

ashurst

# The Future of Money

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**ASHURST LLP**



# What is money?

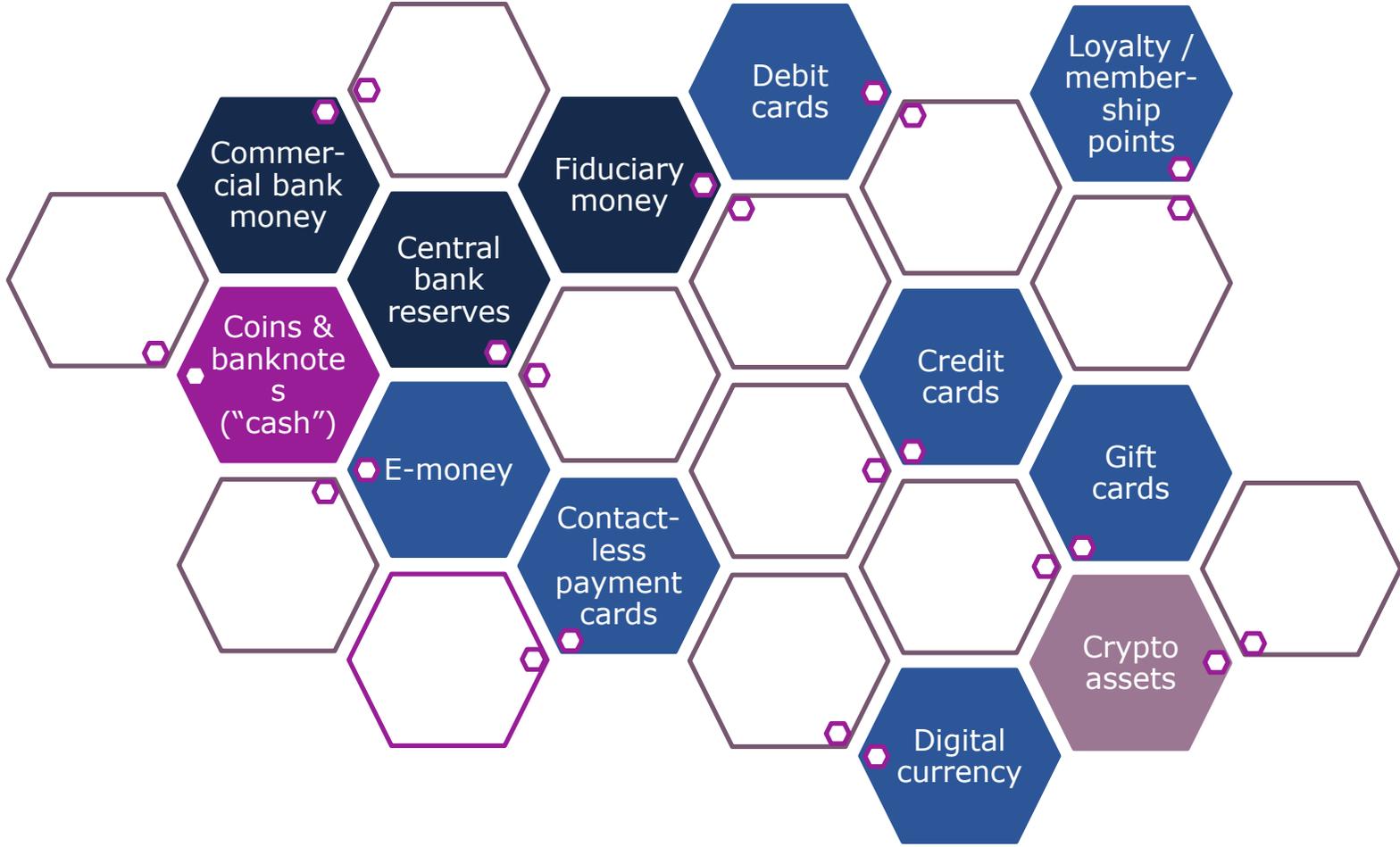
## A LAWYER'S VIEW

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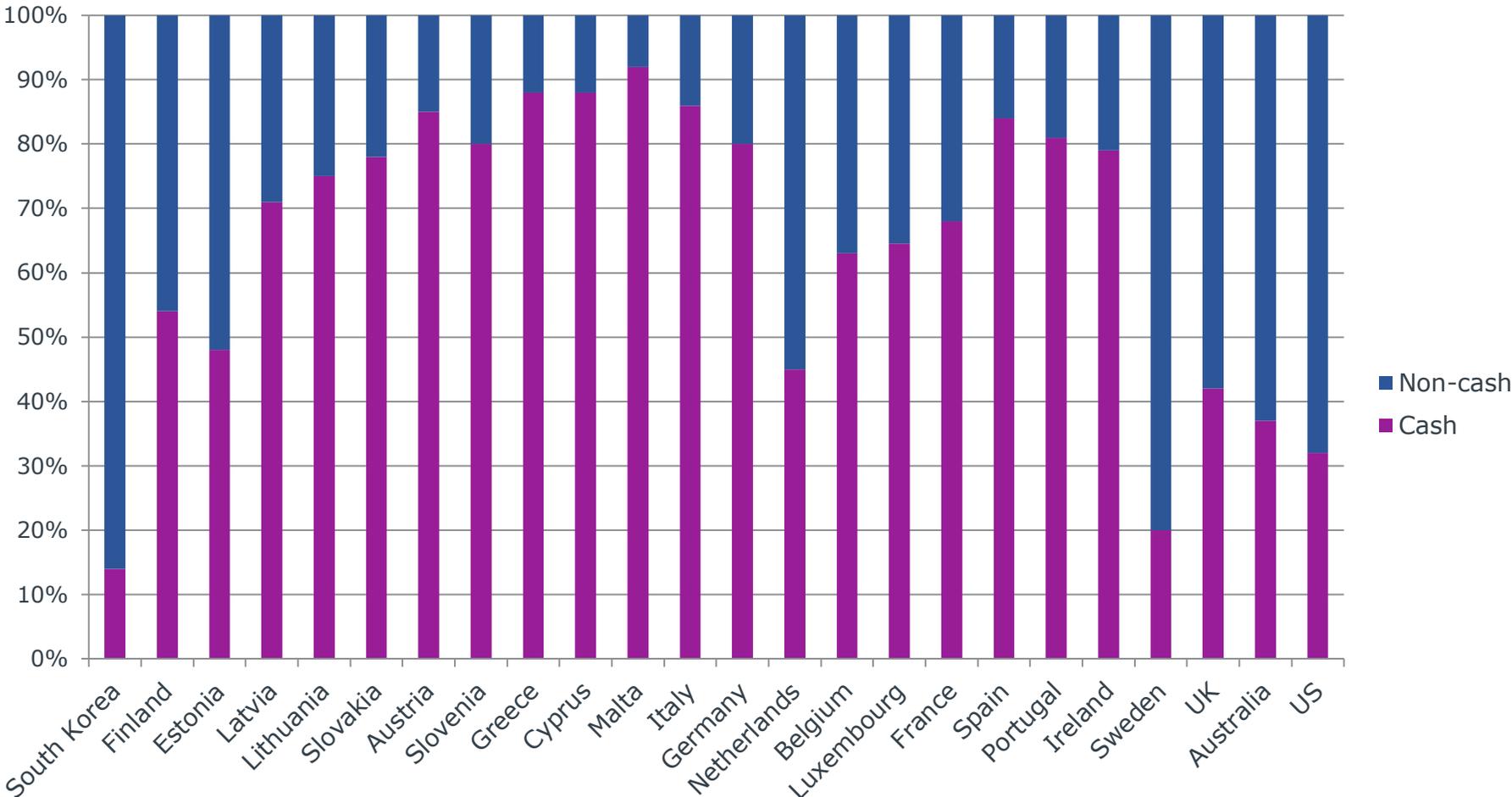
# Forms of money

## THE MONEY SUPPLY



# Cash is king

## USAGE OF MONEY



Source: G4S World Cash Report 2018

# Cash vs. non-cash vs. crypto assets

## KEY BENEFITS



### Cash

- Legal tender status
  - Easily accessible
  - Convenient
  - Direct
  - Anonymous
- Regulated



### Non-cash

- Convenient
  - Can be used remotely
  - Able to transact in higher values
  - Efficient
- Regulated



### Crypto assets

- Direct
- Pseudonymous
- Can be used remotely
- Able to transact in higher values
- Able to transact in micro values
- Secure
- Unregulated\*

\* Mostly; subject to change

# Cash vs. non-cash vs. crypto assets

## KEY RISKS



### Cash

- Expensive to manage
- Vulnerable to theft and loss
- Easily used to evade the law



### Non-cash

- Complicated to manage
- Vulnerable to theft and loss
- Reliant on payment systems
- System transaction fees
- Slower settlement times



### Crypto assets

- Complicated to manage
- Vulnerable to code flaws
- Easily used to evade the law
- Reliant on private sector DLT systems
- System transaction fees
- Techno-literacy requirements
- Value volatility

# Bridging the risk-benefit gap

## TWO OPTIONS

- Privately-issued decentralised stablecoins

<p><b>Crypto-based</b></p> <p>BITUSD</p> <p>AUGMINT</p> <p>CARBON</p> <p>KOWALA</p> <p>MAKER</p> <p>BASECOIN</p> <p>STEEM</p> <p>Steem Dollars</p> <p>HAVEN</p> <p>Haven</p> <p>AURORA</p>	<p><b>Supply-based</b></p> <p>FRAGMENTS</p> <p>MINEXCOIN</p>
<p><b>Non-crypto based</b></p> <p>AAA RESERVE</p> <p>TETHER</p> <p>Stably</p> <p>TrueUSD</p> <p>globcoin</p> <p>CURRENCY</p> <p>x8currency</p> <p>DigixDAO</p>	

Source: Researchly

- Central bank-issued digital currency

MAS, R3 and Financial Institutions experimenting with Blockchain Technology

Time for a Blockchain Digital Currency, Says Indian Central Bank's Research Arm

Bank of Thailand Developing Central Bank Digital Currency

**SPAIN'S CENTRAL BANK: CRYPTOCURRENCY COULD IMPROVE MONETARY POLICY**

Central Bank of Curacao and Sint Maarten (CBCS)'s Partner For Issuance of Their Own Token

**Project Jasper**

Project Jasper is an initiative with R3, Bank of Canada (the central bank), Payments Canada (clearing and settlement infrastructure), CIBC, TD

**Bank of England Governor: Open to the Idea of a Central Bank Digital Currency**

# The crypto challenge

## HURDLES TO ADOPTION

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- Uncertain regulatory environment
- Perceived and actual risks
- Knowledge gap amongst consumer base & key participants
- Cost of implementation/integration
- Current focus on movement to overall “non-cash” over crypto

# Thank you!

**PLEASE GET IN TOUCH**

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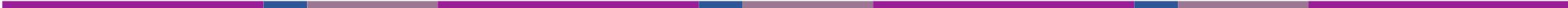
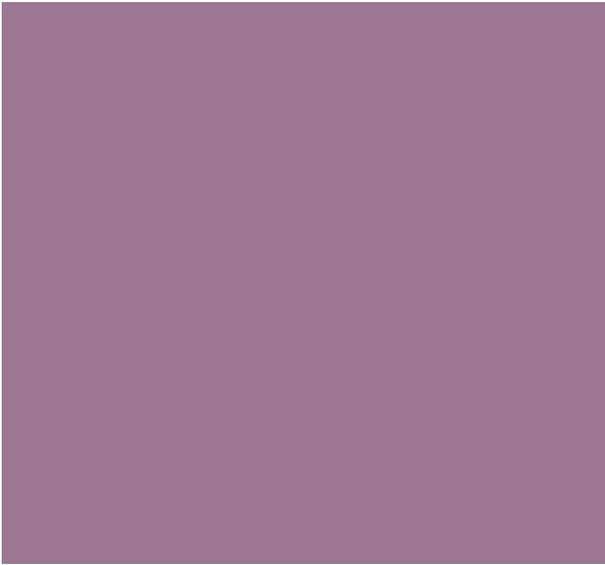
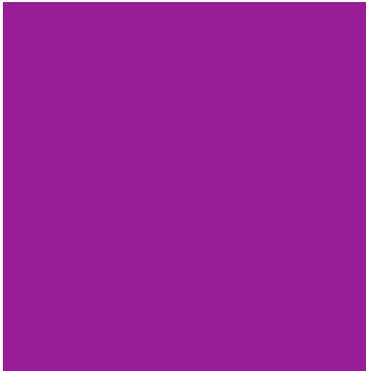
# About Ashurst

## GLOBAL REACH

With 25 offices in 15 countries and a number of referral relationships covering 10 time zones, Ashurst offers the reach and insight of a global network, combined with the knowledge and understanding of local markets.



- Ashurst offices
- ◆ Faisal Adnan Baassiri Law Firm (In Association with Indian Law Partners (Best Friend Firm with Ashurst))
- ADTLaw LLC (Singapore Formal Law Alliance)
- ▲ Oentoeng Suria & Partners (Associated Office with Ashurst)



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