



The concept behind Lykke,
current activities and
the future

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Overview

- Brainstorming:
 - Global risks
 - Why
 - Proposals
- Lykke
 - Blockchain
 - Market design
 - Products and services
 - Company structure
 - Discussion
 - Outlook

Brainstorming:

- Global risk
- Why
- Proposals

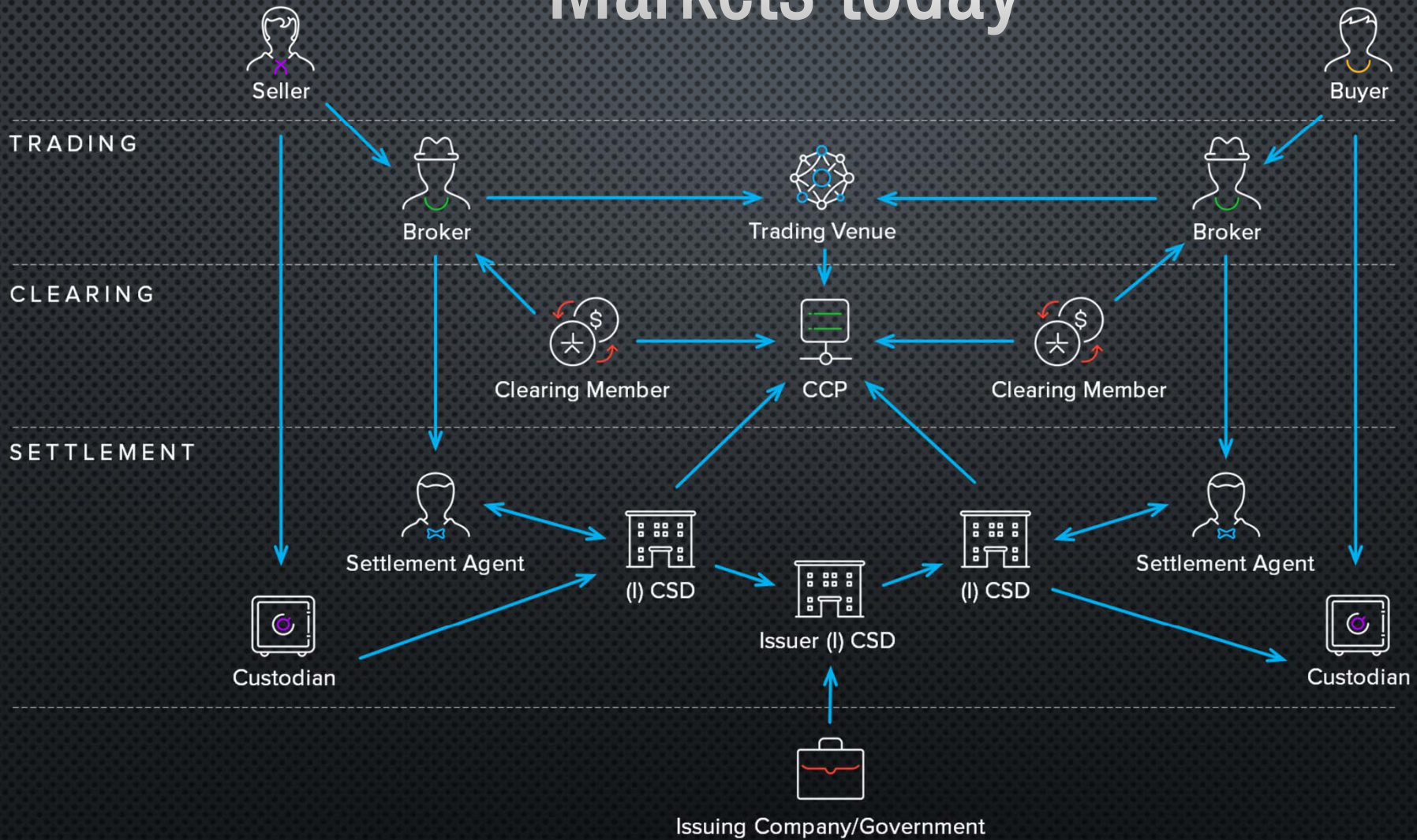
Journey of discovery:

- Resilient social system
- Data driven research
- Time line: from Olsen & Associates, OANDA to Lykke

Innovations

- **Outdated financial business processes**
 - **Batch based processing**
 - **Minimum one day interest**
 - **Asynchronous delivery and payment**
 - **Spaghetti-like financial system**
- **Consequences:**
 - **High transaction costs**
 - **Illiquidity of markets**
 - **Dysfunctional economy**

Markets today

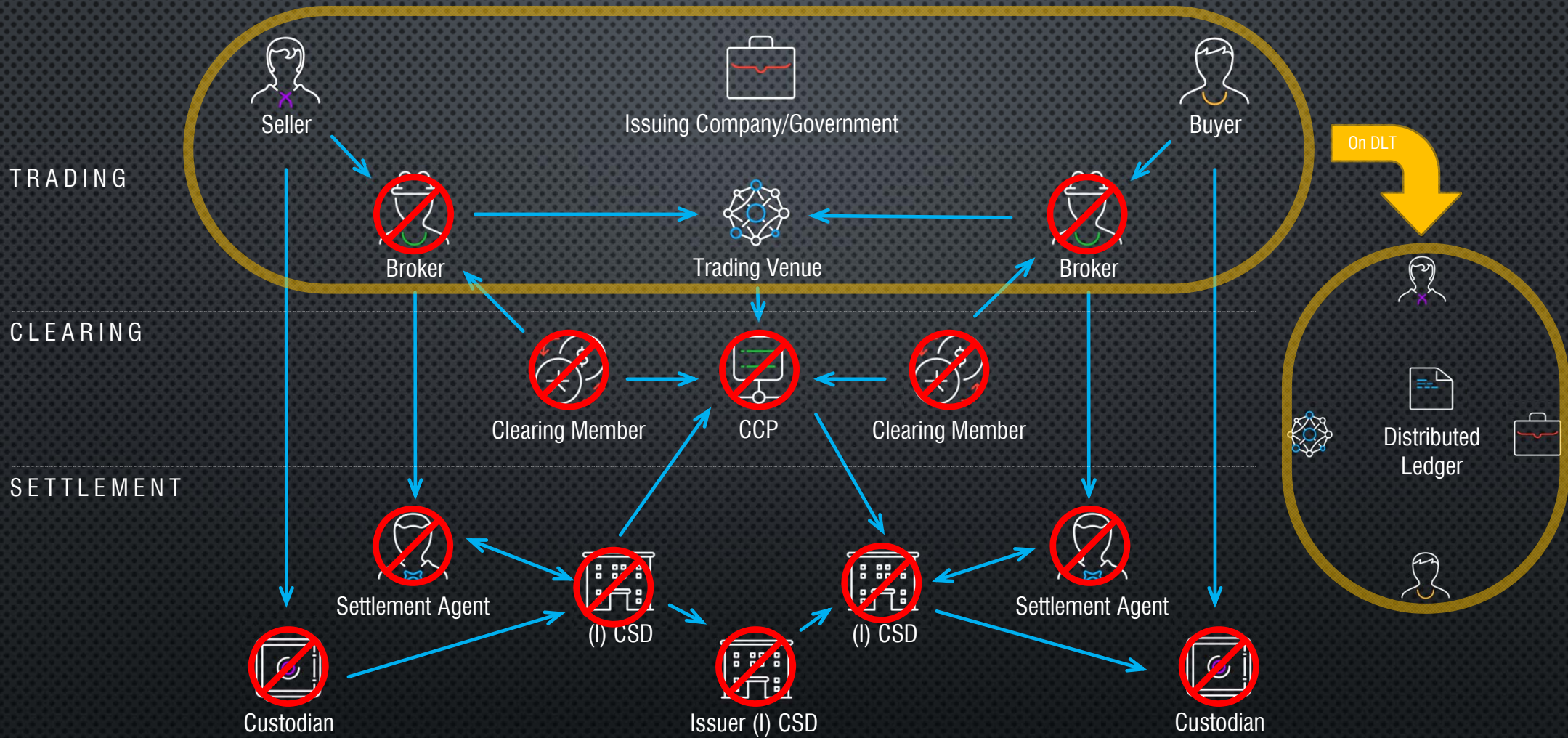


Financial system is nervous system of economy.

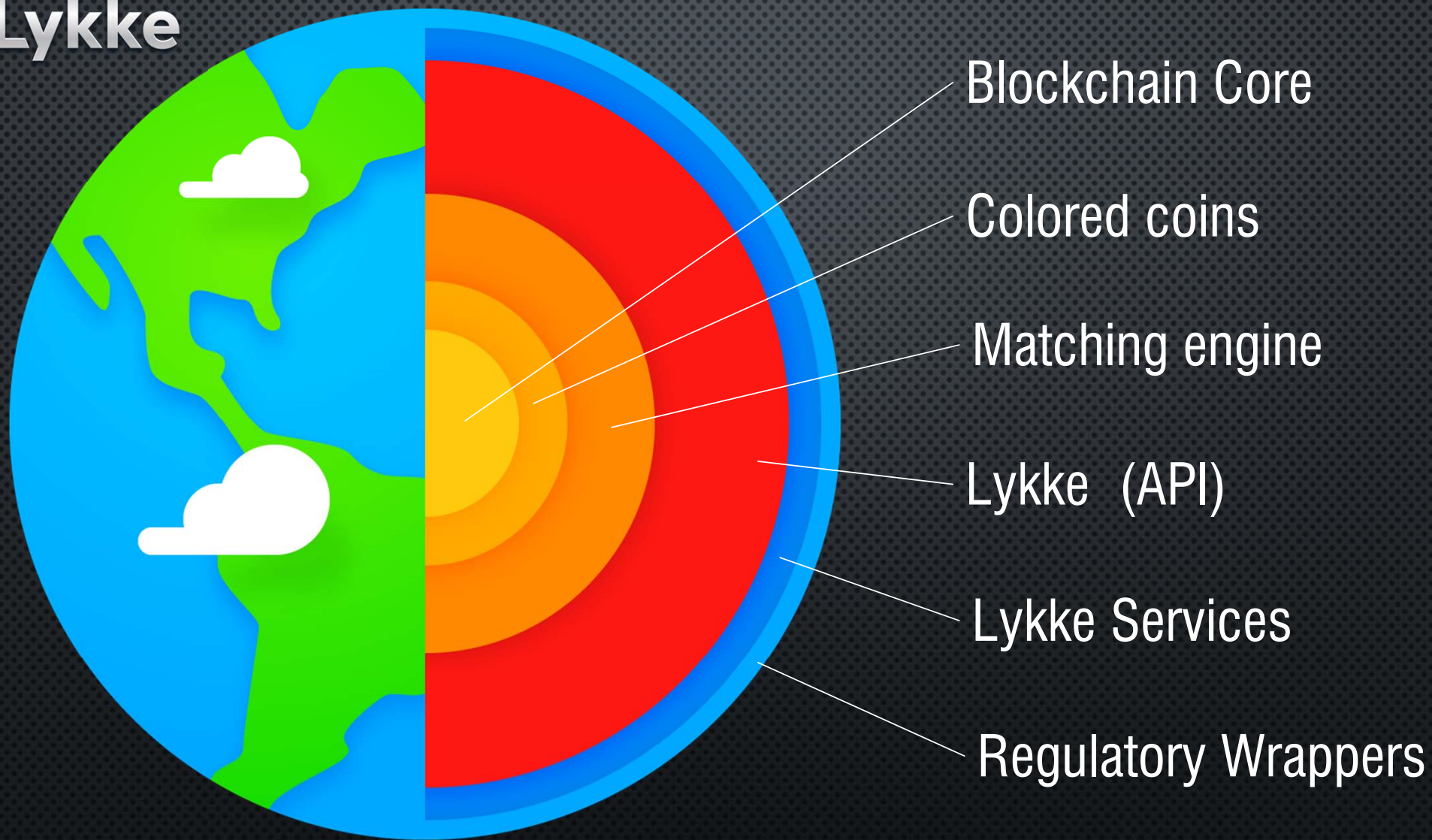
**Blockchain is global Internet-based notary
service.**

- Open asset protocol
 - Colored coin
 - I Owe You – in n hours, days, weeks
 - Forward of asset or other claim
- Technical details:
 - Snippet of Bitcoin
 - Meta data with specifications of forward

- **Opportunities**
 - 'I Owe You' Coins for any financial asset
 - Direct ownership of coins
 - Atomic swap
 - No intermediaries
- **Future:**
 - Digitization of all assets and claims
 - One global market place
 - Centralized matching engine: any-any coin



- **Blockchains**
 - **Bitcoin blockchain**
 - **Etherum**
 - **Hyperledger, etc.**
- **Features:**
 - **Immediate settlement**
 - **Intraday yield curve**
 - **Very large number of coins**



- **Regulatory Initiatives**

- **Vanuatu broker license**
- **Cyprus broker license in process**
- **Cyprus payment license in process**
- **Finma broker license to be submitted**
- **FCA MTF license to be submitted**
- **US broker license**
- **Other jurisdictions: early stages of preparation**

- Lykke business model
 - Exchange platform: service public
 - Revenue: market making
 - Haircut on issuance of coins
- Discussion
 - Security: colored coins can be cancelled
 - Speed: solutions available even today

- Lykke organisation
 - Emergent structure
 - Inside-out company
 - Crowd based at all levels
 - Open source
- Discussion
 - Redundancy
 - Feedback processesn
 - Not top down

- Discussion

- Viral products and services

- Food chain

- Political movement

- Outlook

- Old world – new world

- Spectacular future

To succeed we need to be fast:
sense of urgency

Not reinvent the wheel – make impossible possible!