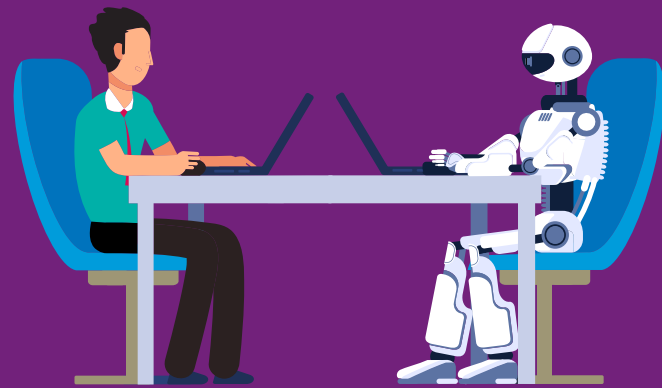


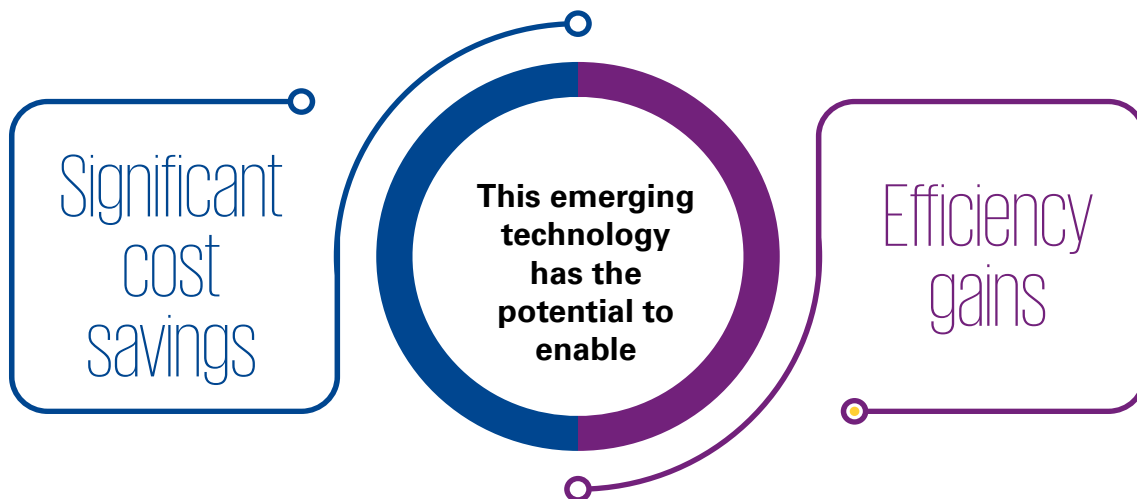
Boardroom Questions

Can blockchain be an integral part of organisation's success?

Board Leadership Center (India)



Blockchain or Distributed Ledger Technology (DLT) is seen as a revolutionary new technology that possess the power to discover new opportunities, while enabling trust, streamlined data reconciliation, immutability and transparency.



This technology empowers multiple parties in a value chain to efficiently work together based on a single source of truth. As a result, data can be easily shared between multiple parties, transferring value in a digital way and eliminating the need for costly reconciliations.

Types of blockchain

Public blockchain

In a public blockchain, access is wide open, anyone can become a node and participate in the blockchain. Ex: Bitcoin



Private blockchain

In a private blockchain, access is limited to specific users – such as group of banks, through a permission based private network



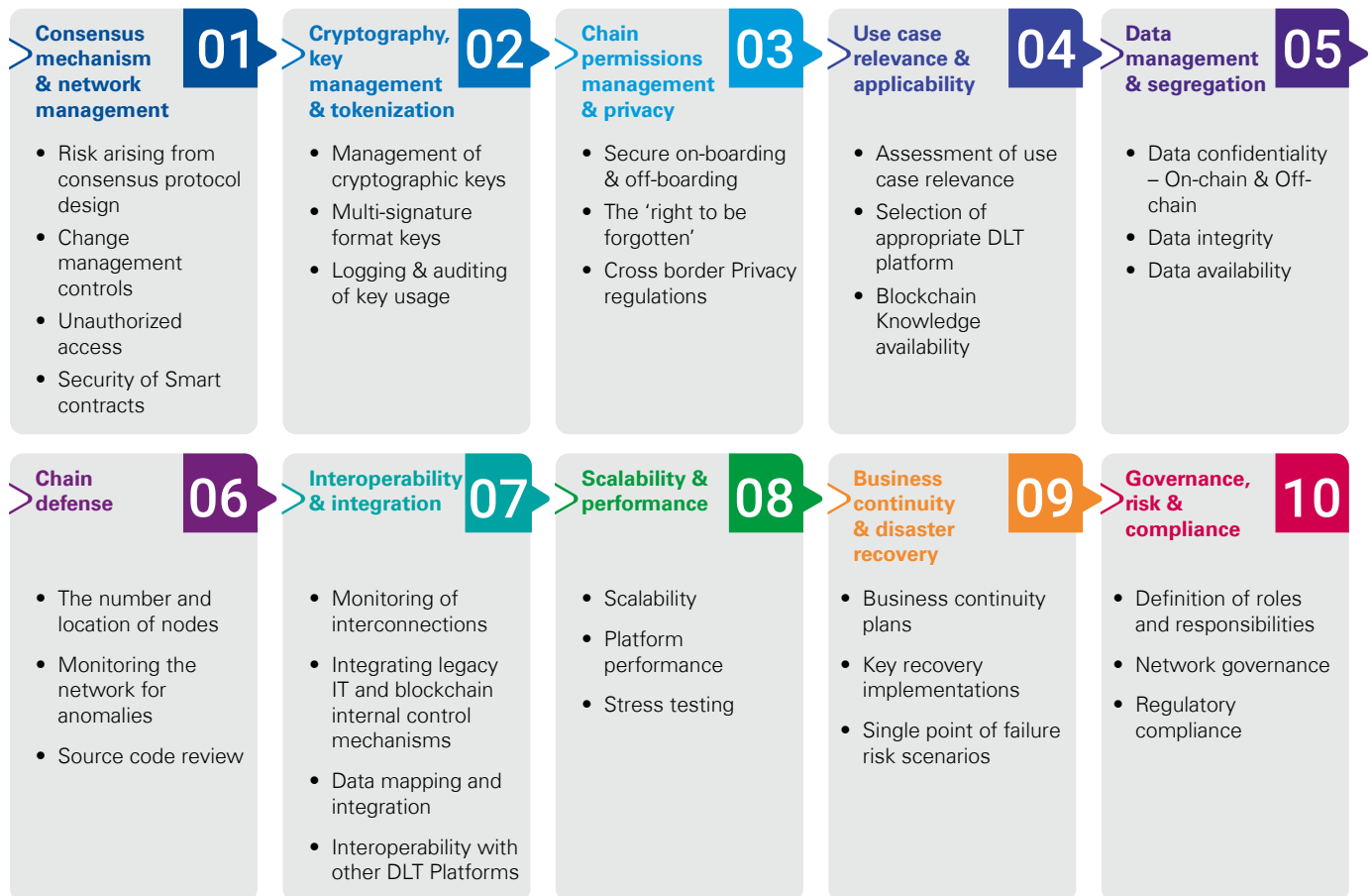
Parameters ↓ / Types →	Public blockchain	Private blockchain
Participation in network	Open	Closed
Transaction privacy	Not prioritized except for so-called anon-coins	Adjustable to the participant choice
Economic incentive for participation	Built-in	Contractually organized
Centralization	Fully decentralized	Varying degree of decentralization
Commonly used for paid social networking	Payments, remittances, prediction markets, distributed storage, paid social networking	Asset servicing, foreign exchange (FX), provenance tracking, trade finance, health care, insurance contracts

Blockchain related risks:

DLT has potential to transform the way organizations (re)design business and IT processes, however organizations should also consider unique risks associated with the application of DLT compared to traditional systems. This raises a question if new blockchain implementations meet the requirements when moving from proof-of-concept to production.



KPMG has identified ten specific blockchain risk areas as depicted in the graphic below:



Factors that determine if your organisation needs blockchain technology:

Business model

Product and services

Volume of your offerings

Profile of your automation



Potential benefits:

Increase productivity by automating back-office operations

Increased efficiency in real-time settlements worldwide with greater transparency

Reduce costs through automation and by leveraging the cloud and eliminating the need for additional servers

Increase security with cryptography.

Boardroom Questions

1. Is blockchain a component of your digital strategy?
2. If no (Q1), is your organisation considering/open to use blockchain based solutions/ use cases?
3. Do you perceive blockchain to be integral part of organisation's success?
4. Do you feel comfortable having a conversation with your colleagues about blockchain and its benefits and limitations?
5. Have you heard about industry peers, using DLT use cases?
6. Are you aware of DLT based use cases in ESG?
7. Do you think blockchain technology can be used to automate process for multi-party transactions?
8. Does your organisation have a view of DLT maturity assessment?
9. If yes (Q8), how mature is your selected blockchain solution?
10. Have you heard beyond crypto in DLT/blockchain?
11. Is crypto a part of asset class that your organisation has invested/ considered investing?
12. Are you part of any industry lead consortium?
13. Are you willing to participate in regulatory/ industry lead consortiums?
14. Is your organisation willing to explore DLT related opportunities which can be of help?
15. Do you understand the full suite of risks connected to blockchain? Does your cyber security framework cover DLT risk?
16. Do you think blockchain could be used to validate ownership over physical and digital assets?

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