

CRYPTO A.M.

Our series on AI, Blockchain, Cryptoassets, DLT and Tokenisation

PARTNER CONTENT

CITY A.M.'S CRYPTO INSIDER

JAMES BOWATER



With the Bank Holiday interrupting printing schedules, today's column was written on Thursday, 24th May as Theresa May announced her resignation and departure date. Consequently published market prices are as at the time of writing and might well have changed considerably.

Bitcoin (BTC) is trading at US\$8,032.18; Ethereum (ETH) at US\$252.86; Ripple (XRP) at US\$0.3933; Binance (BNB) at US\$34.09 and Cardano (ADA) at US\$0.08291. Overall Market Cap is at US\$250.18bn (data source: www.CryptoCompare.com)

Greetings from Malta where I am attending the Malta AI + Blockchain Spring Summit 2019 organised by my friend Eran Pulis who explained what a success it has been with around 5,500 delegates attending. Certainly the UK was very well represented flying the flag in Malta and, new to the Crypto AM Writers Pool, Carl Gunaratnam has documented this in today's Main Feature (see right).

Prime Minister Joseph Muscat, as has become customary, delivered his 10am first day keynote speech and significantly announced that the first ten VFA Agent ("Virtual Financial Assets Agent") licences had been granted.

I had the chance to sit with Anton Dalli, Director of Blockchain Advisory (www.bca.com.mt) who were granted the first licence. He explained that a VFA Agent is defined as an entity or individual possessing the adequate skills to act as a gatekeeper, responsible for the protection of the public interest. To ensure that a high level of legal certainty is attained, and fundamental concepts such as consumer protection and market integrity are upheld, the VFA Agent is the Malta Financial Services Authority (MFSA)'s main point of liaison, and is expected to have its client's due diligence documentation in place, whilst keeping abreast with the relevant anti-money laundering law and regulations. For those wanting to locate their businesses in Malta this a very welcome step towards streamlining the process of regulatory compliance.

Looking across the pond to the US, two major announcements were made that will accelerate the mass retail adoption process. On 23rd May AT&T revealed that it will now accept online bill payments through BitPay (https://bitpay.com), a respected cryptocurrency payment processor. This means AT&T is the first major US mobile carrier to provide a cryptocurrency payment option to customers.

Hot on its heels Facebook, as reported by the BBC News, has confirmed that it is finalising plans to launch its own cryptocurrency, internally referred to as GlobalCoin, next year with testing to commence Q4 this year. Having already spoken to Bank of England governor Mark Carney and seeking advice on operational and regulatory issues from officials at the US Treasury it is clear that Facebook wants to operate under and comply with, the relevant regulatory frameworks in the dozen or so countries it is initially planning to operate its digital payments system in.

With its sun-drenched bays and stunning historical landmarks, the island of Malta pulls out every trick in the book to lull you into holiday mode.

But, wherever you look in the coastal town of Saint Julian's, people are building. Cranes and scaffolding tangle with the view of the ancient city of Valletta just across the sea. Meanwhile, at the Malta AI & Blockchain Summit, the architects of the digital revolution are hard at work building a decentralised future.

Whilst some 500 Turkish construction workers flock to Malta every week to secure jobs developing the physical landscape, there is a real British flavour to the engine room driving blockchain technology development. This is especially clear to see when walking among the 5,000+ attendees at the Summit.

It's not just our Spotlight-featured project, Pynk, enhancing the reputation of British blockchain development - though of course, winning the event's AI. Start-up Pitch contest drew plenty of well-deserved attention.

YellowBag.io, a UK start up that offers free documentation reviews before presenting polished crypto projects to its network of investors, also drew in the crowds. Brian McClafferty, YellowBag's founder and CEO hailed the event as a success: "We made new connections with several great start-ups who were excited about our service, and gained interest for existing projects we represent".

Florian Krueger, CEO of the Craft Coin Company, revealed that the home of his Craft Beer Coin - the German Kraft Brewery in London - is vastly exceeding revenue forecasts. Despite this, he felt comfortable enough leaving that hotbed of cryptocurrency activity to come to Malta to "get a feeling about the progress and the bullishness in our space".

He didn't leave disappointed. Krueger also exclusively revealed to Summit attendees that Craft Beer Coin (\$CBC) will be launching on two cryptocurrency exchanges on 29th May - a milestone that London's beer lovers have been eagerly awaiting for some time. Conference din-



Designed by Phill Snelling, Bowater Media

ner tables were also awash with talk of the upcoming de-days.com events this autumn, at which Florian's partner brewery, German Kraft, will be providing the beer.

Own, is another UK project making waves in the Security Token Offering market. They've developed a digital asset platform on a bespoke blockchain, to make fundraising quicker, simpler and cheaper for companies of all sizes. Their technology lowers the entry barrier, fractionalising previously unbreakable assets like bonds, funds and high value shares to democratise investment.

Iain Robertson - Head of Business De-

velopment at Own said: "We work with the regulators to influence digital investment legislation, and we've also built a strong network of institutional partners, so this Summit is a great opportunity to solidify and expand that partner network."

Jason Tucker-Feltham, founder and CEO of London Crypto Services - a smart contract security audit firm - suggested Malta's reputation for passing crypto-friendly legislation is one of the main reasons for the influx of British interest here. "Malta's blockchain strategy is paving the way for the jurisdiction to become known as the 'Blockchain Island'". He said.

E: CryptoInsider@cityam.com

@CityAm_Crypto

In association with



CRYPTOCOMPARE MARKET VIEW

All Eyes on Bitcoin as CME Futures Hit New Records

Last week the Chicago Mercantile Exchange (CME) revealed that the trading volume of bitcoin futures contracts on the exchange hit new records earlier this month. May 13th saw over 33,000 contracts traded - equating to \$1.3bn - with the exchange adding that "May is shaping up to be the strongest month ever for CME Bitcoin Futures."

The price of bitcoin faced resistance last week at the \$8,000 mark on several occasions, dipping each time towards the \$7,500 mark, and at the time of writing is pushing back up towards the \$8,000 mark once more.

The US SEC (Securities and Exchange Commission) postponed its decision regarding the highly-anticipated VanEck SolidX bitcoin ETF proposal, while the regulator seeks comments from the public. The SEC must announce a final decision by August 19th of this year.

In more regulatory news, Sigal Mandelker, the U.S. Treasury Undersecretary for Terrorism and Financial Intelligence, revealed that the Financial Action Task Force

(FATF) is set to finalize international standards for regulating cryptocurrency firms next month. These are expected to subject crypto exchanges, wallets, and others to rules requiring financial institutions to pass certain information on to other institutions so authorities can investigate potential financial misconduct.

Last week also saw self-proclaimed Bitcoin creator Craig Wright file a copyright claim to prove his authorship of the Bitcoin whitepaper. The move prompted the U.S. Copyright Office to clarify that it doesn't investigate claims received upon application, and where claims are registered under a pseudonym, the body "does not investigate whether there is a provable connection between the claimant and the pseudonymous author."

The CryptoCompare Digital Asset Summit will take place in London on June 12th. With an afternoon keynote from Wall Street veteran Thomas Lee, the summit will feature presentations from some of the key figures in the space including Coinbase, Binance, UBS, and Nasdaq.

CRYPTO A.M. INDUSTRY VOICES

(Move Money) Around the world in less than 80 days

For all of the incredible achievements we've made through technology, we're still playing catch-up in financial services. Whilst we can stream video from a space station and access the world's libraries in an instant, the fastest way to send money to someone in Thailand or Canada, for example, is to jump on a plane and take it with you.

So why are cross border payments so far behind?

The problem is that international payments are reliant upon a system of messages sent between correspondent banks that slows down processing of payments and adds more complexity to the already fragmented payments ecosystem. This, coupled with the plethora of other players in the marketplace, creates multiple 'pockets of value' which operate independently from one another and cannot talk to each other. Isn't it crazy that PayPal owns the mobile payments provider Venmo and yet they are not interoperable? Due to this lack of interoperability, money networks cannot scale beyond their reach.

The good news is that we no longer need to put up with such an inefficient model. In today's digital age, there is no reason why we can't move money as quickly as we exchange information. To achieve this, we must create an inclusive, global financial services ecosystem. This may sound like a distant financial utopia, but in fact, it's within our reach. We simply need to interconnect all these private chains, e-wallets and bank ledgers to create what we call the 'Internet of Value', a universal grid that connects all financial services networks and allows them to derive more value on a larger scale.

We already have the technology to support this model. Blockchain innovation and the Interledger open protocol suite that underpins it can address the fragmentation of the financial services ecosystem by connecting all participants. Just

like routers on the Internet, Interledger routes money across independent payment networks, including blockchain, banks, digital wallets, clearing houses, stock exchanges and more. It connects the many 'pockets of value' and allows all industry participants derive more value from them by becoming part of a universal network.

But even an Internet of Value built on Interledger and Blockchain cannot fully liberate the flow of money around the world so that it is truly 24x7 and highly liquid. In the past couple of months we've seen a number of major industry players launching their own digital assets and cryptocurrencies. However, one bank's coin isn't going to work for another bank - it would only create another 'pocket of value' within the already fragmented financial services ecosystem.

What's needed instead is an independent digital asset, which allows different market players to exchange monetary value easily. What makes independent digital assets unique is that they're universal currencies, meaning anyone can use them as units of value anywhere in the world. This is the most effective way to enable truly efficient universal payment settlement.

Blockchain, combined with Interledger and digital assets, offer a unique opportunity to create a new financial services ecosystem that is much more transparent, fairer and significantly more efficient than anything we've seen before. Just like Apple completely re-invented the mobile phone, blockchain has the potential to reinvent financial services. This technology can bring about innovations that haven't been thought of today and can help create a much more inclusive financial services ecosystem.

By Marcus Treacher, SVP Customer Success, Ripple

Crypto AM shines its Spotlight on Pynk

During the past 12 months in the life of our fledgling firm Pynk, we've been on a rollercoaster ride of emotional highs and crushing lows. Whilst this is not uncommon in the life of start-up founders, at Pynk, any trough in our fortunes are an intense learning experience that we use to propel the company to greater heights.

Last week we won our first award; out of 350 start-ups we took the prize at the Malta AI and Blockchain Summit's AI Pitch Battle. It's the first of many we hope, as the invites are starting to fill our inboxes. Whilst it feels wonderful to win awards like this, it is in fact testament to the team and our burgeoning community that's been nurtured since our inception. It is this that has helped us become a growing player in the fintech arena.

SO WHAT SETS PYNK APART?

The problem with digital asset or stock market investment is that it is very easy to lose money. It also consumes a huge amount of time, especially for beginners. So the obvious solution would be to

invest in a high returning fund, but sadly this is not an option for most people as they are deemed too poor or not sophisticated enough to be eligible. This is Financial discrimination and we don't believe this is right.

We are open to all. We are unique in combining the Wisdom of the Crowd (our community's predictions & research) with proprietary AI tech known as 'Rose' and in-house expert analysis. So, it's irrelevant whether our investors are rich or poor, or where they come from or even their beliefs we have way to provide access.

Either by providing their time to help us predict market movements and being part of the crowd or through direct investment to benefit from the crowds wisdom in picking assets to invest in.

There are hundreds of investment funds and a handful of crowd wisdom prediction systems out there, Pynk however is the only one that combines these technologies and provides access in a compliant regulated manner.

Over the past 8 months our crowd has been correctly predicting market moves



Predicting market moves over 8 months with an average accuracy of 87%

with an average accuracy of 87% we have used this to trade our test investments and provided staggering returns to our early investors.

We have been pleased with the initial results, but we believe there is far more growth to come with the development of our product.

After all the challenges the team have faced, the validation of our model from others and our bottom line has injected us all at Pynk with a renewed sense of belief and purpose.

Today we reach another milestone with the launch of our Beta product which you can sign up and become part of the crowd at www.pynk.io.

We believe our future is bright. We believe the future is Pynk.

Rupert Barksfield is the CEO of Pynk



HOW BLOCKCHAIN CAN TRANSFORM THE CONCEPT OF IDENTITY

Jon Walsh, Associate Partner Blockchain Rookies

In the 1979 Steve Martin movie The Jerk, there is a great scene where our hero proclaims "the new phonebooks are here!" with huge excitement. To him, it felt like he had made it as his name was in print, and his existence was validated.

The challenge with us demonstrating that we are who we are is still based on paper validations of aspects of our lives, whether it be passports, utility bills, driving licences or university degrees - or indeed phonebooks. Even though it is now 2019, identity has barely been digitised!

Consider how our identity could be created in a wallet that we own,

control, and manage who has access to it and for how long. This is possible via the concept of self-sovereign identity or SSI. With SSI an individual's identity is based on a collection of verified claims. These can include things such as their name, their address, their university degree, their average bank balance and even their skill at managing teams. Each claim has different properties including: verified, revoked, expired, or other. It is the collection of these verified claims which makes up the total of the identity. And it is the storage, access and management of these claims which makes up an SSI system.

Using an SSI based on blockchain

technology fleeing refugees could have digital identities to demonstrate they are experienced surgeons, accountants or maths teachers to quickly get work they can significantly benefit their new host country. It would also allow for people to easily apply for mortgages where rather than having to fill in the same type of application with multiple banks.

Something further to ponder; identity data today is more of a liability than an asset for most enterprises and an SSI solution will mitigate that risk.

Get in touch with us info@blockchainrookies.com / Twitter @getblockchain



Come enjoy the first ever tokenised Craft Beer. Scan, get app, collect free pint at the brewery!

@ German Kraft SE1 6DR - bit.ly/craftcoin

