



# Seizing new potential

**KPMG's Digital  
Ledger Services**

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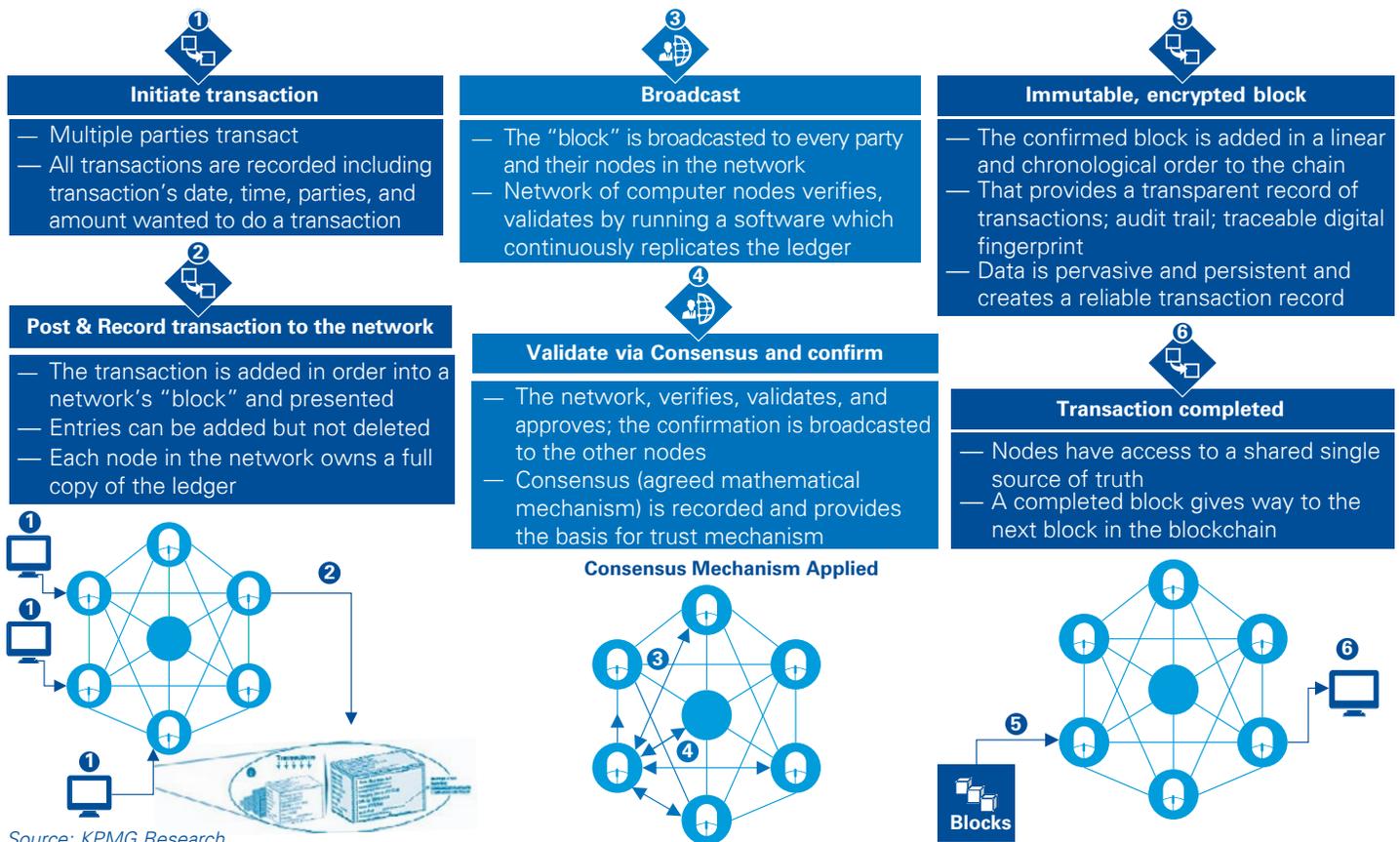
# Explore the real possibilities.

Blockchain has sparked a new wave of digital innovation throughout the industry, primarily in the financial services sector. And it is easy to see why. Using a decentralized technology approach, blockchain's distributed ledger technology offers the potential to drive significant efficiencies and execute real-time transactions in discreet, secure, and highly cost-effective new ways. And that is just the beginning...many other potential use cases continue to be identified and explored.



# What exactly is blockchain?

As a distributed ledger database, blockchain is able to maintain a continuously-growing list of transaction records that are considered immutable, and it is increasingly becoming the destination platform for financial services companies.



# How do you know if blockchain is right for your organization?

Whether blockchain is right for you at this time may depend on various factors such as your business model, the services and products you offer, the profile of your automation, and the volume of your offerings. By using a scorecard for prioritizing use cases, we can provide a clear assessment of how blockchain can best address the needs of your organization.

## Data



- Which data needs to be shared with whom and when?
- What kind of assets will be transferred?
- Where should the data be stored?
- Does it need to be authenticated and notarized?

## Technology



- What does the underlying existing technology landscape look like and in which way would it be impacted?
- What is the underlying technology cost?

## Industry



- Is there an industry-driven event requiring a refocus on current operations, to do things faster, with more trust?
- Which factors need to be considered?

## Process



- How is the process done today versus a DCL application?
- How is agreement/consensus reached on the business level/data level?
- Who is allowed to validate transactions?

## Performance/Security



- Can the solution scale to my needs?
- Are my security requirements met?
- Does the transaction record need to trigger further events (smart contract)?

## Business Case



- What is the overall business case including the consideration of implementation cost?
- What is the ROI?
- Is there sufficient scale effect?

## Counterparties



- Which entities create and post transactions?

## People



- Which skills and organizational changes would be needed?

## Regulatory



- Does that solution help to address my regulatory requirements in a more efficient way?

Source: KPMG Research



# Recognize the potential benefits.

Blockchain has far surpassed its previous reputation as the technology underpinning the digital currency, Bitcoin. Today, blockchain generates its own excitement and inspires innovation due to the sheer magnitude of its disruption potential within financial services and beyond.

Some of the many potential benefits associated with blockchain include the ability to:



**Gain increased efficiencies** by automating and streamlining back-office operations, enabling peer-to-peer solutions, removing intermediary services, and reducing post-transaction latency and counterparty exposures.

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**Increased efficiency in real-time settlements worldwide** with greater transparency and increased liquidity.

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**Reduce costs** through automation and by leveraging the cloud and eliminating the need for additional servers, simplifying infrastructure and solving significant system integration issues.

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**Increase security** with cryptography. With blockchain, all data is imprinted and immutable. The ledger creates a trail of financial DNA that lowers the possibility for fraud, theft, or compromising sensitive data.

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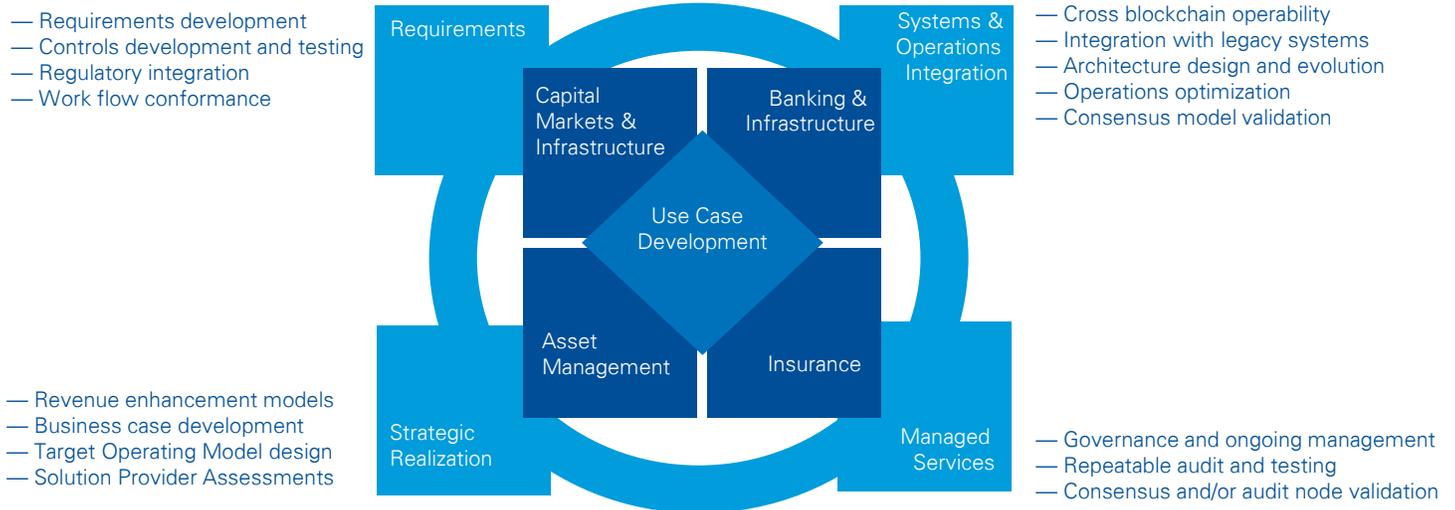
**Enhance regulatory compliance** by offering detailed, factual evidence and reliable documentation at a lower cost and creating a concrete audit trail. As a result, auditors and regulators will be able to rapidly monitor the flow of financial data and avoid after-the-fact verification.

# KPMG digital ledger services.

KPMG Digital Ledger Services focuses on helping clients derive the maximum benefit from blockchain technology. We can help you identify and define an effective strategy to determine, construct, and manage relevant use cases that integrate into other blockchains as well as any existing legacy systems and operations within your organization.

Our services incorporate strategic realization, requirements guidance, systems and operations integration, and managed services with the potential to address data governance and potentially conventional audit services such as platform audit and tax services.

## KPMG Digital Ledger Services for Financial Services



KPMG offers specialized services in the areas of:

- Strategic realization
- Requirements guidance
- Systems and operations integration
- Managed services.

# Realize the KPMG advantage.

KPMG's Digital Ledger Services focuses on providing client support from conceptualization to ongoing management. We have approximately 160 executives and developers worldwide dedicated to blockchain. And we are anchored with a blockchain coding and development group that addresses proof-of-concept, prototyping, and integration. This group, in combination with other practice support, provides a single point of delivery for our clients.

Unlike some of our competitors, we are not beholden to proprietary blockchain solutions and are well-positioned to provide the necessary objective guidance and experience required to make use cases successful. In addition, KPMG is forming alliances with some of the top technology providers, such as Microsoft. Through its strategic alliance, KPMG and Microsoft will jointly work on blockchain initiatives—with Microsoft providing the blockchain and cloud technologies and KPMG providing its comprehensive suite of services—which will help clients efficiently and securely move to the cloud, while adopting disruptive technologies.



**KPMG International and Microsoft Corp. have announced the launch of joint KPMG and Microsoft Blockchain Nodes** in three major locations globally designed to create and demonstrate use cases that apply blockchain technology to business propositions and processes.



**The Blockchain Nodes will expand on KPMG and Microsoft's global alliance**, which combines Microsoft's technical expertise with KPMG's deep industry and blockchain application knowledge, together with select developer relationships and strong connections to the start-up and developer communities.



# Contact us

For more information on how KPMG can help you seize new potential with digital ledger technology, contact:

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