

Reporting participation in BIP001 conference

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BIP001 is a semi-annual conference on Bitcoin and its advancements that takes place in Ukraine. The conference gets together professionals from various areas to discuss recent achievements of the technology and its future. Business, academia and authorities are there to share their viewpoints. COINS has funded my participation in one such conference that took place in Kyiv on 12th of January, 2017.

The conference traditionally started with a party an evening before the conference day where many important connections are made. Moreover, the agenda of the conference assured plenty of time to develop the connections further. The morning session started with a short presentation of Timur Khromaev from Ukraine National Securities and Stock Market Commission about legislation in Ukraine that pertains Bitcoin and the way the authorities are adapting the technology. Then Pavel Kravchenko gave a presentation on how to progress building financial web, i.e. how to get to the financial world we imagine now for 2050. The expectations are that financial transactions are as easy as messaging avoiding high fees, regulations, inequality, unexpected loss. According to him, to reach the goal all that needs to be done is a development of a unified financial platform for financial communication. Bitcoin is a huge step in this direction. Also Pavel discussed the difference between Bitcoin and Blockchain and wrong perception by public. Being utterly complex the technology is fully understood by few people. The rest, unfortunately, just keeps rephrasing others and brings more attention to catch-words. Such a tendency is misleading and often causes confusion. Better education and deep exploration of the technology is needed.

Next presentation given by Andrey Martchouk discussed industrial projects that use blockchain. The main focus was to show the current state and the tendencies caused by adoption of blockchain. According to Andrey, the modern society is highly over-banked. The problem though is that the adoption of blockchain technologies by banks is fear-driven. The whole idea of de-centralization is an opposite paradigm to banking, thus considering

blockchain solely as a ledger would not change much the way banks work. Andrey showed that the paradigm shift is already happening and heavy regulations are being overcome. The second part of the presentation discussed blockchain projects and the ways the technology is used today. The following projects were discussed: LandTitle, asset management on blockchain; Provenance, a reliable supply chain; IBM Showcase, securing a car with blockchain.

Ariel Gabizon, an engineer at Zerocoin Electric Coin Company, has presented a cryptocurrency, Zcash, that has received a considerable attention lately due to complete anonymity of its transactions. Zcash uses zero-knowledge proofs which gives a user full control over how much to reveal. Ariel explained the basic principles behind zk-SNARKs, a variant of zero-knowledge proofs, as well as the basic mechanics of the cryptocurrency. The glaring issue with Zcash is that it has to undergo a set up ceremony where backdoor information is used. After the ceremony the information is to be deleted, but there is not way to prove it.

An important topic of identity systems built on blockchain was covered by Justin Newton. The modern identities are governed by a bunch of Internet service providers such as Google, Facebook, Apple, Amazon. The obvious problem is the fact that they get to know everything about user actions and they can easily share the information they possess. The blockchain technology allows to build identity systems that give users full control over their identities. Many companies put their effort nowadays to develop a blockchain-based identity system. Such projects as Blockstack and uPort were discussed.

The rest of speakers covered topics that include choice of blockchain for a project, i.e. what blockchain to use for what application; challenges and opportunities of banks' issued currencies; the initiative to open Bitcoin index futures on Ukrainian exchange; the importance of financial confidentiality. Roman Sulzhik shared his view on how to be successful implementing ideas in such a fast changing and highly competitive environment. The main message was to be quick and dirty. Get your foot into the doorway and then care about the rest. Finally, Vlad Zamfir discussed ethical aspects in the blockchain community. Indeed, most phenomena are profit driven and many of them do hurt the area.

To conclude, BIP001 is a great conference that provides a high value to my project as it keeps me update and motivated. It was a great experience thanks to COINS.