

- Data Analysis

Bitcoin Price Index

Bitcoin Calculator

Bitcoin Venture Capital

About the BPI

Bitcoin Legality Map

CoinDesk API

Bitcoin Price Ticker Widget

BANKING

JPMorgan quietly Developing a Private Ethereum Blockchain

Stan Higgins (@mpmcsweeney) | Published on October 3, 2016 at 14:50 BST

NEWS



131



1



Wall Street mega-bank JPMorgan has co-developed a private, permissioned version of the ethereum network.

The project, presented during a meeting of the [Hyperledger](#) technical steering committee last month, was recently [demonstrated](#) during the [Sibos](#) convention in Geneva. But while the bank avoided the headline-grabbing announcements of its peers like [Bank of America](#) and [UBS](#) last week, this doesn't mean it is shying away from discussing its work.

Called Quorum, the platform was developed in partnership with [ethereum](#) startup EthLab, and it is one of the first projects to come out of a working group within the bank known as the Blockchain Center of Excellence.

Amber Baldet, program lead for the division, explained that JPMorgan is now looking to open source its blockchain technology work in order to get more developers involved.

Baldet told CoinDesk:

DON'T MISS A SINGLE STORY

Subscribe to our free newsletter.

Email Address

SUBSCRIBE



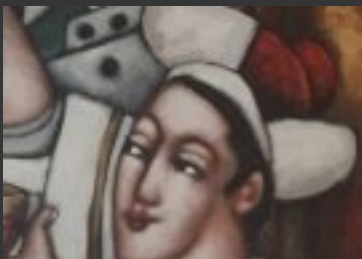
consensus2017

Registration Is Open!

Only 59 tickets available at \$899

REGISTER NOW

FEATURES



Why Broadridge is Investing Millions in Blockchain Voting



Bitcoin Provisions in the North Carolina Money Transmitter Act



Could Rising Interest Rates Threaten Bitcoin Prices?



Why Blockchain Won't Disrupt Banks First



"One of our goals in working with an open-source platform and contributing our work back is to encourage collaboration and innovation. The more people that get involved, the faster we will see adoption challenges addressed and the more robust the system will become."

In tandem with the development of Quorum, Baldet said JPMorgan created a software development kit (SDK) aimed at encouraging developers to create applications.

Baldet went on to describe the project as "an additional choice" in the company's toolkit of software offerings aimed at solving business problems.

Notably, Quorum is the second major blockchain-inspired offering to come out of the JPMorgan's technology labs. Earlier this year, the bank showcased [Juno](#), a project it called a "distributed crypto-ledger" that was designed to enable quick value transfers between network parties.

The developers behind Juno departed the bank earlier this year to form their own startup, [Quartz](#) reported in July.

### Inside Quorum

According to JPMorgan, the project was developed following discussions during the first ethereum developer conference (Devcon1) in 2015.

"While speaking with Jeff Wilcke of EthLab there, we recognized that there was a potential overlap between his goal to build a voting-based consensus mechanism to replace proof-of-work, and our goal to build a high-speed, permissioned ledger," Baldet explained.

According to Wilcke, the system itself has several elements, involving teams on both the JPMorgan and EthLab side.

EthLab manages development on the consensus rules and core changes to the code itself, whereas JPMorgan acts to sign the private messages broadcast across the network.

Wilcke explained:

"The JPMorgan chain requires special rules that will allow private transactions, ie there's a separation between public and private contracts. [Public transactions] can be seen by anyone and [private transactions] can only be seen by parties that have access to a key belonging to that particular party."

Wilcke suggested that the work could have some impact on the future of the ethereum network – potentially foreshadowing the intersection of public and private chains – but indicated stopped short of any broad predictions.

"Time will tell," he added.

### Next steps

From here, the project will see further iteration following feedback from both participants and industry stakeholders.

Baldet said that JPMorgan has no plans to monetize the work, but rather intends for the project to act as a vehicle for connecting with developers in the open-source community.

"While our current applications using Quorum function within JPMorgan, releasing the software is an important stepping stone to launching projects with other organizations," Baldet said.

Baldet also went on to suggest that the project could serve as a first step toward building a system that could connect private institutions via distributed networks.

She concluded:

Sep 29   21:05	<b>OTC Exchange Network Closes Series A for Blockchain-Based P2P FX Trading Platform</b>
Sep 28   15:27	<b>The Competitive Edge BTC Trading Competition With Live Trading Account Prizes</b>
Sep 28   14:20	<b>Utocat raises 500,000€ to strengthen its API Blockchainiz</b>
Sep 22   20:59	<b>DIB Funding Inc. Has Created The First Cryptocurrency, "DIBCOIN", To Be Used By Sunshine Capital Inc. For Asset Acquisitions.</b>

- VIEW MORE
- SUBMIT RELEASE

Got a news tip or guest feature?

"While we expect some convergence around a few key 'enterprise-grade' platforms, interoperability will be next year’s buzzword."

Images via JPMorgan, [TK Kurikawa](#) / [Shutterstock.com](#)

- Banking
- Ethereum
- JPMorgan
- Sibos 2016

Join our free newsletter and stay ahead of the blockchain curve.

Email Address

SUBSCRIBE

Subscribe to our free newsletter.

Email Address

SUBSCRIBE



131



1



PREVIOUS ARTICLE



R3 Adds Bitcoin Exchange Veteran to Research Lab

NEXT ARTICLE

You are reading the most recent article in this section.



RELATED STORIES

Oct 1, 2016 at 17:17 | Oliver Bussmann & Nick Williamson

### Why Blockchain Won’t Disrupt Banks First

Despite the promise that blockchain holds for banking, the sector will likely not be first to put the burgeoning technology into real-world action.

OPINION

NEWS



Thomson Reuters BlockOne ID™ for Ethereum™  
An experimental, hosted wallet application management toolset for the blockchain community

Register a Demo

Documentation

Sep 30, 2016 at 14:00 | Alyssa Hertig

### Here's A First Look at Thomson Reuters's New Ethereum Identity Tools

Thomson Reuters will soon launch a platform for ethereum smart contract developers.

Sep 30, 2016 at 12:45 | Brian Kelly

### The Case Against Editable Blockchains

Making blockchains editable opens up financial systems to the potential for fraud, says author and investor Brian Kelly

OPINION

FEATURE



Sep 29, 2016 at 13:10 | Michael del Castillo

### Inside Bank of America's New Microsoft-Powered Blockchain Project

The inside story of how Microsoft and Bank of America worked together to build a blockchain prototype for trade finance.

