BLOCKCHAIN AND CRYPTOASSETS:
REGULATORY AND TAX ISSUES

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IVEY Business School — CPA-Ivey Centre for Accounting & the Public Interest — WESTERN UNIVERSITY · CANADA

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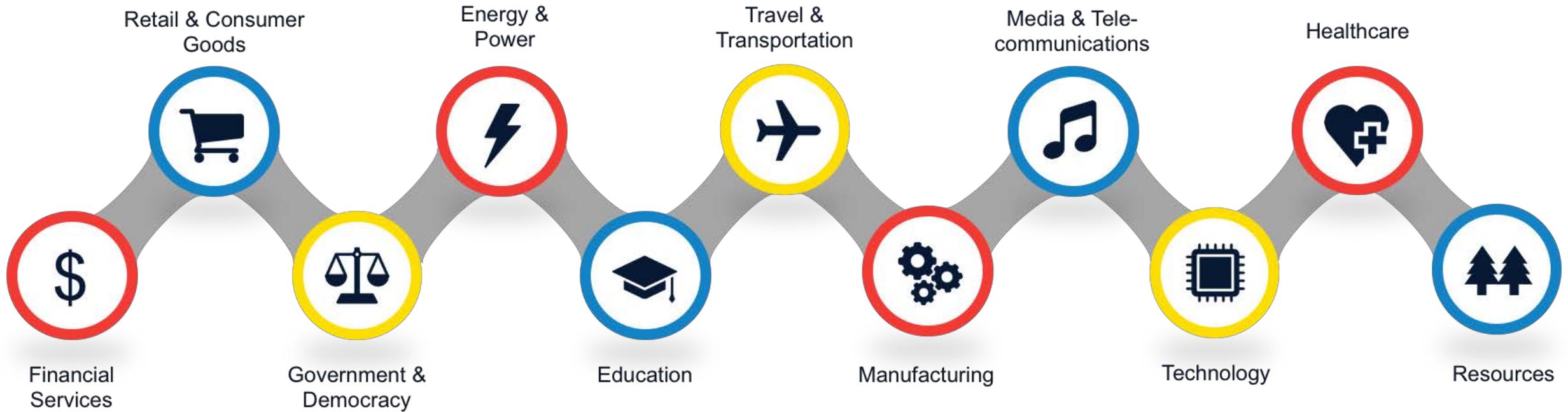Western Law

Investigating Blockchain Transformation
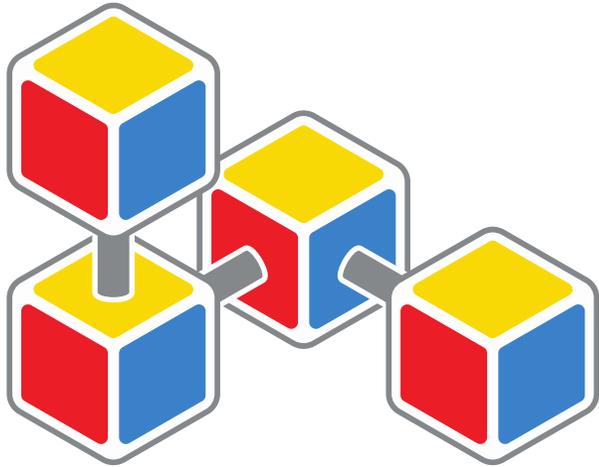
Methodology & Trends

- **Problems to be solved**
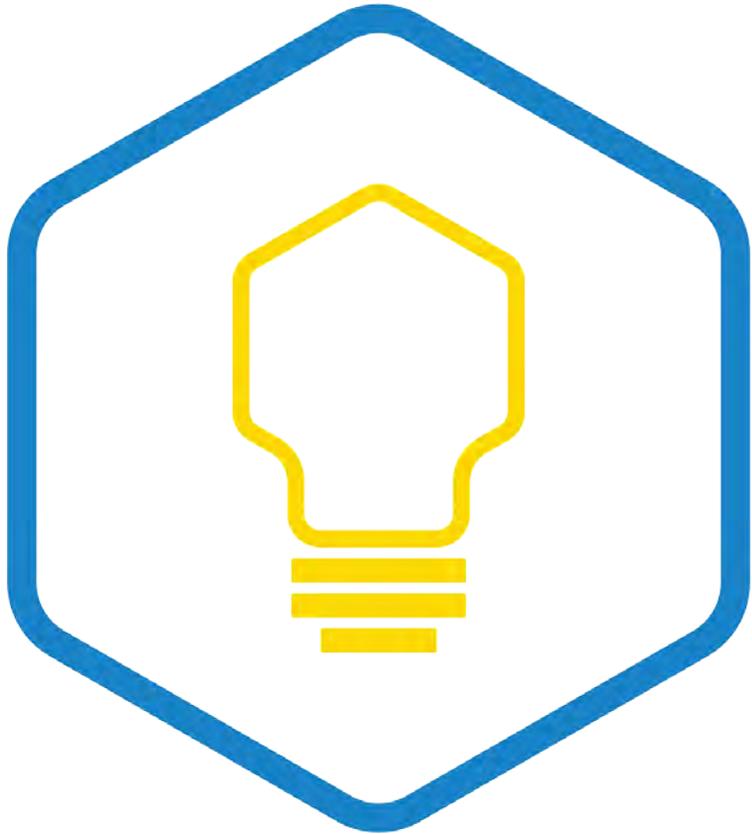- **Leaders in deployment**
- **Next generation companies**

Challenges & Opportunities

- **Scale**
- **Interoperability**
- **Regulation**
- **Education**

Industry Verticals

Retail & Consumer Goods · Energy & Power · Travel & Transportation · Media & Tele-communications · Healthcare

Financial Services · Government & Democracy · Education · Manufacturing · Technology · Resources

Breakthrough Ideas: Cross-industry transformation

1. **Supply Chains**

2. **Smart Contracts**

3. **Token Economies**

4. **Identity**

C-Suite Horizontals

CEO: Leading the Transformation

COO: The Future of Supply Chain Management

CLO: Smart Contracts and the Legal System

CFO: Triple Entry Accounting and Corporate Finance

CMO: The Next Era of Sales and Marketing

CIO: Enterprise Technology Architecture

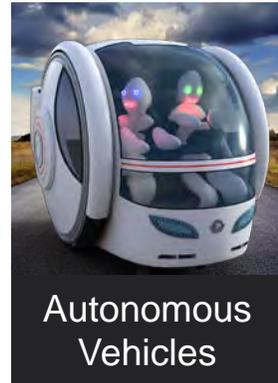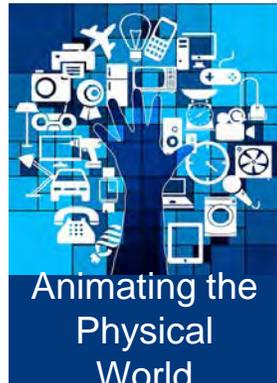**CHRO:** Managing Talent in a Distributed Economy

Blockchain and the CFO

Explores the downstream impact of blockchains, distributed ledger technology, and cryptocurrencies on the CFO role & CFO readiness:

- o Triple entry accounting

- o Wages & services paid in cryptocurrency

- o Corporate Finance through Initial Coin Offerings

- o Blockchain pilots & budget approvals

- o Skillsets of the future

Blockchain and the CIO

> *We examine the role that blockchain will play in the coming convergence of emerging technologies.*

Oliver Bussmann

Machine Learning

Animating the Physical World

Autonomous Vehicles

Distributed Energy

Technology in Our Bodies

Virtual Reality

Drones & Robotics

BLOCKCHAIN

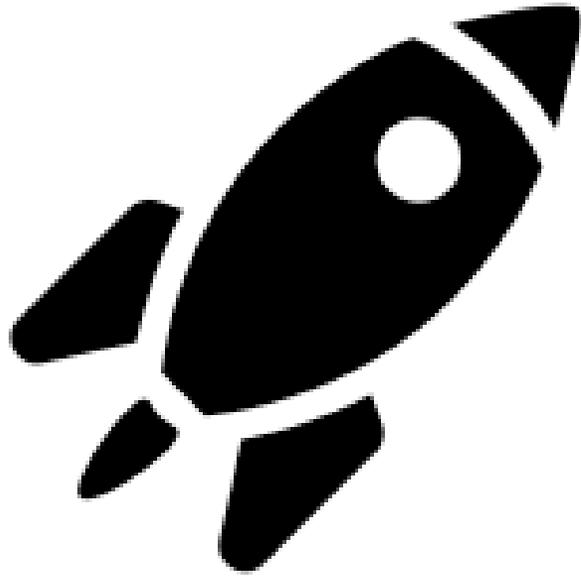# Moog: Additive Manufacturing & Blockchain

A lighthouse into tomorrow's competition

1. **Enhance understanding of blockchain transformations for leadership teams**

2. **Gain new perspectives on next-generation companies, infrastructure, and the competitive landscape of the future**

Blockchain is for everyone!

It's not just a tech play,

it's a business model change.

Oliver Bussmann

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Corda

Nov 2018

Corda adoption is through R3 Ecosystem participation

Blockchain technology is dependent on a network effect and R3 offers a thriving ecosystem of 200+ firms to drive industry-wide collaboration.

Corda is an enterprise-grade blockchain platform that enables institutions to transact directly using smart contracts, while ensuring the highest levels of privacy and security

corda

Designed for financial services and commerce

Enterprise Grade

Corda harnesses the most appropriate elements of traditional blockchain technology and fine-tunes them for enterprise usage

Consensus

Achieved at individual deal level with support for a variety of consensus mechanisms

Privacy

Unlike traditional blockchain platforms, Corda minimizes information leakage by only sharing transaction data with relevant participants

Integration

Built upon existing technologies - Java, SQL, Message Queues
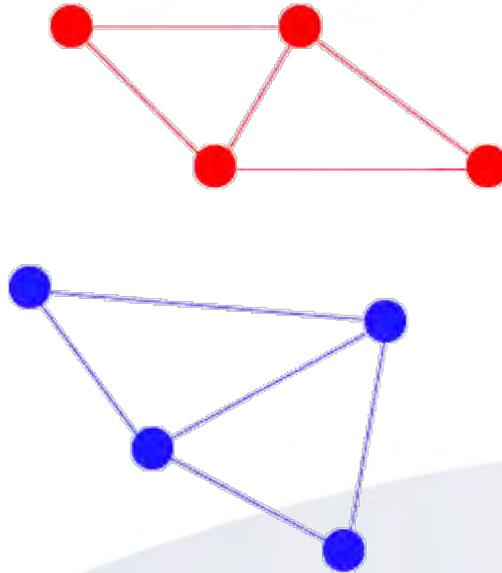
c•rda

Global connectivity, business privacy, asset mobility, network efficiency
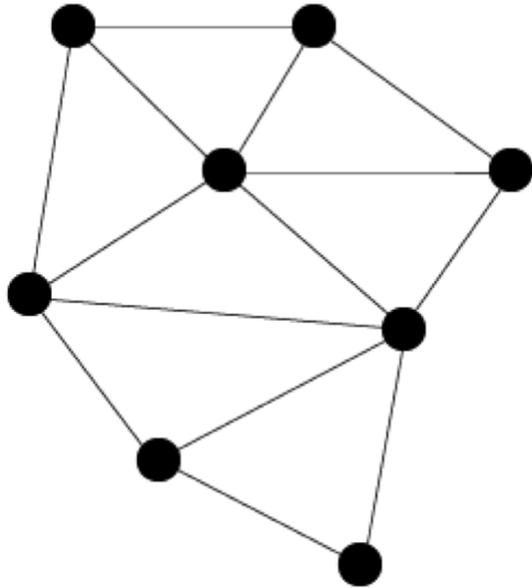
Bitcoin/Ethereum
- Public permisionless blockchain
- Poor privacy, network inefficiency

Fabric/Quorum
- Multiple Siloed Private Networks
- Stranded Assets
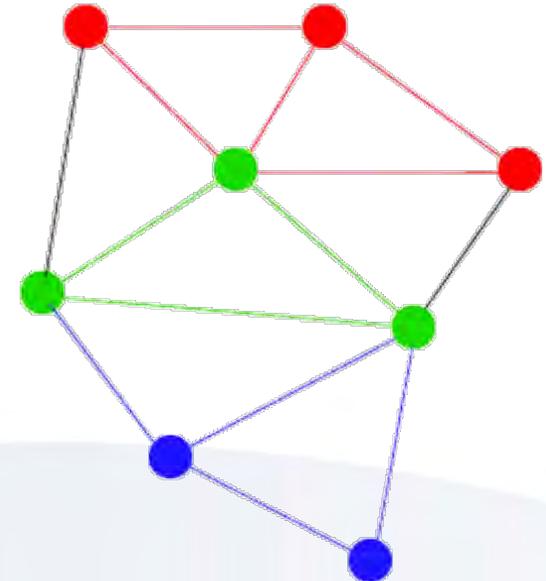
Corda
- Public blockchain with identity
- Multiple business networks
- Assets are transferable with additional business logic

Business Network Roles

A business grouping that allows participants to transact one or more assets for a single use-case.

- The **governor** specifies legal, regulatory and commercial frameworks and defines operational policies

- The **designer** provides the technical implementation

- The **operator** enforces the operational policies and manages the network

Legal & Regs

Technical Standards

Members

Notary Clusters

Gateways

Oracles

Helpdesk

Monitoring

Reporting

Partner Network (http://marketplace.r3.com)

Delivery Partners

protiviti · accenture · ZIRCONTech · wipro

BCS · EY (an NTT DATA Company) · everis · Cognizant

BAIN & COMPANY · CH & Co. · code it · Post Oak Labs

bloxian · incuBOSS · NEC

PCCW Solutions · magia digital

ThoughtWorks · Capgemini · AOS SAS

BLANC LABS · TATA CONSULTANCY SERVICES · akoncepts

NTT DATA · GFT · Infosys

Scopus · BRQ · LG CNS

Digiledge · GIANT MACHINES · XLNTEC

synpulse · ChainNinja Blockchain Solutions · Synechron

interxion · 11 FS · Adaptive

Partner Solutions

HOBNOB.pro · HSBlox · AlphaPoint · everledger · gemalto · PORTAL FINANCE · cma

CROSSVERIFY · at.cash · ChainThat Blockchain Innovation · TRADEWIND · TRADEIX · SMARTCHAINS · ObjectTech

7COMm · TOMORROW LABS · MATRICS · Guild One · TigerRisk Partners · Bolero · EBCS · Infosys Finacle

A*STAR · Vyoma Software · Appway · HQLA^x · guardtime · SIA

coinplug · DrumG Financial Technologies · Tradle · CommodDT · FINASTRA · CALYPSO

evernym · Lucid · e-title · MonetaGo · Smart Communications SMARTDX · DIANRONG

Infrastructure / Technology Partners

Google Cloud Partner · utimaco · Microsoft · intel · ORACLE

solace · amazon web services · Hewlett Packard Enterprise · CANONICAL

Network Service Providers

ACCUITY · sovrin identity for all

THOMSON REUTERS

r3.

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HQLAx

More efficient distribution of collateral on blockchain

Vision

A collateral lending solution for sourcing or providing High Quality Liquid Assets (HQLA) on Corda

Objectives

To build an exchange that improves HQLA upgrade/ downgrades by utilizing distributed ledger technology for the tokenization of baskets of securities that allows for quick, legal transfer of HQLA and re-hypothecation

Finastra Lendercomm

Syndicated Loan Communications

Vision

To build a blockchain platform for the syndicated lending community on Corda

Objectives

To drive transparency and efficiency in the syndicated loan market, provide a central view of state and workflow, and facilitate shortening of the extended settlement timescales through improved communication

Benefits

LenderComm exposes real-time credit agreements, accrual balances, position information and detailed transaction data to lenders, directly from agent bank loan servicing platforms such as Finastra's Fusion Banking Loan IQ.

The project aim to slash operational cost, reduce the burden of agent to lender administration and deliver self-service capabilities to lenders, providing accurate information on demand to optimize loan portfolios

TradeWind Markets

First Production Example of a Digital Asset Backed by Regulated Custodian – all settled via Corda

TradeWind's Vaultchain Gold, built on top of Corda, promises to expand gold as an investable product while reducing costs and friction for all participants:

- Precious metals investors to execute trades with a secure and low-cost solution

- Banks to reduce their costs and friction brought about by trading

- Vaults and refiners to easily interact with customers and other market participants

- Gold producers to directly access end physical demand and pricing

- Physical dealers to engage existing customers and attract new business via a new digital product
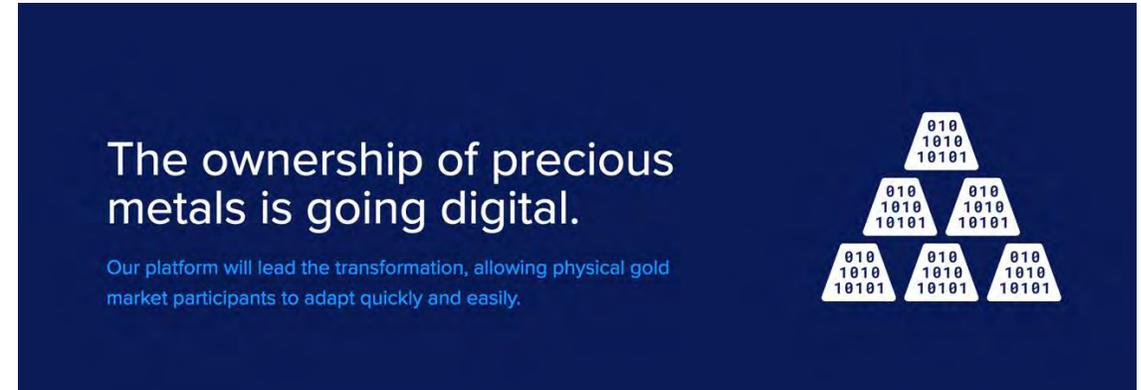
The ownership of precious metals is going digital.

Our platform will lead the transformation, allowing physical gold market participants to adapt quickly and easily.

Vaultchain Gold, powered by Corda:

- Immutable records of ownership
- Direct balance verification on Corda
- Flexible account and inventory management
- Connectivity by API and Web user interface

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