



# CHAIN OF CONVENIENCE

AMID AN EXPLOSION OF BLOCKCHAIN AND DLT SOFTWARE RELEASES, IT CAN BE HARD TO TELL WHICH ONES CAN BENEFIT THE TREASURY FUNCTION. [MATT PACKER](#) HIGHLIGHTS SOME PLATFORMS WITH POTENTIAL

➤ If you think that mutterings around blockchain and distributed ledger technology (DLT) are ubiquitous now, well – you haven't seen anything yet. Leading analyst Research and Markets tips the blockchain industry for a compound annual growth rate of more than 62% over the coming seven years, on the way to a \$16.3bn valuation by 2025. By the same year, according to research and advisory firm

Gartner, DLT will sprinkle \$176bn of added value across the whole industrial landscape. By 2030, it predicts that sum will exceed *\$3.1 trillion*.

Clearly, then, there is a powerful and persuasive case for treasurers to get involved with this technology. However, thanks to the formation of numerous industry consortia that have been working on proof-of-concept DLT projects for a host of different purposes, there is an information glut.

By Deloitte's reckoning, there are more than 40 such groups – each comprised of financial institutions, corporates and, occasionally, regulatory bodies – contributing to a noisy environment of bold claims.

Against that backdrop, it can be hard to discern which platforms, applications or initiatives present potential benefits to treasury. With that in mind, here is a spotter's guide to some relevant DLT developments that are under

way – and others that are just around the corner.

#### Now showing...

**Corda** – Developed by R3, the largest DLT consortium, Corda aims to make transactions between financial and corporate entities frictionless and more efficient. This is achieved through the use of smart contracts, which provide users with a living, breathing record of their transactions, as well as inherently strong



privacy and security protocols. Non-financial corporates that use the system include technology giants Microsoft and Intel, plus global management consultancy Bain & Company. As an open-source innovation, it can be tailored to fit users' needs. R3 recently launched Corda onto world-leading cloud platform Amazon Web Services – a move that is sure to broaden the software's reach and influence. Find out more at [www.r3.com](http://www.r3.com)

**Factom** – Auditing is a significant pain point for treasurers, and the eponymous platform that US software firm Factom has devised marks a revolutionary step for the underlying data-management processes. What if data could be stripped out of muddled internal servers and converted into a blockchain format? That,

essentially, is what Factom does. By anchoring electronic records of all types to an immutable, distributed ledger, the software ensures that the data is more readily accessible to relevant parties, thereby reducing the complexity of audits. In addition to the conveniences it presents for auditing, the open-source platform also has applications for M&A due diligence and regulatory compliance. Find out more at [www.factom.com](http://www.factom.com)

**Hyperledger Fabric** – Another suite that can be adapted to serve a variety of business needs, Hyperledger Fabric has emerged from a major, cross-industry collaborative effort led by open-source software guru The Linux Foundation. Among the enterprise use cases to which the platform can be directed are FX, supply-chain visibility and KYC applications. Project members who have nurtured Fabric's development include Daimler, Fujitsu, Hitachi, IBM, Intel and SAP. Find out more at [www.hyperledger.org/projects/fabric](http://www.hyperledger.org/projects/fabric)

**Ripple xVia** – As the brains behind the virtual currency XRP, the Ripple company has ploughed its global, digital-finance expertise into xVia – a real-time gross-settlement network designed to provide a zero-friction payments service between corporates and financial institutions. The xVia interface requires no software installation to run, and enables users to add rich data – such as invoices – to their payments. It also has FX capabilities. Find out more at [www.ripple.com/files/xvia\\_brochure.pdf](http://www.ripple.com/files/xvia_brochure.pdf)

**Coming attractions...**

**JD Tracking and Anti-Counterfeit Alliance** – Not so much a software platform as an R&D consortium, this group is spearheaded by

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Chinese e-commerce giant JD.com with the aim of improving the traceability of goods in the supply chain. It is working on this problem in partnership with 27 of the biggest consumer brands that sell products through JD's website, including Evian, Huggies, Mars and Nestlé. While the Alliance is primarily concerned with boosting product safety standards, its work has much broader implications for supply-chain visibility as a whole. To that end, it is developing a blockchain system by which products will be tied to points of origin, distributors and shipping channels via an immutable, DLT record.

**Maersk/IBM joint venture** – Speaking of shipping channels, containers giant Maersk has teamed up with IBM to devise a similar, but much wider-ranging project to beef up supply-chain visibility on a global scale – not just among a select group of vendors linked to one e-commerce brand. As it announced the venture in January this year, Maersk noted that more than \$4 trillion in goods are shipped each year, and more than 80% of the goods that consumers use daily are carried by the ocean shipping industry. However, the costs of the documentation required to process and administer that traffic is thought to equal one-fifth of the physical transportation expenses.

Maersk and IBM are looking to combine blockchain software, artificial intelligence and Internet of Things technology to eliminate

these inefficiencies and provide corporates with real-time oversight of their supply chains.

**We.Trade** – Once known as Digital Trade Chain, We.Trade is the commercial face of a consortium of nine banks – including Deutsche Bank, HSBC and Santander – that are devising a blockchain platform for managing, tracking and securing domestic and global trade finance transactions between their SME clients. The platform will be accessible from any connected device. Its commercial rollout is expected to occur in the summer of 2018.

**Huawei Blockchain Service** – This has been described in an official statement as a “high-performance, high-availability and high-security blockchain technology platform for enterprises and developers”. Chinese telecom firm Huawei's recently announced platform aims to enable corporates to create and deploy smart contract-focused DLT services on the Huawei Cloud.

Based on Hyperledger Fabric, the platform – which is expected to go to market later this year – is being designed to accommodate a range of enterprise use cases, from supply-chain functions to tokenised securities, ID verification and financial auditing. 📍

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