

Blockchain Technology - its Impact on Financial Services Industry

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ABSTRACT

Blockchain Technology is set to drive the future of the world economy. The most fundamental invention of all times from the history of computer science. The existing business models are about to see a radical change in the near future. This conceptual paper is planned to map the possible changes we all are going to witness and enjoy the next generation IT enabled services in Financial services industry. Financial transactions are made in seconds, but actual payments are settled in days. Movement of money from one currency to another takes days to complete through banking channels. In this transfer period, companies cannot use the money, but financial intermediaries can earn interest on that. Even today, the logic of technology is paper based (Vikram Pandit, 2015). In the stock markets, traders complete transactions in nano seconds but settlement happens only on T+2 basis. An expat has to pay a lot of service charges before he or his family actually utilises his salary. One of the main reasons for financial crisis 2008 was banking system and its faulty ambitions of increasing transaction costs. In this paper, we anticipate that Blockchain technology will help authenticate party's identity in a much easier ways, move money easier, help people for storing value, lending value and exchange value. The work is expected to provide valuable suggestions to the stakeholders of Blockchain technology.

Keywords: Blockchain, Sidechains, Bitcoin, cryptocurrencies, Industry 4.0

