

DECENTRALIZED FINANCE

ABSTRACT

DeFi is a term used for Decentralized Finance i.e. financial services with no central authority. It's common goal is to develop and operate in a decentralized way-without intermediaries such as banks, payment service providers or investment funds. So, we can build lending services, insurance companies and other organizations that don't have any owner. The term decentralized finance (DeFi) refers to an alternative financial infrastructure built on top of the Ethereum blockchain. DeFi uses smart contracts to create protocols that replicate existing financial services in a more open, interoperable, and transparent way. DeFi still is a niche market with certain risks but it also has interesting properties in terms of efficiency, transparency, accessibility, and composability. As such, DeFi may potentially contribute to a more robust and transparent financial infrastructure. In the financial industry, blockchain technology allows for the rise of decentralized financial services, which tend to be more decentralized, innovative, interoperable, borderless and transparent.

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