

Cryptocurrencies, blockchain and superheroes: Fiction turns to fact

Kelvin Lim, Head of Business Development for Asia at IRESS, has a fascination with the world of cryptocurrencies and blockchain. And he told the audience at the Thailand Wealth Management Forum why blockchain and cryptocurrencies are evolving.

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IRESS DESIGNS, DEVELOPS AND DELIVERS TECHNOLOGY SOLUTIONS for the financial markets and wealth management sectors, and works with businesses across Asia from the smallest independents to the largest multi-national players.

Kelvin's presentation was designed to explain Blockchain and its technical concepts in an easily relatable manner, to allow the audience to formulate their own opinion on this hotly debated subject.

Kelvin explained that he would present from a child's perspective to make the information on these complex new developments more digestible. "This is quite a technical subject that many people find difficult to grasp, and for those of us that are not coding literate, it almost requires the innocence and sponge like powers of a child's



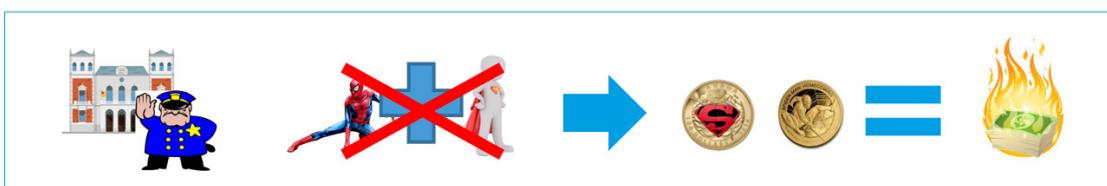
KELVIN LIM
IRESS

brain. In other words, a brain that is capable of the rapid absorption of new information, new concepts and altered realities."

Kelvin first addressed the suitability of Bitcoin as an investment. "Some time ago my brother asked me if he should invest in Bitcoin



HOWEVER...



and other cryptocurrencies, but I could not give him a clear answer. We swapped all sorts of terminology and theories, but in truth, we just went around in circles. Then I spotted his eight-year old son and I said to my brother, let's ask your boy, Lucas, to decide on this."

Kelvin recalls that he took the approach of explaining the fundamentals before having his nephew decide for the adults. This involved quoting standard definitions from the internet but Lucas was lost in the translations.

Kelvin added "We realised we had to convert our language, descriptions and analogies to those that would capture the imagination and comprehension of a child."

So, Kelvin reinterpreted each piece of information by creating fictional characters and examples to make them more 'relatable'.

"Picture the system of the police department protecting its citizens; it's not perfect or always efficient. Now imagine superheroes replacing the police and issuing, in exchange for money, their own branded coins to citizens as payment for protecting them." Additional superhero

parallels were applied to Blockchain concepts such as counterparty risk, flawless algorithm, distributed ledger, digitalisation and security.

He continued this educational journey with his nephew by touching on various cryptocurrencies and how each individual superhero fits into this concept. The effectiveness of the superhero concept (i.e. Blockchain) with finite coins issued, led to prices of associated coins appreciating, which triggered more alternative superheroes coming onto the scene trying to replicate the incumbents.

Finally, Kelvin wrapped up this basic Blockchain 101 explanation by touching on the emergence of ICOs and, just like there are good, bad and fraudulent ICOs, the same can be applied to superheroes. He goes on to note that the ICO valuation peaked at USD800B at one point.

Now, armed with a basic understanding, Lucas is asked to make a decision as to whether to invest in Bitcoins. He starts off acknowledging the merits of superheroes performing the role of law enforcement instead of the police, but highlights two concerns:

1. The current cost of maintaining the police force today, (such as salaries, handcuffs and police cars) can be estimated and is funded by taxes. The collective high price of the coins seems like a massive premium compared to the value of crime fighting. Nothing new is created here and it is essentially solving the same problem in a much easier way.
2. Lucas raises the potential impact of "jealousy" - where the police chief, with the livelihoods of the police threatened, influences the government to declare superheroes illegal, thus wiping out the value of the superhero coins.

In closing, Kelvin's nephew finally suggested that he will contribute to the investment cause with funds from his piggy bank if the two concerns raised were diminished.

Regardless, this binary outcome seemed to have contained some levels of caution which the audience would need to heed, as after all, it's a new domain for the masses. ■