



## **Fintech, Blockchain Technology to Open Market Access, Provide Transparency, Though Many Still Cautious**

By SBMA

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Rapid developments are taking place in the commodities space, ranging from blockchain to cryptocurrency, which are extremely important in driving the market's next stage of development. The discussion on fintech at the Asia Pacific Precious Metals Conference showed that digital technologies have an important role in introducing financial services that are less complex, more transparent and more cost effective, and that they can open market access to gold.

Participants pointed out that fintech developments help the industry reach new segments (2 billion unbanked people around the world, which often keep them in a poverty trap, a panelist noted) and can potentially make the supply chain for gold (or commodities) more transparent.

This segment of the market is over-reliant on cash savings (which have a low savings yield), has a lack of access to personal credit, and pays for costly remittance, according to HelloGold CEO Robin Lee, who's mass-market product provides an alternative to cash savings, and is Shari'ah compliant.

GoldSilver Central Managing Director Brian Lan explained how it is trying to "transform a backward industry" with its GSC Live! Platform and increase the ease of trading, convenience, and liquidity with app-based trading technology. He said low entry levels and narrow spreads could make precious metals more useful as a form of currency.

The Royal Mint presented its digital gold offering, developed with derivatives marketplace CME Group, saying it provides a more convenient, cost-effective and cryptographically secure alternative to buying, holding and trading spot gold using blockchain technology. Similarly, Copernicus Gold explained how it uses blockchain technology to support its platform for buying and selling gold in multiple currencies.

Crypto-based digital assets use blockchain technology, which allow users on a network to authorise and verify transactions. The Royal Mint Director of New Business David



Janczewski said that blockchain is proven technology with 8+ years of real-world testing and offers transaction efficiencies

However, Arjun Raychaudhuri (Head of Strategy and Digital Transformation, MMTC-PAMP) highlighted the importance of physical delivery, and pointed out that it might take a while for cryptocurrency and digital gold trading to really take off, as there first needs to be confidence in long term storage security and access, and that such platforms need a more user friendly interface.

“It’s not an app; it’s not just blockchain – you have to rethink everything. Technology is end to end, and that takes a lot of work”, Mr Raychaudhuri said.

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