

Blockchain technology can cut out the middlemen

Blockchain technology is one of the most exciting technology innovations being developed right now. It has the potential to improve many processes within the financial sector, including share trading. Buying and selling stocks and shares has always involved many middlemen, such as brokers and the stock exchange itself. Creating a decentralized and secure ledger – a blockchain – that gives every party a say in the validation of a transaction, speeds up the settlement process, allows for greater trade accuracy, and can cut out some of the ‘middlemen’ (such as brokers) while changing the role of others (such as those determining share price

Blockchain technology will also impact the process of going public with a company. For instance, only a year ago Nasdaq announced plans to leverage blockchain technology as part of an enterprise-wide initiative. In their own words, ‘blockchain technology will be used to expand and enhance the equity management capabilities offered by its Nasdaq Private Market platform’. It will offer ‘efficient, fully-electronic services that facilitate the issuance, transfer, and management of private company securities’. Blockchain technology will be able to take over the role of notary offices in this field, since its content is so well secured.

Preparing for change

What is crucial for the financial sector, is to become an active part of blockchain technology developments. With blockchain technology, more than ever before, staying in business means looking ahead.