Impact of Cryptocurrency on Financial Services

An Exploration of Technological Deployment and Social Implications

Presented by:
Karma Drupchu :34994519

Kelzang Thinley: 35300651

Lodey Choki: 35343491

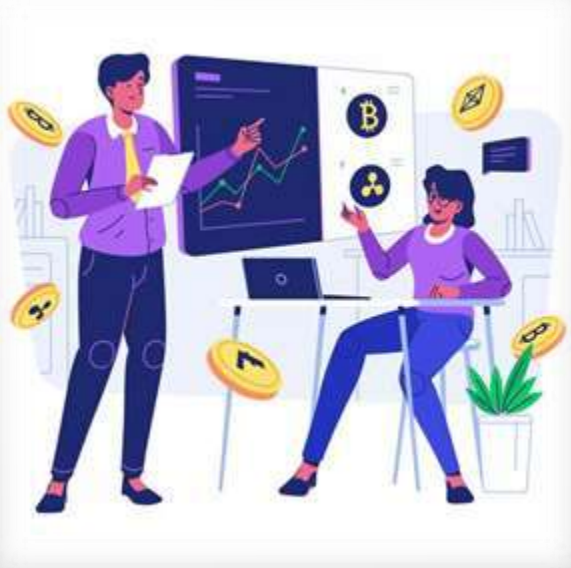
Date:

Introduction

- Definition of electronic or virtual currencies.
- Impact of cryptocurrencies since Bitcoin's emergence in 2009.
- Overview of the report's aims: understanding technology, disruption potential, and social implications.

Definition and Discussion on Cryptocurrency

- Definition: A digital currency based on cryptographic algorithms for validating transactions and creating new coins.
- Importance of cryptographic algorithms: Ensure security, control issuance of new coins, prevent double-spending.
- Role of blockchain: Decentralized ledger for secure transactions (Nakamoto, 2008).



Blockchain Technology

- How blockchain works: Organizes data into blocks, each linked to the previous one, ensuring transparency and security.
- Importance of consensus: Network-wide approval required for changes (Crosby et al., 2016).

Disruption Potential of Cryptocurrency

- Effects on financial institutions: Reduces transaction costs and competes with traditional banks (Vigna & Casey, 2015).
- Decentralized Finance (DeFi): Lowers barriers, increases access to financial services (Schär, 2021).

Social Impact

- Sector impact: Simplifies processes in real estate, healthcare, and law (Catalini & Gans, 2016).
- Employment: Creates new jobs in blockchain and fintech, while displacing traditional roles (Tapscott & Tapscott, 2016).

Risks

- Volatility: Significant price fluctuations, risky investments (Baur et al., 2018).
- Regulatory challenges: Lack of comprehensive legal frameworks exposes to fraud (Böhme et al., 2015).
- Security risks: Vulnerability to cyber-attacks despite cryptographic security (Möser et al., 2013).

Opportunities

- Financial inclusion: Provides essential financial services to the unbanked (Narayanan et al., 2016).
- Innovation in payment systems: Enables faster, cheaper, secure global transactions (Catalini & Gans, 2016).

Ethical Considerations

- Privacy vs. transparency: Balancing user privacy with fraud prevention (Reid & Harrigan, 2013).
- Access and equality: Ensuring cryptocurrency technologies are accessible to all (Tapscott & Tapscott, 2016).

Recommendation

- Implementing Standard and Clear Regulatory Systems
- Moral Obligation: Advocating Public Education and Awareness
- Promoting the Use of Sustainable Practices

Conclusion

- Summarize the impact and future potential of cryptocurrencies.

References

- 1. Nakamoto, S. (2008). Bitcoin: A Peer-to-Peer Electronic Cash System.
- 2. Crosby, M., et al. (2016). Blockchain Technology: Beyond Bitcoin.
- 3. Vigna, P., & Casey, M. J. (2015). The Age of Cryptocurrency.
- 4. Schär, F. (2021). Decentralized Finance: On Blockchain-based Financial Markets.
- 5. Catalini, C., & Gans, J. S. (2016). Some Simple Economics of the Blockchain.
- 6. Tapscott, D., & Tapscott, A. (2016). Blockchain Revolution.
- 7. Baur, D. G., Hong, K., & Lee, A. D. (2018). Bitcoin: Medium of Exchange or Speculative Assets?
- 8. Böhme, R., et al. (2015). Bitcoin: Economics, Technology, and Governance.
- 9. Möser, M., Böhme, R., & Breuker, D. (2013). Inquiry into Money Laundering Tools in Bitcoin.
- 10. Reid, F., & Harrigan, M. (2013). Analysis of Anonymity in Bitcoin System.
- 11. Narayanan, A., et al. (2016). Bitcoin and Cryptocurrency Technologies.

THANK YOU

Q & A Session

FOLLOW UP