



Digital Currencies: a Challenge for Luxembourg Financial Sector?

Fintech APSI Day – 26th March

by Chris Marcilla

Head of Virtual Currencies Working Group

The Tree that hides the Forest



Blockchain

Sidechain

Smart Contracts

Blockchain 2.0

Fast

Secure

Cash-like

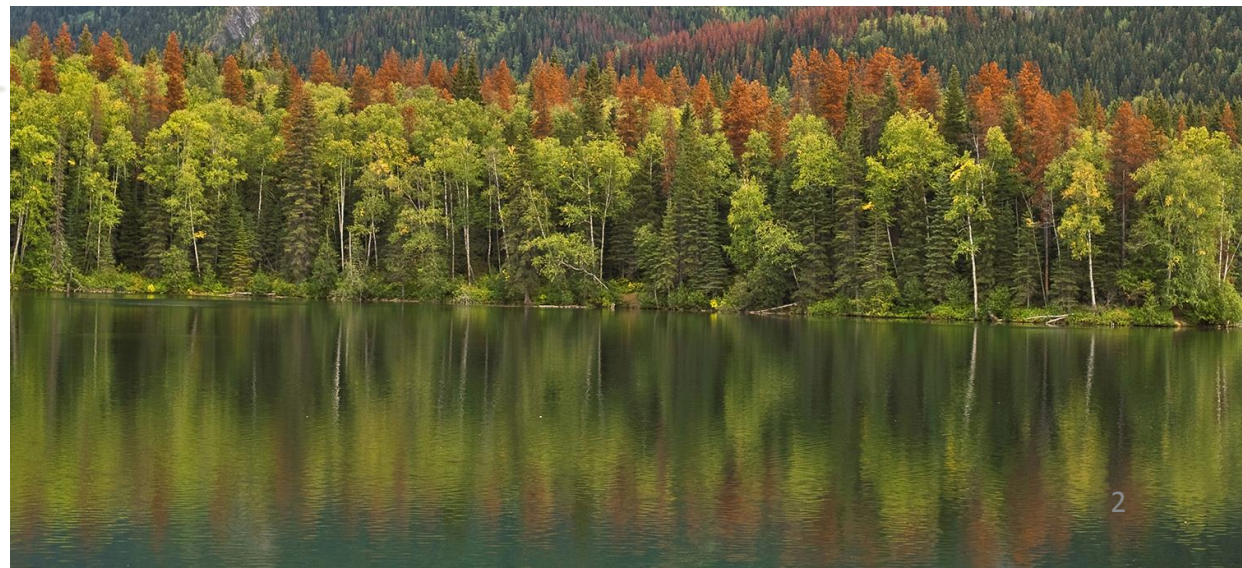
Storage Value

Private

Transparent

Remittances

Authentication





Mt. Gox Files For Bankruptcy; Nearly \$500M Of Bitcoins Lost



“Silk Road” Illegal Marketplace Processed \$1.2bn of Bitcoin Transactions

Silk Road
anonymouse marketplace

messages(0) | orders(0) | account(\$0.00) | settings | log out

Shop by category:

- Drugs(202)
- Person(56)
- Cannabis(25)
- Physical(14)
- Exotic(55)
- Doping(48)
- Other(36)
- Psychological(30)
- Information(30)
- Apparel(4)
- Books(64)
- Collectibles(1)
- Computer equipment(1)
- Digital goods(58)
- Drug paraphernalia(21)
- Client area(4)
- Forgeries(2)
- Home & Garden(1)
- Lab supplies(18)
- Mach(40)
- Money(66)
- Services(27)
- Tickets(2)
- Wholesale(7)
- XXX(28)

How:

- Announcing the new web
- New shipping and display features
- Site glitches
- Moving servers
- Site restored
- Forum bugs addressed
- Pricing and hedging improvements
- Encouraging regular
- New feature to help protect sellers
- Seller ranking and feedback overhaul

<p>Cash Buy/Out - random, 50k in</p> <p>\$0.01</p>	<p>Chronos 1 is selling Analog</p> <p>\$3.35</p>	<p>Box of 1/10 Pennant the stamps</p> <p>\$113.39</p>
<p>12 Little Black Seeds by Jax Genesis</p> <p>\$33.40</p>	<p>Peeled Mac T100, Aerosolized</p> <p>\$4.10</p>	<p>3x of 98,000 Galaxy Superlenses</p> <p>\$113.39</p>
<p>12g Purple/Blue Resin</p> <p>\$15.29</p>	<p>Supermarket Soap, Mobile</p> <p>\$13.54</p>	<p>3x 150g P-1 Pre-Insured</p> <p>\$1.45</p>



Satoshi Nakamoto,
Founder of Bitcoin

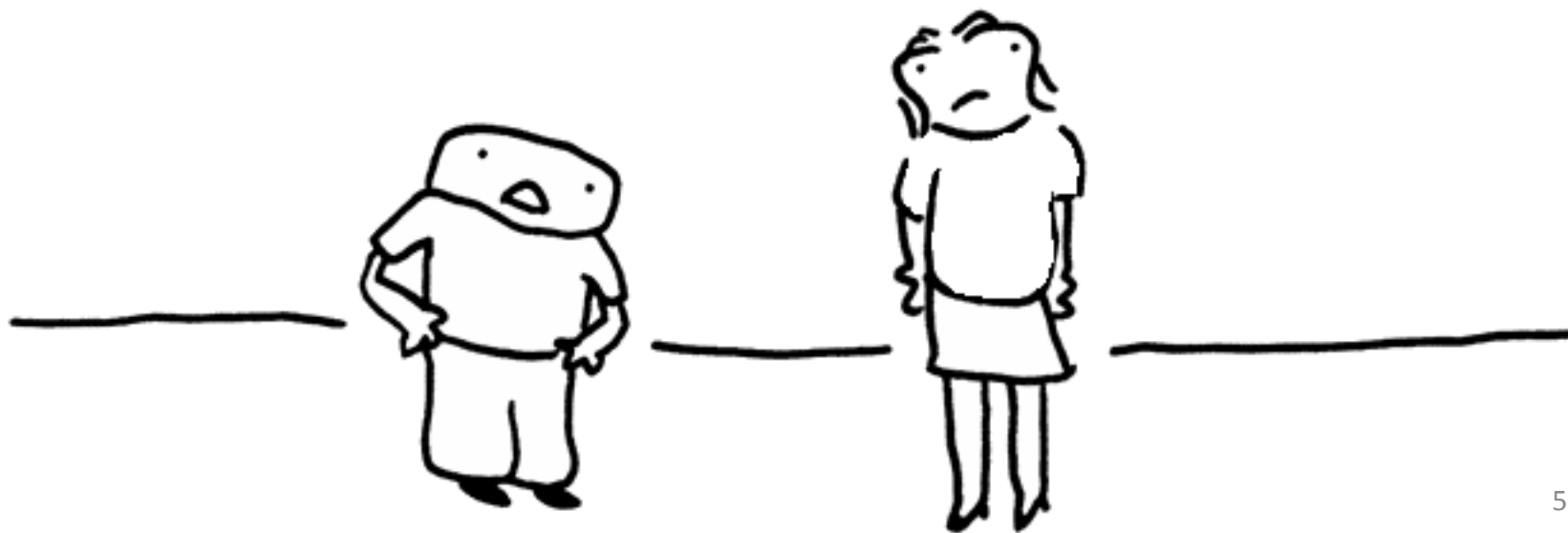
VOLATILITY

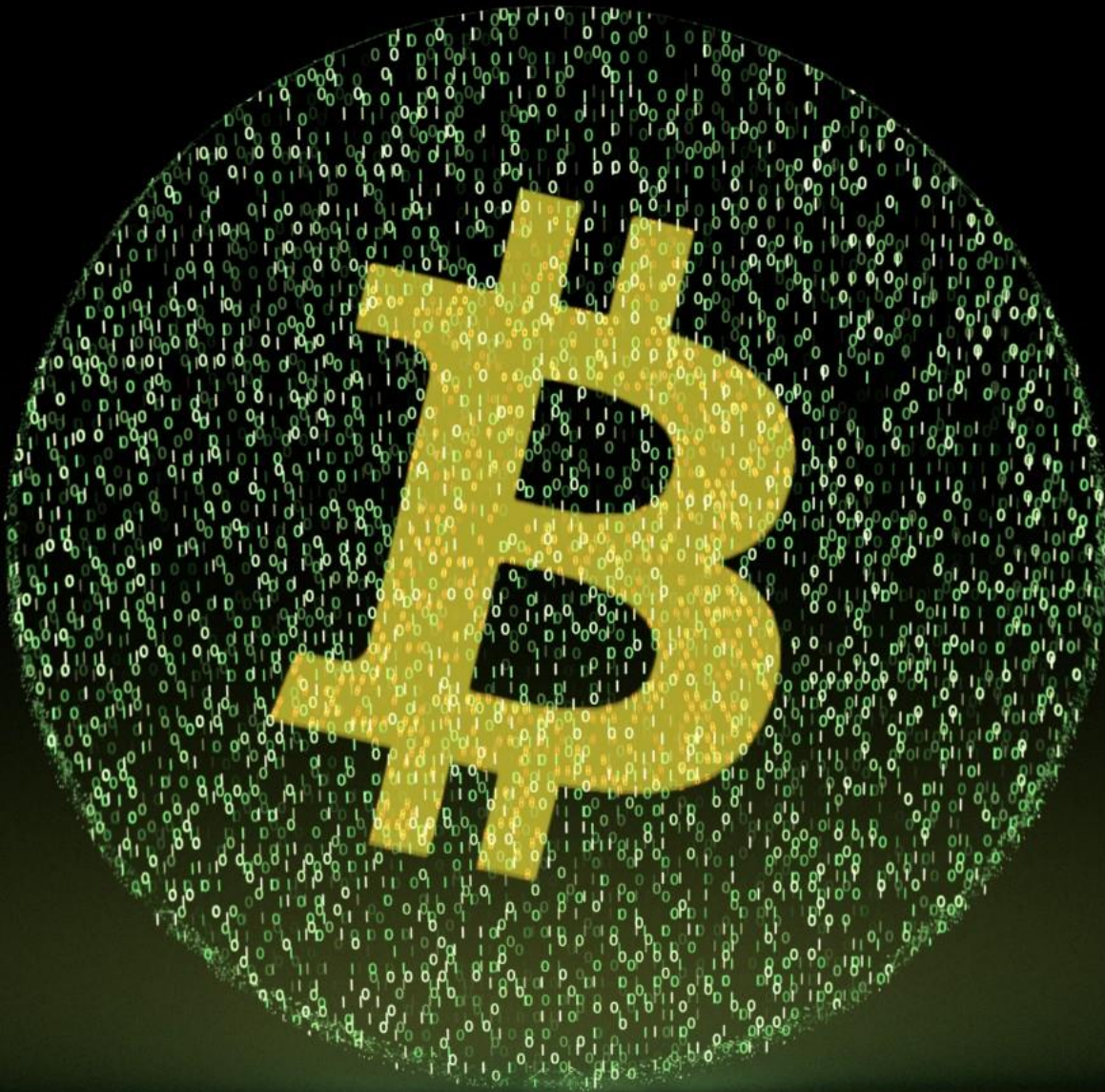


NO CENTRAL
AUTHORITY



GOD, MOM, never mind,
i knew you wouldn't
understand my anonymous
cryptotarian anarchist
currency!





TECHNOLOGY

What is Bitcoin?



PEER TO PEER

NO CENTRAL CONTROL

DECENTRALIZED

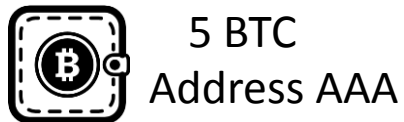
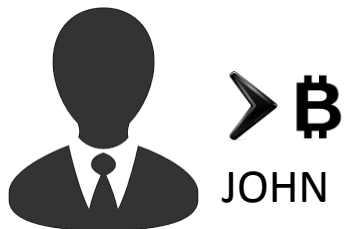
OPEN SOURCE

What is Bitcoin?

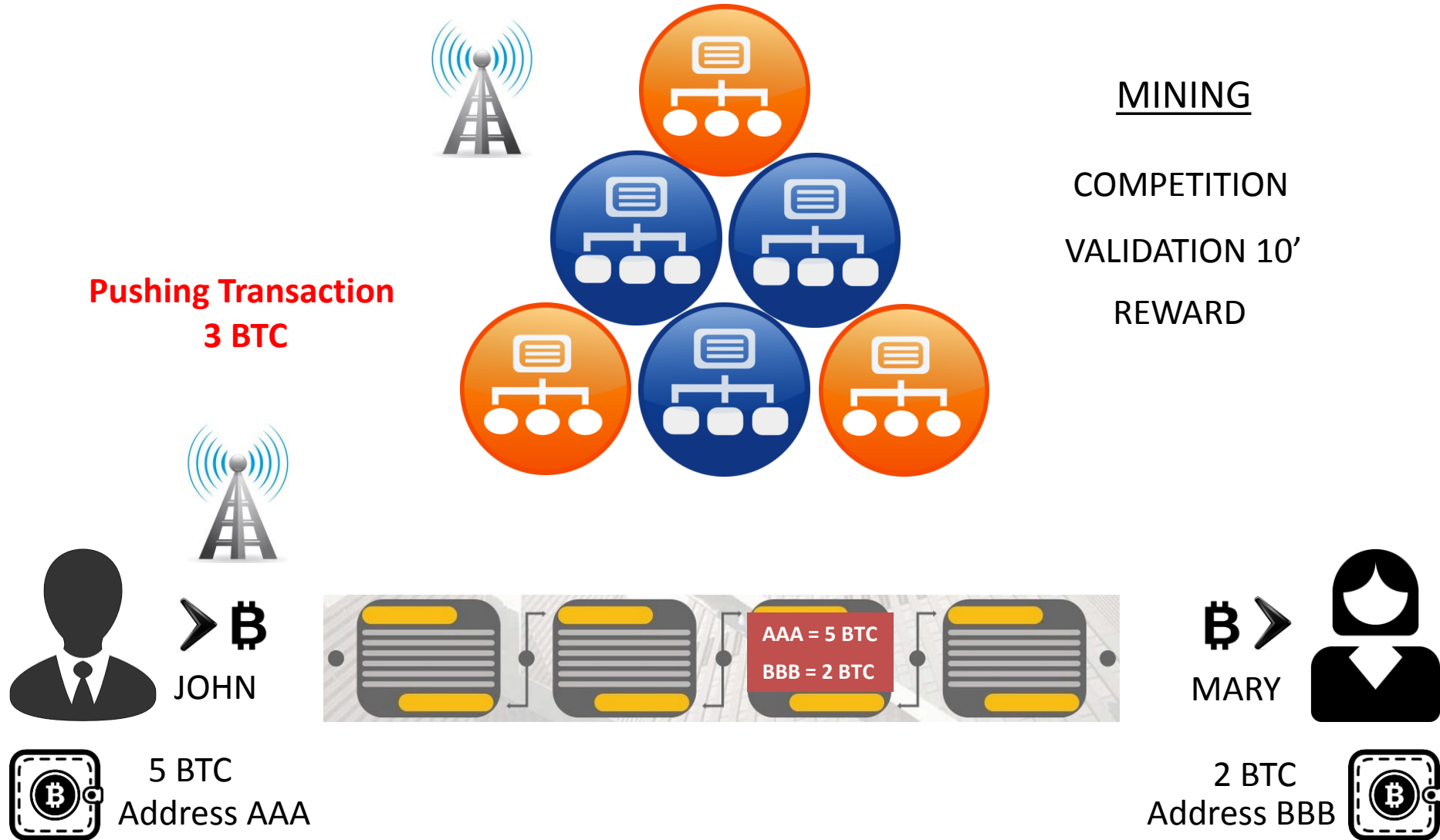


EVERY TRANSACTION IS
RECORDED IN A PUBLIC LEDGER:
‘THE BLOCKCHAIN’

How does work a bitcoin transaction?

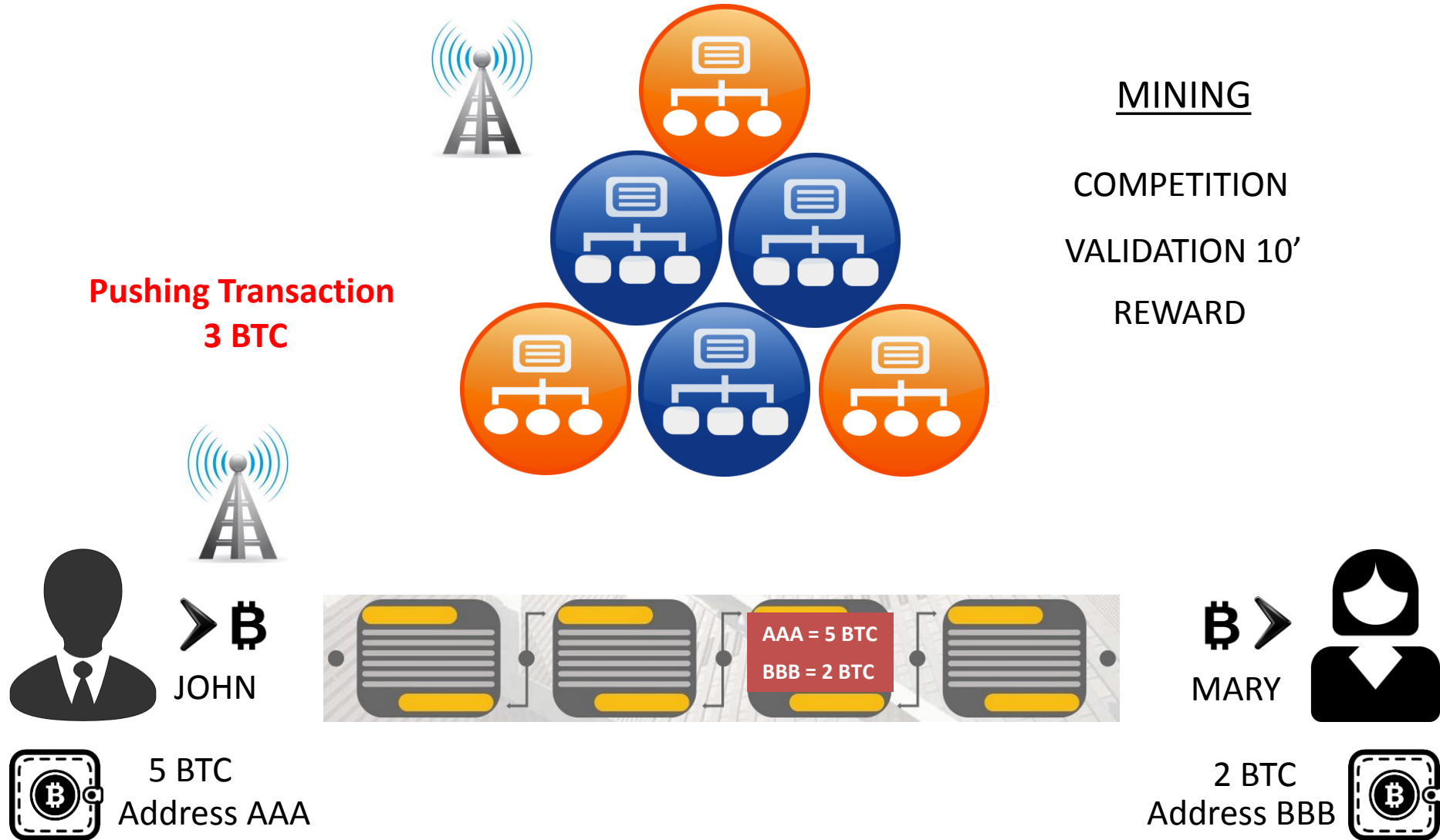


How does work a bitcoin transaction?

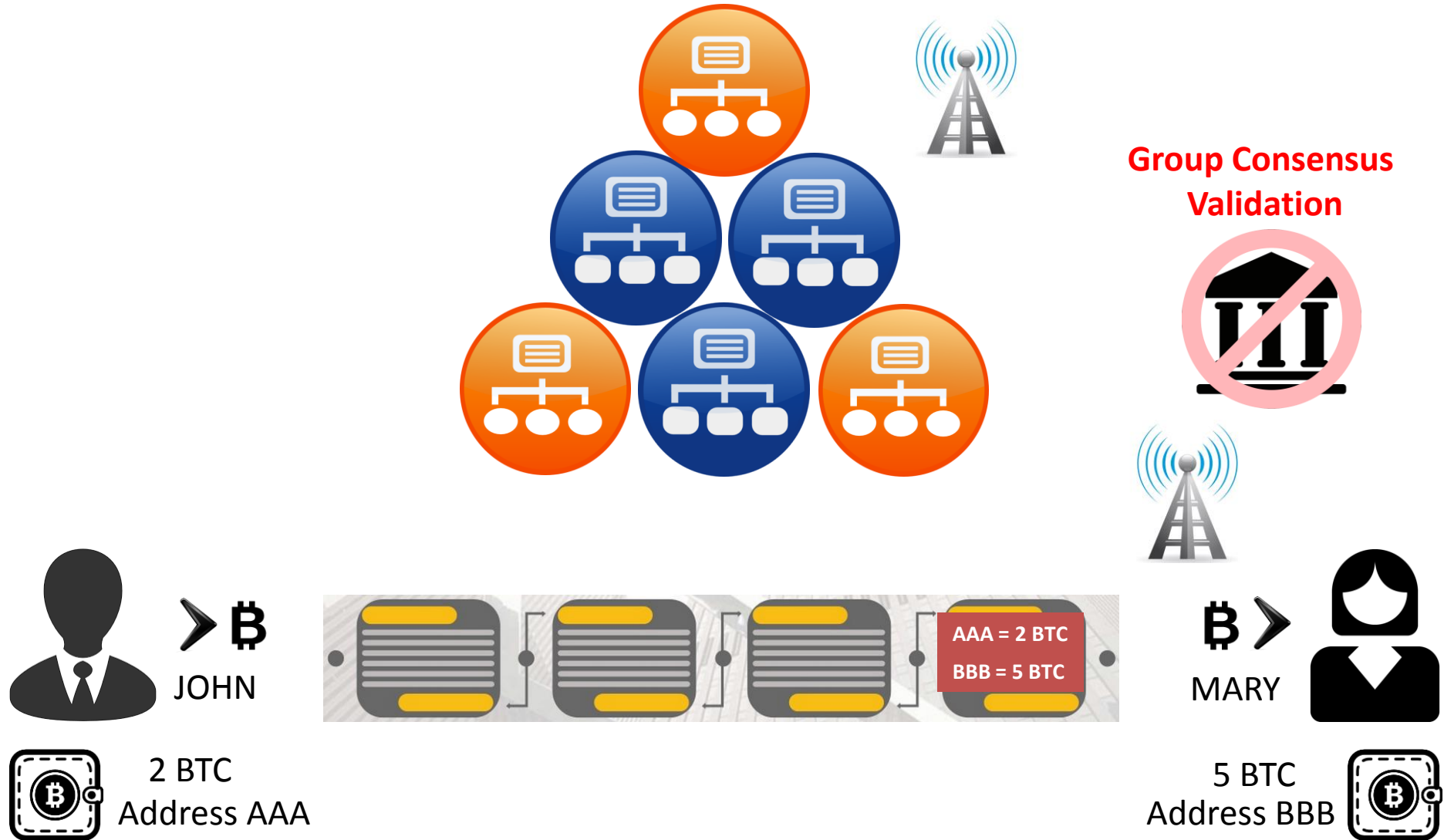




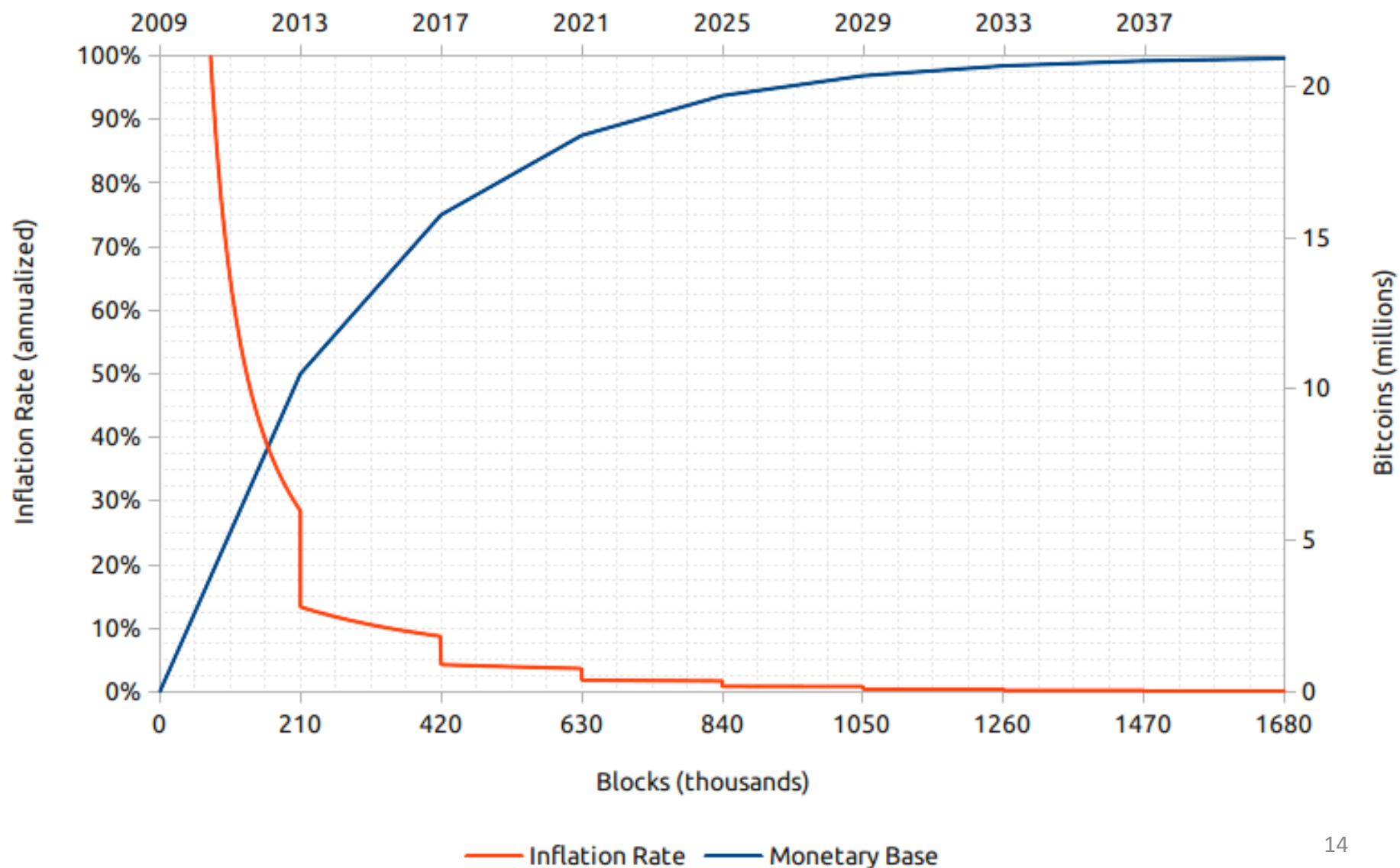
How does work a bitcoin transaction?



How does work a bitcoin transaction?



bitcoin is SCARCE



bitcoin is DIVISIBLE



100 cents



100 000 000 Satoshis

Minimum Transaction = Less than 1 cent

bitcoin is TRANSPORTABLE



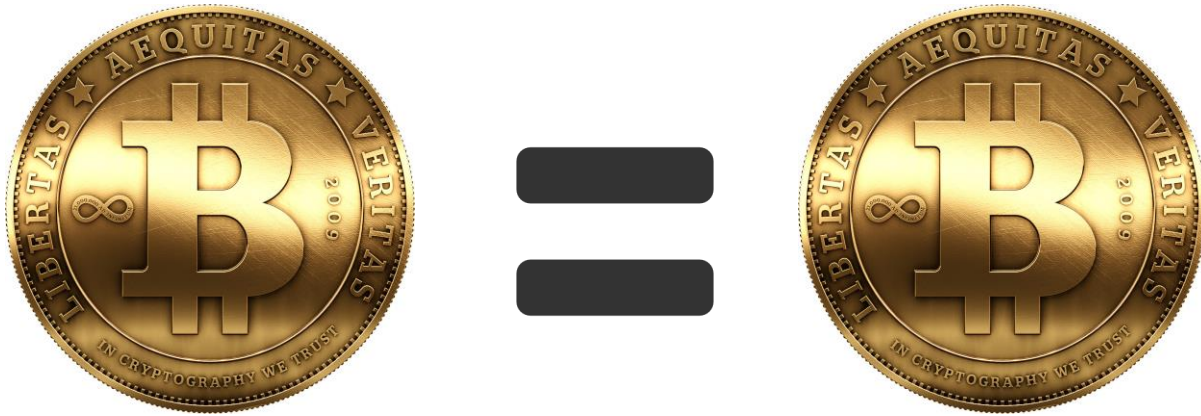
Small or no Fee

Anywhere

Real time

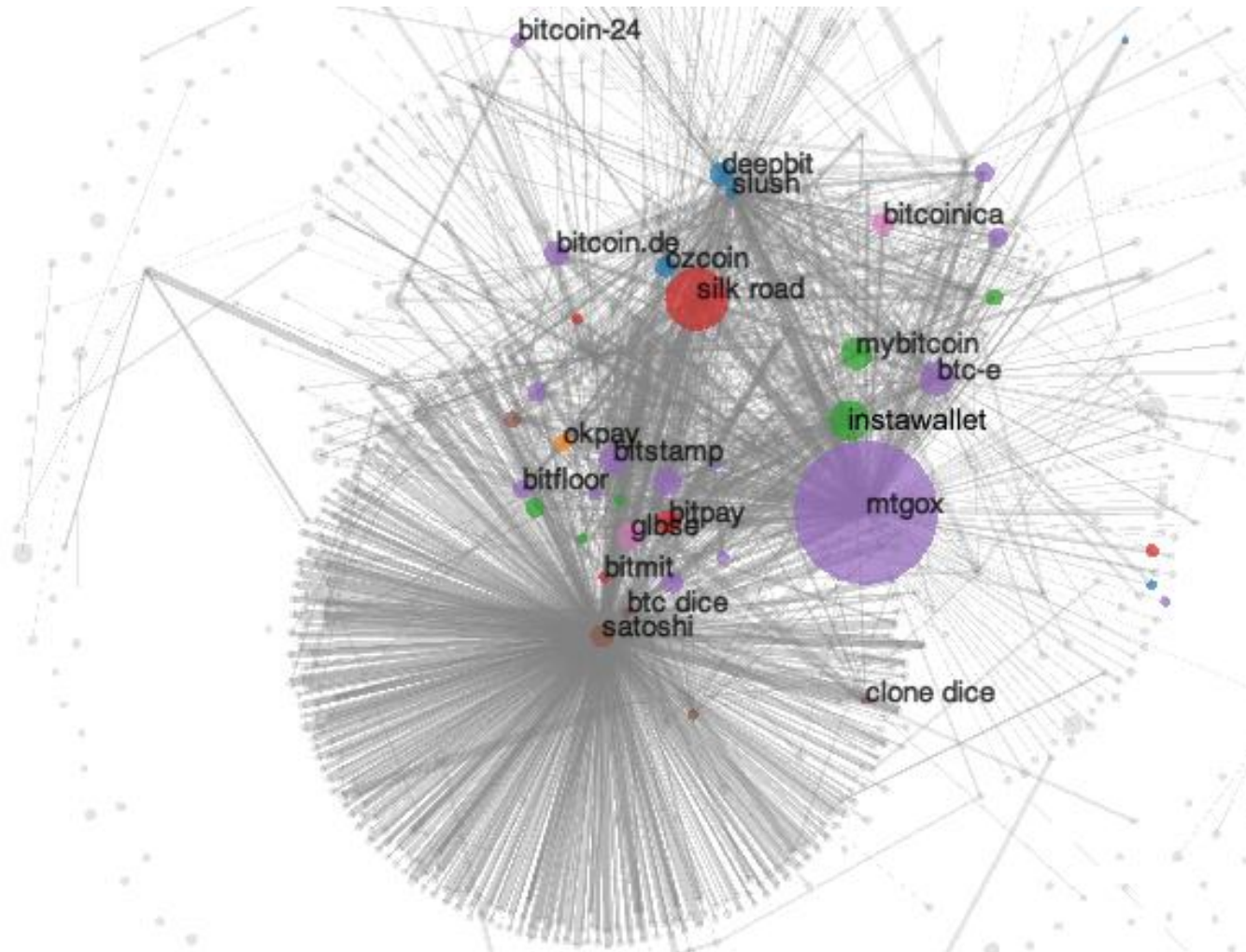


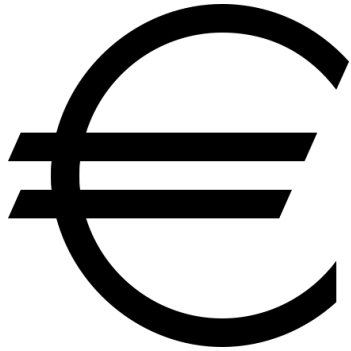
bitcoin is FUNGIBLE



History of every bitcoin is public

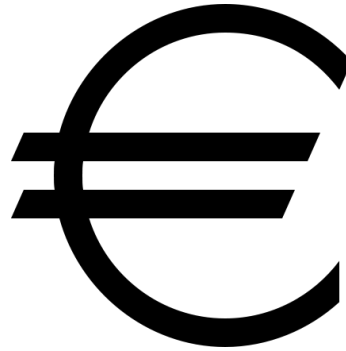
bitcoin is NOT ANONYMOUS





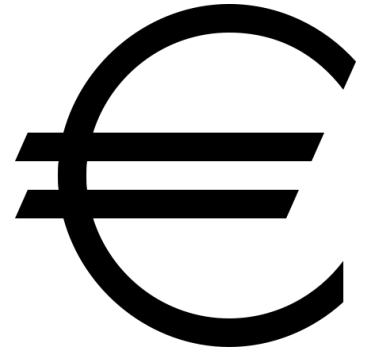
Value Storage

Privacy



Value Transfer

Instantaneous

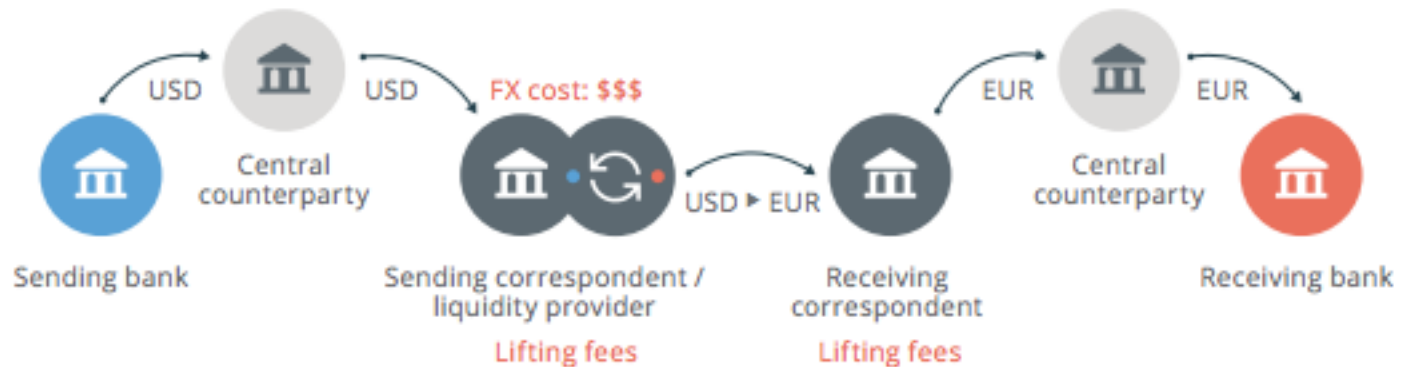


Payments

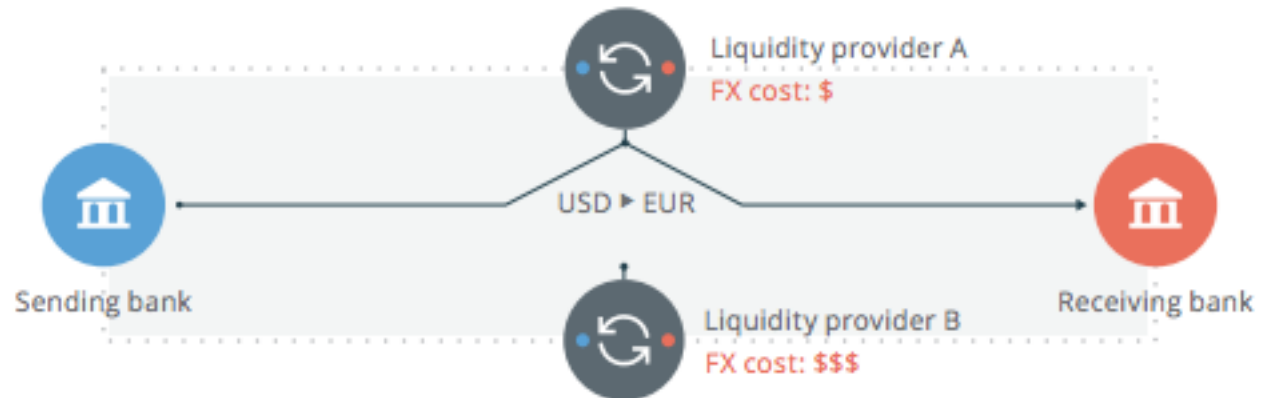
Free

Digital Currencies for Banks

Today
2-4 days

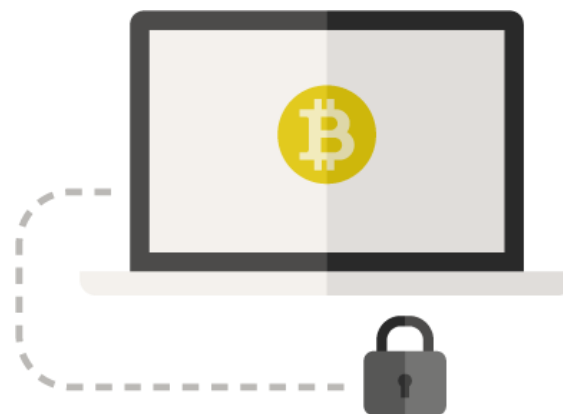
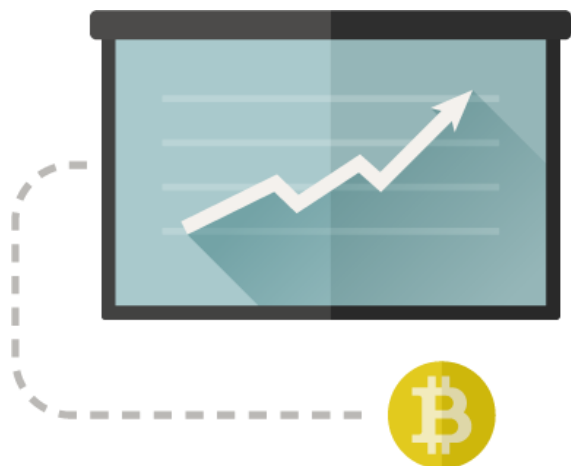


3-5 seconds



CROSS-BORDERS TRANSFERS IN LESS THAN ONE HOUR?

Digital Currencies for Funds



SMART CONTRACTS

SECURITIES CREATION

CUSTODY

DISTRIBUTION

Why 100 k Merchants Accept Bitcoin?



HIGH FEES

FRAUD & CHARGEBACKS

CROSS BORDER INTERCHANGE

CUSTOMER CAN DISPUTE



COST SAVINGS

RISK ELIMINATION

GLOBAL REACH

NEW CUSTOMERS

Hedging bitcoin Volatility

OTC REGULATED MARKETS
FORWARDS, SWAPS AND FUTURES
UP TO 2 YEARS



TERAEXCHANGE



HEDGY

Bitcoin Regulation



FEB 2014 : CSSF IS OPEN FOR BUSINESS



FEB 2015 : BITLICENSE PUBLISHED



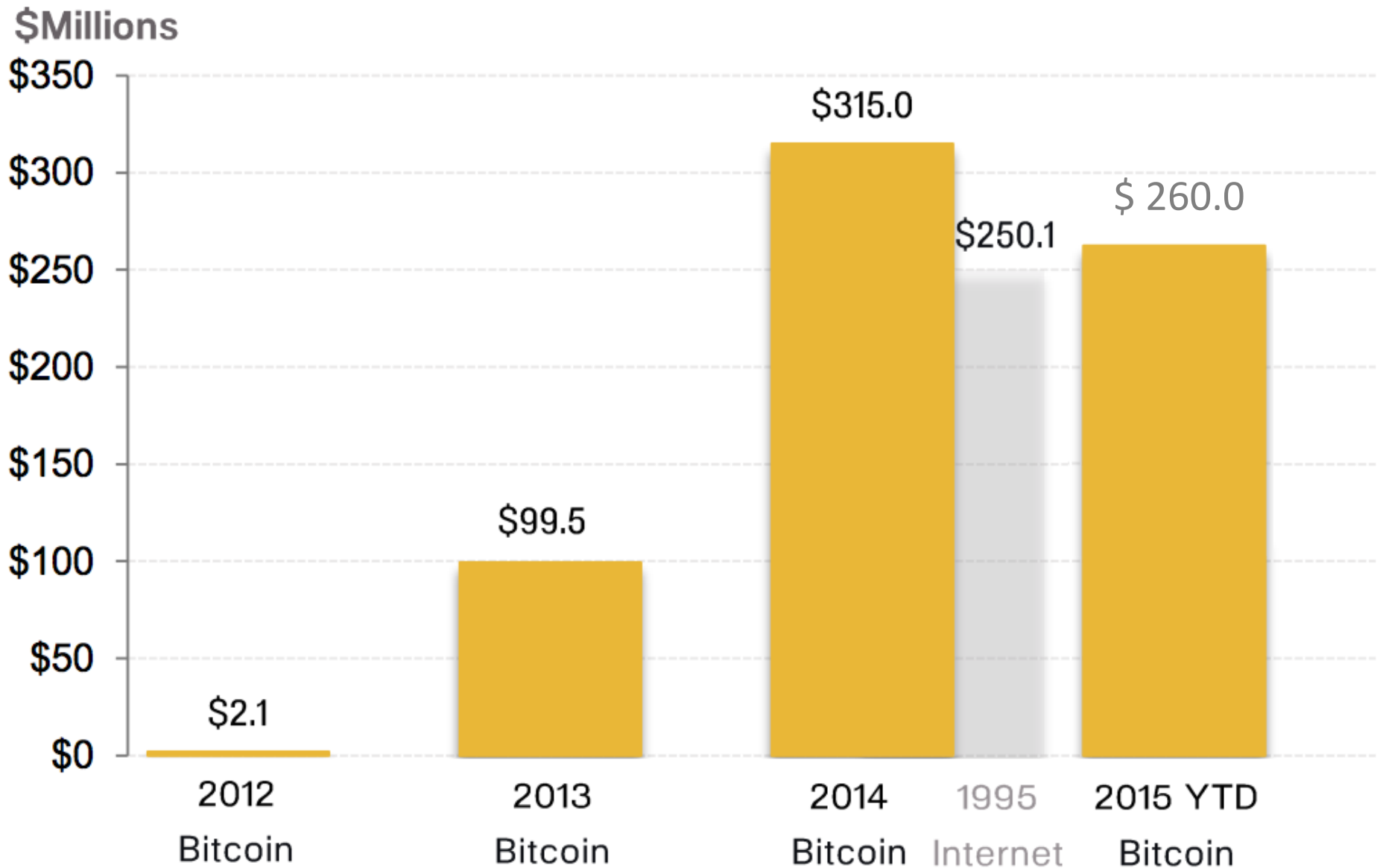
MAR 2015 : REGULATION TO COME



GAME OF THRONES™



Bitcoin Venture Capital



Digital Photography in 1995



Digital Photography in 1995



Services Digitization



10 Billions



10 Billions



U B E R

41 Billions



10 Billions

Who wants to be Uber-ized?

**TRADITIONAL
MONEY
TRANSFERS**

 **bitcoin**

**Send warm
wishes today.**

FOR ONLY **\$5** / SEND UP TO **\$50**
TRANSFER FEE
FOR PICK UP WITHIN THE U.S.

[Find Agent Location »](#)

**Send warm
satoshis today.**

FOR ONLY **\$0.01** / SEND UP TO **\$ANY**
TRANSFER FEE **AMOUNT**
FOR PICK UP ANYWHERE ON EARTH

[Pick Your Wallet »](#)

moving money for better

moving money far better



THANK YOU.

Virtual Currencies Working Group

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Thanks to:

