

IIC SINGAPORE–TRPC

Blockchain and its Applications



Date: 8th March 2017

Venue: PayPal Singapore, Innovation Lab, level 7

Event Summary



The applications of blockchain and distributed digital ledgers are still evolving, but they certainly extend far beyond just FinTech. Audience members were able to witness this through a “live” demonstration of a business governance database where traditional analogue processes had been replaced by digital ones, using blockchain as the underlying technology. The technology not only helps save time where processes like share transfers can be automated, but also increases transparency and visibility, allowing anyone with the private key to review the process history.

Besides use in corporate governance, blockchain can be used across different industries—from the public sector to agriculture, and across different functions, such as for payments and hardware security. Further we are likely witnessing only the tip of the iceberg of applications that can be run on blockchain, and many of those applications will be hidden from view by, for example, banks for security and strategic reasons.

An area of rising importance is the use of blockchain in smart contracts, where the use of mathematics and algorithms are replacing the personal supervision of laws and regulations. However, while the use of smart contracts simplifies things by automating the processes laid out in a contract, many potential legal, operational, and practicable challenges still remain. Not least is the complication in shifting legal responsibility from lawyers to protocols, especially if there are mistakes or errors in the code. Currently, the use of smart contracts, which may not even be proper contracts in a legal sense but simply procedures, are mostly confined to more routine transactions of low value and high volume.

Interoperability of blockchain among different platforms was raised as a potential issue. However, many of the speakers felt interoperability was less of a concern as opposed to developing a consensus about working together, with cyber security posing a far bigger threat. In fact, cyber security was the main reason why most bitcoins are actually stored offline, amidst fear that they might be stolen, especially at an exchange where such cases have occurred.

Formal regulations on blockchain however differ by country. With blockchain applications transcending industries and even borders, regulators have to play catch-up and adapt to the implications of how blockchain may be applied. Some countries are doing better than others in accepting the technology and its capacity for disruption. For example in Singapore, the financial regulator has allowed certain applications to bypass the sandboxing stage and go straight to implementation and operation. Singapore’s different regulators, i.e. the financial and info-communication regulators, also



exercise close coordination which helps manage questions of which authority oversees different blockchain applications. In many countries where there is a lack of awareness and knowledge about blockchain, there is more apprehension among regulators who are wary, for example, of the growth of crypto-currencies, and how they may be used to circumvent laws and regulations.

While blockchain is still at a nascent stage, digital distributed ledger technology (DLT)—of which blockchain is just one—and distributed database technology in general, promises to become what economists call a general purpose technology, applied across the economy-as-a-whole.

TRPC and IIC Singapore would like to express our appreciation to PayPal Singapore for hosting the forum which featured a full house attendance of over 40 participants.

Event URL: <http://trpc.biz/iic-singapore-trpc-forum-blockchain-and-its-applications/>

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