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Co-Founder & Council Member, MANTRA DAO

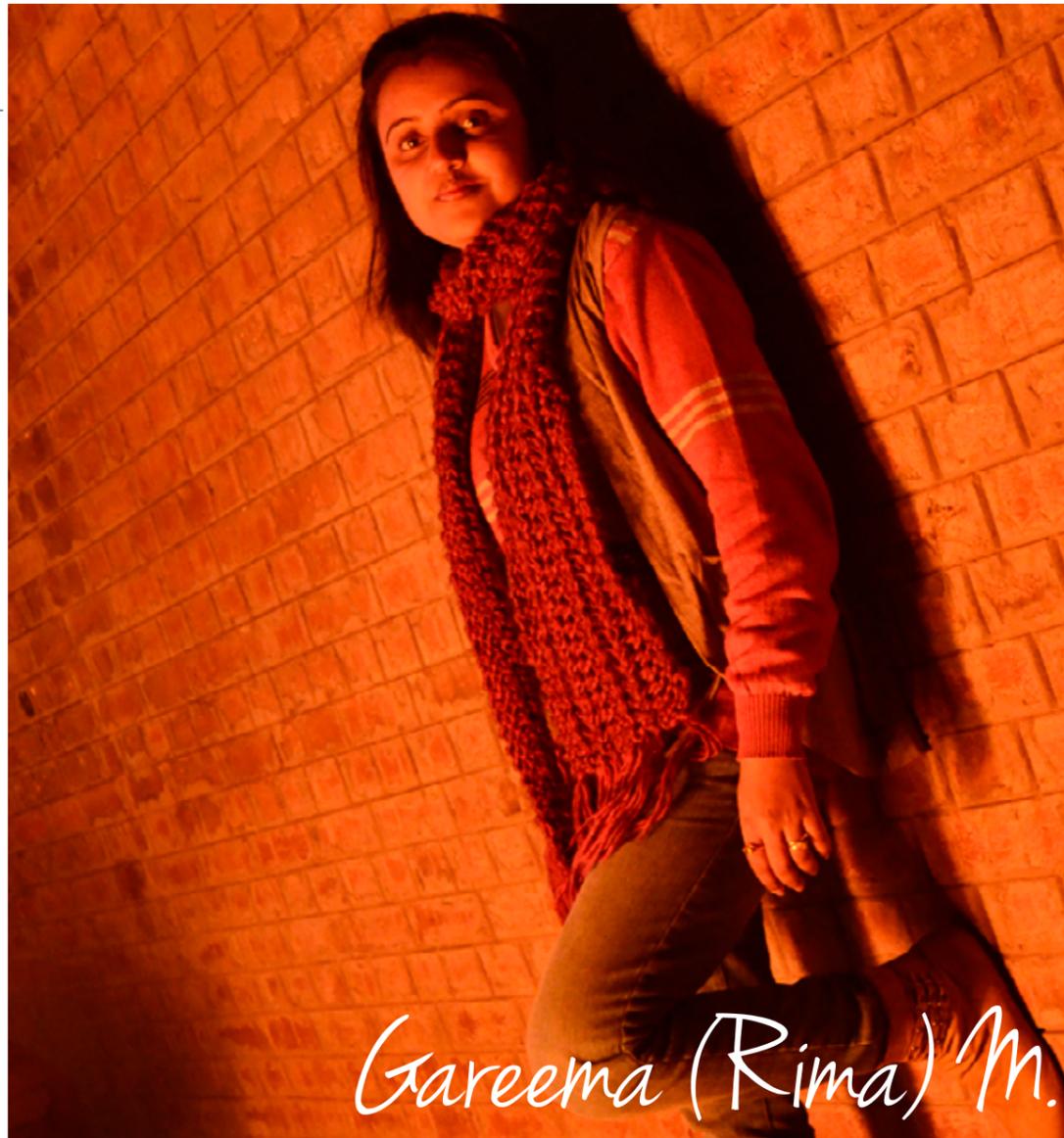
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CORPORATE INVESTMENT TIMES

2 years of togetherness and counting...



the journey so far...

Message from the CEO

Coming together is the beginning. Keeping together is progress.

Working together is success.,

This edition we celebrate the coming together of the minds of the industry, the people, the companies & the organisations.

Looking back to September 2019, it was us who brought forward the idea of compiling, curating and presenting unedited, and direct from the source, true to heart content that's been written just for our readers by those who matter the most in the industry -in the community.

Thus was born The Crypto Investment Times, an one of a kind magazine where readers could find articles, stories and content directly and unedited from those individuals who matter to the community, from those companies and organisations whose projects and endeavours are and would be forming the core of tomorrow's changing economy.

Within the first year of launch the Crypto Investment Times became the one and only magazine in the online business magazines space in the community of cryptocurrencies, ICOs, IEOs, STOs and everything related. Content coming directly written by the mentors and experts made the magazine a leader in the space and community taking the readership to over 300 thousand views per month, per edition.

And then we elevated the magazine to the Corporate Investment Times;

and you all loved it, the community loved it. Our readers embraced us with open hearts!!! And we kept the core value of the magazine the same: we do not write the content... every single article/story/segment that you see in the magazine is the VCs and investment facilitation firms or experts and influencers writing into the magazine. We remain to be the only community driven magazine reaching over 1 million views per month, per edition.

Going forward and keeping this core value with us, I promise you that the Corporate Investment Times would always try to feature the best for you, our readers... While we at the helm, remain to only be the curators and presentors, the Corporate Investment Times would continue be the community driven magazine.

Thanks for making The Corporate Investment Times a success as alone we can do so little, but with the community's help, your help, the future stands by us today.

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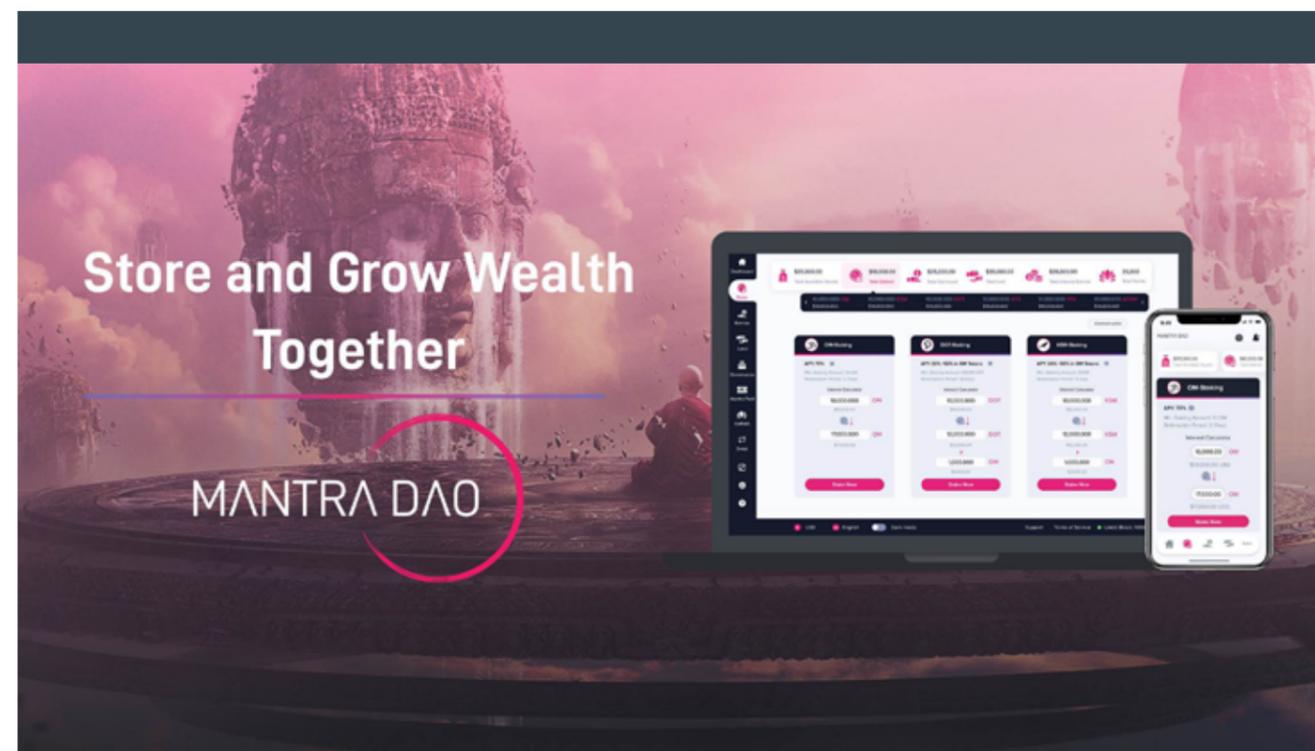
BRINGING DEFI TO THE MASSES

MANTRA DAO



MANTRA DAO is a fully integrated ecosystem of decentralized financial services built on interoperable technologies and controlled by its users collectively. Its governance mechanism is predicated upon a digital token called OM that allows its holders to participate in decisions affecting the parameters of the system.

OM tokens are distributed as a reward for contributions made to the platform and provides access to a variety of economic incentives. In addition to the OM token, MANTRA DAO supports the KARMA Protocol, a reputation mechanism that assesses participants' behavior within the system and keeps track of OM holders' performance metrics.



THE PROBLEMS AROUND DEFI

DeFi is not yet widely adopted. The lack of interoperable solutions drove MANTRA DAO's decision to build on RioChain, a substrate-based blockchain within the Polkadot ecosystem. There are so many blockchains these days, and most of them are isolated. Polkadot's blockchain solves the Interoperability problem and makes the adoption process much more achievable.

A DeFi project shouldn't be centralized, on the contrary, it should be for the community and governed by it. The MANTRA DAO Foundation was created to maintain the MANTRA DAO platform and serve the OM token holders, who are the beneficiaries of the foundation and govern how it operates. The MANTRA DAO Foundation will ensure the release and development of MANTRA DAO until the MANTRA community is established enough to maintain it in a completely decentralized manner. The MANTRA DAO Foundation is also responsible for safeguarding certain intangible assets pertaining to the project such as trademarks and copyrights.

Most existing Decentralized Autonomous Organizations (DAOs) are too

complicated for the average person to interact with as they require a sophisticated knowledge of cryptocurrencies. What's needed to bring DAOs more into the mainstream? Better user experience, simpler governance & voting processes, a reputation system that promotes positive actions, and more incentives for active participation.

Key Features

MANTRA DAO aims to solve these current problems facing the blockchain and DeFi space through its services and structure:

1. Staking

In contrast to Bitcoin's Proof of Work method of managing the state of the network, Proof of Stake (PoS) systems are the future of blockchain development because they are faster, more secure and more green. Users of MANTRA DAO's staking platform will be the first to access staking for projects such as Polkadot and Kusama. While staking, they will also be able to earn extra staking rewards in OM tokens. These staked assets will also greatly expand to encompass

numerous PoS and DPoS assets.

2. Lending

MANTRA DAO allows its members to deposit their cryptocurrencies as collateral and get instant access to stablecoin loans. MANTRA DAO is developing multiple lending products over three phases:

- Phase 1 - Open Source Lending Protocol;
- Phase 2 - Third Party Lending Service Provider;
- Phase 3 - Own Proprietary Lending Algorithm.

3. MANTRA POOL

MANTRA DAO will organise perpetual saving games in which the members can try their luck and will have a chance to win crypto. Every week, the protocol will select randomly generated winners. Users are able to enter the MANTRA POOL by burning OM to generate an entry. Users can gain entry into the MANTRA POOL in 2 ways: -
- Burning OM, where 1 burnt OM = 1 entry
- Depending on a user's KARMA level, they will have automatic entries into the MANTRA POOL

4. KARMA Protocol

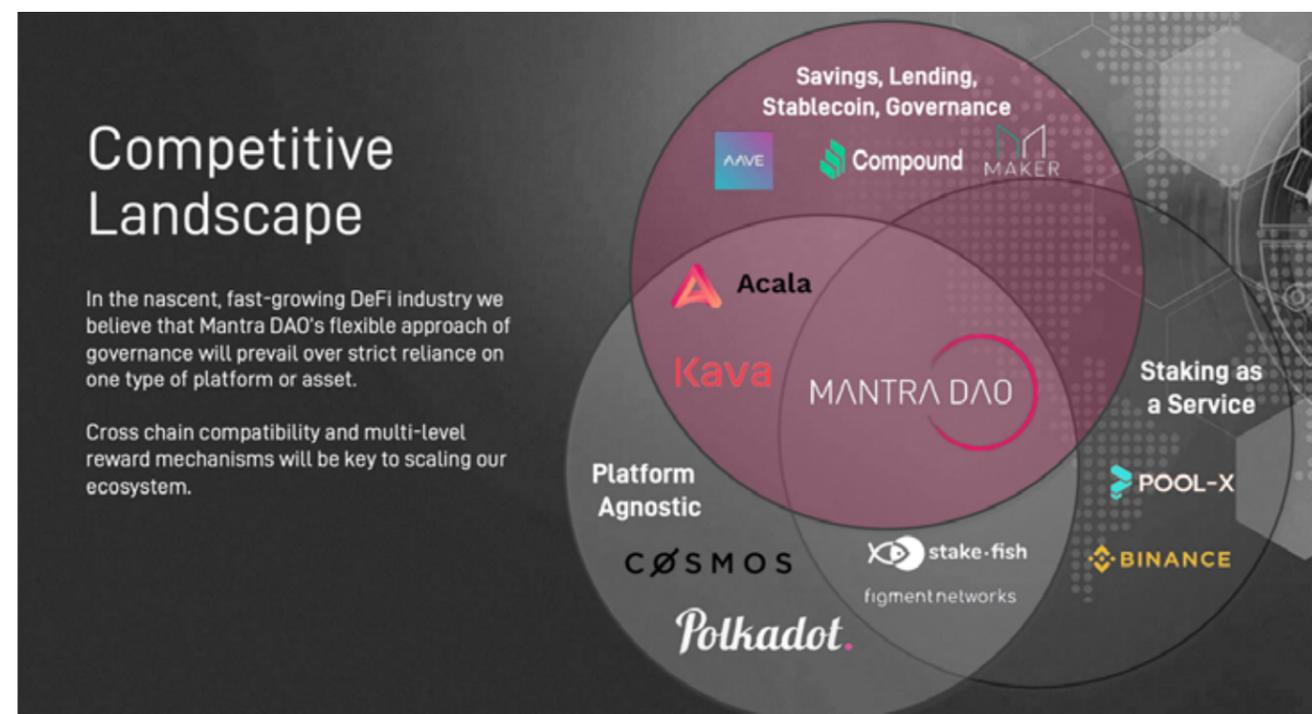
Our KARMA protocol provides a gamified reputation system that acts similarly to a credit score. It allows users to increase their staking rewards, lower their loan interest rates, lower their platform fees, and earn free entries into MANTRA POOL. In the future, KARMA will also allow access to undercollateralized loans, which we are super excited about.

5. Governance

MANTRA DAO gives an advantage to their



John Patrick Mullin (left), Will Corkin (center), and Rodrigo Quan (right) at the 2019 Hong Kong FinTech week where John and Will were both stage moderators. The three make up 5 of the active MANTRA DAO Council Members.



members through being structured as a DAO. Those members who hold OM tokens have full control over the ecosystem through systemic voting and governance rights.

The process for voting is as follows:

- 1 week for proposals
- 1 week for evaluation of proposals
- 1 week for the voting of proposals
- 1 week for the implementation of proposals

6. OM holders who stake OM will be allowed to propose changes to the MANTRA DAO ecosystem including, but not limited to, changes in:

- Interest rates
- OM Inflation level
- Ecosystem grants
- Adding additional staking assets
- Adding additional lending products
- Etc

What is a DAO

Decentralized Autonomous Organizations are

a paradigm shift in the very idea of economic organizations, offering complete transparency, total tokenholder control, unprecedented flexibility, and autonomous governance. DAOs are changing how organizations are coordinating their activities to create value. A DAO is decentralized because control over its operations does not reside in a single location. It is autonomous because the smart contracts that govern its operations determine how the organization functions, without the need for human intervention.

DAOs represent a massive upgrade to the traditional model for how companies are structured and run. DAOs use blockchain technology and programmable incentives to solve issues traditionally faced by global organizations, such as financial transparency, process automation, governance, and aligning geographically-separated, individual stakeholders in pursuit of a common goal. By combining state-of-the-art technology with new token-economic, governance, and financial models, DAOs can provide substantial benefits for their members. With DAOs, communities are able to leverage the strengths of all members,



WILL CORKIN

Co-Founder & Council Member, MANTRA DAO

Will Corkin is a blockchain & FinTech entrepreneur in both the crypto and tokenized securities markets. Helping to structure and launch over 20 blockchain companies while running the consulting and advisory arm of trade.io, Will more recently headed business development for the only US broker-dealer currently licensed under the SEC to compliantly issue and distribute security tokens. Prior to his involvement in blockchain, he was a portfolio manager at ZX Ventures in Shanghai. Currently, Will is an Advisor at Rio Defi and Ambassador for the Polkadot Network. He is also the founding member at Asia Security Token Alliance, and serves as the Hong Kong Community Partner for FinTech Connector. In addition to his positions, Will is also an avid speaker, mentor, and investor around the blockchain, crypto, and FinTech space.

Will Corkin's main focus currently is based around the up and coming DeFi platform, MANTRA DAO, where he is a Co-Founder and Council Member.

turning them into active stakeholders to grow the network together.

OM TOKENS

The MANTRA DAO Foundation's organizational structure allows for its operations and ownership to be run in a completely decentralized way. The OM token is what ties the Foundation and its members together. Every person that holds OM tokens is an owner of MANTRA DAO and has governance rights within the ecosystem. Every OM is equivalent to a vote, therefore giving all token holders a say in the direction and operations of the organization. OM tokens also allow

where it saw its total raise almost 9 times oversubscribed, the OM token was listed on over 10 different top tier exchanges. MANTRA DAO has also been running two staking programs that offer its participants 88.88% APR, with over 34% of total circulating supply being staked.

The MANTRA DAO community has also grown over 10 times since its token's inception, seeing unique wallet addresses holding going from 1,000 to over 10,000, not including all of those staking OM on exchanges. The MANTRA DAO platform is set to launch its version one by end of September and continue to hit its ambitious milestones along the way.



OM token plays a key role in expanding and maintaining the MANTRA DAO ecosystem. It has three core functions:

- 
STAKING & LENDING
 In addition to staking rewards, depositors of cryptocurrencies in MANTRA DAO will receive OM tokens.
- 
OWNERSHIP & GOVERNANCE
 OM tokens give voting power over certain economic parameters such as interest rates, level of inflation, ecosystem grant allocations, etc.
- 
REPUTATION
 OM token holders can grow their reputation via the KARMA protocol and be rewarded for their contributions to MANTRA DAO.

its holders access to additional benefits outside of the ownership and governance of MANTRA DAO.

What's Next

Following the successful close of MANTRA DAO's Initial Membership Offering,

Keep an eye out for whats on the horizon for MANTRA DAO as they plan and look to bring DeFi services to the mainstream market and to people from all corners of the world.





DR. MILAN KRAJNC

Today a psychotherapist, not an economist, can save a company from a crisis.

Public Management at Associate Professor the University of Peace United Nations and a member of the Department Serbian Royal Academy of Science and Art.

Formerly a top athlete, 200 and 400 meter runner and multiple national champion, today he is a psychological trainer of top athletes from various sports (athletics, tennis, volleyball, skiing); before that dancer. He still dances jazz ballet today. Milan Krajnc prepares directors to become top performers in their camp on the Adriatic islands www.winner.camp. He is the author of more than 100 books on leadership and relationships. More about him at www.milankrajnc.com.

Nowadays, when the extent of the general crisis is reflected mainly in personality crises, we hear more and more often that masks are falling and real faces of people are appearing. As I have been dealing with crises for more than 20 years, I have tried to find the simplest explanation for the phenomenon. The „tool“ that I used to explain the „mask game“ is called Transactional Analysis.

If Transactional analysis were translated into colloquial language, it could be called Communication Analysis. These are not just the words of the message we received. Everyone uses their own way of communicating. When we are in Slovenia and speak Slovenian, it does not mean that we understand each other. Besides the words (which is only 7%), the way of

communication is also the color of the voice (which makes up 38% of communication) and body language (55%). The moment someone stands in front of us and tells us something, we should not only pay attention to the words, because that would mean that we understand only 7% of what he wants to tell us, but we should look at him as a whole, because he tells us with his whole body. In technical language we would say that with the knowledge of transactional analysis the efficiency of information transfer is more efficient.

However, before I explain further what Transactional Analysis is, I want to show that I came to the point in a purely „natural way“, which means that I have come to know it from my own experience, and that this is not something that Dr. (founder Eric Berne of Transactional Analysis, modalities in psychotherapy) and Dr. (founder of , modalities in psychotherapy) wrote that we learn today. But it is something of life, something that really exists.

Already as a physics student I started to deal with the optimization of business processes in companies, which made my existing work in a company easier. The result was visible in lower costs, fewer complaints, better relationships and relieved employees and a resulting reduction of overtime. I was very proud of the result. However, it was not clear to me why the employees in the company started to resist after a while, and they simply did not want to accept the changes. Later, I realized that with the working method I proposed, the work would be much more transparent, it would be clear what exactly someone was doing and there would no longer be any collective responsibility. So the employees did not want to take responsibility.

The latter states Choice Theory: „Everyone is responsible for their own actions“Reality Therapy. I began to use Reality Therapy as an introduction Project Management to the business process. I began to teach the employees of the company to take responsibility. I felt a „stable enthusiasm“ within

me, i.e. the changes lasted for quite a while. I used to have a „euphoria“ that lasted for a short time. Despite the stable enthusiasm, the enthusiasm did not last long. Eventually the responsibility began to be distorted somehow, as if a greater influence was coming from somewhere. By researching corporate processes, I became a leader. My realization was that the power of the director's information is strongest in the company. Just as he communicates information from „above“, the process takes place later. So nothing helped me to change processes, to work on the responsibilities of the employees, because my work was constantly destroyed by the director. It was completely clear to me that if I wanted to change something in the company, I had to start with the director.

When I started to deal with directors and get to know them better and better, I saw that each of them reacted differently. But almost everyone treats their staff the same way they treat their children. I began to pay attention to how they reacted to certain information, how they communicated with the staff, and saw that the staff understood the information they wanted to convey in a very different way.

The director's expectations were much higher than the „skills“ of the employees. He wanted them to do the same thing that he himself was capable of, but they themselves could only do part of what he expected of them. Because the „imperfect“ product came back to him, he returned it to the process and passed the bad mood on to the employees, and they put it back on him. In this way the dispute never ended and the product reached an almost desired level with a lot of energy, lost time and money. It would be enough if the director would take the time to check that the employees would understand him and communicate with them, so that each of the employees would understand what he wanted to say. Then the task would be completed much faster, without additional costs and disputes. The director had to be taught to communicate and, above all, to be tolerant and listen to others.

But it was not clear to me why some directors were different? Not everyone was „explosive“, some took

their time and were friendly to the staff, others were not interested in the staff at all, they just demanded. Then the question began to arise for me why we humans are different.

Yes, really, why are we all different?

When I started doing personal interviews with CEOs, I saw that they often mention their parents, their childhood, this was especially noticeable in family businesses when they took over the business from their parents and their children were already working in them. I was lucky to see all three generations in the same working environment (365 family businesses). There I saw the director doing the same as his father and his son doing the same as himself. Although everyone wanted to do it differently.

The headmaster reacts as he saw it with his parents. People in everyday life react the way we see our parents. They are our parents, our first role models, and they are closest to us. And especially in the years when we learn the basic movements and reactions for life through imitation, that is, in the time of growing up. So I came to the conclusion that every human being is reagra, as he learns from his parents and as he learned from his parents, and that probably indefinitely.

I thought that if I wanted to change the process in a company, I first had to deal with the director's parents. Of course, I did not mean this literally, but to change the beliefs that the director has within himself.

Most interesting, however, was the information that staff were looking for methods to get as close as possible to the director. Everyone invented their own approach. It was really interesting to watch them getting creative. When I watched from so far away, I saw that it was a game in the company. The director is the main actor, and everyone else creates games



so as not to end the show. When I brought that to life, I realized that we almost all play. These games make us creative, but they also make us very tired. My conclusion was that problems in companies are caused by the directors. Because they do not know how to communicate or say what you want. However, his communication problems are caused by their parents because they carry them in a certain way. So I started to talk to the directors about their childhood, about the problems they have with their parents, from where I saw more and more similarities in the attitude towards the employees and the „parents of the directors“ towards them. I got the answer to the question why someone does

not want to move his chair and everyone in the company has to take 10 steps more. Because, for example, his parents did not allow him to ride a new bicycle to school on the first day of school.

So the path led me there Transactional Analysis, because I wanted to find out what parents actually leave in us, and how to get rid of it, how to recognize what someone is telling me, and how to live without games.

„Life is a stage and we have actors on it!“

A myriad of questions prompted me to do research Transactional Analysis. Especially the fact that we have many games in our lives and that we can live without them. In fact we are not even aware of the games. But if we look purely from the everyday life. We start the day by waking up in the morning with

motivators etc. ... We come home, perhaps in the meantime visit a shop where we are in the role of guardian, logistician, etc., and at home the morning game is repeated: hunt, please, execute, ..., use various tricks, games to reach the desired goal. And when we are completely tired, we still have to use the game of seduction (when our partner does not notice us), when we want to rest in an embrace or just feel that we exist too.

If we do this every day, we quickly realize that we are tired. What we suddenly see for ourselves, we feel that we are no longer ourselves, that we lead a different life, that we are available for others. That there are countless different people in our lives, someone else we are tired of. And then we ask ourselves: Who are we?

Countless miles and years must pass before we realize that our life is full of play. So we come to the same conclusion as Dr. Eric Berne, which he described particularly well in Transactional Analysis his book: „What game are you playing? Alone I noticed that the games slowly tired me and I wanted to get out of them. At the same time I wanted to see the reason why we play at all.

What I saw with myself and especially with the managers of family businesses, I

realized that we learn these games from parents or educators. So their life pattern continues through us. Their way of life is „implanted“ in us, which we adapt in our time and space. Dr. Dr. Eric Berne justified this as a script of our life.

If we look a little different. Before we are born into this world, we do not go into a preparation room where we would learn to live, but we simply come into the world as an „indescribable piece of paper“. We bring a few things into the DNA record - mainly traits, character and the like, but we learn to speak, behave, think, react by imitation. This means that the parents give us through gestures, lifestyle, a life scenario/plan how we will live. You could say they program us. Just like we program computers that cannot make their own decisions, but do exactly what we tell them to. If we think about it a little bit now, we realize that almost every decision we make is influenced by the excellence of our parents. But we have the opportunity to get rid of them!

But where are they? Where are these parents? We can find within ourselves that we have a conscious and an unconscious part of consciousness. This means that we can influence some things and not others. We are amazed at how we react; at certain moments we say, „But this is not me“. And this is where our parents hide: in an unconscious part, in a part that we cannot control. In fact, that is where the script of our lives is written. I am not talking about fate, I am talking about lifestyle, decisions, how we should dress, etc. All these records happen in early childhood, up to the age of six.

Before I go into the lifestyle that is in the script, I would like to say that since my teenage years I have been haunted by the idea of what the heart and the mind are. When we were unhappily in love, we used to say that our heart longs for this person and our mind distracts us from it. It was a kind of general saying, but I could not explain it to myself. I always imagined that there were two personalities in us. Well, now with the knowledge of Transactional Analysis things have become clear. There are really more people in us. Dr. Dr. Eric Berne described man as a creature that constantly checks to see if it exists. He called him a stroke, which means caressing.

Example: You walk down the street and meet a neighbor who comes in your direction, wishes you a nice day and smiles at you. You smile back and reply with the same wish. You have just exchanged „professions“ with your neighbor. The stroke is a unit of recognition. This exchange of professions is usually so close to us that we are no longer even aware of it. Imagine a repetition of an event that happens like this. You walk down the street and meet a neighbor, you smile at him and he passes you by as if you were air. How would you feel?

If you are like most people, you would be very surprised at the unresponsiveness of your neighbor. You'd wonder what was going on? In fact, we need professions and feel robbed if we do not get them (we point this out in everyday language). The facts are based on the results of a well-known study by Rene Spitz, which observed babies in an orphanage. They were well fed, clean and warm. However, they showed more physical and emotional problems than any other children raised by their mothers or other caregivers. Spitz concluded that the children lacked stimulation. All day long they could only stare at the white walls of their rooms and had little physical contact with the staff at home. They lacked the touching, caressing and stroking that they would normally get from their parents.

Bern chose the word profession (caressing), which refers to a child's need to be touched. As adults we still long for physical contact. But we also learn to replace physical contact with other units of recognition. A smile, a compliment, a grim look, an insult - all these are signs that our existence has been recognized. Recognizable hunger is a term used by Bern to describe the need for recognition by others. Professions can be verbal (greeting, praise, insult, ...) or non-verbal (smile, gloomy look, ...). Positive pods are those that the recipient perceives as positive, and negative pods are perceived as painful. From this one could conclude that people look for positive professions but avoid negative ones. This is not true, however. Perhaps there is even more! In reality, any



the partner in whose role we are, partner, lover, husband, friend ... If there are still children here, we also appear in the role of parents, educators, persecutors etc., then the work we are in, in the role of co-workers, superiors, subordinates, executors,

profession is better than none.

This idea is also supported by an interesting study on rats. Two groups of rats were raised in the laboratory in identical empty boxes. One group received electric shocks several times a day, the other group received no stimuli. To the experimenters' surprise, the group that received electric shocks developed better than the group without stimuli.

Like rats, we use both negative and positive pods to satisfy our hunger for stimuli. As children we perceive this instinctively. We all experienced in early childhood what it is like not to get a positive job when you long for it. So we thought of different ways to get negative pods, despite their painful effects. We would rather suffer pain than remain without a profession (which is especially reflected in families with violence). In adulthood we often repeat this pattern from childhood and continue to look for negative pods. This is the origin of some behaviors that have a self-destructive effect. Here we might also get the first answers to why we play. Namely that our life scenario (script) constantly checks whether it is on the right track? Do we live the way our parents taught us to? If everything is according to the „plan“, then OK everything is according to plan, if not, then we create a new game or in other words, we make the situation around us so that we are doing well.

The goal of every scenario is „death“. Because it is the fundamental goal of life, it appears to us in almost every moment of life. If I write a little ironically: „Everything we do, we do in order to die“, which would otherwise mean that the vast majority of things we do against our will, we do them to accommodate a life scenario that was written to please others. This is why I wrote earlier that we may even be looking for negative professions more often than positive ones. I mentioned earlier that I have found out for myself that there are several people living in us, which I also know through Transactional Analysis. Dr. also called Eric Berne these people. In other words, he defined Transactional Analysis as a

personality theory that shows us the psychological structure of the human being. It uses a three-part model called the „ego state model“. This model also helps us to understand how people function and express their personality through behavior. An ego state is a set of related behaviors, thoughts and feelings. It is the way we manifest a part of our personality at a particular time.

When I know, think and feel in harmony with what is happening around me in the here and now, and when I use all the resources available to me as an adult, I find myself in my „adult ego state“. Occasionally I may know, think and feel in a way that reflects the reactions of my parents or other people who were important to me during my adolescence. Then I find myself in the „parent ego state“. Sometimes I return to the way I behaved, thought and felt as a child. In these cases I am in the „ego state of the child“.

Each time we enter into communication, we address the interlocutor on the basis of one of the three basic states of self: as a child, as an adult, or as a parent. Our interlocutor also addresses us on the basis of one of these conditions. The child and the parent have roots in our childhood, in the past. We know that the past characterizes us; already Freud said that a child is the father of man. Childhood determines our adult life in many ways. One might even say that somehow half of human beings are born, and the other half is created through education. Through education our inner psychic structures are formed. Someone who has very strict parents will probably be very strict with himself. And vice versa. A child is often characterized by inflammatory reactions similar to those in childhood; the parents, on the other hand, „return“ to childhood by imitating the behavior of the parent figures.

If it can be said of parents and child within us that they are bound to the past, this does not apply to the adult. The adult does not imitate or present content from the past, but reacts autonomously,

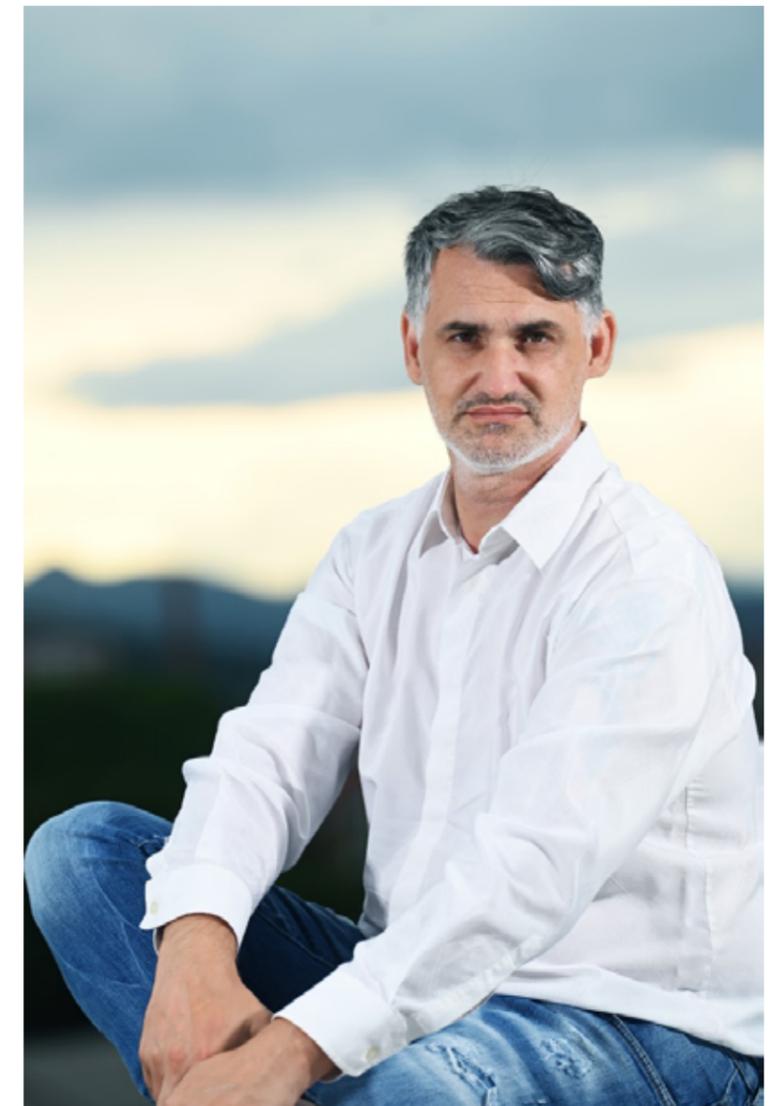
here and now. His behavior is in harmony with the reality of the moment. We all have all three forms of behavior, and every time we enter into any kind of communication we use one of these roles. If we look deeper, we could say that there are more roles. If we are a parent, we can be a caring parent, one who praises and caresses, an angry parent who forbids and criticizes, and so on. It's the same with the role of the child: The first can be obedient, the second spontaneous and free, the third defiant. The concrete choice in this concrete situation may depend largely on who our interlocutor is, on his or her form of communication with us. If he speaks to us sublimely, a defiant child will quickly awaken in us.

The choice of self-states is not fundamentally arbitrary, it depends on the individual's experiences with himself and on previous personal experiences. In most cases people behave spontaneously, especially if they are not familiar with these theories. Communication can also be very complicated: For example, if our conversation partner reacts to an attack by a parent, the conversation can quickly end in an argument. If a conversation is continued as a child, he or she is immediately in a subordinate position. This type of communication can only be interrupted if we are aware of what is happening, which means that we are different from these roles, i.e. that we are an adult all the time. So if we want to live without games, we have to get rid of all resentment towards our parents!

Transactional analysis is a method by which we can see more than others. We see the invisible and understand very well what someone is telling us. You could say that life makes life easier for us, because with a better understanding of ourselves and others we do not waste time and nerves. Of course, the article is not an advertisement for Transactional Analysis, but it is simply one of the best tools I use to liberate the past. To

sum it up in some way. The ego accompanies us all our lives. With it we actually learn to survive, but we have to be careful that something that is first a „solution“ does not become a cage for us. Because as long as we do not free ourselves from the shackles of our parents, we cannot free ourselves from the influence of the ego, and therefore parents who are first supporters of life can be an „effort“ in a few years.

As I wrote in the title, our parents write our script, but that does not mean we have to live it, because we are the directors of our lives and we can change the script at any time.





CONSULTICS MIDDLE EAST

Helping companies and entrepreneurs identify and capture business and growth prospects

Consultics Middle East's end-to-end solution caters to businesses and investors that are seeking to tap into the Middle East's growth story.



In a world increasingly beset by the repercussions of a still-unfolding global pandemic, people, governments and businesses are trying to grapple with a host of impacts and far-reaching economic implications. Aside from mitigating the challenges posed by the outbreak and its immediate aftermath, forward-thinking business and government leaders are looking ahead - treating it as an opportunity to be embraced and a chance to take stock of where they used to be, as well as where they want to go.

Nowhere is this perhaps more visible than in the Middle East where many governments and enterprises have reacted swiftly and creatively to the unprecedented adverse effects of Covid-19. From the roll out of economic stimulus packages and tax relief

measures intended to support struggling businesses, to measures taken to inject liquidity, optimize costs and review existing contracts, governments across the region have been taking proactive steps to address the extraordinary challenges posed by our times. From a business perspective, Middle East enterprises have begun reinventing themselves by adjusting to a different paradigm defined by a 'new normal.' Many have started transforming their services and products to cater to a new reality, with all its accompanying shifts in customer behaviour, priorities and modes of consumption. Take for example the hard-hit fine dining segment which now offers home deliveries and takeout, or cinemas that have developed a drive-in offering, or even the



proliferation of food trucks that have sprung up across urban parking lots.

Naturally, much of this transformation is being driven by technological innovation and enablement. Relying on the 'digital factor' has helped banks expand their mobile and e-wallets services, prompted retailers to double up on their e-commerce focus, allowed museums and galleries to launch virtual guided tours, and enabled health providers to expand their telemedicine services. It is within this dynamic context that new opportunities are presenting themselves across the Middle East for businesses that seek access to a young, affluent, and growing market ripe with prospects. Set against the backdrop of ambitious government-driven economic diversification strategies, the region is experiencing an accelerated transformation in technology, economic and social systems. This presents immense and exciting possibilities for aspiring businesses that are able to identify and seize the opportunity.

But how should enterprising businesses go about expanding to new markets with which they are not well acquainted while making sure they consider all the variables? What are the local standards and

regulations to which they should comply? How would consumers receive their services or products? What cultural considerations and nuances should they factor in? Where is the best location to set up shop, or should they go virtual? Responses to questions like these will invariably differ depending on the specifics of the business, its model, the brand, and the industry it is in. There simply are no cookie-cutter answers.

Consultics Middle East was established to help companies and entrepreneurs identify and capture business and growth prospects in the region. Founded in 2013, the consultancy is dedicated to paving the way for businesses to the vast possibilities that exist in the Middle East through a proprietary, tailored project delivery model that delivers impact and results.

The company's end-to-end solution caters to businesses and investors that are seeking to tap into the Middle East's growth story. Since its inception, Consultics Middle East has adopted a custom-made approach focused on providing consultancy, business transformation and marketing services to organizations keen on expanding their operations

into the region.

To accomplish this, the 'cross-border diversification consultancy' relies upon its research and business process improvement expertise, in addition to a keen understanding of the region's market dynamics which it has honed over its years of operation. Consultics' strength lies not only in its profound appreciation of the region and its subtleties, but also in its ability to figure out the fundamental strengths of businesses and enterprises, as well as the areas for development that may impede their ability to achieve success to the Middle East.

A critical first step in the process is to gain a comprehensive understanding of the business. To accomplish this, Consultics evaluates a client's business proposition, operating model, capabilities, and brand against extensive criteria the company has developed specifically for that purpose. This is done by conducting deep dive sessions and workshops, as well as interviews with key executives within an organization. Once completed, the consultancy then sets out to identify the opportunities that exist within the region, including exploring and assessing the potential need for the business' service or product,

as well as the prospective market's receptiveness to their offering.

"For us, it is critical to gain an intimate understanding of our client's business and of its leaders' vision. Our aim is to decrypt their needs and ambitions, so we can offer a pragmatic, no-nonsense assessment of their capacity to come here and then match that to market realities," says Stefanos Nicolaou, Founder and Chairman of Consultics Middle East. "To achieve the desired results, we work closely with them from the very onset to ensure they ask the right – and usually hard – questions and get the right answers."

Driven by the lure of success and expansion, many businesses are all too eager to come to the region to jump on the growth bandwagon. But they do that at their own peril when they neglect to undertake the prerequisite legwork. In essence, they fail to see that by doing 'due diligence' they are saving themselves a great deal of money, time, and effort – and, perhaps more significantly, avoiding the numerous pitfalls that could lead to disappointment. This is as true for large multinational corporations as it is for SMEs and startups. "As globalized as the world has become, full

**UNDERSTANDING & NAVIGATING
THE 'CHANGING WORLD'**

**Delivering leads through
an Engaging Platform**

Consultics

appreciation for the local requirements of a market, native mindset, and consumer behavior remains an ever-elusive secret to success," notes Nicolaou. "You can't just apply what you've done in other markets and come here expecting instant glory. You can possess a phenomenally successful business model, top notch marketing, and outstanding product quality and still go belly-up. I've seen it happen... all too frequently."

Extensive experience gained through years of operating in this field has enabled Consultics Middle East to develop a structured, process-oriented, advisory approach that delivers a truly bespoke route to market. It is one which firmly places results at the forefront and which is defined by metrics and success factors that are collaboratively defined with the client to ensure continuous alignment and buy-in. This ensures that the approach is uniquely catered to each individual business and addresses its distinct goals and specific aspirations.

"There are no shortcuts or piecemeal solutions to helping businesses enter a new market, especially not one as diverse, fast-evolving and particular as the Middle East," adds Nicolaou. "Our approach incorporates a thorough scientific method that is labor intensive and the product of years of accumulated knowledge. But it is also as much an art as it is a science."

In addition to its deep knowledge of the Middle East's business, operational and cultural nuances, Consultics Middle East also boasts a solid network of local partners, clients and collaborators. The company is also undergoing its own digital transformation and will be launching a technology driven platform by the end of September. This will allow it to scale its offering, creating an ecosystem that enables even more businesses and entrepreneurs to explore the opportunities that exist in the region and to tap into Consultics' broad expertise.

In a rapidly changing business world marked by an increasingly competitive landscape, shifting consumer tastes, and constant disruption, the advantages of seeking the time-tested expertise of a consultancy well-versed in the region cannot be overstated. It only makes sound business sense to make sure you have a capable navigator by your side before embarking on an expansion journey across uncharted waters.

Stefanos Nicolaou

Founder, Chairman and Acting CEO Consultics Middle East

Stefanos Nicolaou is a business leader and expert in business transformation, market research, data analytics, and innovation.

With over 17 years of experience in research and consulting across the Middle East, Nicolaou has a sound understanding and deep insight of the regional business and consumer landscape.

As a strategic advisor and founder of Consultics Middle East, Nicolaou is dedicated to helping companies identify and capture business and growth opportunities by providing tailor-made consultancy, business transformation and marketing services to organizations keen on expanding their operations into the region.

Stefanos's background and experience other than being the Founder & CEO of Consultics Group, includes leadership positions in the multinational and corporate world, in addition to several boutique agencies in the Middle East and currently also a key contributor and advisor in major corporations in Europe and Middle East Region.

Stefanos holds a Master's degree in International Relations and Affairs from the University of Indianapolis and a Bachelor's degree in Business Administration and

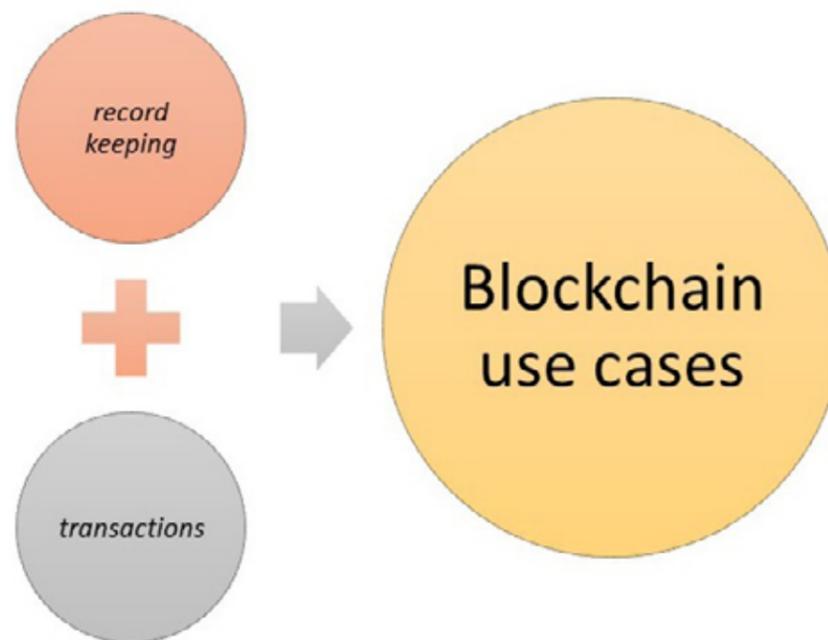
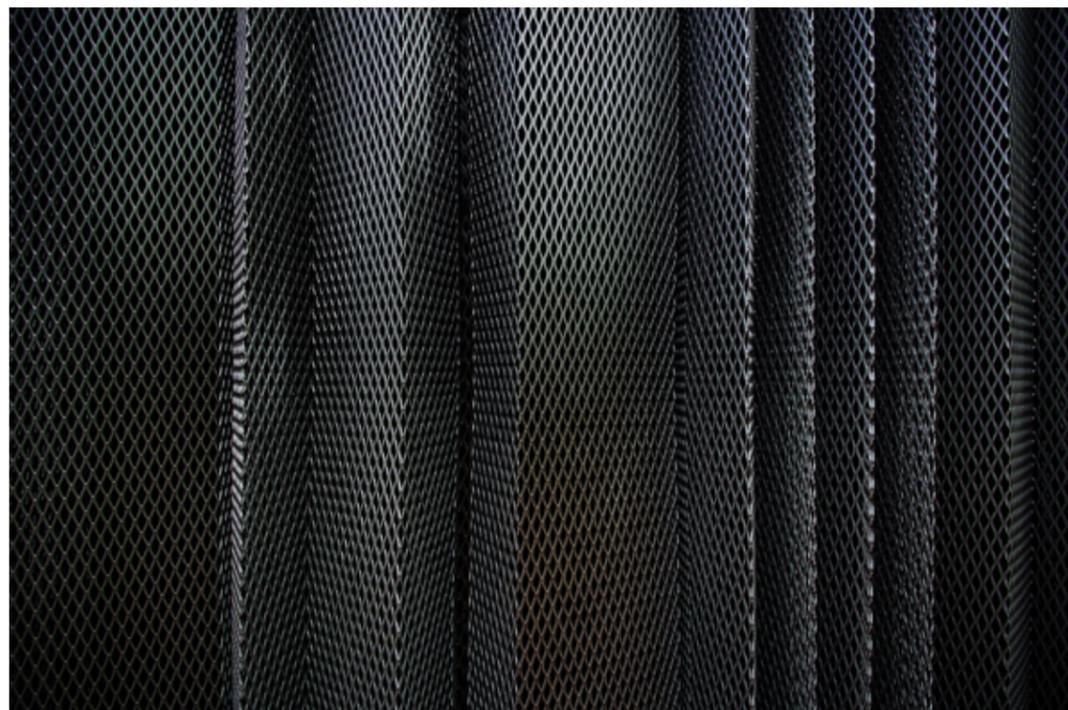
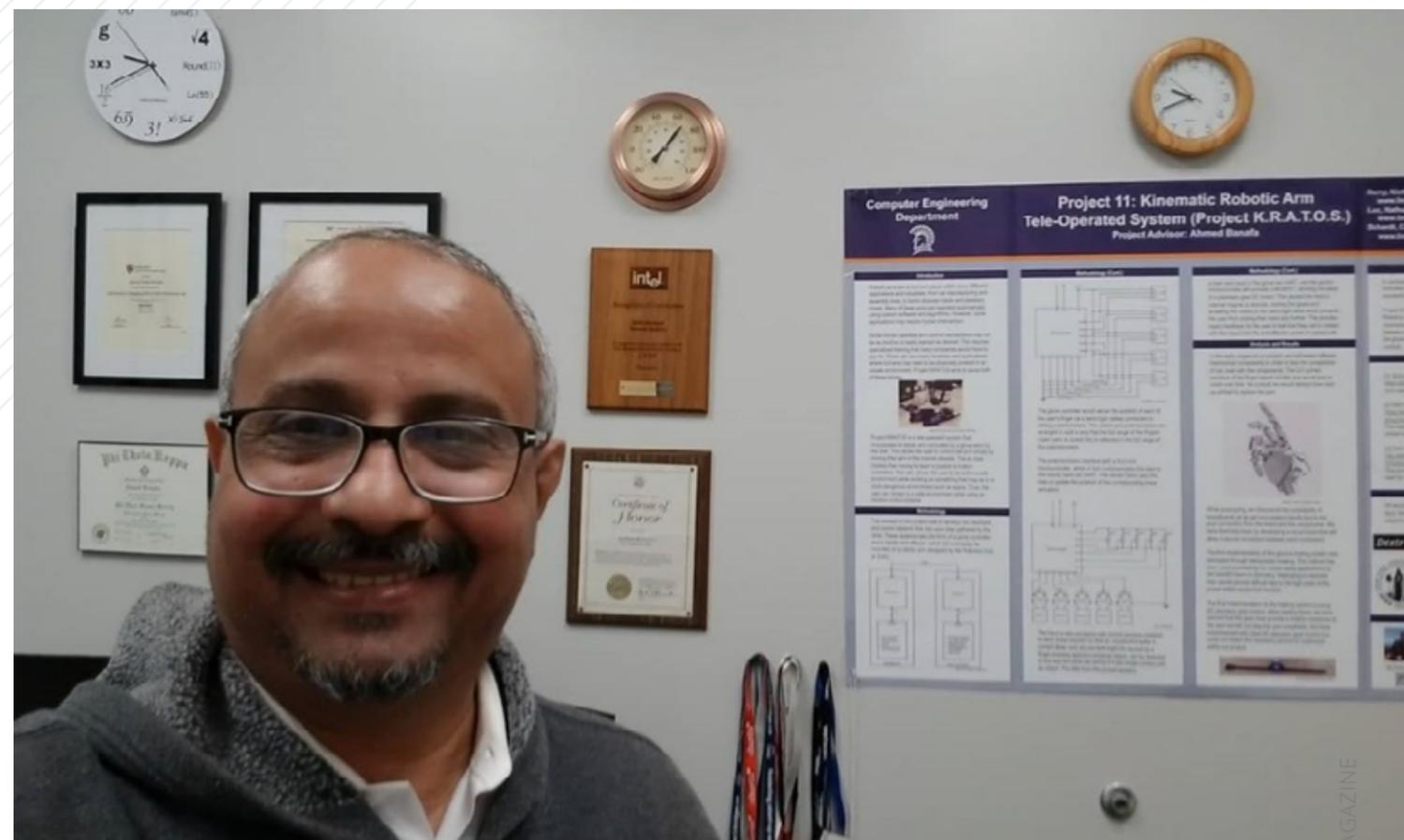


BLOCKCHAIN USE CASES

Prof. Ahmed Banafa

Global Contributor,

Expert IoT-Blockchain-AI, Author,
Keynote Speaker



Blockchain use cases fall into two fundamental categories: record keeping, static registries of data about highly valuable assets, and transactions, dynamic registries of the exchange of tradeable assets.

- Record keeping use cases include the long-term safeguarding of data on valuable physical and digital assets, keeping track of identity-related information about individuals and executable smart contracts based on pre-defined conditions.
- Transaction use cases include keeping track of data about frequently exchanged assets, near-real-time digital payments and emerging digital assets.

Here are four ways that Blockchain is actually useful for to avoid pilot to production failure.

- The first use case is for guaranteed and verified



data dissemination.

- The second use case is asset and product tracking.
- The third use case is asset transfer.
- The fourth use case is certified claims.

Advertising

For buy-side transparency: Blockchain for auditing
For sell-side transparency: Proof-of-View (PoV) to fight fraud

- PoV only records views from signed-in users, since the viewer's unique ID is part of the information required for a view to be considered valid.
- Since most people are only able to watch one video at a time, the PoV will invalidate views

from a user who is streaming multiple videos simultaneously.

- The PoV technology confirms that a video is actually being streamed by capturing information about the current frame at random times.
- Using smart contracts to document views and who gets paid

Insurance

Arguably the greatest Blockchain application for insurance is through smart contracts. Such contracts powered by Blockchain could allow customers and insurers to manage claims in a truly transparent and secure manner, according to Deloitte. All contracts and claims could be recorded on the Blockchain and validated by the network, which would eliminate invalid claims. For example, the Blockchain would reject multiple claims on the same accident

Real Estate

The average homeowner sells his or her home every five to seven years, and the average person will move nearly 12 times during his or her lifetime.

With such movement, Blockchain could certainly be of use in the real estate market. It would expedite home sales by quickly verifying finances, would reduce fraud thanks to its encryption, and would offer transparency throughout the entire selling and purchasing process.

Energy

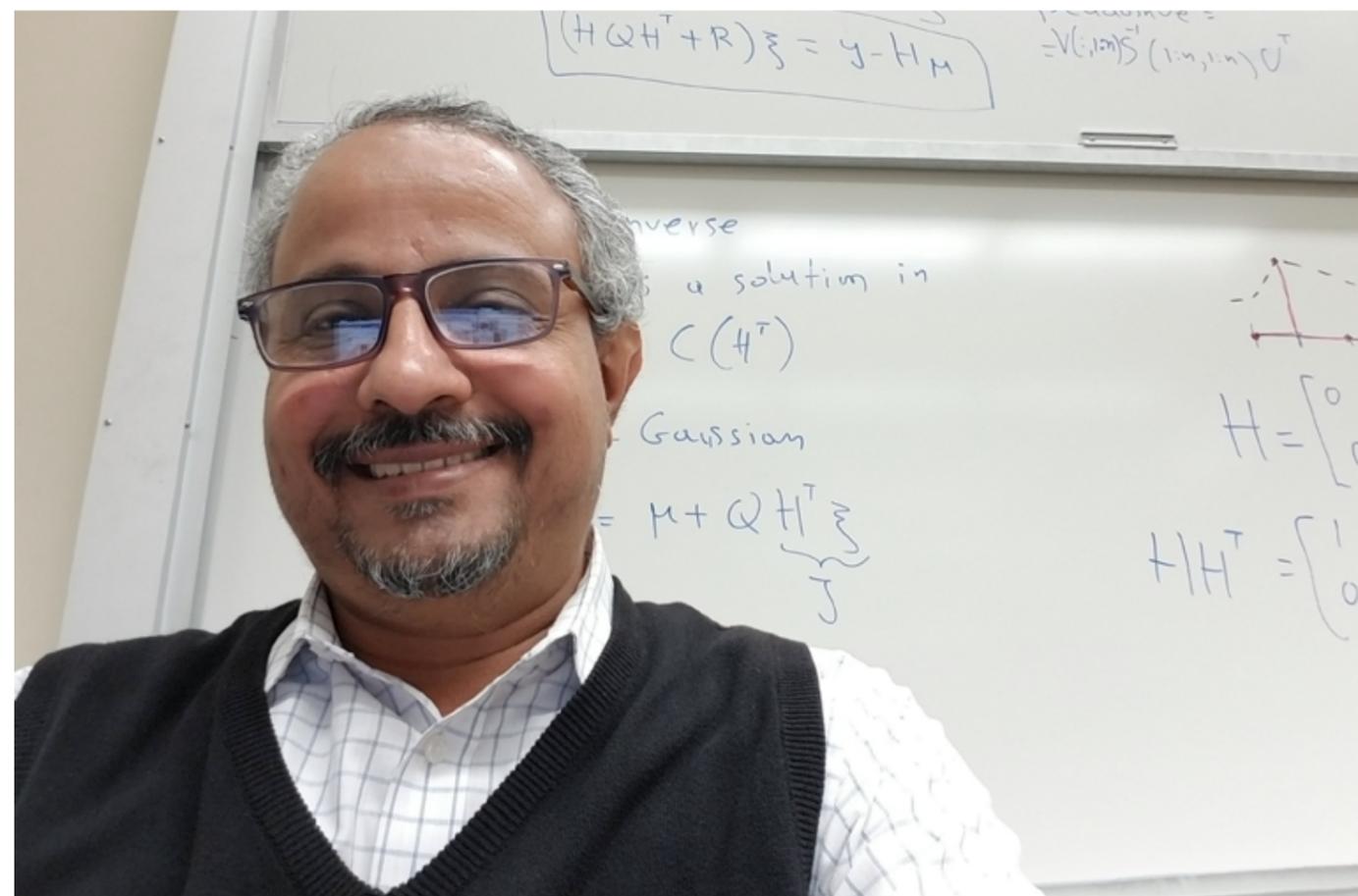
Blockchain technology could be used to execute energy supply transactions, but it could further provide the basis for metering, billing, and clearing processes, according to PWC. Other potential

applications include documenting ownership, asset management, origin guarantees, emission allowances, and renewable energy certificates.

Record Management

National, state, and local governments are responsible for maintaining individuals' records such as birth and death dates, marital status, or property transfers.

Yet managing this data can be difficult, and to this day some of these records only exist in paper form and sometimes, citizens have to physically go to their local government offices to make changes, which is time-consuming, unnecessary, and frustrating. Blockchain technology can simplify this record keeping.





THE UNBEARABLE LIGHTNESS OF SATOSHI'S PHILOSOPHY

I can say that I know the world of crypto since many years. I met Bitcoin in 2009, but only after a one-year study did I begin to understand its possibilities. Like many, I started amateur mining and I remember with homesickness the era of Satoshi Nakamoto, because I followed it personally in Bitcointalk's golden age. I have always thought that many who are now in this world, and came later Satoshi, they have

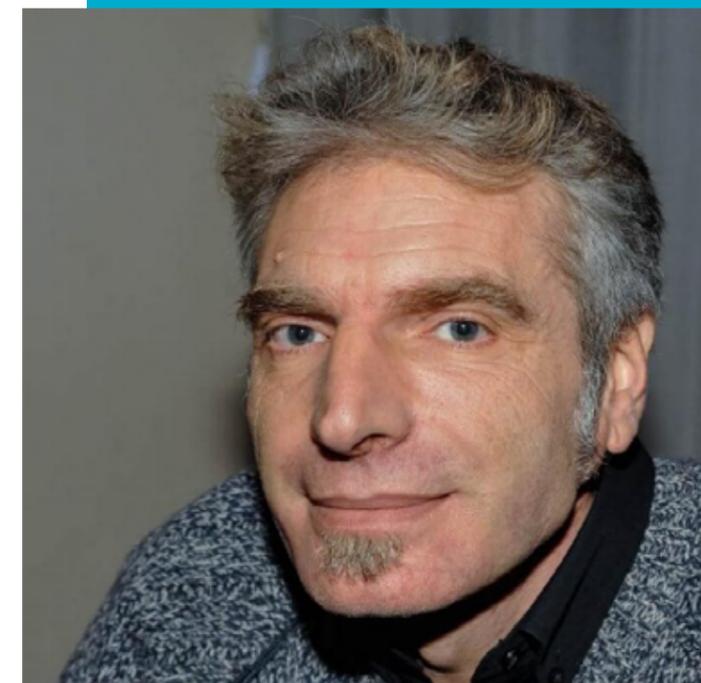
LUCA COTTA

Experienced with a demonstrated history of working in the management consulting industry.

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CRYPTO ICO / PRE-ICO MANAGER EXPERT (Skilled/Referenced), More than 100M\$ ico sold-out.

Skilled in Computer Network Operations, Computer Hardware, IT Management, IT Service Management, and IT Strategy. Strong entrepreneurship professional graduated from specializzazione it / Problem solving / cryptocurrency / #btc.



given him great pain. Why? Looking at the birth of bitcoin, we can say with absolute honesty that it is an invention that wisely manages to combine different components that go to structure the currency and the blockchain. Basically Bitcoin is a project made from the combination of previous discoveries of about 20 years, where the genius is not so much in having invented something new, but in having intelligently aggregated a series of things that already existed since the 90s.

I can quote with data:

- The P.O.W. born from HashCash (among the first digital money);
- The blockchain was born from the work of researchers Stuart Haber and W. Scott Stornetta (1991), who introduce a practical solution for the time stamping of digital documents, to ensure that they cannot be backdated or altered. Then to this system - which uses a cryptographically protected block chain to store time-stamped documents - In 1992 Merkle trees are introduced into the structure;
- Public key cryptography existed 30 years earlier;
- We have seen peer to peer in Napster to name just one project.

But what was missing from these elements? There was no Satoshi to combine them. It's like having a box with many pieces of a puzzle and one day a man comes and combining them creates something that has never existed before.

How many times has Satoshi been told „it can't be done“; „How do you make money peer to peer and permissionless“ just because his vision was so great that others thought it couldn't be done. I imagine a Satoshi who worked in a context where others told him „it can't be done“ and he saw projects like E-Gold and B-money fail around him. But this has been done! Neither was technology as advanced as quantum computers needed. Satoshi Nakamoto's elegance lies in showing that with already existing technologies he has managed to do something revolutionary that did not exist before.

I created as a core team member, together with my fraternal friends like Stano Khulechov and others, a project in 2016 called EthLend (LEND), now it has changed its name to Aave and is the second most important project in the DeFi sector. With EthLend, we were able to create another type of finance

that relied on decentralized lending. DeFi is another great opportunity and it lacks only the vision that can glimpse its great potential. But also due to projects carried out by scammers - as has happened in many ICOs - it is progressing slowly.

Even today there are many people who say that „it cannot be done“. One of the ways not to innovate is to not try. Why not give it a try? Why not try to overcome the obstacles? The lack of imagination, the lack of commitment, the lack of lateral

thinking, are equated only by the ego of those who do not accept that a solution exists, but simply do not see it.

What Nakamoto really should have taught us with the invention of bitcoin is to say: where is it written that it cannot be done? There are number of things that are shown to not be done. And in any case, the discussion is always relative to today, because technology goes on and it is not known whether in the future something that cannot be done today will be done. It is to be encouraged that someone wants to go and look where no one has looked before and possibly find something. Because the moment something is found, we all gain.

Those who previously had a closed mind and said you can't do bitcoin, were wrong.

Now there is bitcoin, this has been done, but everything else cannot be done. In my opinion, this is a way of not respecting and it is the way to demonstrate that you have not understood Satoshi Nakamoto's work and approach, it means that you have not understood the underlying message. It is like repeating a poem by heart without having understood the moral, above all without having made it one's own, without having understood the message. In my opinion the message it's clear and it is this: as long as there is someone who wants to try it then there is always the open possibility that somehow, something can be done. And the future will belong to these people, not to those who say it can't be done.

This is something that I keep in mind right now when together with a team of trusted futuristic friends we are developing a new DeFi project which, in my opinion, has the potential to revolutionize a very large industry. I can't say more. I keep you updated ...





12 REVOLUTIONARY TRENDS THE EDUCATION SECTOR

Dr. Raul V. Rodriguez
Dean, Woxsen School of Business,
Woxsen University



As has happened with almost all areas of our life, technology came to change forever, also education. Being one of the most rigid industries in society, it is not entirely easy for the changes that are taking place to take shape in the short or medium term. However, the technological revolution of recent decades, and especially the advances of recent years, provide a good number of tools that, well used, can be very useful for educational purposes.

Video games, applications and platforms to solve tasks or communication with parents, flexible spaces that adapt to the needs of an increasingly collaborative work and even robots that correct tests and send feedback almost in real time are some of the many changes that are being implemented and that are coming, here and in the world. In this article, we will talk about the main lines within the evolution of the educational system, among which we can highlight the following:

1. "The Leading Boys"

This is the great premise from which almost all technological changes in education emerge. The model of the boy sitting on a bench with a teacher who explains how things are out of



date. Not only because kids have so many answers to their questions and unlimited information at hand on the Internet, but because their minds need to be constantly stimulated. The idea of solving problems that challenge them, applying concepts from the curriculum, is much more compelling than sitting as passive subjects.

2. From Teacher to Facilitator

The roles of student / teacher are modified, the latter becoming more of a coach-facilitator-moderator than a subject who transmits knowledge to others. In fact, this knowledge tends to be built collaboratively and is not approached from the individual.

3. Work by Projects

By putting the focus on the boy being the subject of knowledge, the work is no longer given exclusively by subjects but by projects, applying their knowledge to real contexts, putting into play what design thinking is.

4. Flipped Classrooms

This model of inverted classes is a trend in the world and it is used in an exceptional way. The focus of teaching changes: instead of prioritizing the presentation of the teacher in the classroom and sending homework for them to put into practice, the boys watch the theoretical explanation of the topics at home through videos, and it is in the class where they apply that knowledge through exercises and proposals. In this way, video platforms make class time better used.

5. New Paradigm and New Spaces

Collaborative and team learning, the emergence of screens in the classroom and project work bring about a resounding change in both the furniture and the arrangement of the learning spaces, as well as in the infrastructure of advanced institutions. Some schools no longer have computer rooms, as mobile devices bring technology to where students go, and special rooms are reserved for multimedia, video editing and graphic design labs. Others, on the other hand, transform what were the computer rooms into makers spaces where „doing“ is the boss and digitized classrooms that have 3D printing, scanners, robotics and even virtual reality.



Virtual reality is not only used to experience video games with greater intensity or to have exaggeratedly realistic experiences.

One of the uses that is being given is, for example, for linguistic immersion. Sometimes we cannot travel as much as we would like and, therefore, we do not practice other languages continuously. Thanks to this technology, software is being developed to be able to speak with native people of the destination country. It can also be used to learn countries, to know the

scenes of historical passages or to know other cultures almost in situ.

In many cases, the classrooms themselves are made more flexible, allowing them to be expanded to integrate them with other grades, to move tables to set up authentic community spaces and to take them apart. In this way, jobs can be developed in the same course that require some students to be at tables, others on beanbags browsing digital tablets, and others on mouse tables using other devices.

In addition, one of the most revolutionary uses is that it can be used for medical students to have help when performing virtual operations and thus practicing. If this type of technology did not exist, they could not practice until they were in a real situation.

6. Class Times Change

The periods of time in which the subjects take place also tend to become more flexible, since project work requires other times. At the same time, the traditional classroom is complemented by the virtual classroom, so the notion of time is also upset and goes beyond the limits of the classroom. The times that content requires to be broadcast virtually can transform the requirements of between 40 minutes and an hour of the traditional system to pieces of between only 8 and 12 minutes in which specific concepts are addressed. Technology is at the service of being able to learn more in less time.

7. Learn to Learn and Manage your own schedule

Children are prepared to learn, providing them with lifelong skills to solve different types of problems, such as critical thinking, metacognition (understanding the thought processes that are



occurring), deduction and inference, among others; in a context in which self-learning is constituted as a central and growing trend hand in hand with the explosion of MOOCs (massive open online courses, which are already offered by many universities) and at a time when knowledge is all the time at hand (through tutorials, videos and e-learning).

We have a long list of LMS or management systems (Google for Education, Moodle, Blackboard, Canvas, Caroline, Sakai, Dokeos, etc.) both private and open source that help us diversify our choices, as well as many and varied technological trends (augmented reality, gamification, 3D printing, virtual reality, MOOC, programming, robotics, etc.), and countless educational APPS (Kahoot, Classcraft, Duolingo, ClassDojo, video2brain, Make it, etc.) that facilitate the application of teaching methodologies that promote experiential and meaningful learning, making students the main protagonist of their teaching-learning process.

8. Personalized Learning

Although the tendency is to work in a collaborative mode, in parallel there is a personalization of teaching according to the level and interests of each student. This is achieved thanks to the



11. Goodbye to Excuses

It is likely that this practice that has left us so many anecdotes is being left behind from now on. It happens that today many schools handle communication with parents through apps that report grades, schedule changes, homework, student information and, yes, absences, that precious asset that we had the power to handle with discretion.

Additionally, artificial intelligence is destined to have a huge impact on learning models.

It can be used to automate the grading of assignments, texts and student assessments, drastically reducing the workload. Unlike teachers, an artificial intelligence system can also provide personalized attention to an unlimited number of students, helping to provide the ideal personalized education.

At first this may sound like science fiction; however, there are already approaches to this technology. Virtual learning assistant uses artificial intelligence, machine learning, and natural language processing to provide individual tutoring. When a student is taught a concept, they are able to converse with her, ask questions and answer open-ended questions, and give an instant response. It even assesses the student's work, providing accurate evaluation data.

12. A Comprehensive Training

The objective of empowering students is directly linked to stimulating creativity. In this context, formal and informal learning are perfectly combined, an area in which issues related to art, yoga, music, breathing techniques and the importance of healthy eating, caring for the environment and of an education oriented to sustainability. Thus, the training is enriched by addressing the different spheres of what reality is, and the boys learn to see everything from another perspective.



systematization of the information of the students hand in hand with what are the „learning analytics“, by apps and platforms where teachers can have a detailed record of each student and share it with their peers, and dashboards or dashboards, which allow you to see where each student is located within the learning process and with respect to the general group.

9. Stimulation and Gamification

The maxim that says „school is boring“ is being left behind. Using the devices they are used to, even duplicating video game modalities, such as prizes, medals, scores (what is called „gamification“) and even the creation of educational escape rooms generates new (and necessary) incentives and engaging ways that ultimately get students interested in continuing to learn.

10. Curriculum

The textbook, the encyclopedia and the notebooks coexist with screens and digital devices. And, although both formats are likely to persist for some time, the truth is that the trend is that there are fewer and fewer encapsulated supports, which tend to homogenize in printed and linear formats, to give rise to curriculum translations and platforms that propose new ways of presenting educational content in a personalized way.

‘CREDIBILITY’
IS ‘THE NEW CURRENCY’



CREDIBILITY
CREDIBILITY
CREDIBILITY

OVER
20 MILLION MONTHLY VIEWS
0.8 MILLION* DOWNLOADS
AND COUNTING...





DEFI

WHAT IS IT AND WHY SHOULD YOU CARE

Dr. Jane Thomason

Global Contributor,

**Award winning author, futurist,
technology transformation leader**

"I am a social innovator working to shift to a human centred digital economy where: we measure value based on people and the planet; we measure and report on impact; we build a new data model with increased individual control and ability to monetise; and we eliminate social economic disparity."



2019 was the year when everyone started talking about decentralised finance - or DeFi. Now, in 2020 people can borrow, lend, trade, invest, exchange, hedge, and store cryptographic assets on DeFi Apps on the Ethereum network. DeFi refers to the opening of the traditional, closed, financial system, to one that is decentralised, modular, interoperable and programmable. DeFi token values have surged by 200 per cent since the beginning of the year. DeFi is a rapidly growing space in Ethereum, bringing a paradigmatic shift to the banking, finance, and insurance industries (and secondarily affected industries like healthcare). It is an open finance trend that runs parallel to other similar trends like open government and open data management practices. Thus,

In 2019 several innovative platforms began to demonstrate the ability to provide decentralised services that mostly use Ethereum for the foundation of the emerging alternative economy. Both new and existing companies have developed on top of borrowing and lending protocols that will enhance efficiency and build new products, such as Idle and Staked's robo-advisor for yield generation (Consensys have a list of projects here).

Speculation will continue to grow as crypto assets evolve with new investing categories like staking (see Staked and Atlas) and information markets. Risk management will continue to improve with open finance from the natural expansion of security-focused entities like MythX and Quantstamp.

Coinbase, Kraken, Gemini, Bitfinex, Bitstamp and Binance are continuing their rapid expansion through acquisitions and product releases, and decentralised exchanges like Uniswap and dYdX are booming. Uniswap is a fully decentralized protocol for automated liquidity provision on Ethereum. A simple formalized equation drives unstoppable liquidity for thousands of users and hundreds of applications. Uniswap enables developers, liquidity providers and traders to participate in a financial marketplace

that is open. Coindesk reported that Uniswap made \$7,000,000 in August alone. Coindesk reported that the RenVM DeFi network's token surged by more than 100% over a single week in August. The total value locked in RenVM jumped to more than \$174 million on Monday, August 17th, from approximately \$59.9 million a week earlier.

Binance's DeFi staking program enables users to participate, utilizing smart contracts, on various issues via voting in a proof-of-stake model as well as earning passive rewards by locking up their crypto. Kava is a DeFi platform backed by Binance, Huobi and OKEx with a native token by the same name.

Another significant DeFi offering is the ability to earn interest on crypto asset holdings through algorithmic, autonomous interest rate protocols such as Compound. With the backing of traditional investors such as Bain Capital, Compound wants to generate value from the idle cryptocurrencies in wallets and exchanges. The Compound protocol currently has over a billion dollars in assets earning interest of up to 2% across 9 markets. Aave, Finnish for 'ghost' and a metaphor for the transparency of its infrastructure, is another decentralised money market that offers both stable and variable interest rates on a variety of cryptocurrencies. Aave also offers zero collateral flash loans, an innovation unique to crypto finance. In short, users must repay their loan before the next block is mined or else the entire transaction is cancelled. You can read more about flash loans and Aave's other innovations in their whitepaper.

Another offering of DeFi is decentralised bets on elections and sporting events, as well as the creation of decentralised casinos. CasinoLand currently offers a dice game and is set to release sports markets and other traditional casino games later this year. The benefit of CasinoLand is the transparency of its smart contract and the open record of all activities on the blockchain, which prevents the rigging of outcomes and the tampering of results. Furthermore, CasinoLand has integrated a staking system allowing

non-gamblers to invest in the project and an additional banker/agency system, whereby users with enough of CasinoLand's native CLN (CasinoLand) token can set up their own 'casino' and receive commission based on the number of players onsite.

Meanwhile platforms such as Nexus Mutual provide even greater assurance against smart contract failure through the development of decentralised insurance protocols. Nexus Mutual has a membership process in which users are subject to KYC/AML checks and a 0.002 ETH joining fee. Members are then able to receive quotes and gain cover on smart contracts, with the Dai or Ether used to purchase cover converted into NXM (Nexus Mutual Tokens), which users receive a 10% return on should they not make a claim. Etherisc is another decentralised insurance platform that operates under an insurance-as-a-service model, which allows users to generate their own insurance products. The user base has already generated a basic suite of insurance products from flight delay and disaster insurance to collateral protection for crypto-backed loans.

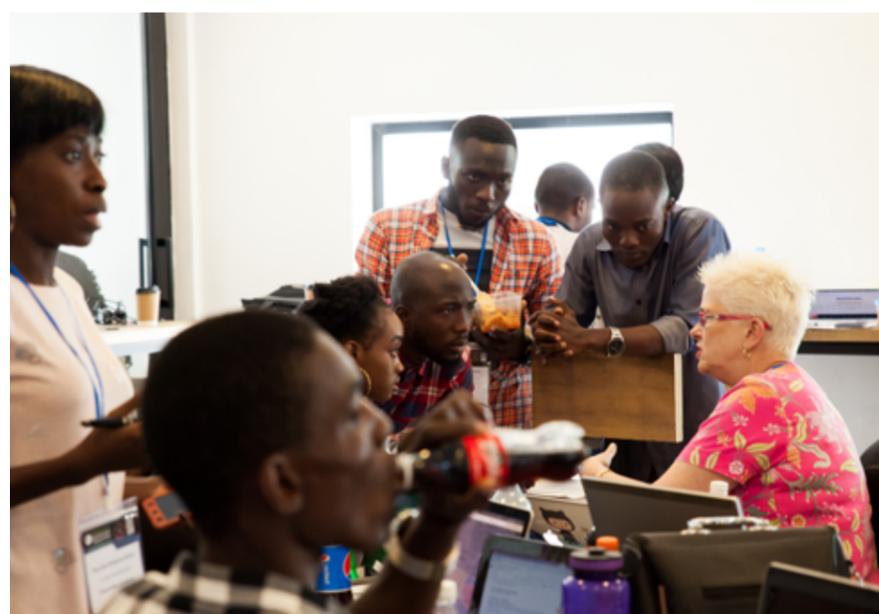
There will also be an explosion of synthetic assets and new derivatives which will create millions in value in 2020 and billions in the next five years. Some will just be run-of-the-mill shit tokens, while others will be novel financial products that will drive liquidity and potential profits for investors. Synthetix is an Ethereum-powered DeFi platform that enables users to create and trade such synthetic tokens on a peer-to-peer network. Synthetic asset tokens can represent minerals, stocks, and fiat currencies, among other assets. Over \$1 billion in value is currently locked up in Synthetix.

Like all blockchain stories, this is also not without challenge. Ethereum's transaction costs have gone up because of the success of DeFi, so

actually moving money around is prohibitively expensive unless you are dealing in \$30,000 or more. The blockchain and crypto industries still face many challenges due to regulatory questions. Completely decentralized applications raise flags with regulators over fraudulent transactions and money laundering. There is also unease regarding all the responsibility put upon developers in the decentralized application field. Regulatory guidance will gradually gain greater clarity as regulators catch up.

The interoperable, programmable, and composable nature of the open financial stack that is being built on Ethereum provides the foundation for the future financial economy, but that doesn't mean the current one is going anywhere soon. The creation of a new financial system will take time.

Today, DeFi enables cryptocurrency users around the globe to make use of traditional financial services such as borrowing, lending, trading, and investing in a decentralized and transparent manner. All you need is an internet connection and a cryptocurrency wallet.



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THINK



Applying a Financial Discipline Approach

A path using technology to usher the financial services industry into a new era

NITIN GAUR

Director, IBM Financial Sciences and Digital Assets at IBM

Understanding the Imperatives

The challenges the financial services industry faces are immense, including constant shifts in the regulatory landscape, customer expectations of digital natives, the need for real-time and around-the-clock operations to service myriad demands from clients, ecosystem and exogenous factors are creating interesting technology engine struggles for financial institutions (FIs). The legacy infrastructure, which represents both significant investment and past modernization journeys, is

now impeding the speed and scale required to unlock the digital value of not only products and services but also the entirety of the financial institution itself. These and other industry challenges can be addressed head-on with a comprehensive approach that includes, in part, a transitive path to modernize the technology platform, employing new insights (analytics), reducing costs with new hybrid



compute models (hybrid cloud), and adopting new essential technology ABCs (such as AI, blockchain, and cloud models). Such an approach also involves embarking on a journey to create a framework that is focused less on the technology platform and more on financial services utility as a platform, while leveraging the established risk management, regulatory, and compliance apparatus as a core strength of the platform and finding new avenues to monetize these strengths as platform services.

The emergence of Fintech companies, non-banking startups that heavily rely on technology for providing financial services, is significantly changing the demands and competitive landscape at the same time. While many of these "Fintechs" have received interest either for investment or leveraging their services, they also represent an ecosystem of integrating elements.

Many Fintechs, which were perceived initially as competitors, are now seen as accelerators in providing a digital on-ramp for other companies' modernization agendas. Many of these new

challenger contestants not only provide an industry specialization, but collectively comprise an entire Fintech ecosystem that can be viewed as a library of reusable business services. These trends surface not only complexity but also an opportunity to devise a technology architecture that is capital-light, scalable, and elastic, enabling FIs to develop and deploy technology fast and cheap without incurring the maintenance burden, which is expensive and labor intensive and can lead to a loss of agility. Viewed through the lens of past technology debt and current technology investment for transaction systems and other management information systems, this situation brings focus to an important question around the right technology design and framework choices.

The Fintech ecosystem enables FIs to balance paying down technology debt while adopting a design framework that provides decision agility and technology that enables modularity and flexibility, all of which results in an avenue for reconfiguring with relative ease. This suggests that the right technology design and choice framework not only aims to pay

down the technology debt but also fosters a design framework that provides decision agility along with commissioning technology that enables modularity, flexibility and provides an avenue to reconfigure with relative ease.

Essentials of Technology Design for Enterprise Decision Agility

Effective measures for the right technology design and infrastructure modernization include superior technology provider experience, product and service innovation and delivery, operational efficiency, speed to market, and reduced risk. They also provide real-time pulse, not only via performance and risk metrics, but by providing the ability to gain real-time insights and take advantage of changing market (exogenous) circumstances, whether driven by market forces, regulatory shifts, or geopolitical events.

Most financial services institutions are grappling with a balancing act of undergoing a much-needed modernization agenda, while understanding, positioning, and combating the disruptive agenda. They simply cannot afford to lose sight of niche innovations with massive investments but equally significant payoffs. To navigate this complex maze of technology design and business models, FIs need agility for the tactical deployment of services and also agility at a decision-making level to make informed decisions in real time and with very low variance. Hence, enterprise decision agility is a strategic framework for addressing the business needs of today while maintaining a line of sight on disruption and niche innovation.

Technology designs that consist of smaller fragmented, modularized, and flexible components (microservices, APIs, serverless, etc.) are not only easily served and consumed in a capital-light, cost-efficient, and elastic infrastructure (hybrid cloud, intelligent compute infrastructure, CPI/GPU/IPU, etc.), but also are ecosystem ready (open APIs, secure

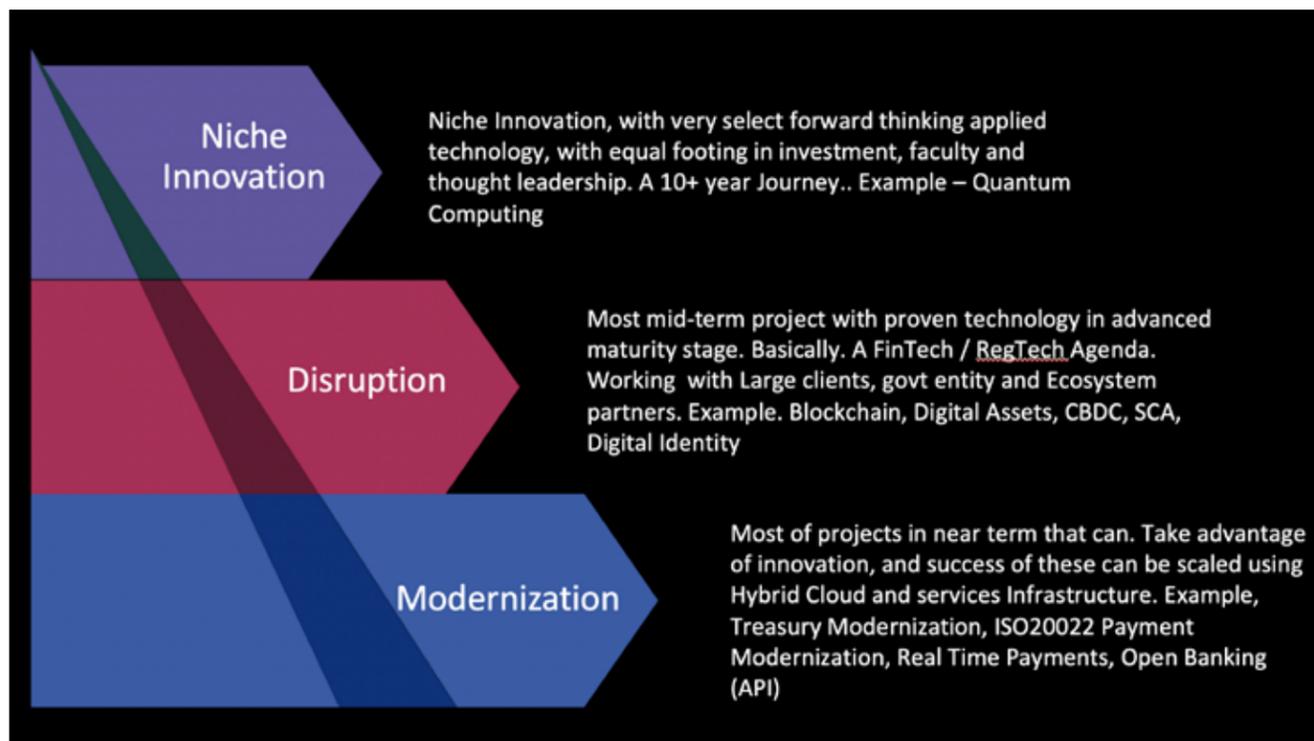
interaction and infrastructure). These are some of the fundamental tenets of technology architectures and designs that provide enterprise decision agility.

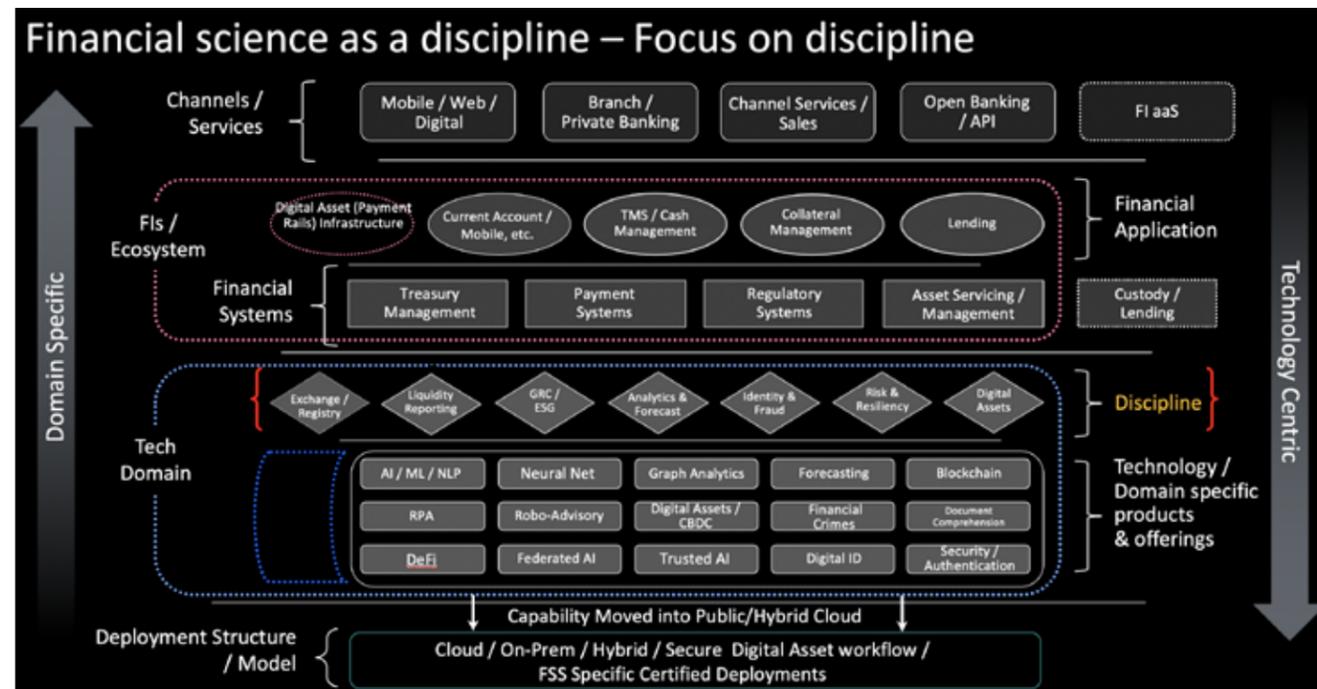
So, it is not just the agility afforded by DevOps or DevSecOps tactical building blocks; the focus also should be on the combined virtues of all these tenets when exploiting the technology advantages of blockchain, artificial intelligence, and quantum computing. It means embarking on a journey to create an internal fabric that is not only focused on intelligent workload management of infrastructure (transaction workload vs. management information workloads vs. decision support systems), but also on exogenous ecosystem-led factors on the use and reuse of library of business services. The idea is to devise an architecture that enables FIs to switch out modular technology, creating representational architecture modules, while harnessing the ecosystem talent pools to focus on the efficacy of enterprise resources.

Applying Financial Discipline Approach to Modernization – A Systemic Transformation

Financial institutions simply cannot buy their way out of this complex challenge of technology infrastructure modernization and coping with the myriad disruptive business models that are emerging. Lately, the approach has involved Fintech partnerships and/or modernizing technology and has focused on user experience and the API (application programming interface), with little attention to the systemic elements of the financial services industry, such as payment, treasury, risk models, fraud, regulatory and compliance, and so forth.

While the user experience approach has achieved some success, it also has surfaced the deficiencies of legacy design parts of tightly coupled designs, where the use cases that manifest as a financial application eventually catch up with the financial systems' limitations. Tightly coupled designs pose scalability challenges, or eventually lead to shifting the problem





focus onto an adjacent but linked system.

Opinion

Hence, an approach in which decoupling the application from the systems, and subsequently breaking the systems down into financial disciplines and crafting an architecture around those disciplines, may be critical to overall success of a systemic transformation.

Applying financial disciplines as a prescribed approach to a financial institution's technology design and subsequent modernization stems from the very constructs of investment and debt that are native to financial services. The idea is to invest in the digital vision's long-term architecture design imperatives while reducing the technical debt of inflexible and monolithic design.

This approach, while focused on the core of the FIs systems, also provides an avenue to address a change that is not only long lasting but also induces agility at the application layer. This enables design malleability with disruptive and niche innovations, in the mid-term and long-term, respectively.

Employing a financial discipline-based architecture design not only enables flexible and reusable data and business services assimilation, but it also forces the critical linkages that the financial systems possess, thereby enabling a separation of concern and decoupled design while preserving the architectural independence of the systems.

These disciplines can be thought of as an abstraction layer that addresses the internals of various interconnected systems. It also adds a technology domain and provides a discipline-led lens to technology advancements. This approach allows for a meaningful way to look at disciplines and impact the much-needed change in the financial system.

A financial discipline approach also facilitates a mesh mechanics of the three main constituents of FIs' cost centers – IT (DevOps), data scientists (quants and analysts), and risk and compliance (fraud and regulation) – which aids in harmonizing the collective effort.

Change management velocity, which in an agile enterprise needs to be managed for scale, further permeates the entire organization (comprised of various systems) and enables a cultural mind shift regarding the mesh mechanics as a result of multi-discipline linkages for any given financial system. One significant advantage of a financial discipline-based

approach is that it elevates the talent pool available for cross-sectional collaboration. It is therefore vital that technology design and modernization should be viewed as an exercise in continual adaptation and improvement and not as a destination or finish line.





THE BIG DEAL

Pulling the Mask off Cryptocurrency Investing

Managing Director
STRM Digital

Head of Business Development
Crypto Valley Association

Advisor | Consultant | Public
Speaker | Blockchain Enthusiast

The blockchain space holds true potential. The World Economic Forum (WEF) has estimated that 10 percent of global gross domestic product (GDP) will be stored on blockchain technology by 2027. This total amounted to approximately 142 trillion international dollars in 2019, a bit less in 2020 due

 **SHERAZ AHMED**

Zürich Area, Switzerland

to the whole coronavirus situation, but is predicted to lift up and be much higher by 2027. Which would mean that a total of over 15'000'000'000'000 are set to be on blockchain! And with a current market capitalisation of all cryptocurrencies lying at approximately 350 billions dollars, that leaves an incredible void to be filled!

The blockchain experts reading this are probably shaking their heads right now saying that the cryptocurrency markets do not equate to that of the blockchain technology one... but global adoption of the underlying technology worldwide, must be good for one of its top use cases, right?

Well long story short, most people would agree - a rising tide lifts all boats afterall. And well this potential has left a lot of people either looking to fill this gap or capitalise on the inevitable uprising they



see coming. It has also brought about a lot of craze within the sector... Including the arrival of malicious players looking for a quick win and even some that look to abuse their powers as reputable traditional institutions to manipulate this nascent market...

JPMorgan's Crypto Adventure

On September the 12th, 2017, The CEO of JP Morgan, Jamie Dimon, called Bitcoin a 'fraud' and threatened to fire any employee that bought or owned Bitcoin with immediate termination. Quite a radical imposition for just owning another asset type. Punished for trying to diversify your portfolio into a rising alternative seems harsh, but if you want to keep your job you tend to do what your boss says...

Well funnily enough, just four days after making this bold statement, the global banking giant secretly bought 19'102 Bitcoin shares on the Swedish Nasdaq traded Bitcoin ETN, which translated to around 95 Bitcoins, worth some half a million dollars at the time (now valued at over one million dollars). So much for not buying any Bitcoins... I'll give you a spoiler, Jamie Dimon didn't fire himself after this purchase!

It did not stop there, less than 2 years later, on February the 15th, JPMorgan Chase decided to officially become the first U.S. bank to launch its own digital token, representing a fiat currency. JPM Coin was made to facilitate the transfer of payments between institutional clients.... Furthermore, in most recent developments JPMorgan Chase has started to accept Bitcoin businesses for banking services and now has plans to be the number one bank for cryptocurrencies.

Earlier this year at the World Economic Forum 2020 in Davos, Switzerland, I had the good fortune of meeting the honorable Jamie Dimon for a fleeting minute... And I honestly could not help myself but ask him, once and for all at point blank what he truly thought of Bitcoin. In the bluntest possible way, he said "I don't care about Bitcoin" and walked off.

Morale of the story, be wary of who is telling you what and their true intentions behind doing so - especially in crypto!

Trusting a trustless technology

After being told the preceding story, your faith in traditional players is most likely not at its highest, but there is still hope! Many organisations are pressing ahead trying to help the ecosystem, just like the Crypto Valley Association (CVA). Based out of Zug in Switzerland, the CVA launched in early 2017 with the mission to enable a trustworthy space to collaborate and grow. Three years later and it has successfully brought together over 10'000 members worldwide to support each other in building and educating around blockchain technology.

There are also companies that launched to provide a helping hand to blockchain-based projects by helping bring their ideas to life. STRM Digital is one of them, an A-Z consultancy agency that pools together leading industry experts to provide their clients with a multitude of specialised services without any of the administrative hassle in a secure and reliable way.

Non-stop market evolution

From the beginning, ever since the creation of Bitcoin in 2009, the cryptocurrency market has kept evolving. It has confirmed its initial use case of being a digital alternative to traditional currency and the space as a whole has not stopped making new applications appear.

The starting blocks of investing in cryptocurrencies start with the conversion of FIAT currency (USD, CHF, EUR, etc.) to a major coin, such as Bitcoin (BTC) in most cases. The reason why the majority of transfers from traditional currency to crypto pass through



Bitcoin is due to many factors including its popularity as an alternative to gold and the liquidity it provides by its high demand that allows for traders and investors to easily transfer sizeable volumes. Another reason is because of the fact that Bitcoin is the major trading pair to other cryptocurrencies. As they say, Bitcoin is king!

The next step is where to start buying and holding cryptocurrency. Today there exist numerous safe exchanges, such as Binance, Coinbase, Kraken, etc. but it is always important to know the risks that entail from leaving your assets on an exchange instead of in a personal wallet. If you prefer the convenience exchanges provide then make sure to reinforce the security of your account by enabling two factor authentication and filling in the appropriate Know Your Customer (KYC) forms. Nowadays, there is also the possibility to buy cryptocurrencies via debit card and then spend them through the same card for your day to day purchases.

Keeping up with crypto

A lot of content is available on social media to learn and follow the latest trends. Youtube is filled with influencers that try to bridge the gap of knowledge newcomers have. People like Ivan On Tech, Data Dash and Boxmining are quite entertaining personalities, but you must be aware of the sponsored content they share. Being wary of what information is shared by who remains an important tool to keep at your disposal. The same goes for content available to read on Binance academy, Blockchain Council and other contributors within the space, especially on Twitter!

Market maturity

Now that the hype of the Initial Coin Offering (ICO) phase has passed and Initial Exchange Offerings (IEO) have cooled down too, we are left with projects that have weathered the storm and have strengthened communities that standby them.

A few of them are smart contract platforms - Ethereum, Cardano, Tron, Tezos, Icon, etc...

- Supply chain based ecosystems - Vechain, Waltonchain, Modum...
- Decentralized exchanges - Uniswap, BNB DEX, 0x, etc...

- Video game protocols - Enjin, Theta, Nash, etc...
- Inter-blockchain projects - Cosmos, Polkadot, etc...
- Oracle based initiatives - Chainlink, Band protocol, etc...
- Stablecoins - Tether, USD Coin, Dai, Binance USD, Paxos Standard, etc..

New trends to follow

The latest craze in the cryptocurrency markets has to be Decentralized Finance (DeFi) and it definitely warrants the need to be extra careful. It promises to replace the current centrally controlled traditional financial system held by the banks. Not an easy one to pull off...

These money market builders such as Aave and Balancer, and Yield Farming platforms like Compound, Maker, Ampleforth, Synthetix, YFI, etc... are still nascent and have presented some vital flaws that have deflated slightly the recent hype. But the potential of this rising niche is huge, so definitely one to keep your eyes out for!

THREE Common Cryptocurrency Investing Mistakes to Avoid...

1. Utility tokens are for providing utility, not necessarily investing.

Nevertheless, many investors buy utility tokens, hoping that the price will go up because of growing demand for the goods and services the project aims to provide. However, the price growth of these tokens are often speculative in nature and are not bankable.

Example: If your local grocery store issued coupons to finance their growth and you bought a few to pay for your shopping, you wouldn't

pay more for the coupon than the worth of your purchase, would you?

2. Make sure to choose tokens for which the price corresponds to the price of the provided functionality.

Example: If a token provides 1GB of cloud storage and costs 5 USD, while the same 1GB of cloud storage can be purchased on a traditional service, like dropbox for 1 USD. Is it really worth it?

3. When purchasing a token, it is important to take into consideration the fact the project may issue different types of tokens.

Example: A project can have two different types of tokens: security and utility. This variety can make the investment decision more difficult.

The trade-off, risk and opportunity

In an immutable, decentralised and trustless system, investors must be aware that the main point of failure still remains our human vulnerabilities. For what technology can solve through its intricacies, we still remain prone to error and deception. Therefore, I urge any newcomer to the blockchain and cryptocurrency space to do the appropriate due diligence before diving deep into a project financially.

DYOR - Do Your Own Research

If the average startup success rate is estimated at 1 out of 10, then that of cryptocurrencies is probably 1 out of 100 - these failures need to be accounted for, but at the same time the higher the risk the bigger the reward!



SET TO TAKE OFF

SECURITY TOKEN OFFERINGS



Barkha Doshi

SENIOR ASSOCIATE, KARM Legal
BARKHA@KARMADV.COM

Barkha is a Senior Associate at KARM Legal, having previously practiced in India and UAE as a corporate and capital markets lawyer. Barkha has experience in equity and debt capital markets,

IPO and general corporate/commercial matters. She has advised multiple clients on various capital raising methods via initial public offerings (IPOs), rights issue, real estate investment trusts (REITs) and qualified institutions placement (QIP).

At KARM, she is closely working in the firm's fintech, crowdfunding and token offerings practice. She has assisted clients in the process of obtaining a crowdfunding license from the concerned regulatory authorities and drafted the regulatory business plan along with the related policies. She is also engaged with the firm's funds practice where she advises on all aspects of incorporation of funds in DIFC and ADGM and their management, operation and related carry arrangements.

Security token offerings are beginning to provide stiff competition to IPOs. For businesses about to embark on periods of rapid growth, access to capital is essential. That said, traditional methods of fundraising sometimes leave a lot to be desired. Initial public offerings can help boost the profile of untried brands, but they are often costly — with middlemen taking a sizeable cut out of the money generated.

Cryptocurrencies and blockchain have overturned the status quo, removing intermediaries from a plethora of businesses that we all use every day. Their impact is also being felt in the private equity sector — with entrepreneurs getting an opportunity to connect with consumers directly in order to raise the funds they need to prosper, grow and deliver.

A major contribution of blockchain and DLT is the ability to 'tokenize' assets. However, based on the OECD Blockchain Policy Series paper,

"Tokenization is the process of digitally representing an existing real asset on a distributed ledger. The Financial Stability Board defines Tokenization as the representation of traditional assets – e.g. financial instruments, a basket of collateral or real assets – on DLT. Asset Tokenization involves the representation of pre-existing real assets on the ledger by linking or embedding by convention the economic value and rights derived from these assets into digital tokens created on the blockchain."

Security/Asset tokens include tokens issued for shares, participation certificates, bonds, collective Investment Schemes, derivatives, titles representative of property and more. A security token offering (STO) is an event during which a company offers its security tokens to investors. STOs are often believed to have evolved from the need to eliminate the regulatory uncertainty surrounding initial coin offerings (ICOs) and the use of blockchain tokens as securities. STOs often perform a similar function to conventional initial public offerings (IPOs) in that they provide a means by which companies can sell securities to investors to raise capital.

REASONS FOR LAUNCHING AN STO

The following points assert several valuable reasons for launching an STO:

1. LOW FEES AND LOW BARRIER TO ENTRY:

Trading in digital assets can undoubtedly reduce fees. Smart contracts and blockchains can automatize transactions without the need to deal with mediators and have lower costs.: A cryptographic token is designed to tokenize any asset. This makes tokenization a flexible instrument capable of raising funds in private markets for a lower up-front cost.



2. FUNDERS CAN OBTAIN MORE FOR LESS:

The companies issuing security tokens can benefit from several advantages. The programmable nature of the token itself allows founders to decide which rights should be embedded into it. They can decide what would be the best profile for their token without the need to surrender voting rights or board seats. As a consequence, they can best focus on their business.

3. BETTER REGULATORY OVERSIGHT:

A strong regulatory compliance and KYC/AML verification are key requirements for STOs to protect both investors and companies launching STOs.

4. AUTOMATED COMPLIANCE:

As the regulation applying to security tokens issuance may vary depending on investor type, asset type, jurisdiction involved, and several other factors, the programmable nature of security tokens allows compliance to be embedded within the token itself.

5. ACCESSIBILITY TO INSTITUTIONAL CAPITAL:

Due to the possibility of extending security regulations to security token offerings, security tokens can attract institutional capital into the blockchain domain.

TYPES OF SECURITY TOKENS

Most jurisdictions have limited the definition of security tokens to mean the tokens which exhibit the characteristics of securities under the definition of the applicable securities regulations and more often than not, are regulated by the capital markets authorities of the said jurisdiction.

1. Equity tokens/ share tokens:

The tokens which mirror the behaviour of a share and investors can participate in the voting process of a company, receive a share of their profits, receive dividends, and exercise the rights as shareholders of an entity.

2. Tokenized Fund Units:

These tokens will act like the units of the funds and shall entitle t the token holders the same dividend and profits and rights to exercise, as that of a unit holder.

3. Asset Tokens:

These types of tokens are dependent on real-world assets such as land, art, or even property and equipment. Asset-backed tokens are common in real estate projects, as well as infrastructure related activities- and may entitle the holders the right to timeshare, profits and title in some cases.

4. Debt Tokens/ Tokenized bonds:

Debt tokens and tokenized bonds act as loans on the company and entitle the creditors with the same rights as regular debentures, bonds and debt instruments.

REGULATORY LANDSCAPE IN UAE

Regulators globally are reviewing their own legal structures and determining the approach that they may adopt towards the varied nature of digital assets. Within the UAE, the ADGM and SCA have been frontrunners in the adoption of regulations in this space.

1. ABU DHABI GLOBAL MARKET ("ADGM")

Abu Dhabi Global Market is a geographically delineated financial free zone with its own common-law based civil and commercial legal framework, and financial services regulatory regime (separate and distinct from the rest of the UAE, including the UAE's other financial free zone, the Dubai International Financial Centre (DIFC)). Under the powers vested in it under its principle financial services legislation, the ADGM Financial Services and Markets Regulations 2015, as amended ("FSMR"), the ADGM has issued guidance relevant to crypto assets, cryptocurrencies and tokens, promoting itself as

an alternative jurisdiction for players in this fast emerging sub-sector of the FinTech ecosystem. For example, Financial Services Regulatory Authority ("FSRA") has clarified the position of

Digital Securities:

If the 'digital' or 'virtual' tokens have the features and characteristics of a 'Security' under FSMR, then such tokens shall be deemed as Securities and may be referred to as 'Digital Securities'. Generally, for a token to be deemed to be a Security, it should exhibit the characteristics or features of a Share, Debenture or, Units in a Fund.;

As part of its holistic approach to the regulation of digital assets, the new Digital Securities Guidance provides clarity and transparency to market participants seeking to conduct digital asset activities within ADGM. The new digital securities Guidance Note provides clarity on the application of ADGM's Securities regime, through the prism of technological advances and developments, with particular focus on Offers, Listings and trading, settlement and custody of Digital Securities.

The Guidance Note applies to a number of financial services activities within ADGM, including in relation to exchanges and other trading venues, clearing houses, custodians, brokers and other intermediaries, as well as for the issuing, listing and trading of Digital Securities. Importantly, the Guidance also provides a roadmap for entities to efficiently and smoothly migrate into conducting Digital Securities activities within the ADGM, whether they have been operating within either the conventional or 'Crypto Asset' space.

The Guidance Note has clarified that applicants for the Digital Securities license must be prepared to engage extensively with the FSRA, both during the application process and

thereafter. Hence, the guidance recommends that the applicants appoint compliance advisers, with the appropriate skills, knowledge and experience to provide the requisite assistance throughout the application process.

- **SECURITIES AND COMMODITIES AUTHORITY OF UAE ("SCA")**

In October 2019, the Securities and Commodities Authority of UAE launched a draft of the regulations on crypto assets. Pertinently, the key definition is relating to 'Crypto Asset'- which functions as a medium of exchange, store of value, unit of account, representation of ownership, economic rights or rights access of utility of any kind, which is capable of being electronically transferred. The major sub-sectors under Crypto Assets include - 'Commodity Tokens' (which are non- Security Tokens) and Security Tokens. Further the Crypto Asset Exchange has been defined to mean a platform or facility for the trading, conversion and/or exchange of Crypto Assets in return for other Crypto Assets, fiat currency, Securities and/or Commodities, which applies non-discretionary trading and/or order matching rules, or which brings potential buyers and sellers together (regardless of whether any resulting transaction is executed on the platform).

The views adopted by SCA and the consultation appear to show a keen interest to look towards adoption of such assets in the UAE and a detailed regulation with respect to offerings of security tokens is awaited this year.

CASES OF SECURITY TOKEN OFFERINGS IN THE ARAB REGION AND BEYOND

In March 2019 - SGH Global, a New-Jersey-based company the owner of two gold and silver mines in Peru, announced and conducted a \$100 million security token offering (STO) sale targeting investors in the UAE and wider Middle East.

Blockstack PBC- In 2019, Blockstack became the first company in USA to be qualified by the US Securities and Exchange Commission (SEC) for security token offering. The token offering was qualified by the SEC under Regulation A+.

Franklin Templeton- In September 2019, Franklin Templeton made a preliminary SEC filing to start a blockchain-based mutual fund for government securities. In the filing, the company said ownership of the fund's shares will be recorded on the Stellar blockchain network, along with the traditional recording by the transfer agent.

Last year, **BaFin** also approved the first cross-border security token offering (STO) for ParkinGO, ParkinGO will issued digital securities on the token issuance platform STOKR, based in Luxembourg.

CONCLUSION

Looking at the history of token offerings, much road has been made in recent years. ICOs represented a useful tool to raise funds but were surrounded by regulatory uncertainty and most of them resulted in scams. The situation has changed with STOs. They represent the perfect synthesis between ICOs and IPOs. STOs are capable of satisfying the needs of companies issuing tokens because any type of asset is capable of being tokenised, and the securities regulations can be easily applied to security tokens.

At this time, it seems inevitable that security tokens represent the next financial revolution. Similarly to how Bitcoin has transformed currency, STOs will tokenise financial assets such as equity, funds or debts. This means that any kind of ownership can be tokenised in a potential multi-trillion dollar addressable market.



"Security tokens are bound to be a mainstay of the future security value chain landscape. The opportunities they offer will help the industry to re-shape an environment that will provide greater efficacy and transparency as regards the security issuance, trading and post trading processes.

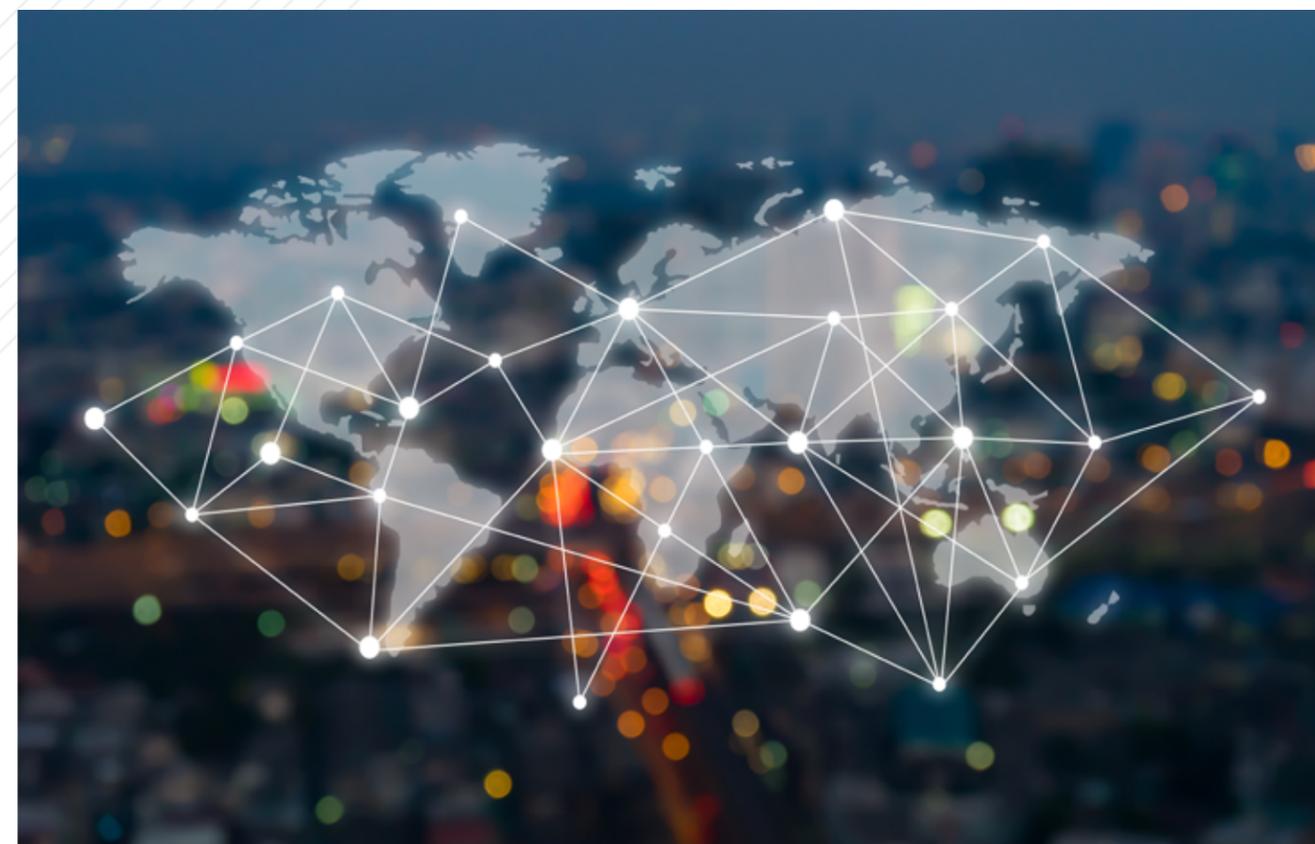
Nevertheless, local regulatory requirements and inherent expertise will provide scope for existing market infrastructure to play a key role in the establishment of the new DLT ecosystem."



DeFi

Is DeFi a next big thing that defys the odds? Or is it just a passing trend?

In the world of crypto and digital currencies, the trends come and go, some players are now in the top and tomorrow disappear or are taken down by the authorities but the most valuable are the ones which pivot all the time, adapt and remain on the market. We saw over the last few years a lot of trends like initial coin offerings, initial exchange offerings, security token offerings, decentralized autonomous organizations and many more but none of them became the next big thing with a mainstream adoption and passing the test of time. For sure,



the concept of decentralized finance has its positive side but as the elements that sank the predecessors are still with us today, we may have reasons that DeFi will soon become a thing of the past.

DeFi or decentralised finance refers to financial services using smart contracts, which are automated enforceable agreements that don't need intermediaries like a bank, lawyer or other entity and use online blockchain technology instead. Between September 2017 and September 2019, the total value locked up in DeFi contracts has

exploded from US\$2.1 million to US\$6.9 billion . Since the beginning of August alone it has risen by US\$2.9 billion.

DeFi, most of it built on the ethereum blockchain network, is the next step in the revolution in disruptive financial technology that began more than 10 years ago with bitcoin. One area in which these decentralised applications (dApps) have taken off is cryptocurrency trading on

Adrian Niculescu™
Digital Transformation Expert | Speaker | Fintech Investor | Online and Real Estate Entrepreneur | Music Producer



putting money into DeFi tokens is to avoid being left out of their explosive growth. Many tokens are worth nothing or close to nothing in practical terms, so we are seeing a lot of irrational exuberance.

The window of opportunity for DeFi becomes tighter and tighter due to few things: first, because of fraud within the space; second,

due to the readiness of regulators to “save” the market from violators by imposing old-fashioned red tape, hard to follow strict guidelines and new restrictions; third, the lack of understanding that emerging crypto companies are pointless under traditional bureaucratic regulations, as fintech itself is the response to their ineffectiveness, constraints, and old school approach.

During the initial coin offering boom in 2017 many non ethical entrepreneurs tried to leverage the emerging industry for easy profits. Somehow, many of these people are now DeFi specialists. Now, it seems like those entrepreneurs are coming back. There is a thing called a “statute of limitations” that makes criminals free from punishment if they are not caught. When the period for a specified crime expires, the courts no longer have jurisdiction. For example, in the United States, the statute of limitations for fraud is three to four years, depending on the state. This means that bad actors who have been laying low since committing fraud during the 2017 ICO boom as well as those who missed their opportunity to do so may come back for round two.

They also understand that the DeFi trend may be in shape for a very little while so they do everything in their powers to put their projects in the market fastest than ever.

Regulations on securities and exchanges in different countries specify formal rules and procedures for financial markets and instruments, which involve registration, licensing, due diligence, KYC (Know Your Customer) commitments and more. The possibility of fraud and violations of these rules leads us to another consideration: At some point, the authorities might hold investigations on both fraudsters for committing crimes and honest entrepreneurs for formal noncompliance.

After years of exploring new technologies and emerging markets, and learning the ropes, regulators have more knowledge than ever before. Token sales disappeared from the scene due to two factors: scams that cast a shadow on the emerging industry, and regulators that demand compliance and fine violators. The regulators are heroes who protect the society from scam businesses and they come into the spotlight when a large number of naive small investors find themselves fooled and demand justice.

Somehow, no matter the resources available online people still tend to be attracted by offers and projects offering returns and benefits too good to be true. And sometimes, they are too good to be true and the only ones who win are the guys behind the platform raising money from fools. One may think that following the rules and procedures is the best strategy for the emerging crypto market. But the fact is that old-fashioned regulations constrain emerging industries. Fintech, and specifically decentralized finance, is actually the response to an ineffective, overcomplicated and outdated bureaucratic system.

A new industry of tokenomics introduced easy ways to access crowdsourcing as an alternative to venture

capital funds and traditional financial markets, but the bureaucratic regulations subsequently imposed led to a reduction in token sales.

Instead, some parts of the market tried to respond by inventing the security token offering as an ICO alternative. STO intended to wrap crypto startups into “proper” business forms and procedures, but it did not become mainstream. People remember a lot of successful ICOs — Ether (ETH) itself is the result of a token crowd sale, but who knows any successful STO that could be compared to Ethereum? The reason is obvious: The market does not want to deal with dead-weight bureaucracy.

As the trend of DeFi technology consistently outpacing legislation continues, we might eventually see a better response from authorities. They now more quickly identify misconduct and draw astute conclusions. They are educated and have powerful tools to trace and analyze transactions, which, as we remember, are transparent on a blockchain. But they will be chasing both fraudsters and honest entrepreneurs for formal noncompliance with obsolete regulations.

Therefore, a possible future for DeFi is that the emerging industry has a shorter window of opportunities than others (ICOs, IEOs, STOs, etc.) enjoyed. Meanwhile, more fraudsters could try to get in on the action, possible scandals will attract the attention of the authorities, and regulators will come up with new portions of restrictions to save the market and protect people.

The only viable response is rethinking the fintech regulation model from scratch and renouncing traditional instruments such as bureaucracy and paper-based rules in favor of autonomous decision-making systems. But that's a subject for another article.

decentralised exchanges (dexs).

Other DeFi services now in use allow you to:
Borrow and lend cryptocurrencies to earn interest;
Bet on the outcome of events;
Create and exchange derivatives of real-world assets such as currencies or precious metals;
Take part in a no-loss lottery, where everyone gets their money back and one lucky participant wins all the interest that has accrued in a shared pot.
Buy cryptocurrencies known as stablecoins, which are pegged to the value of a particular currency or commodity.

In this climate, DeFi potentially offers much higher returns to savers than high-street institutions: annualised interest rate of more than 6.5% for those who save with certain stablecoin plus other perks including cryptos issued by certain platforms. With two-thirds of people without bank accounts in possession of a smartphone, DeFi also has the potential to open up finance to them.

One final important reason for the surge in people



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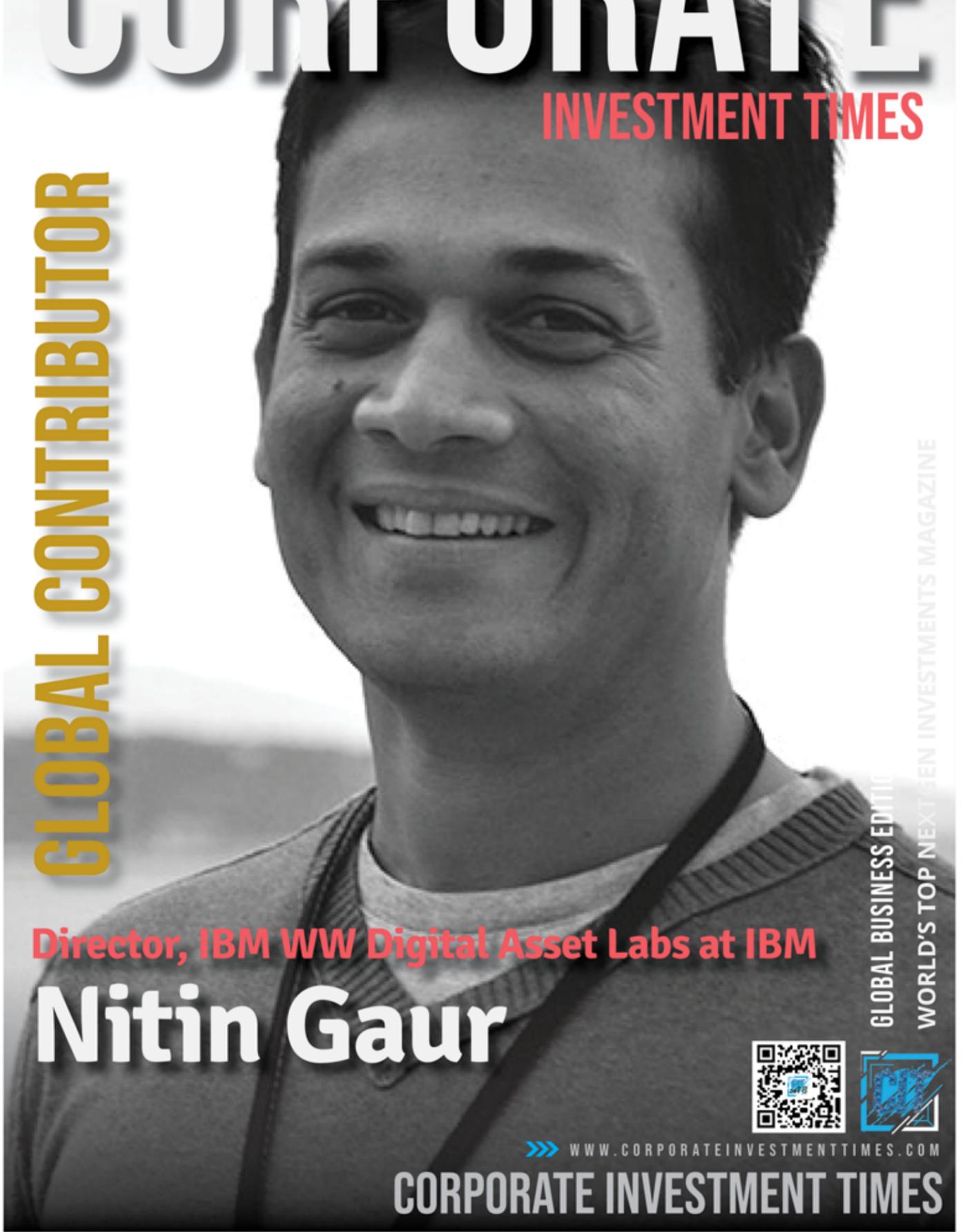
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