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Blockchain and the Decentralization Revolution

While much has been written about blockchain, or "distributed ledger," technology, there has been less focus on the possible corporate finance implications. In our [most recent publication](#), J.P. Morgan's Corporate Finance Advisory team, in conjunction with J.P. Morgan's Digital Investment Banking team and Blockchain Center of Excellence, explains blockchain technology in non-technical terms, summarizes the potential blockchain use cases that may impact corporate finance, and presents an action plan for corporate decision-makers evaluating blockchain's potential.

Though still a nascent technology, the growth of various aspects of blockchain technology has been striking:

- There are over 86,000 existing blockchain projects (including Bitcoin).
- \$6 billion was raised via Initial Coin Offerings ("ICOs") in Q1 2018.
- The current market value of all cryptocurrency in circulation is above \$400 billion.
- Bitcoin's average daily trading volume is \$6.5 billion.

Key Takeaways

- Even though blockchain remains in its early days, it is not difficult to see how wider adoption of the technology could have far-reaching implications for corporate finance.
- Firms may wish to evaluate strategic blockchain partnership opportunities — either within their own industries or with blockchain thought leaders like financial institutions and start-ups.
- Blockchain is the latest in a line of technology developments that will require the focus and understanding of the entire C-suite as business models and markets evolve.

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