THE AGE OF CRYPTOCURRENCY

HOW BITCOIN AND THE BLOCKCHAIN ARE CHALLENGING THE GLOBAL ECONOMIC ORDER

2016 MIT Consumer Dynamics Conference
MIT Industrial Liaison Program
December 7, 2016
HOW MUCH TO OVERNIGHT AN $100,000 INSURED DIAMOND TO LONDON?

$1,000
HOW LONG DOES IT TAKE?

One day
WHAT'S THE REAL COST OF SENDING $100,000 TO LONDON?

$4,000
HOW LONG DOES IT TAKE?

Three days
THE **CORE** OF THE PROBLEM: TRUST
HE WHO **CONTROLS** THE LEDGER...
SOLVING THE DOUBLE-SPEND PROBLEM
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A CRYPTOGRAPHICALLY SECURED PUBLIC LEDGER, SHARED AMONG A DISTRIBUTED NETWORK OF VALIDATING COMPUTERS, EACH RUNNING COMMON SOFTWARE THAT GUIDES THEM TO A CONSENSUS ON THE LEGITIMACY OF NEW ENTRIES AND PREVENTS ANYONE FROM UNILATERALLY REWRITING THAT AGREED RECORD.
THE FIRST USE CASE: PEER-TO-PEER PAYMENTS
NON-CURRENCY USE-CASES

- **Capital markets:** Real-Time Securities settlement.
- **Trade Finance:** reliable collateral.
- **Supply Chains:** Provenance of goods.
- **Identity:** Know Your Customer (KYC)
- **Property Title:** Immutable Registries
- **Internet of Things:** Know your Machine (KYM)
- **Digital Assets**
  - Copyrighted content (music, images)
  - Loyalty points/crowdfunding tokens
SUPPLY CHAINS

PROVING POSSESSION, PROVENANCE
A NEW ERA OF KYC

SOLVING FOR DOUBLE-SPENT IDENTITY
UNHINGED LOYALTY: CURRENCY AS BRAND