The rise of Blockchain: Implications for SME finance

Xiaochen Zhang
President, FinTech4Good
Chairman, Blockchain Frontier Group

BLOCKCHAIN4SDGS Alliance
SME finance through the lens of Blockchain
Can ICO be employed to help SMEs to raise capital?

EOS Raised Nearly $200 Million in 5 Days
PowerLedger develops a Blockchain-enabled P2P energy trading platform that allows for the secure and transparent allocation of value from distributed energy resources.

Can blockchain be employed to disrupt more existing models to make them financially variable for finance?
Combining Kerchin’s data of farming, production, processing and JD’s data of storage, order and logistics, the blockchain based supply chain management system can present a comprehensive and immutable data in supporting the price.

Can blockchain be employed to trace the supply chain to support the pricing mechanism for SMEs?
Can SMEs reduce customer acquisition costs through blockchain based solution?

- **Building Open source Credit Bureau on Blockchain**
  - Loan through smart contracts, transparent and reliable credit history. Enable businesses to get access to our customers, offering them the best service.

- **Providing Big Data for Businesses**
  - Products are a digital financial identity encrypted on blockchain and Big data gathered from borrowers’ smartphones.
  - The Big data of previously unserved customers become really useful for businesses:
    - People need money and services
    - Businesses need new customers

- **Micromoney** is currently operating online consumer lending in Cambodia, Myanmar, Thailand and ready to launch in Sri Lanka, Indonesia and Nigeria on 1st Oct 17.

- Ready to go in 10 more markets as well and have conducted all necessary research and signed partnership agreements with our future local partners.

https://www.money.com.mm/
Digitalize physical assets for a sharing economy
Why Blockchain matters to SME Finance?

- **Mobile Payment**: Payment services operated under financial regulation and performed from or via a mobile device.
- **P2P lending**: Funders receive a debt instrument that pays a fixed rate of interest and returns principal on a specified schedule.
- **Crowdfunding**: Funders receive equity instruments or profit sharing arrangements.
- **New Credit Reference**: Credit history is generated through big data technology of online data.
- **New Wealth Management**: Match opportunities with investors through online platforms.
- **P2P Insurance**: Peer-to-peer insurance is a reciprocity insurance contract based on a sharing economy concept.

**Blockchain also matters to SMEs**
Blockchain for SME Finance

- Security
- Transparency and Disclosure
- Improve efficiency
- Verification and Certification
- Access New and Emerging Markets
- Smart Contracts
- Cost reduction and free up Capital
- Valuation of Non Tangible Assets

Valuation of Non-Tangible Assets

Access New and Emerging Markets
Blockchain matters in these countries and cities

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Initiative/Project</th>
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<tbody>
<tr>
<td>Swiss</td>
<td>Crypto Valley</td>
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<td>Dubai Smart City</td>
<td>Blockchain Strategy</td>
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<td>Estonia</td>
<td>E-Citizen</td>
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<td>US Inter-Department</td>
<td>Blockchain Initiative</td>
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<td>Illinois</td>
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<td>The German Blockchain</td>
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<td>Qingdao</td>
<td>Blockchain Bay</td>
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<td>Zhejiang</td>
<td>Zhijiang Blockchain Institute</td>
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<tr>
<td>Chengdu</td>
<td>Blockchain Innovation Center</td>
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Blockchain applications being applied/explored by >15 UN agencies

Blockchain matters for international community

**UN Entity** | **Type of Involvement** | **Description**
--- | --- | ---
UNDP | Proof of Concept | Remittances, Car Fleet Mgmt., considering fund transfers and tracking
UNEP | Publication | Fintech and Sustainable Development Assessing the Implications
UNICEF | Investment | Internal cash transactions and monitoring, Identity tracking, communication
WFP | Proof of Concept | Refugees using it for food purchases
UN/CEFACT | Publication | Blockchain White Paper
UNCTAD | Proof of Concept | Teamed up with Alibaba Group co-founder for planned “e-Trade for All” application
UNOPS | Request for Information | Unite all UN Agencies, Funds and Programmes working on their own Blockchain projects
UN Women | Events & Workshops | Blockchain Hackathon event
ECLAC | Publication | Prospects for Blockchain-based Settlement Frameworks as a Resolution to the Threat of De-risking to Caribbean Financial Systems
UNICRI | Course | Emerging Technology & Security
UNRISD | Publication | How Can Cryptocurrency and Blockchain Technology Play a Role in Building Social and Solidarity Finance?
ITU | Events & Workshops | Security Aspects of Blockchain
DESA | Events & Workshops | RemTech Awards
OCHA | Publication | Blockchain for Humanitarian Sector: Future Opportunities
UNODC | Training | Cryptocurrency Investigation Train-the-Trainers
UNFCCC | Events & Workshops | Support to initiatives at the intersection of blockchain and climate action (COP 23)

Source: UNFCCC
Blockchain Matters for Us

Blockchain Frontier Group (BFG) was established by FinTech4Good. It is a global network of start-ups, technologists, industry leaders, public organizations, and civil society focused on identifying and scaling blockchain and distributed ledger technology solutions. BFG aims to bring blockchain and DLT applications to frontier markets, and customers by generating new use cases, accelerating solutions for growth, and providing capital to support their scale. BFG is the only group of its kind with a unique focus on how blockchain and DLT can accelerate solutions at the frontier, ultimately for a better world.

Open foundation, shared labs, acceleration network and distributed venture fund
Frontier Institute

Strengthen the Ecosystem by Research, Training and Collaboration

Research

01
- FinTech Capital of the World
- Blockchain Use Cases Knowledge Center
- Operationalize SDGs through Digital Technology

Training

03
- FinTech Professional Certification Program
  - Blockchain Professional Certification Program

Convening

05
- Blockchain4SDGs World Summit
- FinTech4SDGs World Summit
- Distributed Hub Global Calendar

Digital Academy

02
- FinTech in China Show
- The State of FinTech Regulations
- The State of ICO Regulations
- FinTech and Blockchain Impact Series

International Collaboration

04
- New centers in Chengdu, Qingdao, Beijing and Hangzhou in supporting operationalize SDGs through FinTech and Blockchain
- Global Partnership Framework
- Global FinTech and Blockchain Impact Award
Global Convening and Partnership

Moscow Climate Innovation Summit
Moscow
August 17-28, 2017
- 100+ experts from 20+ countries
- 2000+ participants
- Mitigation Token launch
- Blockchain Bond Initiative launch
- Hack4Climate Hackathon pre-COP event

G20 Green Finance Working Group
Green Digital Finance Workshop
Beijing
Sep. 5-6, 2017
- Green Digital Finance Working Group
- Green Digital Finance Instruments and case studies
- Blockchain4SDGs Alliance member cases

China Blockchain Bay Convention
Qingdao
2017年9月11-13
- 168+ International Experts
- 1000+ participants
- Whitepaper launch
- Blockchain Sandbox Pilot
- Blockchain Bay Institute

Rethinking for Digital Transformation
Washington DC
Sep. 20, 2017
Global Convening and Partnership

A tech & innovation conference focused on networking. Join 1200 attendees, 250 executives, 200 startups & 150 investors from around the world. We will launch the Blockchain Belt and Road Initiative at the event.

INTERNATIONAL BIOMASS CONFERENCE MALAYSIA
Kuala Lumpur
10.19-20, 2017
Agensi Inovasi Malaysia (AIM) and Sarawak State Planning Unit (SPU), in support of Ministry of International Trade and Industry (MITI) and agencies will be organising the International Biomass Conference Malaysia (IBCM) 2017. The conference will be with the theme “Biomass Industry Revolution 4.0: Innovation-led Bio-based Economy”. It will be officiated by the Honourable Chief Minister of Sarawak.

COP23 & G20 Annual Meeting
Bonn & Berlin

• Hack4Climate
• FinTech4Good and UNFCCC MOU
• China Stage at the G2O SME Forum
• Blockchain Bond Initiative
• Blockchain4SDGs Alliance Annual Meeting

The International Forum for Clean Energy (Macao),
12.12-12.14, 2017

The IFCE is dedicated to enhancing both the innovative power of clean energy technology and industry competitiveness. Blockchain for Energy Hackathon, Blockchain Bonds Initiative, Energy Blockchain Use Case Development Working Group meeting.
Blockchain Frontier Labs: Drive use cases and pilots development in emerging markets

Blockchain Hackathon
- Demand driven competition
- Blended talent development
- Effectively engage partners
- Pitches & Judge Evaluation

Use Case Development
- Sector specific working groups
- Develop research on new use cases & applications for blockchain in frontier contexts
- Working group members include individuals from leading research and technical organizations

Fast Prototyping
- Highly customized program
- Ecosystem approach in stakeholder engagement
- Tested tools, frameworks and API’s
- Clear path to implementation

Implement Pilots
- Develop pilot implementation roadmap
- Develop and manage partnership needed for the pilots
- Provide hands-on support for government and others to implement the pilots

01 Insurance Blockchain Lab
Insurance Blockchain Lab
Beijing, Qingdao
2016.7

02 Healthcare Blockchain Lab
Healthcare Blockchain Lab
Washington DC
2017.3

03 Financial Inclusion Blockchain Lab
Financial Inclusion Blockchain Lab
Washington DC
2017.4

04 Smart City Blockchain Lab
Smart City Blockchain Lab
Washington DC
2017.4

05 Digital Identity Lab
Digital Identity Lab
London
2017.6

06 Blockchain4SD Gs Lab
Blockchain4SD Gs Lab
Copenhagen
2017.6
Global Blockchain Acceleration Network

Our Mission

“We build pipeline for investors, introduce entrepreneurs to new markets, and solve the world’s biggest challenges for a better world.”

— Xiaochen Zhang, President, FinTech4Good, Co-Chair, Blockchain Frontier Group

Why is it important?

“Blockchain technology represents a new operating system for enterprise, government and beyond — and will completely transform the way in which we move value and data.”

— Matthew Roszak, Co-Founder & Chairman of Bloq

Why is it important?

“FinTech and Blockchain hold the promise to achieve disruptive innovation in human history. New technology requires the emergence of a new ecosystem.”

Yinming Pang, General Manager, Greenland Financial Investment Holding Group

5 Continents
7 Countries
10 Cities
100 Investors
180 Days Acceleration Program
360 Days Incubation
3 years Mentorship
$1 million Awards
$1 billion fund to follow up
100 Biggest Challenges
China Token Economy Week Cohort 2017Q3

Beijing:
9/8/2017 – 9/10/2017

Shanghai:
9/11/2017 – 9/12/2017

Hangzhou:
9/13/2017 – 9/15/2017

- Anton Dziatkowskii
  - Co-founder
  - MicroMoney

- Artem Chestnov
  - Managing Director
  - LA TOKEN

- Michael Jones
  - CEO
  - Science

- Philipp Pieper
  - Partner
  - Swarm Fund

- Kirill Ivkushkin
  - Chief Enterprise Architect
  - Sberbank

- Alex Mashinsky
  - Founder
  - Celsius Foundation

- Vishal Gurbuxani
  - Managing Partner
  - Team in Résidence

- Christophe David
  - Founder
  - Dom Raider

- Alexey Shadrin
  - CEO
  - Russian Carbon Fund

- Kunal Nandwani
  - Co-founder and CEO
  - Cove Identity

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Ministers Conference on Blockchain

Ministers Conference on Blockchain three pillars: Ministers Summit, Blockchain Council and Frontier Labs

Financial services - India
Healthcare - Denmark
Education - Kenya
Public Services - Australia
Sustainable Development Goals - Georgia
Smart City and Energy - Malaysia
Smart City and Energy - Egypt
Financial services - Kazakhstan
Healthcare - Afghanistan
FinTech4Good Global Partnership Framework

01 Global Council on Digital Economy
02 Blockchain Bonds Initiative
03 Global Distributed Hub

info@fintech4good.co; wechat: dcbluelight
Global Council on Digital Economy

01 CO-CHAIRS
Co-chairs will work with secretariat for both strategic and operational issues of the council.

02 COMMITTEES
4 committees will provide expert support to public agencies to accelerating digital economy solutions.

03 TASK FORCES
Each co-chair can propose a one year long special task force at the annual Summit.

04 USE CASE DEVELOPMENT GROUPS
Develop sector specific blockchain use cases to be considered by the members.

Secretariat will work with co-chairs, committees, task forces and use case development groups to support public agencies and business leaders to accelerating digital economy innovations in new markets.

Call for collaborations
info@fintech4good.co
Blockchain Bonds Initiative

Issuer (Listed company)

Lead Underwriter

1. register
2. consign
3. subscribe
4. issue
5. register
6. exchange
7. clearing

NAFMII
Shanghai Clearing House
CFETS

Investor

Source: www.hyperchain.cn
Global Distributed Hub

Join Global Distributed Hub to access the best FinTech and Blockchain Ecosystem
(Here is the initial list of incubators and accelerators that we have reached out)

Qingdao International Collaboration Zone- Qingdao
China Resources Group Accelerator- Shenzhen
JadeValue FinTech Accelerator- Shanghai
Blockchain4SDGs Alliance China Center- Chengdu
Inncube Incubator- Beijing
IN3DC Incubator- Washington DC
Angel Hack- San Francisco
Illinois Blockchain Center- Chicago
Cocoon Networks- London
Stockholm Fintech Hub- Stockholm
Vienna Fintech Hub- Vienna
Wolves Summit Incubator- Warsaw
FinChain DLT- Sao Paulo
Silverlake Axis FinTech- Singapore
Astana International Finance Center- Astana
Blockchain Centre- Sydney
Tecno Kenya- Nairobi

- **Degree**: Technical track; policy track; finance track and business operation track BA and MA programs
- **Certificate**: Sustainable PPP: corporate leadership and PPP bidding
  Corporate leadership and staff for PPP operation
  Corporate partnership programs to blend Chinese companies with LAC companies to foster action learning

**Programs**

- **China-LAC Sustainable PPP Center**
- **China-LAC Sustainable PPP Forum**
- **China-LAC Sustainable PPP Council**

**China-LAC University on Sustainable Development and Digital Economy**

Qingdao International Collaboration Zone- Qingdao
China Resources Group Accelerator- Shenzhen
JadeValue FinTech Accelerator- Shanghai
Blockchain4SDGs Alliance China Center- Chengdu
Inncube Incubator- Beijing
IN3DC Incubator- Washington DC
Angel Hack- San Francisco
Illinois Blockchain Center- Chicago
Cocoon Networks- London
Stockholm Fintech Hub- Stockholm
Vienna Fintech Hub- Vienna
Wolves Summit Incubator- Warsaw
FinChain DLT- Sao Paulo
Silverlake Axis FinTech- Singapore
Astana International Finance Center- Astana
Blockchain Centre- Sydney
Tecno Kenya- Nairobi
Our Roadmap

2016
Insurance Blockchain Lab

2017
Blockchain4SDGs Alliance, Labs, Hackathons, Collaborative Initiatives

2020
Pilot Programs, Scale up Impact

Bring positive impact to 1M people
Thank you

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Chairman, Blockchain Frontier Group
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