-and-out scammers, you have to look for world-class ICOs in the way they put out their messaging, the quality of the imagery, the presentation of their collateral. Their website must be world-class as you are looking for those that are miles ahead of the less credible offerings. If they are going to succeed, their brand and marketing HAS to be in the top 1% of all ICOs, as only 1% will truly go on to great heights.

Mind Your Grammar. This may seem minor, but in fact is absolutely critical: would you buy from a vendor who

couldn't even be bothered to speak your language? Do you want to feel like you're buying from the City of London, or an Azerbaijani corner shop? When you can't see into the team's eyes, the least they can do is present themselves professionally.

There are many poorly written ICOs online, riddled with broken English. There are also some fairly decent ICOs presented in English, but who then treat their foreign buyers as second-class citizens by auto-translating sales materials with Google Translate - heaven forbid!

Seek out World Class content from the ICOs you research.



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GIVE IT YOUR MAX

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