

## **The challenges of cryptocurrencies: Innotribe interviews SWIFT's Wim Raymaekers**

As previously announced, cryptocurrencies play a large part of Sibos agenda this year. Innotribe will dedicate a full day of its programme to the topic, and other sessions will also be organised across the rest of the conference. The Innotribe team decided to catch-up with Wim Raymaekers, Head of Banking and Treasury Markets at SWIFT, to discuss his personal views on cryptocurrencies and what he expects from the various sessions taking place in Boston next week.

**Innotribe: Wim, as you know, Innotribe at Sibos will kick off on Monday with sessions dedicated to the topic of cryptocurrencies. Do you think this is the right time to bring this topic to Sibos?**

Wim Raymaekers: Yes, the timing is excellent, as cryptocurrencies like Bitcoin are a really hot topic in the financial industry. Every day new Bitcoin start-ups are announced in the press and an increasing number of businesses are now accepting it as a means of payment. Bitcoin prices are reported on Bloomberg and Thomson Reuters. The btc.com domain name recently sold for \$1.1 million. Payments industry players are closely watching these developments, because many commentators believe that cryptocurrencies have the potential to disrupt and transform the existing global financial infrastructure.

**Innotribe: What sort of things have you been hearing about Bitcoin?**

WR: Bitcoin is considered by its supporters as a faster, cheaper and more convenient alternative to other payment mechanisms such as sending payments via banks, transferring money via money transfer operators or buying goods and services over the internet using a credit card. Critics believe that cryptocurrencies like Bitcoin are over-hyped, that their potential is based on pure speculation, and that it is an insufficiently regulated payment channel which is used for gambling, or illegal purposes such as buying drugs or money laundering.

**Innotribe: And what do you believe?**

WR: Only one thing is certain: technology is evolving fast. What is a limitation today can be solved in the next release tomorrow. Bitcoin itself may actually not be the most advanced cryptosystem out there any more, with faster and more generic challengers emerging.

**Innotribe: What do you think is next for cryptocurrencies?**

WR: Many more start-ups, applications and innovations are likely to emerge in the digital payments space. Together with an active developer community, cryptocurrency firms continue to attract venture capital investments. They received over \$130 million in the first two quarters of 2014, bringing the total investment across 49 companies to \$240 million. We should therefore look beyond today's state and uses of Bitcoin. Remember the Internet in the early 1990s, when it was a set of user-unfriendly hypertext pages pointing to a few newsgroups.

**Innotribe: And what do you think is the bigger picture? Could "block chain technology", by providing a generic value-transfer capability, lead to innovative new services that transfer ownership of contracts or even physical property like houses? Could it be used to settle payments in a way we've not seen before and for instance replace correspondent banking altogether?**

WR: Such opposing views, fast paced technology and future uncertainty make Innotribe at Sibos the

perfect place to open the debate and offer critical dialogue. To respond, I would like to propose some questions to those who will participate to the Innotribe sessions on Monday and offer below some links to my own personal thoughts on these issues:

1. What are the key challenges that cryptocurrencies must overcome to achieve widespread customer adoption?
2. What are the major risks regarding cryptocurrencies, when and how will cryptocurrencies and their service providers be regulated?
3. In their current state, what are the killer apps for cryptocurrencies?
4. What are some of the more fundamental, longer term issues cryptocurrencies must solve?

My final thought is – what innovative applications are being developed right now and how will cryptocurrencies disrupt the payments landscape of tomorrow? I will leave that to others to debate at this most dynamic gathering of protagonists at Sibos!

**Many thanks for joining us Wim!**

**We wish a great Sibos to all participants, see you in Boston!**

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