

REPORT: BLOCKCHAIN IMPLEMENTATION IN ASIA



CYBERIUS

Introduction

Blockchain technology is exploding around the world, particularly in the **Southeast Asian region** of the globe. For example, recruitment firm Robert Walters was reported last month as having recently said that they had seen a **50% uptick in blockchain and cryptocurrency related jobs in Asia since 2017**.

Why is this important? Because as we move further into a digital age, blockchain has risen as both a disruptive and complementary technology across many different industries, and it has the potential to be a huge market.

My team and I have put together this extensive report on the implementation of blockchain technology in Asia. Inside, you'll see **stats, graphs, and information on numerous factors about individual countries and the region**, along with **quotes from professionals**. If you're a blockchain or cryptocurrency centered company and are looking at the Asian region, then this report is for you.

You'll first learn more about **blockchain technology**, including some of its uses and benefits, as well as the astounding rise of this new tech.

For each country we cover, we give you a short introduction, the current situation regarding blockchain (and often times cryptocurrency - which is related), and who is implementing and how? This last section tells you about some of the institutions and/or innovative companies which are doing work in the blockchain space in the country.

Countries we cover include: **Japan, Singapore, Hongkong, China, South Korea, Malaysia, Thailand, Vietnam, Indonesia, Cambodia, Philippines, and Taiwan**. Finishing up with some final thoughts, as well as contact information in case you'd like to get a hold of us.

I invite you to read the report, I hope you find it inciteful, and I encourage you to **contact us if you have any questions, or if you'd like a similar report created for your business**.



Pawel Tomczyk,
Partner at Cyberius Digital



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What is Blockchain Technology?

In the book “Blockchain Revolution” (2016), the authors Don and Alex Tapscott refer to blockchain as being “an incorruptible digital ledger of economic transactions that can be programmed to record not just financial transactions but virtually everything of value.” To put it more simply, blockchain in itself serves as a newly refined way for digital information to be stored and distributed without being copied or stolen. While originally developed as a way to make Bitcoin and cryptocurrency possible (hence why it is often associated as the same thing), the many uses for blockchain technology are becoming something much more interesting than what it was originally intended for.

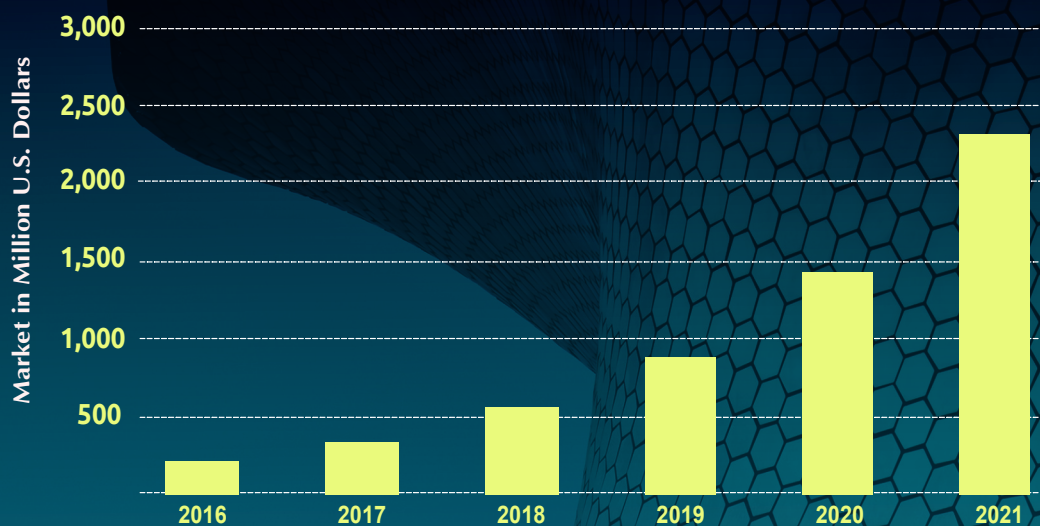
Uses & Benefits of Blockchain Technology

While many initially believed blockchain could only

be used to trade cryptocurrency, this is far from the case. In fact, many governments and companies are realizing the true potential of blockchain technology in advancing the way systems work. From changing the way we vote, sign contracts, store identification, store ownership records, make transactions, or raise investments (ICOs for example), the multitude of uses make this technology revolutionary to the way our world works. Not only does it provide organizations the opportunity to handle an array of operations on a single platform, it gives users a great sense of assured security, as it offers transparency and autonomy.

The Rise of Blockchain

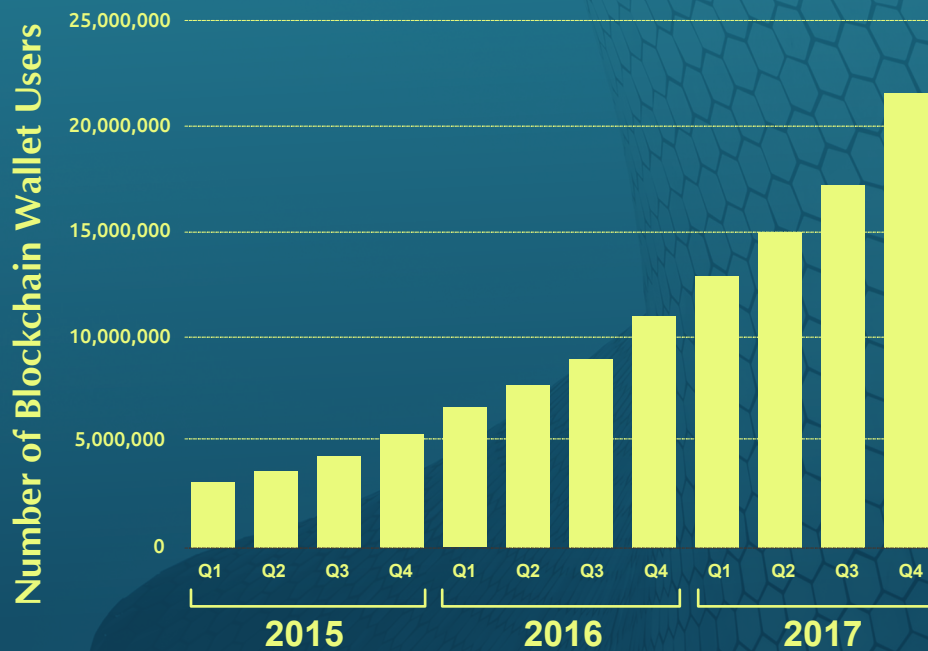
From 2016 to 2018, the blockchain technology market has grown substantially, rising \$338 million USD. With the rate at which it is rising now, it is believed that the global market is predicted to reach \$2.3 billion USD by 2021 (as seen below).



<https://www.statista.com/statistics/647231/worldwide-blockchain-technology-market-size/>

The graph below further illustrates the mass implementation of blockchain into the financial sector, graphing the number of blockchain-based wallet users worldwide from the 1st quarter of 2015

to the 4th quarter of 2017. In the 1st quarter of 2015 alone there were 3 million users. Comparing this to the 4th quarter of 2017 (two years later), that number had increased substantially, reaching close to 13 million users.

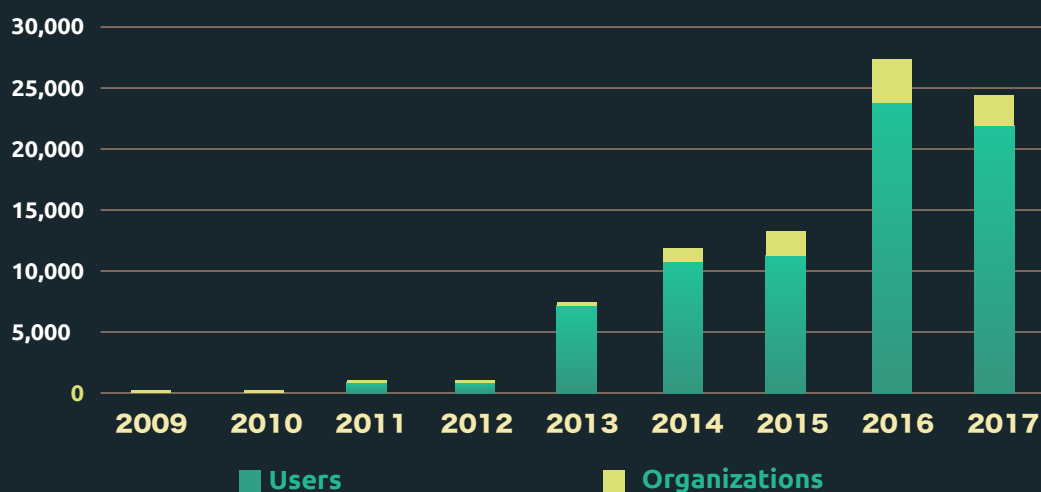


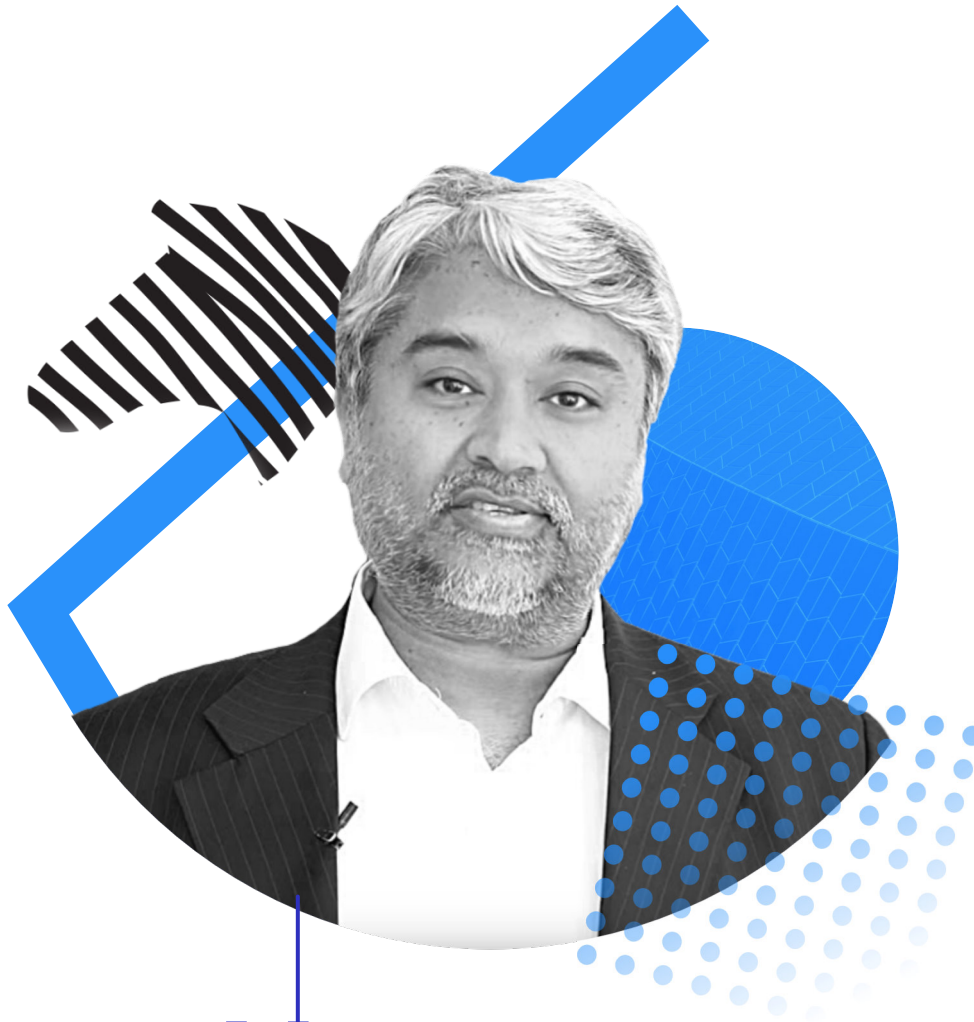
This evidence is further accentuated from Deloitte's analysis of GH Torrent data and GitHub API data (graph below), showing a growing increase (particularly in 2016) in the number of projects produced to develop blockchain technologies. In regards to organizations

creating these projects, the report stated: "By 2017, their blockchain projects accounted for 11 percent (organizations currently account for 7 percent of total—not just blockchain—software development on GitHub)".



New GitHub Projects By Author Type, 2009-2017





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Ajeet Khurana

CEO at Zebpay.

"The only way blockchain technology can ever achieve its full potential is if users, corporations, and regulators break out of the prison of old mindsets and think anew."

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Japan

Japan

Introduction

For the most part, Japan has served as one of the leading nations in Asia when it comes to acceptance of cryptocurrency and blockchain technology. This has been evident from their actions, where on May 2016 the government had passed a bill acknowledging cryptocurrency as money.

Current Situation

For the first time in history, FSA (Japan's Financial Services Agency) has released statistics related to domestic cryptocurrency trading. In compliance with data received from 17 cryptocurrency exchanges in Japan, there are over 3.5 million individuals who consider cryptocurrencies as current assets and they

A new strategic policy was constituted by The Japanese NTA (Tax Agency) to encourage companies and individuals to effortlessly declare their virtual currency income tax returns.

Who Is Implementing and How?

There are several organizations that are exploring the implementation of blockchain technology into the



are trading with them. Curious fact is that yearly trading volumes of the actual Bitcoin cryptocurrency has grown from \$22 million in 2014 to \$97 billion in 2017. Moreover, the agency revealed that trading on margins, credit, and futures of Bitcoin have gone up from \$2 million in 2014 to \$543 billion in 2017.

Midori Kanemitsu, the chief financial officer of Japan's largest cryptocurrency exchange operator, bitFlyer Inc. had his say about the situation of Blockchain in Japan's Economy:

“Effectively, Japan is the first and only country that has a proper legal system regulating cryptocurrency trading. That’s a big deal. Before the law regulating cryptocurrencies, people worried what would happen to their money if an exchange was to go bust.”



Mitsubishi UFJ Financial Group (MUFG), which is the biggest bank in Japan, has brought a new blockchain to life to reduce the cost of payments and primarily to increase speed. The main focus of the partnership between “MUFG” and Akamai (a U.S. tech company) has been to create a tremendous blockchain. It could be responsible for 1 million transactions per second at latencies of less than 2 seconds.

greater scheme of the financial market, with one prominent example being SBI Group - a financial services and assets group.

The company, which has been prominently known to have raised 30 billion yen for fintech funds back in December 2015 (one of the largest in the country), now (noted in January 2018) aims to raise a venture capital fund of about \$450 million in the investment of AI and blockchain technologies. The reason for this being that they believe that many sectors have a lot to gain from implementing such emerging technologies

- whether its the finance, real estate, medical, or public sectors. SBI Group continues to remain as Japan's top active company in relation to blockchain and cryptocurrency, partnering with China's Huobi in creating two crypto exchanges, as well as Wirex, a UK-based cryptocurrency payment system company, to build a crypto card for Japanese consumers. Furthermore, in June 2017, it was

reported that Japan's government had been looking at the data storing technologies behind Bitcoin to integrate it into their systems. For example, up to March 2018, the Ministry of Internal Affairs and Communications had aimed to experiment with a blockchain-based system for working with government tenders, ultimately changing the way individuals could interact with sending documentation to the government electronically.



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David Smith

**Angel Investor and Owner
of Bitcoinbulls.net.**

“Huge corporations like IBM are implementing blockchain solutions. I predict that within ten years all modern companies will be using blockchain for some part of their business. This cycle looks the same as website adoption in the 90s. First hobbyists, then big corporations, then everyone.”

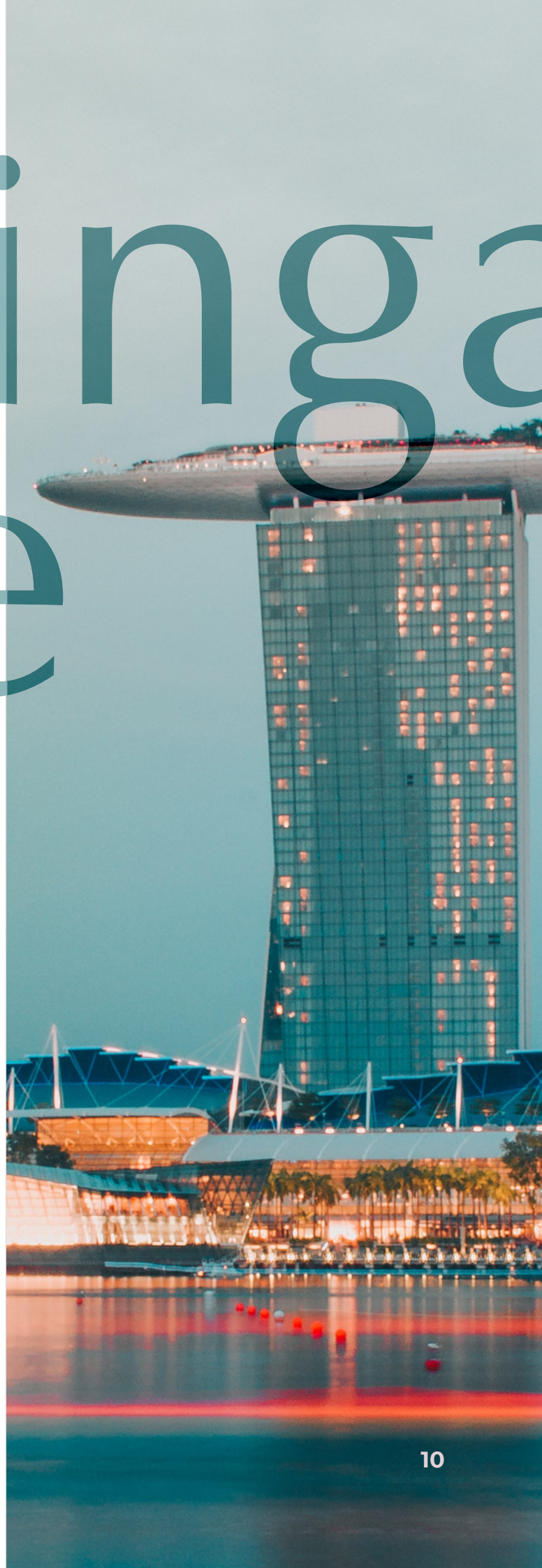
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Singapore

Singapore

Introduction

Singapore continues to be a hub for cryptocurrencies, ICOs, and blockchain related projects. With good taxation laws and a generally open attitude of the government, the benefits of how such emerging technologies could be used to better several industries is being brought to light.



Current Situation

It's worth emphasising that despite being a small island nation with a population of only 5.6 million people, it's become a center of international fintech, with over 200 banks, and state-of-the-art labs from international financial undertakings from the likes of Wells Fargo, DBS Bank, Citigroup, and MasterCard. Due to Singapore's business-friendly environment, innovative ecosystem, and diverse pool of talent, it's also hosted a large number of new blockchain

"Singapore is one of the countries in the world that is leading the way for the revolution and adoption of blockchain technology," said Gaurang Torvekar, co-founder, and CEO of Indorse, a decentralized professional network powered by the Ethereum network. "This can be seen in both the private sector industries as well as amongst various government projects and initiatives."



startups. According to Ravi Menon, a senior official from Singapore's central bank, the Monetary Authority of Singapore (MAS), there are as many as 50 startups that are working on blockchain-based technologies. A growing blockchain ecosystem supports these startups. Singapore's local universities are researching the technology, venture capitalists are eager to invest, and large tech firms are exploring use cases of blockchain as well.

According to Reuters, three strategic partners have passed on \$12.3 bln in financial assets to Singapore-based crypto-finance company FUSION. They'll lock those assets on the startups' public blockchain platform. The above three companies are: Formula, Carnex, and KuaiLaiCai, and they're connected to different fields of the economy, including asset management, car financing, and restaurant supply chain management. By depositing money on the FUSION blockchain, partners have the opportunity to direct and hold transactions from their funds by using blockchain. Cooperation with FUSION enables the companies with access to a finance network

"FUSION is like a value connector. Every company has its own ecosystem and the money flows from one player to another. But that ecosystem is actually limited. What FUSION is trying to do is create a platform that will help those ecosystems connect with each other once they have digitized their assets." and a huge amount of

instruments, which expand the spectrum of the companies' activities.

The next example of progress in Singapore is the fact that the government has started agreements with other Asian countries. Hong Kong and Singapore, for example, have agreed to cooperate on a cross-border trade project based on blockchain technology as part of a broader joint strategy concerning financial collaboration. The two Asian powerhouses' central banks signed a fintech deal to collaborate on a number of projects including business innovation, data sharing, and exchange of expertise.

Collaboration between the HKMA and MAS (Monetary Authority of Singapore) will create significant synergy for the development of fintech and more efficient fund flows between the two markets.

Who Is Implementing and How?

Some of the biggest players in implementing blockchain technology have been the Monetary Authority of Singapore (MAS) and the Association of Banks in Singapore (ABS). Since October 2017, they have expressed their exploration into the use of blockchain technology in the clearance and





settlements of securities and payments. This is part of the software prototype that a MAS and ABS led consortium had developed for establishing a more efficient inter-bank payment system. The project, called Project Ubin, was made in collaboration with 11 different financial institutions (Bank of America Merrill Lynch, Citi, Credit Suisse, DBS Bank Ltd, HSBC Limited, J.P. Morgan, Mitsubishi UFJ Financial Group, OCBC Bank, Singapore Exchange, Standard Chartered Bank, and United Overseas Bank) and 5 technology companies. On top of that, after an incident where Standard Chartered had lost \$200 million back in 2014, Singapore's government had been reportedly aiming to adopt blockchain to help prevent similar incidences of traders defrauding banks from ever occurring again. With the help of local banks, this would be done through the creation of a unique fingerprint (called a cryptographic hash) of every invoice.



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Jeff Berwick

**Editor-In-Chief at
The Dollar Vigilante.**

“Blockchain will and already is changing the world. Decentralization in various forms will disrupt every industry and in this case Asia is no different. In fact, with widespread smartphone usage and a young, modern culture of early adopters, blockchain technology could increase even faster in parts of Asia than in the rest of the world.”

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An aerial photograph of Hong Kong, showing a dense urban landscape with numerous high-rise buildings. The city is situated along a coastline with a large harbor in the foreground. In the background, there are mountains under a clear blue sky. The text 'Hong Kong' is overlaid on the image in a large, white, sans-serif font. The 'H' is partially cut off by the left edge of the image.

Hong Kong

Hong Kong

Introduction

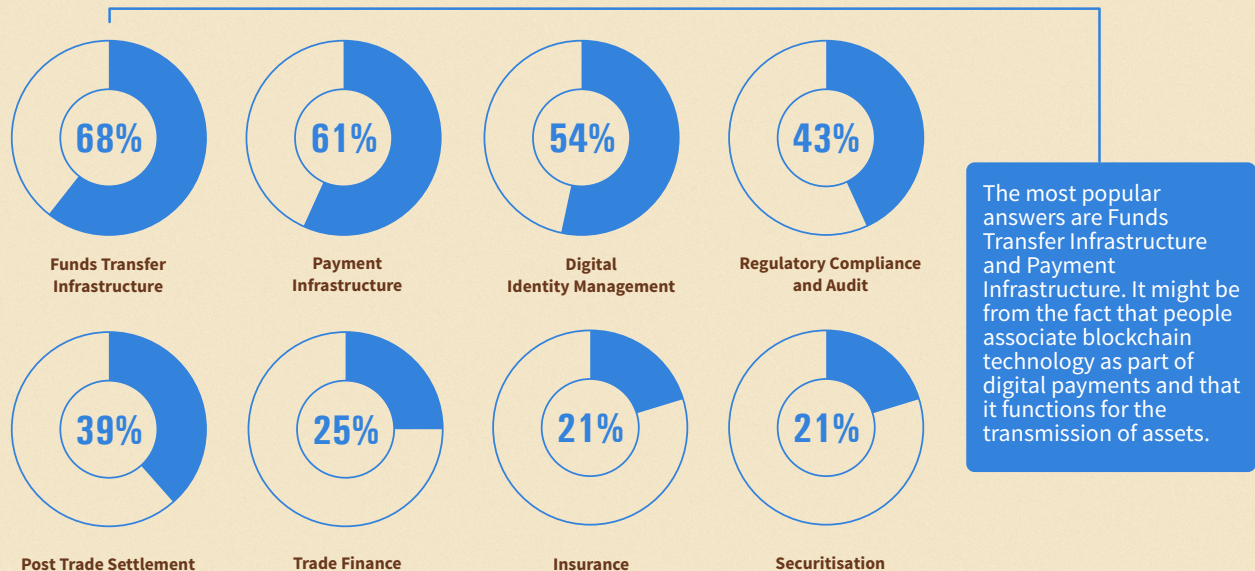
Hong Kong has been rather lenient and open in embracing anything related to the emerging technologies for ICOs, cryptocurrencies, and blockchain. This is clearly evident from the fact that about 80% of financial services in Hong Kong believe that implementation of blockchain technologies will have a positive impact on the financial industry within the near future. With that being noted, over 50% of CFOs with financial services firms have expressed their plans and/or desires to invest in blockchain.

Current Situation

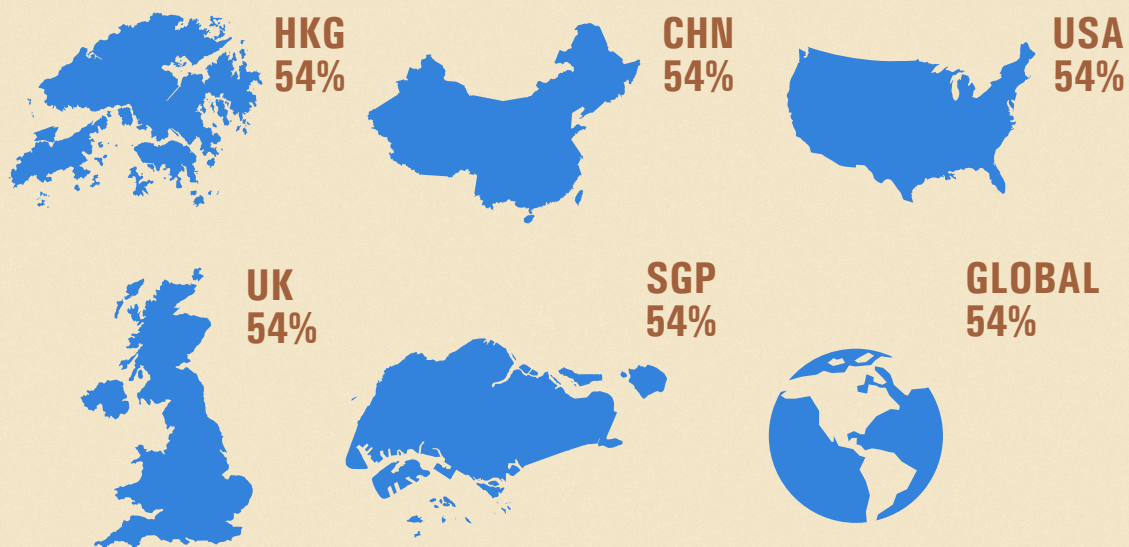
Hong Kong has an opportunity to lead the debate on digital IDs, because there is no clear leader in this field in Asia. Hong Kong is step-by-step opening into

Another issue is the news that Hong Kong's banking regulator and seven banks, including HSBC Holdings PLC and Standard Chartered PLC, have revealed that they're launching a trade finance platform in the near future which will use blockchain technology.

What business uses do people see for blockchain technology?



Percentage of respondents saying "digital identity management"



new technologies and developing in the blockchain area. In addition, trade finance is in Hong Kong's DNA. It's little surprise that this area of potential blockchain application scores higher in Hong Kong than the global average. One of the highest profile uses of blockchain has been in digital letters of credit.

Participants of this project, including HKMA, Bank of China, Bank of East Asia, Hang Seng Bank, HSBC, and Standard Chartered Bank are working in cooperation with Deloitte - a US consulting firm. This collaboration helps simplify and expedite all processes. If the project goes through, it will be one of the first live blockchain trade finance platforms supported by a government and national institution.

Who Is Implementing and How?

One of the several businesses that have largely seen benefits implementing blockchain into their businesses for greater efficiency has been Chong Sing Holdings Fintech Group, a HK-based company that provides loans to SMEs in China. Through the use of blockchain, they have reported to have developed various blockchain platforms which should “help save 30% of back office support resources.” Not only that, but the fintech company has also been utilizing blockchain Smart Contracts for their lending business, where a person borrowing can allocate funds directly to the investor’s account. In addition to the companies mentioned above, in April 2017, the Hong Kong Monetary Authority (HKMA) held hands with the top five banks in the region to launch a blockchain trade finance platform. This partnered project would demonstrate how the uses of blockchain would help bring about great benefits to the finance industry, mitigating fraudulent activities, increasing efficiency, and improving transparency.





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Pavel Matveev

CEO at Wirex Limited.

"Blockchain technology will disrupt the corporate foundation and challenge business philosophy."

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China

CHINA

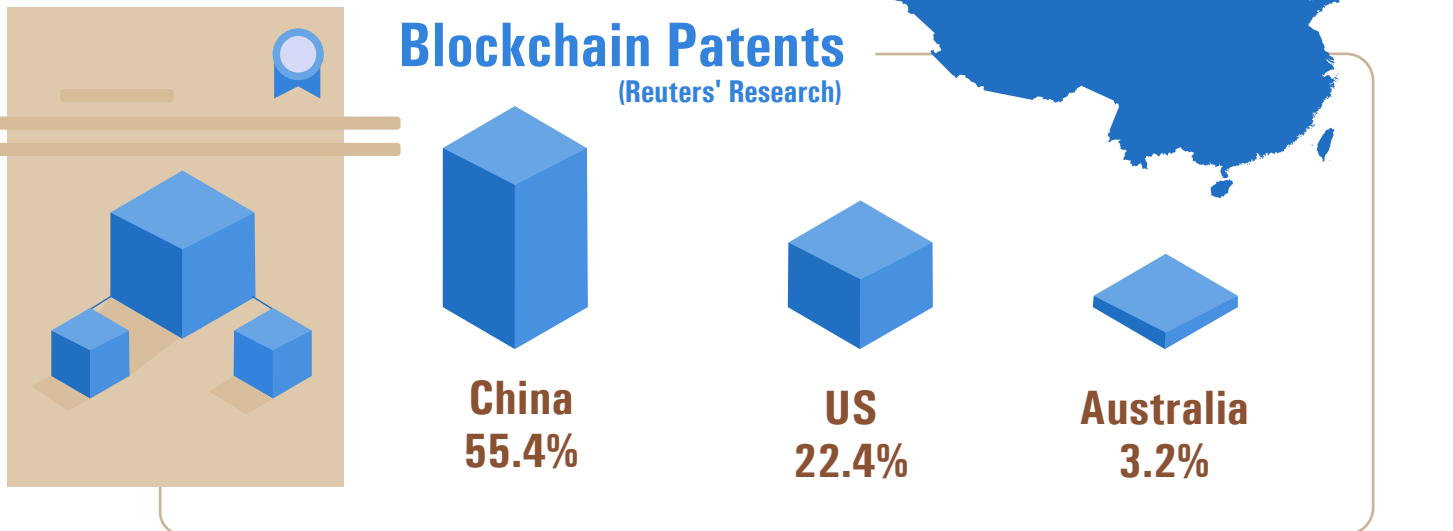
Introduction

Even though communist mainland China has remained one of the more influential economies in the financial market, surprising many with their absolute ban on cryptocurrency, this has not taken away from their sentiments toward the Central Bank Digital Currency (CBDC). Since as far back as February 2016, the president of the People's Bank of China had expressed his interest in adopting CBDC.



Current Situation

In conformity to Reuters' research, 225 out of the 406 blockchain patents (55.4%) filed in 2017 were derived from China. The U.S. came in second with 91 (22.4%), and Australia came in third with 13 (3.2%). Six out of the top nine blockchain patent filers from 2012 to 2017 were apparently Chinese companies.



Recently, the People's Bank of China has acknowledged that the buying and selling of Bitcoin against the Chinese renminbi currency (yuan represent individual units of the currency) has fallen from 90% of transaction volume to less than 1% since September 2017.

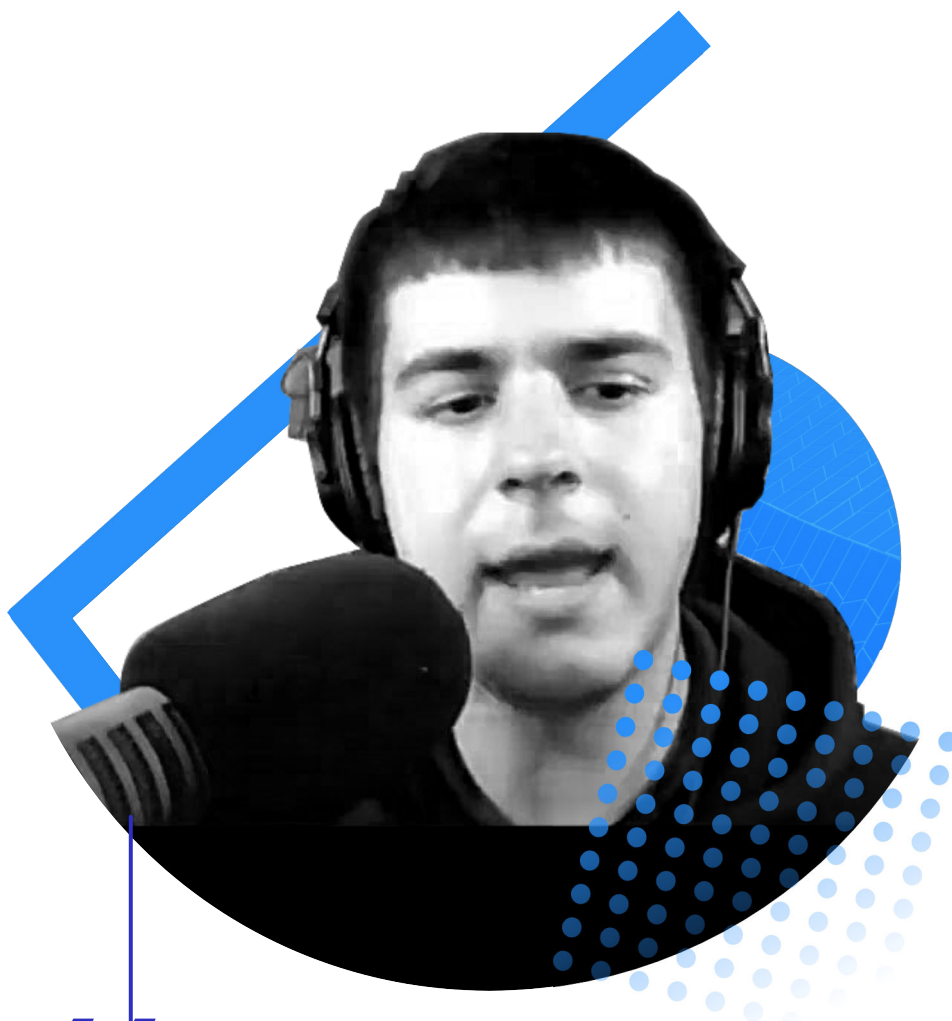
The situation concerning cryptocurrencies in China was tense for an extended period of time, but when the People's Bank of China (PBOC) delivered a statement in February 2018 saying that it would "block access to all domestic and foreign cryptocurrency exchanges and initial coin offering (ICO) websites" a total ban on cryptocurrencies in China began. The PBOC is also said to have confirmed that it facilitated zero-risk exits for 88 virtual currency exchanges and 85 ICO trading platforms between September 2017 and the 2018 ban.

The Chinese government's policy involving cryptocurrencies and blockchain projects is much the same as its policy concerning Western social media platforms, search engines, and content sharing sites. Baidu, WeChat, and Youku dominate the Chinese market, because executives banned Google, Facebook, and YouTube. China has expressed its support towards platforms like VeChain, Qtum, and up-and-coming blockchain projects that were created in the homeland and are based within the country. Experts have claimed that

the aim of the Chinese government is to blockade the draining of yuan.

Who Is Implementing and How?

There have been several companies interested in implementing blockchain technology into their systems. One prominent case that is expected to completely revolutionize the way China's automobile industry works is the VeChain Foundation. The company aims to strike a middle balance between decentralization and totalitarian governance, building a blockchain that operates similarly to Ethereum, where other various applications are built upon. One immediate case is using the blockchain to help improve the transparency in logistics, mitigating issues of fake goods in both luxury and food products. This is supported through their partnership with the Chinese government. Moreover, a Petrochemical company named Sinochem Energy Technology serves as another example of successfully using blockchain technology in their business, using it to export gasoline. Through this, they were able to reduce the costs for oil transactions by 20-30%. In March 12th, 2018, the top heads of China's fintech companies were reported to have headed to Australia in hopes to explore upcoming developments in blockchain, so as to see how it could be further implemented into the architecture of Chinese businesses.



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Daniel Brown

**Founder and Editor-in-Chief
at You, Me, & BTC.**

“The Bitcoin/blockchain space has grown at an incredible pace over the past few years. Countless new projects spring up every day attempting to use blockchains in new ways. But amid the mainstream craziness, the original Bitcoin spirit is still alive and well. The real innovators still know that cryptocurrency can help make people financially free. They know that borderless, private, uncensored transactions are an incredibly powerful tool for the oppressed. And these innovators work tirelessly to create new features, products, and improvements that keep Bitcoin useful and valuable despite endless technical, social, and political attacks.”

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South Korea

South Korea

Introduction

Although Korea has taken a prohibiting stance toward ICOs, since late October 2017, the Korea Blockchain Industry Promotion Association has reportedly made active moves on working together with a group of Korean startups to tackle the ICO banning issue.

Current Situation

The majority of South Korean firms and one-man establishments show a positive attitude for the future of blockchain, regardless of the unsure condition of cryptocurrencies. An interesting instance is Seoul, because authorities in the capital city are going to issue a new cryptocurrency, which will be used for many programs and institutions.

“As Seoul is the world’s leading city in the field of information and communications, including the Fourth Industrial Revolution, I think we should study new technologies such as blockchains,” said the city’s mayor Park Won-soon.



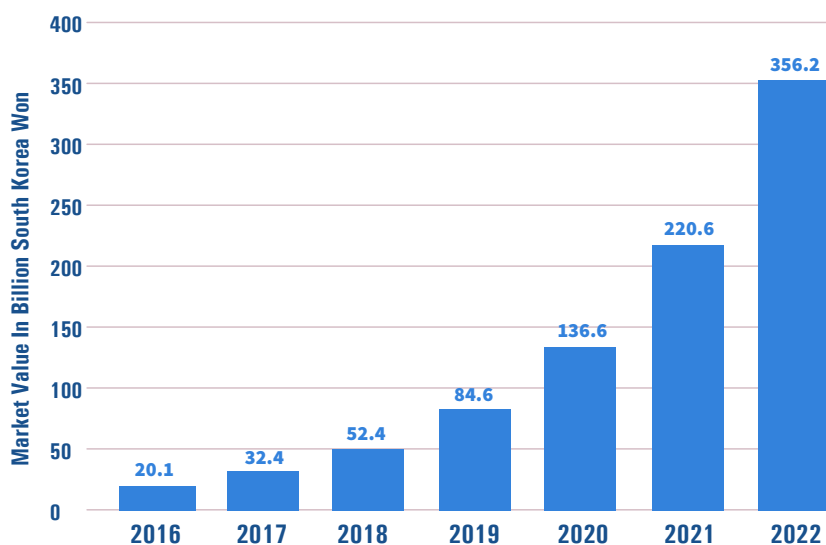
We can expect that in the largest city of South Korea, the progress of blockchains and cryptocurrencies will be assisted. At the same time, video game businesses want to make use of the development of blockchain technology. Forbes has revealed that the most reputable producers of computer games, including Netmarble, NHN Entertainment, Nexon, Smilegate, and Yello Mobile are thinking about generating their own blockchain projects or cooperating with representatives in the industry.

Of course, South Korea has always had an important role in creating, cultivating, and exporting the crypto idea. South Korea ranks as the third country in terms of Bitcoin exploitation, behind Japan and the U.S. Furthermore, 17% of all Ethereum trades take place in South Korea, and it’s also home to 2/3 of the world’s crypto exchanges.

In regard to government behaviour, after banning Initial Coin Offerings in September, regulators have been deliberating options such as enhancing supervision in order to control cryptocurrency exchanges. Apropos of blockchain hype, South Korea is worried the most about potential tax evasion, money laundering, and unprecedented speculation with extreme volatility. Prime Minister Lee Nak-Yon said that cryptocurrencies bring about serious consequences, including the poisoning of youth in the country.

Who Is Implementing and How?

Since December 29th, 2016, glimpses toward the country’s view on blockchain technology have appeared positive. For example, financial institutions, such as the Bank of Korea, have released reports on the applications of the technology and its cost-saving effects. For example, through quantitative research, the Bank of Korea noted that blockchain implementation alone would allow for the bank to save 16% of its total costs. The country’s fintech startup, Blocko, has served as another exemplary case of pushing blockchain to the front lines of public agencies, as their middleware platform, Coinstack, had even received a First Class Gold Software Certificate (GS) - a state authorized accreditation - recognized for its blockchain software solution within the nation, a first of its kind. With such recognition, the Korea Exchange (KRX) was known to implement such software, enabling startups and private corporations to trade shares on the open market (reported in December 2016).



These statistics show the estimated size of the blockchain market in South Korea from 2016 to 2022.

The blockchain market value in South Korea was estimated to grow for the period in consideration, starting from around 20.1 billion South Korean won and reaching approximately 356.2 billion by 2022.



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Hayden Breese

CEO at MYTH Digital &
Brand Agency.

“Blockchain will and already is changing the world. Decentralization in various forms will disrupt every industry and in this case Asia is no different. In fact, with widespread smartphone usage and a young, modern culture of early adopters, blockchain technology could increase even faster in parts of Asia than in the rest of the world.”

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Malaysia

Malaysia

Introduction

With a fairly neutral stance toward ICOs in general, Malaysia has been doing its best to not fall behind when it comes to emerging technologies, attempting to invest time into implementing blockchain technologies to improve systems across various industries.



Current Situation

Malaysia has to guarantee a relaxed and successful regulatory environment for blockchain technology to succeed according to a Universiti Malaya (UM) report. According to the report, the adoption of blockchain technology is essential to economic development in Malaysia; The country also has a need to fight illegal funds and frauds. Moreover, the government has stated that they don't want to ban cryptocurrency trading. This information is verified by the country's deputy finance minister, Datuk Seri Johari Abdul Ghani. He said that a ban isn't a good option for the government and society. Implementation of this size of prohibition may stunt growth in the fintech industry. It's important that Malaysia hosts the New Economy Movement (NEM) Foundation, which is the largest blockchain center in all of Asia. The center plans to disseminate the technology to the masses.



Who Is Implementing and How?

By late March 2018, it was reported that nine Malaysian commercial banks would be partnering up to adopt and develop blockchain applications that would greatly improve trade finance, as well as advance financial services. Chew Cheng Lian, deputy governor of Bank Negara Malaysia (BNM), sees through rose-coloured glasses into the future, saying that the country is embracing emerging financial technologies, including blockchain, to advance

banking services.

Furthermore, in the start of the same period, the government created the National Task Force for learning more about how to better adopt the technologies. The Ministry of Science, Technology, and Innovation (MOSTI) aims to plan and strategize on ways that government and non-governmental sectors could integrate blockchain into existing systems to vastly improve the country.

"In the blockchain space, the industry in a number of jurisdictions has pooled resources to defray the cost of experimentation involved in developing scalable use cases for the technology's application. In Malaysia, nine banks have done this by coming together to develop blockchain applications for trade finance." (Chew Cheng Lian)





“ Francisco Ávila,
Former pousa.com
Director.

“We love the blockchain phenomenon because the future of the internet should be decentralization. Nowadays we are experiencing a financial transformation, but in the future even democracy can potentially be improved with this technology, so it’s time to embrace it.”

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Thailand

Introduction

With a fairly neutral stance toward ICOs in general, Malaysia has been doing its best to not fall behind when it comes to emerging technologies, attempting to invest time into implementing blockchain technologies to improve systems across various industries.

Current Situation

The Thailand Post will begin using blockchain technology to stake out high-value parcel posts, for valuable and luxurious items “by the end of this year or early in 2018.” The courier’s director claimed that “Blockchain is secure and trusted as only authorized persons are allowed to open parcels.” Meanwhile, the

fact that the “LIVE” platform will open up with eight sharers/contributors. Reportedly in the near future, another 50 participants will join the platform. The new platform, known as ‘LIVE’, is self-described as a “complete startup ecosystem, inclusively from the business management education for startup and SME entrepreneurs, to assistance in connecting with



government is amending a resolution to the 2001 Electronic Transaction Act so as to support blockchain implementation in the economy. Thailand’s Electronic Transactions Development Agency is looking for ways to apply blockchain-powered smart contracts.

In the banking sector, Kasikornbank, which is one of the biggest in the country, has recently started a “completely paperless” Letter of Guarantee network in alliance with IBM Blockchain. The council of the bank hopes to increase its electronic Letter of Guarantee issuances to about 35 percent by the end of 2018, with blockchain issuances accounting for 5 percent of such transactions. Another Thai bank - Siam Commercial Bank - asserts that they have brought a Ripple-powered, blockchain-based solution to life, which was first brought to Asia with the help of the Japanese financial service provider SBI Remit. The platform, as promised will let customers make real-time payments between Japan and Thailand. The National Bank has played a key role in developing blockchain technology as well, and has been looking to apply blockchain technology and biometrics for the protection of financial information. The current cabinet is keen on blockchain technology, and in the wake of many discussions, the Thai government confirmed a draft decree to regulate cryptocurrencies and ICOs in every particular. The next serious achievement is the

institutional and accredited investors.” It’s worth mentioning that The Stock Exchange of Thailand has optimistic views on cryptocurrencies and has declared the initiation of a blockchain-based crowdfunding marketplace.

Who Is Implementing and How?

Thailand’s banks have been jumping on the bandwagon of seeing the thriving opportunity blockchain technology has to bring for the financial market. Among them, one of the country’s largest commercial financial institutions, Kasikorn Bank, revealed at the start of August 2017, that they would collaborate with IBM to digitalize Letters of Guarantee, making the process paperless and significantly faster. This would help the bank serve as a leader in the market when it comes to ensuring the delivery of certain types of securities. Moreover, the Bank of Thailand (BoT) has also recently expressed (March 2018) their plans to integrate blockchain for shortening the central bank’s bond underwriting period to just a few days. Not only this, but they also hope to improve the management of interbank Baht settlements through the development of a wholesale central bank digital currency known as Inthanon.



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Simon Cocking

**Editor-in-Chief at Irish Tech News,
and an ICO advisor.**

“Asia is the place to watch for blockchain innovation. It has a large number of active investors, cryptocurrency holders, and also VC companies looking to support further innovations in Asia. Everyone we have worked with from Asia has been knowledgeable and proactive in this space - if you're not including Asia in your strategies, then you're missing out on a very significant part of the world.”

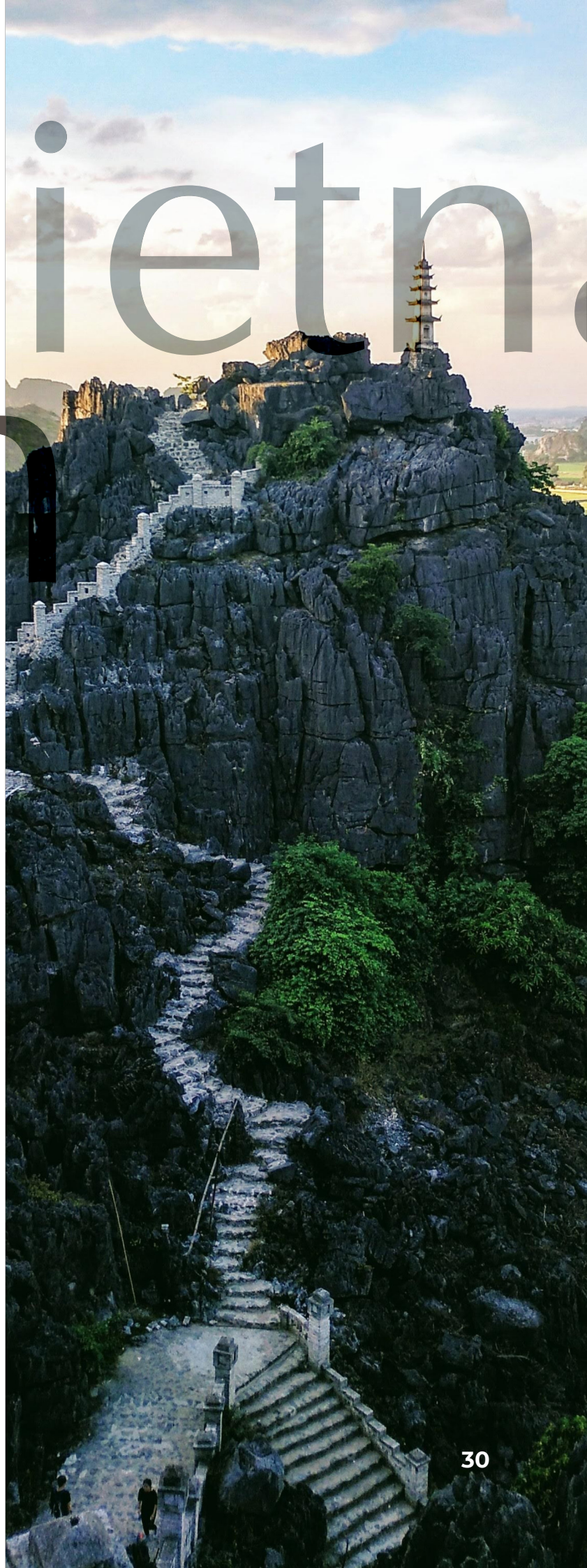
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Vietnam

Vietnam

Introduction

With Vietnam growing to be one of Southeast Asia's emerging markets, especially in the area of e-commerce and financial technologies, it has been catching the eyes of many investors for establishing itself as a potential Fintech hub. Vietnam's population has a significant percentage of young people (40% being 25 years old or younger), who are technologically adept (26% smartphone penetration).



Current Situation

Vietnam's Ministry of Finance has officially planned to put a ban on the import of cryptocurrency mining tools. Bitcoin mining deceptions are presently readily imported into Vietnam. This proposition is relevant to the largest of Vietnam's crypto fraud cases, in which more than 32,000 victims lost a total of \$656 million. Statistics from the General Department of Vietnam Customs informs us that "from 2017 to half of 4/2018, the country imported about 15,600 mining machines," emphasising that the majority of them were imported into Hanoi, Ho Chi Minh City, and Da Nang. Last year, more than 9,300 rigs were imported into Vietnam and over 6,300 rigs were imported from January to April in 2017. Despite chaos in the law, which regulates



The Vietnamese economy has been high-powered for the last three decades and it is expected that the country will reach

6.7%
growth in 2018.



cryptocurrencies, Vietnam has legs to become a future center of blockchain technology. The Vietnamese economy has been high-powered for the last three decades and it is expected that the country will reach 6.7% growth in 2018. Some experts appeal to the fact that as a nation many of the Vietnamese are unbanked and underserved. While only 31% of adults in the country have bank accounts, 40% will have smartphones by 2021, so real revolution is still ahead for Vietnam.

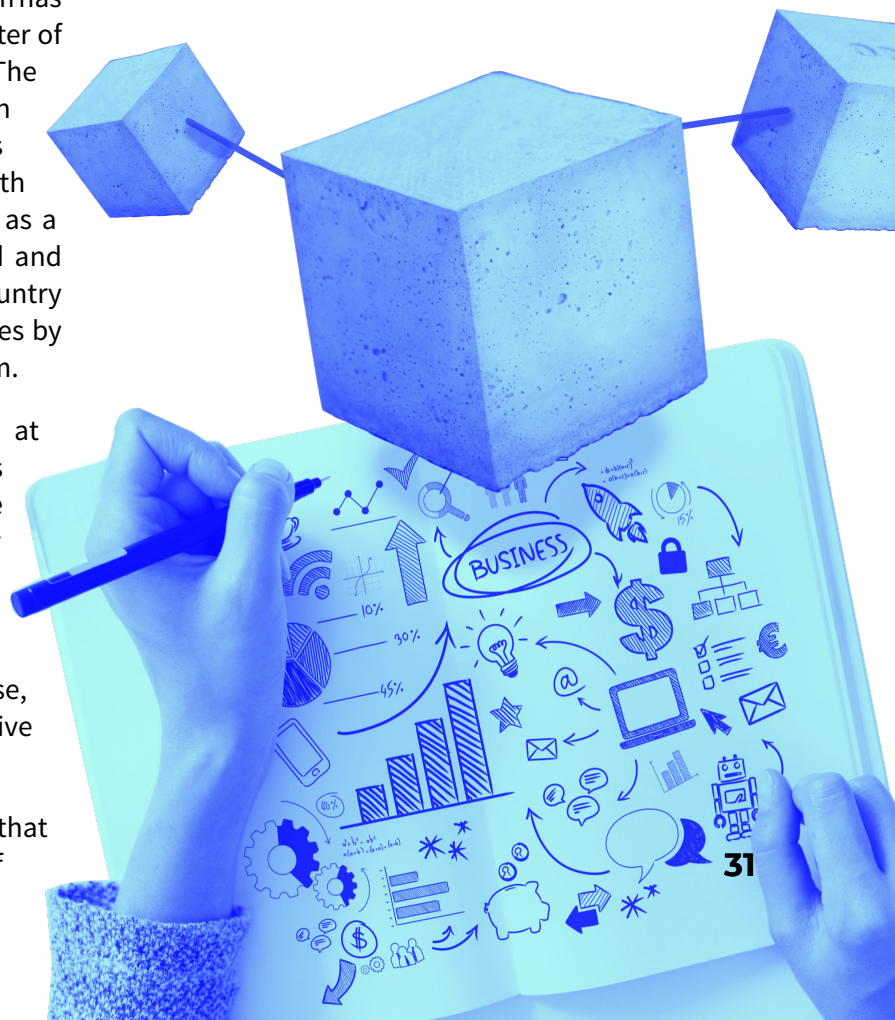
Nicole Nguyen, head of corporate marketing at Vietnam's Infinity Blockchain Labs notes amazing prospect for people to replace the traditional method of investing with their savings in order to establish credit with fiat banks, saying that "This presents excellent opportunities for Vietnamese startups to bootstrap their ideas and grow their user base, specifically by tapping in (to) our massive underbanked population."

Now, as mentioned before, one of the reasons that Vietnam can't maximise development of

blockchain technology is the unsettled question about new technology regulatory framework. A decree issued on October 30th by the State Bank of Vietnam (SBV) has effectively enacted that virtual currencies are an illegal form of payment. It has completely outlawed the existence of cryptocurrencies in Vietnam. The fine for violating the decree can come to 200 million Dong (about \$9,000 US).

Who Is Implementing and How?

One of the greatest initiatives demonstrated in the country has been by the government's National Agency for Technology, Entrepreneurship, and Commercialization Development (NATECD), a program built by the Ministry of Science and Technology that provides training to businesses, and financial aid to new startups. The National Technology Innovation Fund serves as another government funded program that is aimed at science and technology research. When it comes to companies, Infinity Blockchain Labs serves as a R&D company implementing blockchain technology. Their primary aim is to "form alliances with established businesses and regulatory institutions across various industries, as well as provid[e] collaborative incubation for early stage blockchain projects."





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Matej Michalko

Founder at Decent.

"The revenue for mobile games in Southeast Asia has been predicted to reach \$2.4 billion by 2021 and, with other intended partnerships also in the pipeline, the ALAX project is set to provide app and game developers with access to millions of new consumers in the emerging markets."

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Indonesia

Indonesia

Introduction

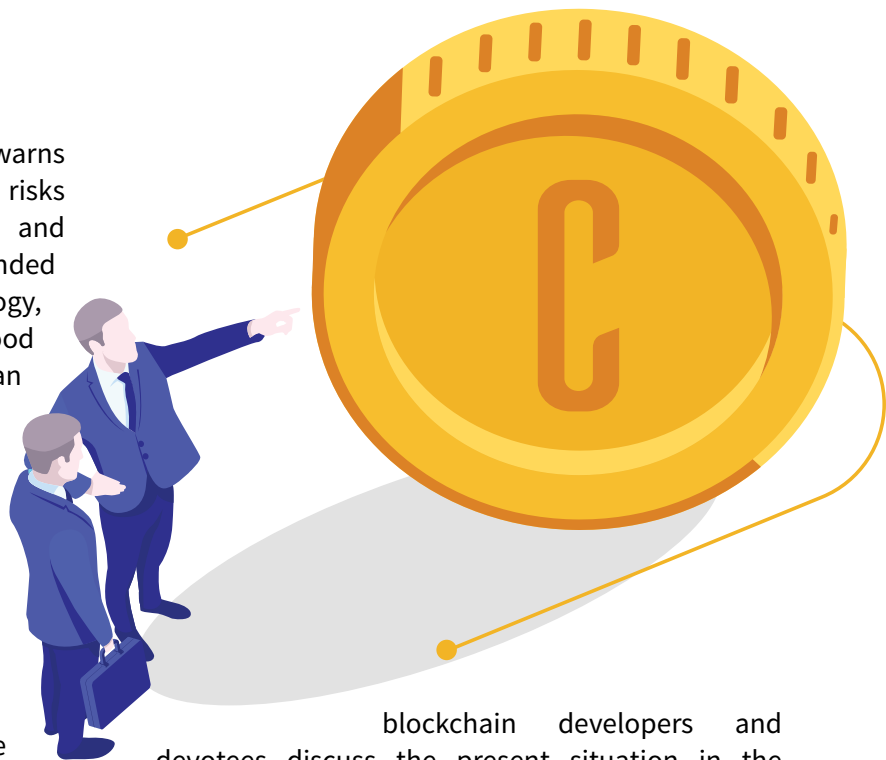
While Indonesia has been tough on cryptocurrencies, expressing their stance on banning ICOs in December 2017, the government has been quite accepting of the technology lying behind it.

Current Situation

The Indonesian Central Bank incessantly warns citizens about cryptocurrencies and the risks relevant to them, but the country's rules and regulations are currently reasonably open-ended for digital currencies and blockchain technology, and the government will hopefully see a good future for the new technology. An existing ban concerns only cryptocurrencies as payments, so exchange platforms and ownership of crypto-assets can function normally. In fact, the majority of banks which belong to the government and are responsible for controlling finance at the highest levels, are intensely concerned with working towards blockchain-based applications and regulations. Furthermore, the majority of commercial banks in Indonesia have announced their focus on blockchain technology and are searching for potential use cases. There are many banks in Indonesia, including regional ones that operate only in the immediate area and they haven't access to the country's debt information system. Many regional banks have to fight with borrowers who don't/can't pay back their loans, or with clients who raise a loan and use one to repay another. Without contact with a national credit rating system, it's impossible to combat such cases. Blockchain can be a cure for this situation. A blockchain node can connect one bank with many others. Therefore, financial data on people who apply for a bank account or loan is available for other banks to see and make a decision. Customer information is translated into a unique hash that sits on the blockchain. When the same customer wants to open an account or get a loan elsewhere, the banks can access the hash, and they can caution against this person.



According to the Co-Founder of Blockchain Zoo, Pandu Sastrowardoyo, there are an abundance of possibilities for blockchain implementations in anti-corruption management. Blockchain can enrich the economy of Indonesia, dispose of agents, facilitate processes, and most importantly boost transparency [and hopefully get rid of much of the bureaucracy and corruption]. In the Indonesian environment of cryptocurrency there's an institution called the Indonesian Blockchain Network where a group of



blockchain developers and devotees discuss the present situation in the finance world. They want to make blockchain technology properly operative and eliminate the necessity of third parties. In order for the Indonesian Blockchain Network to succeed, they need to raise awareness of blockchain technology by organizing meetings, events or competitions, create an atmosphere of safety, and show the benefits of using blockchain technology.

Who Is Implementing and How?

Even though the Bank of Indonesia (BI) banned Bitcoin, the bank's Executive Director for the Payment System Policy Department has expressed an openness in developing blockchain technology further in the country. The government has remained in the same stance as BI, with five of the country's major banks ready to implement the technology into their systems for greater development and efficiency. The state-owned company responsible for carrying out the country's postal services, PT Pos Indonesia also serves as a leading player in implementing blockchain technologies. Through a system named Digi.ro.in, the company aims to transform the account transaction process and allowance of multicurrency, making payments more borderless. Adopting the technology is also expected to help with managing funds and assets, as well as saving costs for migrant workers. Other prominent cases, such as Blockchain Zoo, are some of the few companies that focus entirely on blockchain and its implementation. The company is primarily aimed at blockchain consulting, providing information and materials related to blockchain applications, anti-fraud, and supply chain management.



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Stelian Balta

Founder of HyperChain Capital

"As time has progressed, so has blockchain consensus algorithms. From Proof-of-Work, Proof-of-Stake, Delegated Proof-of-Stake, and now even Proof-of-Space, each one designed to help govern the blockchain in a different way. I think that the future will hold even more consensus algorithms for blockchain governance, perhaps better than anything that's come up yet. One project my team created, HyperBlocks.Pro is one of the first PoS professional services backed by a major investment firm."

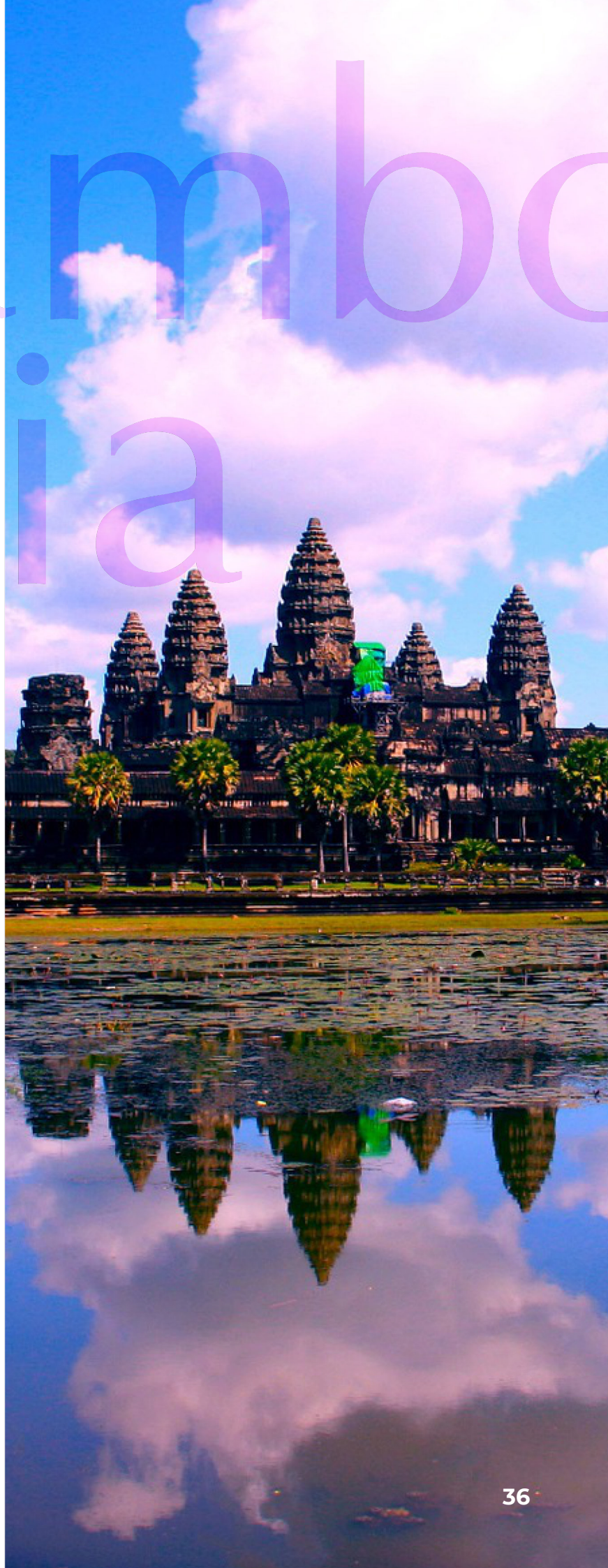
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Cambodia

Cambodia

Introduction

With the help of China, Cambodia has grown to become one of the fastest growing economies in the past few years, even coming as far as to be called the 'New Tiger of Asian Economy' by the Asian Development Bank. In March 2018, the 2018 ASEAN Global Blockchain Summit was hosted in Phnom Penh, with Entapay (Cambodia's national cryptocurrency) being recognized by the Cambodian government.





Current Situation

Cambodia is shooting to generate its own national cryptocurrency. The Asian country is following a similar path as the Venezuelan Petro in February of 2018. The Cambodian crypto project will be named Entapay. Advocates of the new cryptocurrency described Entapay ambitiously as “the connection between integration payment of encrypted currency and the real world. It has the great potential to even replace Visa as the new mainstream payment mode.” A Cambodian cryptocurrency could become an appealing option for Hun Sen, the Cambodian prime minister, who is facing the threat of international sanctions because of his behaviour towards the political opposition, media, and rights activists.



Who Is Implementing and How?

While blockchain is fairly new to Cambodia, the National Bank of Cambodia (NBC) partnered up with Japan's Soramitsu Co. to adopt the technology to improve their systems. In June 2017, it was reported that the NBC would be launching a test phase of a closed loop blockchain technology that would greatly “enhance the central bank's ability to facilitate and monitor interbank lending and transactions, the director-general of the NBC has confirmed.” If we want to profile Entapay, it's a cryptocurrency aggregated payment system that's based on blockchain technology. Security and fast encryption is the essence of Entapay's business plan. Entapay has many uses, it's fabricated as an all-purpose payment system, which aims to support users and minimise the nuisances related to handling multiple digital currencies, the toilsome process of trading, and the troubles with a number of insufficient physical trading sites. In comparison to other payment systems, Entapay's cross-chain and cross-contract technology facilitates immediate exchange between all blockchain assets. Entapay assures convenient solutions, immense user experience, and supplies a powerful supporting system in association with its high performance EntaChain. Entapay has the potential to be a conduit between the physical and digital currency worlds, and it aims at becoming a mainstream payment instrument that means to replace VISA.



Philippines

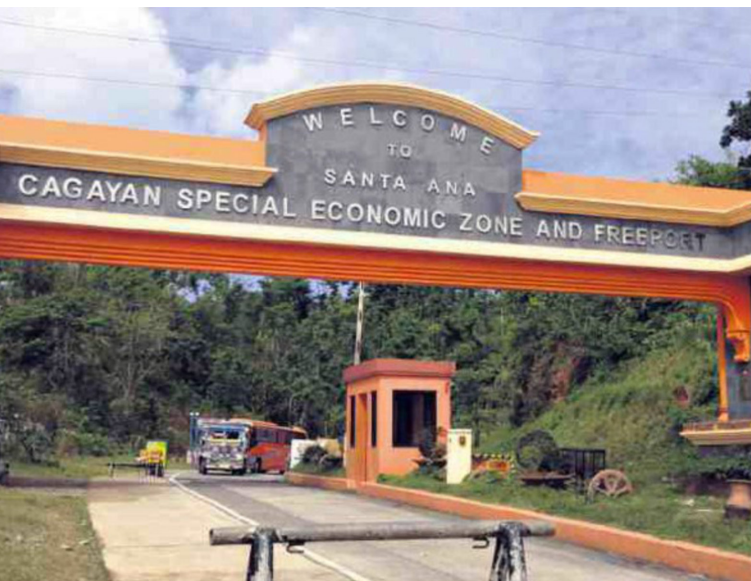
Philippines

Introduction

Blockchain has unimaginable potential in emerging markets. Institutions in the Philippines want to gain experience in using blockchain technology in both private and public sectors. A common trend in the Philippine market is that a growing number of startups are utilizing blockchain technology at full length to improve the functioning of a wide range of systems.

Current Situation

The energy sector in the Philippines is following Japan's example and leaning towards blockchain technology. About 17% of the country has limited or no access to electricity (not to mention frequent power outages from storms) and blockchain can provide a solution. Energo Labs, which is a Chinese startup, has announced that it will create a microgrid platform that enables local providers to share and sell access power to one another on a peer-to-peer basis – with all transactions registered on decentralized ledgers. Most power plant generation sites in the Philippines are located some distance away from load centers, exploiting long-distance transmission lines that can “often be damaged and are risky and costly to operate.” Energo Labs's solution according to advocates would be to decentralize energy generation and allow consumers to share electricity more efficiently. The next interesting issue is the fact that according to Reuters the Philippine government has enabled 10 blockchain and cryptocurrency companies to operate in the Cagayan Economic Zone. The companies could be the first blockchain and crypto-



related firms to legally operate in the Philippines after the Cagayan Economic Zone Authority (CEZA) declared that they want to make the Philippines an important part of the fintech industry, an Asian “Silicon Valley”. CEZA is a state-run corporation that directs the Cagayan Special Economic Zone and Freeport.

Who Is Implementing and How?

One of the biggest banks in the Philippines, UnionBank, is cooperating with US-based blockchain software technology firm ConsenSys,



which is helping homegrown financial undertakings in integrating Ethereum and blockchain-based platforms. In an intensely Remittance-focused country like the Philippines, any technology that could provide transparency, security, robustness, and efficiency in processing transactions can be pivotal. In ConsenSys' and UnionBank's opinions, the blockchain could be the technology that might be able to radically improve the present financial infrastructure and ecosystem in the Philippines. Justo Ortiz, the chairman of UnionBank, pays attention to the fact that blockchain could “crack the hole of financial inclusivity”, therefore it's crucial to control development and stand for new technologies and startups. In the period ahead, ConsenSys and UnionBank will collaborate to usufruct Kaleido, a business blockchain fix launched on top of the Ethereum blockchain protocol, to process information and make transactions safer and more transparent.

Taiwan

Taiwan Introduction

With the wealth of tech talents and equipment, Taiwan has become a real centre for blockchain startups. Corporations and institutions cooperate to create blockchain startups and innovate existing systems. Blockchain technology can be used in different industries, for instance in: finance, medicine, logistics, entertainment, and renewable sources of energy.



Current Situation

There are several qualities which make Taiwan's Fintech legislation unprecedented from anywhere else.

One of these qualities is that the country has the world's longest testing period for Fintech companies. The new legislation allows 3 years maximum testing period—one year basic duration with 4 extensions for 6 months each.

Banks and startups can file joint applications to be considered for entry into the sandbox. The sandbox can lower frictions that might otherwise have happened during implementations. Banks will be encouraged to incorporate fintech products and services into their operations.

Jon Jones is the founder and CEO of Blockcamp, a blockchain accelerator and ICO consulting firm. He's also a co-founder at Blockcity, and the president of the Government Blockchain Association in Taiwan, a non-profit that acts to brighten the blockchain situation and performance in the public sector. The goal is for it to be a self-regulatory organization for companies and communities. The team will buildout a more decentralized way of running the organization. The institution is putting the spotlight on local companies and communities to be seen internationally. Jon Jones wants to see people announce that Taiwan is a place where blockchain is flourishing. Nowadays, cryptocurrency can be a difficult discussion in Taiwan because institutions are worried about anti-money laundering, although the government is planning to regulate cryptocurrencies in the future. When it comes to blockchain technology, the government has adopted a positive tone about its benefits and opportunities (for smart cities, businesses, etc).



Who Is Implementing and How?

The first bank in Taiwan which has implemented a payment system on the basis of Ethereum was Taipei Fubon Commercial Bank (a private bank). Currently, it can be used by restaurants and retail traders, whose residences are located near the National University of Zhengzhi in Taipei. This solution helps the bank to reduce implementation time to several seconds. Salesmen can gain swift access to knowledge about transactions because all data is encrypted and stored in the blockchain. In January 2018, the executive of Taipei declared that they want to spawn a “smart city”. Also, in November 2018, Taiwan aims to build up rules for the regulation of blockchain technology so as to help prevent money laundering.

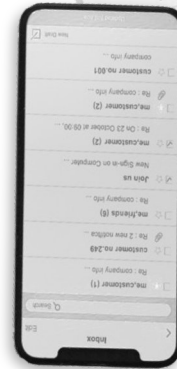
Taiwan also has accelerators that focus on AI and blockchain technology startups. One of those accelerators is AppWorks with 860 founders in the eco-system, which has helped since 2010. The new batch of blockchain startups started in August. Out of the 33 startups that joined their last batch, 13 are working in blockchain with over half of them hailing from countries outside of Taiwan, including from the U.S., Sweden, Austria, Poland, Vietnam, South Africa, Malaysia, and Hong Kong.



Final Thoughts

While many have associated 'blockchain' and 'Bitcoin' as one, financial institutions, governments, and companies are realizing the differences between the two. While one may serve as a cryptocurrency that disrupts current financial markets, the other is simply a digital ledger - all in all, the technology behind cryptocurrencies, which can have many other uses. By adopting and implementing blockchain-based emerging technologies into their systems, governments are realizing the vast potential of improving efficiency, effectiveness, and all around productivity (as well as, hopefully, transparency) in the way their major organizations are moving. And as this direction can only help to benefit the shifting transition into a digital economy, we can hope to see that blockchain implementation in Asia will only serve as a catapult for the countries within the region to reach greater heights.





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