



Impact of Cryptocurrency on Financial Services

An Exploration of Technological Deployment and Social
Implications

Presented by:

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).

Conclusion

- Summarize the impact and future potential of cryptocurrencies.
- Open the floor for questions and further discussion.

References

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