Background of discussion:

China government is proactively developing its digital fiat currency, experiment has started from end of 2014, did feasibility test to see if digital fiat currency is viable. Zhou Xiao Chuan has announced that they will officially start developing digital fiat currency, and China is the leading country in terms of digital fiat currency. Arnold has connection with ex-direction of technology department of PBC, and current head of digital fiat currency development. They have tested numeral POCs and traditional infrastructures. Planning to release prototypes sometime next year, but Arnold thinks what they have tried is not truly breakthrough because they are currently relying on current centralized infrastructures. Not going to work because security is a major concern—centralized database will lead to increased risks because hackers will focus heavily on compromising the system. Current blockchain systems are immature, and they have made some slight improvements to these blockchain protocols, but they are still mini POCs but not truly breakthrough.

Purpose of call to understand if we have interest, capabilities, thoughts, and details of potential collaboration.

We are using Deloitte’s brand to connect with digital currency department in China. But Deloitte doesn’t want to do this project themselves because they want to focus on enterprise solutions, government will not fund them to develop this digital fiat currency POCs. Deloitte uses existing protocols, which is not too suitable for a nation-wide system. Current protocols are immature and not robust enough for millions and billions for people. People also always misunderstand blockchain as a simple distributed database, which is not enough for a digital fiat currency.

Arnold’s goal is to be involved with the nation-strategy, and he needs technical resources and a team to explore these probabilities.

PBC is testing digital fiat currency from 2 ways – 1) traditional solutions (oracle / sql)—but you cant build a digital fiat currency in a centralized way because of hackers. vs 2) blockchain – problem is not robust enough to support thousands/millions of people, they are merely using blockchain as a database, which is not enough.

Moving Forward, Arnold will send us an article about his philosophy as well as his framework for the new consensus mechanism and then from there on we can decide if we are interest and have the capabilities to flesh it out for him.