

# CRYPTO A.M.

Our series on AI, Blockchain, Cryptocurrency and Tokenisation

PARTNER CONTENT

## CITY A.M.'S CRYPTO INSIDER

JAMES BOWATER

GREETINGS from Nice! As I'm on holiday, and my mind has been able to wander, I have been considering the future based on discussions flying around the dinner table...

Let me therefore paint a hypothetical picture of the future. It's 29th March 2021. Brexit took affect two years ago today. Donald J Trump has been re-elected as President and as certain as the 'big one' California Earthquake will one day strike, the perfect storm has arrived, and the financial markets are in free fall.

The corporate debt mountain built by some of the world's largest quoted companies became too great to ignore and equity prices have collapsed.

The bond market bubble has burst, as former Chair of the Federal Exchange, Alan Greenspan, predicted in 2017.

In this vision, real estate values across the board have collapsed as Mark Carney's 'undesirable scenario', resulting from a no-deal Brexit, have come to pass.

The big banks fail again, and this time around they will neither get a bailout nor be forgiven.

The global population has hit 7.88 billion, however with a lower birth rate and people living longer, people above the age of 65 now represent an increasing proportion of the population. At the other end of the spectrum the young have only known smartphones and digital advancement.

When faced with these conditions where will people flee to protect their money? The more traditional folks will remember what their parents told them. Buy gold, which in 2018 was very good value - hovering around the \$1,200 mark.

However, in this hypothetical, I believe that everyone else from Generation Z to the unbanked, will fully embrace cryptocurrencies.

Remember that because of the 2008 financial crisis, the cyberpunk movement was born. Amongst other digital legacies, this movement led to the creation of cryptocurrencies and the blockchain as a reaction against the traditional financial sector's perceived abuses.

I believe another financial disaster will lead to a further dive into cryptocurrencies.

So, on that cheery note, back then to the Côte d'Azur - it's very difficult to ignore the huge disparities of wealth where the gulf between rich and poor is so evident. It leads me to think of the circa 2 billion unbanked, according to the World Bank, and how a borderless, frictionless currency would help free them up financially, such that a new system has to be built anyway. The truly alarming thing is that 2021 is only just over two years away - and I don't think any of us are fully prepared.



## WHY IT'S TIME BLOCKCHAIN STOPPED BEING USED AS LIPSTICK ON THE PIG



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Graphic designed by Phil Snelling, Bowater Media

there is a huge gap between all of this funding and the predicted impact to Financial Services. The cynics are widespread, even amongst those with exceptional technical knowledge - Cynthia Lee, a Computer Science lecturer at Stanford University, created a Google Chrome plugin which replaces the word 'blockchain' in google searches with 'multiple copies of a giant excel spreadsheet' - suggesting the advantages of blockchain extend little further than providing an unnecessarily convoluted database.

We appear to be at a welcome cross-road within blockchain applications to Financial Services. On the one hand, genuine use cases are emerging, cross-border payments being a prime example. Santander's One Pay cuts the wait time from days to a matter of hours. Other banks are exploring similar applications - Crédit Agricole CIB are piloting a system for its Swiss employees to deposit their salary in Francs to their French bank accounts in real time. On the other hand, some companies have thought better of it and are

moving away from blockchain. Tally-sticks, who had set out with the intention of leveraging Ethereum's blockchain for invoice payments, have reverted back to a conventional technology stack.

The intrinsic potential of blockchain in the context of trust should not be ignored. In essence, blockchain is a 'digital ledger' - a permanent record of transactions. Each entry, or 'block' is linked to the other to form a chain. Each of the blocks are secured with cryptography, thus creating a system

which can be fundamentally trusted due to its resistance to modification. We are yet to see quite the Financial Services revolution that some expected, but the trust element could prove invaluable. Tradle, whom have created a blockchain platform for KYC, are a prime example of this. Imagine going through the long and unwieldy KYC process once and then enabling banks to access that approval status. Their traction is as clear as the benefits of the use-case. Beyond Financial Services, blockchain could revolutionise

supply chain management in other sectors, where accountability is key.

In welcome news, companies are beginning to explore this. Walmart has created a system leveraging IBM's Hyperledger Fabric Blockchain platform to track food staples from the supplier to shelf. This could in turn prove useful for the likes of the pharmaceutical industry, who need to ensure the safety and security of their products at every moment. Companies are beginning to leverage blockchain technology in a whole range of industries where trust across the supply chain is integral - Everledger in the diamond industry, Bext360 in the coffee industry and WWF in the Tuna industry - to name but a few.

Until recently, the blockchain industry has been all talk and no action - according to a Gartner survey, only 1% of 3,138 CIOs said they had "any kind of

“Blockchain has been founded on something transformative; something which has ultimately been lost through the hype and hysteria

blockchain adoption". Now companies are focusing more on opportunities in supply chain management rather than exclusively Financial Services, we will see far more use cases emerging.

**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.

## City A.M.'s Crypto Insider meets Oliver Worsley, Co-Founder and CEO of Worsleys Client Services

OVER the past few months I have attended many blockchain and crypto events and one young energetic entrepreneur kept crossing my path - Oli Worsley. It's evident when meeting Oli that he is not your typical developer with a niche idea for disruption, nor is he the traditional financier looking to cash in on crypto as a digital asset. Instead he could be described as a novel product of the 'Blockchain platform' for an 'opportunity set' with a view to helping those in a similar boat gain safe access to an exciting new world.

I was therefore determined to find out more about him and his business.

We met up last week to discuss his ambitions and I found myself delving into a classic example of how the crypto world can send you down a metaphorical rabbit hole!

### HOW LONG HAVE YOU BEEN INVOLVED IN THE SPACE?

"For nearly two years, which is nearly a lifetime in the crypto world, during which I learned a huge amount about the power of

blockchain and crypto (just as most other people I have met in this space have). Initially, I was self-taught through informative blockchain and crypto community channels like YouTube and Reddit, which is where the most active blockchain investors can be found. However, while this gave me a true insight into the space, it obviously isn't enough. So, I recently completed the Oxford Blockchain Business Strategy programme. Specifically, though, I set up my consultancy to help push the industry forward nearly a year ago.

### HOW WOULD YOU DESCRIBE YOURSELF AND HOW YOU GOT INTO THE WORLD OF BLOCKCHAIN AND CRYPTO?

I have always considered myself quite entrepreneurial but admittedly, not hugely academic. I left school after my GCSE's to pursue a kickboxing career and ran a successful franchise of fight academies in Surrey. During my time running the business, I realised that being an entrepreneur was more fulfilling than teaching itself. This alongside the 2008 financial crisis and a se-



rious injury, inspired me to take an opportunity to tackle the world in business.

I worked in various sales roles trying to make a name for myself, although nothing ever seemed to fully satiate my hunger. I always felt I could achieve something bigger and better.

Fast forward to 2016, I had started to hear about blockchain and crypto - Bitcoin predominately but paid no attention to this apparent 'Ponzi scheme'. However,

after further investigations, I relented. I opened Coinbase account and having made a small profit I was hooked. By researching which crypto coins to buy I started to understand more about the underlying protocol, blockchain. While blockchain's primary purpose is to create the environment that enables cryptocurrencies to work, it became clear to me how fundamentally important the tech was, is and will be in our modern society. Once I

decoupled blockchain from crypto and viewed them separately, my mind raced with ideas. This was my personal eureka moment.

This relatively short but immersive period led to me setting up Worsleys Client Services (www.worsleys-cs.com) where my team and I educate and advise clients on Blockchain, Crypto and Distributed Ledger Technology (DLT). With mass adoption being the key to success for any nascent industry, people need to trust and understand it and its possibilities. I am especially keen to champion flexible and sensible industry wide self-regulation, which will help appease the sceptics and those who are desperate to embrace this new way of life but do not know who to trust.

So together with a limited number of associates within the industry, I have put together a working group called Blockchain Verification Standards (BVS) with a view to creating the framework for a trustworthy standards model. We want to create a BVS kite mark, which could be given to assessed projects and therefore essentially give peace of mind to both consumers and vendors alike whilst leaving any 'cowboys' out in the cold. I believe that instilling trust into the sector will help push Blockchain in London up from the bottom instead of waiting for the tech to trickle down, giving power back to those who are being disrupted.

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Image of Oli Worsley, CEO of Worsleys Client Services



## FUD & THE ICO MARKET RIGHT NOW

**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 being at strategic partnerships in ICOs. This week I want to take a bit of a snapshot of the ICO market at the time of writing.

At the time of writing, the crypto currency markets are looking concerning. Those who have been investing in ICOs are putting the brakes on and buying into the FUD, and those running ICOs are worried that they've got their timing wrong and may not make their raise. But for a number of reasons I don't think there is any need for this FUD (Fear, Uncertainty & Doubt), and for the smart investors, this is an amazing time to get involved with credible ICO projects. No matter what the

cryptocurrency markets are doing, there are still a great number of genuinely brilliant ICO projects out there, with incredible teams, highly relevant business cases, and very well-developed MVPs, and they are looking for your investment and support. Not only that, but with the current fear in the market, there are also some great deals to be had during private sales where bonuses are at an all-time high for early adopters/contributors.

Buying ETH/BC at their current low prices now means you could contribute higher amounts of these cryptos to ICOs and obtain more tokens in the process (many ICOs ask for a certain number of

ETH or Bitcoin, as opposed to a fixed dollar amount, for their minimum contributions, for example). This gives you more bang for buck, more buying power, and the ability to potentially invest in more ICOs than you would/could have done a couple of months ago.

There is NO DOUBT that Blockchain and digital currency is the way forward, so the markets WILL bounce back. And when they do, I for one will be glad that I continued to invest in, and support, the credible ICO projects which are bound to go on to great success, and take my investment with them.



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## LBX WEEKLY MARKET OVERVIEW

### A ride on the crypto carousel with LBX, The London Block Exchange

The markets have been taking us on a rollercoaster.

We witnessed a market cap of over £650BN in January 2018, but since reaching that peak it has dropped over 75%. Today, the space is valued at £156BN - a cap reminiscent of last November.

Despite the widespread price drops of cryptoassets, however, crypto-based businesses have matured and are reporting increased rates of user registrations as well as record-breaking profits. Bitmain - a crypto mining company - has reported a £785MN turnover in Q1 2018.

The space is comparable to the gold rush, where speculators made and lost fortunes, and the people selling equipment made the most attractive and sustainable profits. Similarly, exchange platforms are facilitating cryptocurrency's mass adoption by providing access for all types of investor.

It should therefore come as no surprise that the best performing cryptosets over the past year have been tokens that are linked to said exchanges. Tokens such as

Binance's Binance Coin (BNB) - which has seen its value multiply over 100x since its ICO - and KuCoin's KuCoin Shares (KCS) have enabled investors to benefit from the rapid growth and profitability of these platforms.

Due to their resilience in the bear market, there has been a marked focus shift to the long-term value of exchange tokens; it is clear that as competition and interest in the space rises, so will the inherent utility - and, by extension, the value - of these assets.

Institutional investors back projects that provide the required infrastructure and, contrary to public opinion, aren't just looking for a quick profit. Smart money is interested in long-term profitability and survival and, as the space matures - with educational content being developed and exchanges becoming more efficient - survival is looking certain.

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## ICO NEWS



## Brains, Chains and Autobots

They're usually talked of as completely disparate fields; but 'Brains and Chains', or Artificial Intelligence and Blockchain technologies, have already started to converge - despite claims they're philosophically incompatible.

So where's the join? Google, Amazon, Microsoft and the like have invested billions in AI over the years. Billions more are being poured into Blockchain ventures - quite a number of those also harnessing AI. So I invited long-standing AI expert Dr. Tania Peitzker, who is also CEO of Bots as a Service, to discuss with 'Blockchain Bytes' whether it is inevitable 'Brains and Chains' will merge - and when?

AI bots have long passed the 'Turing Test', she says, - on-screen or phone conversation where you cannot tell the machine from the human - many times. In fact this 'new' technology is really not that new. Tania's own is a 10-year-old algorithm, and Google has been working for decades on just this - in 2014 it paid \$500M for the Deep Mind algorithm.

Yet both technologies have something of an image problem - even journalists tend to think of the Dark-Web and cybercrime when they write about cryptocurrencies or even Blockchain and AI is overshadowed - not without reason as the Bank of England chief economist has recently pointed out - by

fears about jobs as well as more 'science fiction' fears of AI domination.

But fundamentally, like the internet, Blockchain provides an enhanced, but more secure, environment - one in which AI and bots or all kinds can become actors and provide support and other services.

It's not difficult to imagine adding a bot based helpdesk layer to the new logistics system at the Port of Rotterdam - now fully running on Blockchain technology, where chatbots could integrate to help users with the new 'paperwork'.

Or in the environment created by Auditchain, which aims to reduce the risks and re-establish the audit trail in today's electronic environment using Blockchain to create real-time 'Streaming Financial Statements' - with the potential to eventually to make traditional reporting methods obsolete they say. Highlighting potential anomalies, alerting the right people or even making real-time interventions.

So as the bots become more sophisticated - and are trusted to do more - they will be able to do more and more in our ever growing Block-tech enhanced environment.

Truly a marriage made in app heaven - or tech hell? The choice will be ours.

More on this via [ICOradio](#). Please Tweet/Telegram your questions to @BarryJames or listen at [ICOradio](#).