Introduction: Toward Collaborative Fintech Regulations

Shin’ichiro Matsuo
Georgetown University

New Context Conference 2018 Tokyo
Huge Incidents

Mt. Gox

The DAO Attack

Coincheck

Monacoin

Selfish Mining
Going Astray outside the Satoshi’s Boundary

Without Trusted Party (nearly equal to “decentralization”) Prevent double spending

With trusted party

Other functionalities of currency

Payment system
Settlement system
More applications

Cryptocurrency Exchange
International Discussions

History

BitLicense (2015)

Current

Regulators do not want to stop innovation, but...

Scam, scam and scam

“Crypto-asset” instead of “Cryptocurrency” in G20

“Securities” or not?
Current Mismatch

Difference in speed: law enforcement cannot cover all new services

No good communication channel between regulators, business and “decentralized” open source developers

Transparency and Due-diligence

Costs/frictions and value: What are missing in ICO?
Relationship among Stakeholders and Problems

Regulators
- Few connections
- No common language
- Very hard to regulate
- Wants to avoid friction

Open source style Engineers
- Start business before maturing technology

Business
- Difference in speed

Consumers
- Lack of transparency
- Difference in speed

Wants to avoid friction
Better Conversation to Grass-root and Agile-Innovation Friendly Governance

Need to have better incentive designs among stakeholders
Common place
Common Language
Harmonized incentive

Standard in the next era:
Criteria to have common understandings
Lessons from the Internet: ISOC, IETF, ICANN, etc.
ISO Standardization: Technical reports on Security for Digital Asset Custodians
Expectations

Regulation is not an enemy of innovation.

We need:
- Innovations which improve our experience
- Innovations which make all stakeholders try to refine the regulation
- Governance through transparency and harmonization

We're going to fight illegal downloading by competing with it. - Steve Jobs
Thank you!