**Blockchain technology: The future of digital cash**

*Adoption of blockchain technology is a great game changer as far as Banking and Financial services industry is concerned.*

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The year 2008 was a turning point in the world of financial technology, when an anonymous paper was published titled “Bitcoin – a peer-to-peer electronic cash system”. The paper described a method for peer-to-peer transfers of electronic cash without the need to go via an intermediary or through a financial institution such as a bank. “Bitcoin” was the name coined, but the term “cryptocurrency” is used to describe the networks and mediums of exchange that use cryptography to secure these types of digital transactions. Since then the new journey started, just over a decade passed by, and the financial industry has at large looked at blockchain as the future for many business cases – the underlying technology of cryptocurrencies. Though the financial services industry is not the only industry influenced by blockchain but, it is presently leading the way in experimenting with implementation of the blockchain technology.

As distributed ledgering [technology](https://www.financialexpress.com/life/technology/), blockchain will not completely replace the payment systems or the messaging systems deployed by banks, but these systems will connect to blockchain, augmenting existing business networks and providing increased discoverability and trust. The benefits of the [industry](https://www.financialexpress.com/business/industry/) blockchain outlined above are clearly very relevant to an industry focused on de-risking, improving its compliance capabilities and streamlining, automating and reinforcing trust in some very time-honored business processes.

Indeed, the industry pundits who have contributed to many papers on blockchain confirm the potential of blockchain to bring great value in a few important financial services activities, from trade finance to payments to securities settlement to regulatory compliance.

When it comes to digital cash – blockchain is the way to go. Blockchain technology allows a digital currency to maintain a trusted transaction network without relying on a central authority. Ever since its inception of blockchain technology – we have seen various explanations on blockchain technology – both positives and negatives. Over a period of time, things have evolved and we are seeing increase in adoption and focus on the blockchain technology and its enterprise application.

It is time for business to rethink transactions processing in the digital era using blockchain technology and enable digital currency. One of the best use cases for digital currency could be the trade transactions – for both domestic and cross-currency payments. But, to implement digital currency in a sophisticated manner, it is important to converge distributed ledger and define the process for import and exports, for domestic bills.

Now, we are seeing a great upsurge in blockchain adoption and investments in blockchain technology and its enterprise application for identified business use cases, which are having a greater business impact. In fact, adoption of blockchain technology is a great game changer as far as Banking and Financial services industry is concerned. This is clearly moving in a direction of digital cash and that’s the future. As per World Economic Forum forecasts – by the year 2027, 10% of global GDP will be stored in blockchain ledgers.

Finally, for wide acceptance of digital cash, using blockchain technology is important to develop a framework and bring under regulatory policies and guidelines. Once the regulation along with digital currency framework and policy is in place; using blockchain technology, then it will help in a faster adoption rate. The implementation of digital cash will bring convergence of financial institutions and bring more transparency, traceability with audit trail for digital cash transactions.

To conclude, it is equally important to have the right technology partner to develop the bedrock blockchain technology platform, which will enable seamless integration with other financial applications within the framework, ensuring ease of use.