



## EY MENA

Forensic Technology and Discovery Services

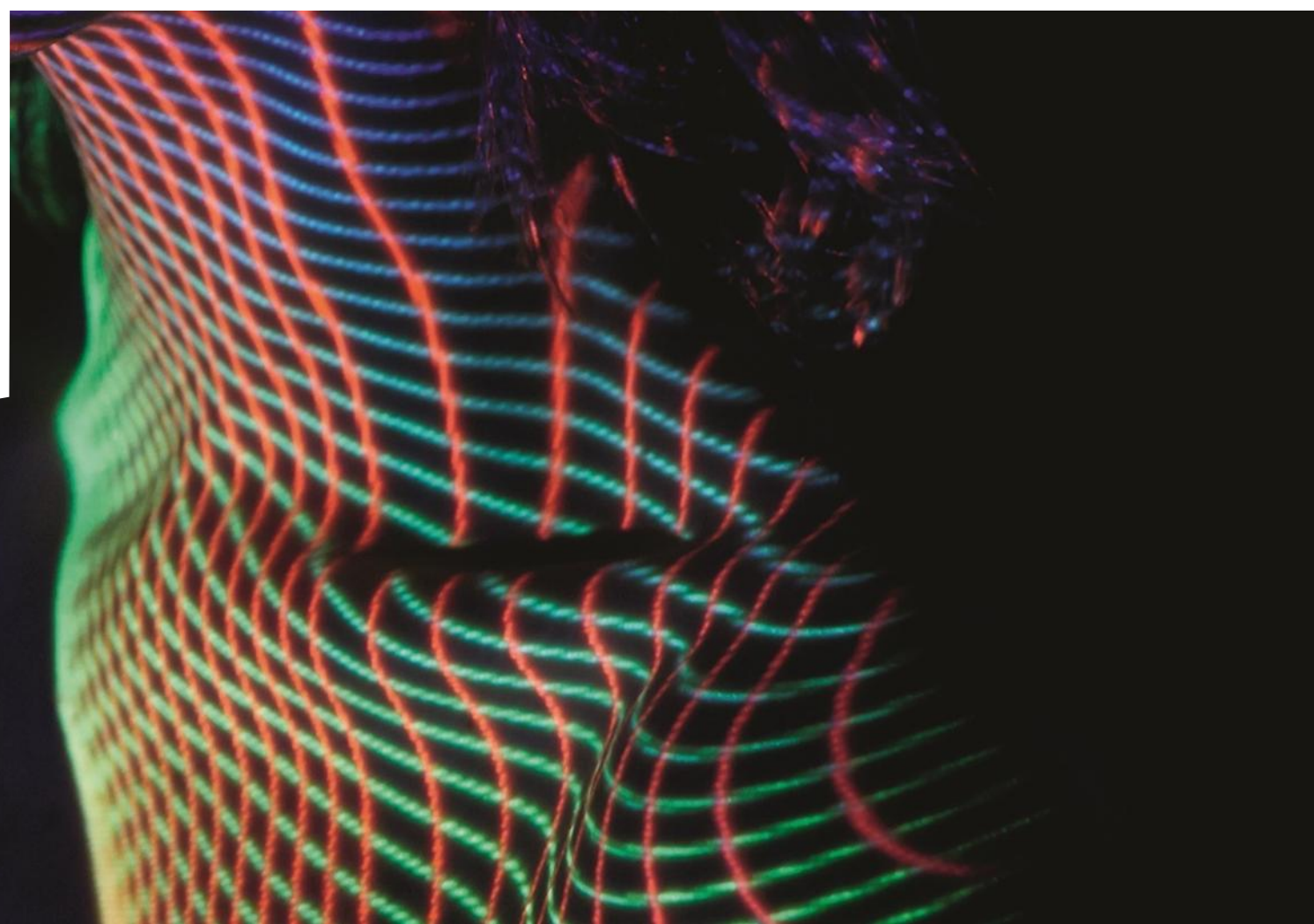
20 March 2018

## Cryptocurrency A new risk or a new asset

---

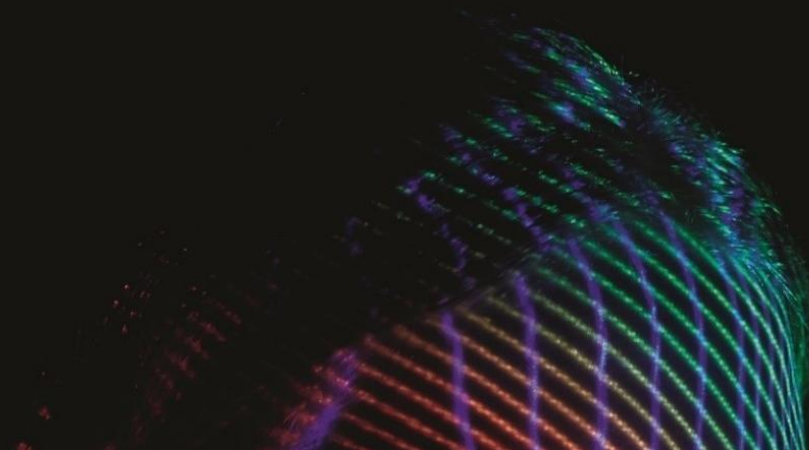
Forensic Technology and  
Discovery Services

Fabiano Rocha  
EY MENA Senior Manager



# Content

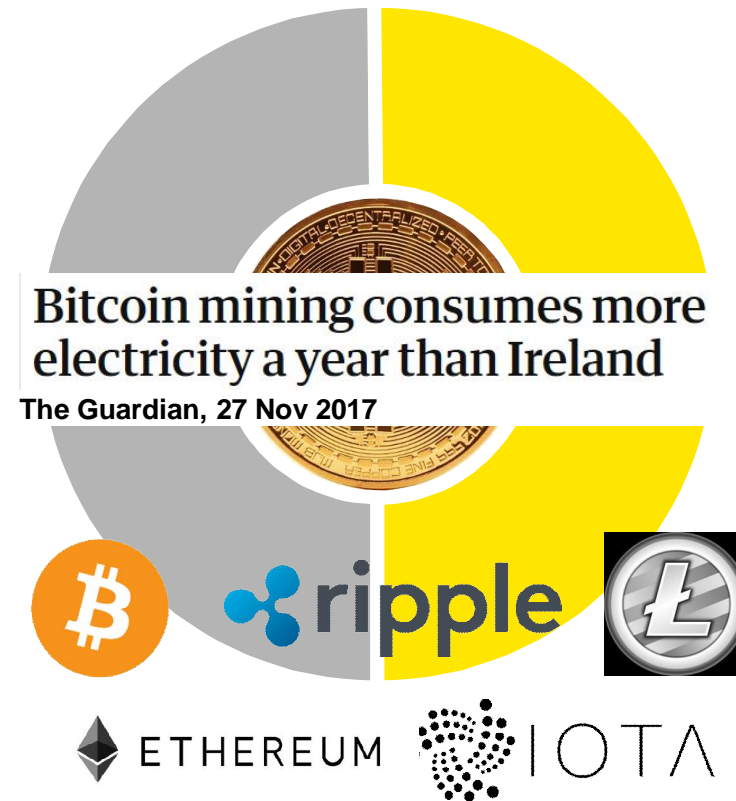
<b>Topic</b>
Cryptocurrency
<b>The Market</b>
Most common use of cryptocurrencies
Risks associated to cryptocurrencies
Cryptocurrency ecosystem
Across the globe
Regulation is coming



# Cryptocurrency

## What is it?

- ▶ Is a digital asset designed to store value.
- ▶ It uses cryptography to
  - ▶ secure its transactions
  - ▶ control the creation of additional units (**called mining**), and
  - ▶ verify the transfer of assets.
- ▶ It is supported by a distributed and decentralized environment, not being controlled by any central party.
- ▶ The technology behind, is called **Blockchain**.



# Cryptocurrency

## How has it evolved?

### 2017-2018

- ▶ Bitcoin reaches record price of 20k USD
- ▶ Regulators start to discuss about creating a legal framework for trading cryptocurrencies
- ▶ The year of ICOs (Initial Coin Offering).
- ▶ Almost the entire crypto market loses 50% of its market value

### 2012-2016

- ▶ More payment gateways accept bitcoins
- ▶ FBI investigates the use of bitcoins in the Silk Road / Dark web
- ▶ Cryptocurrencies Exchanges start to emerge
- ▶ The volatility in the price quotation gets stronger and stronger.

### 2011

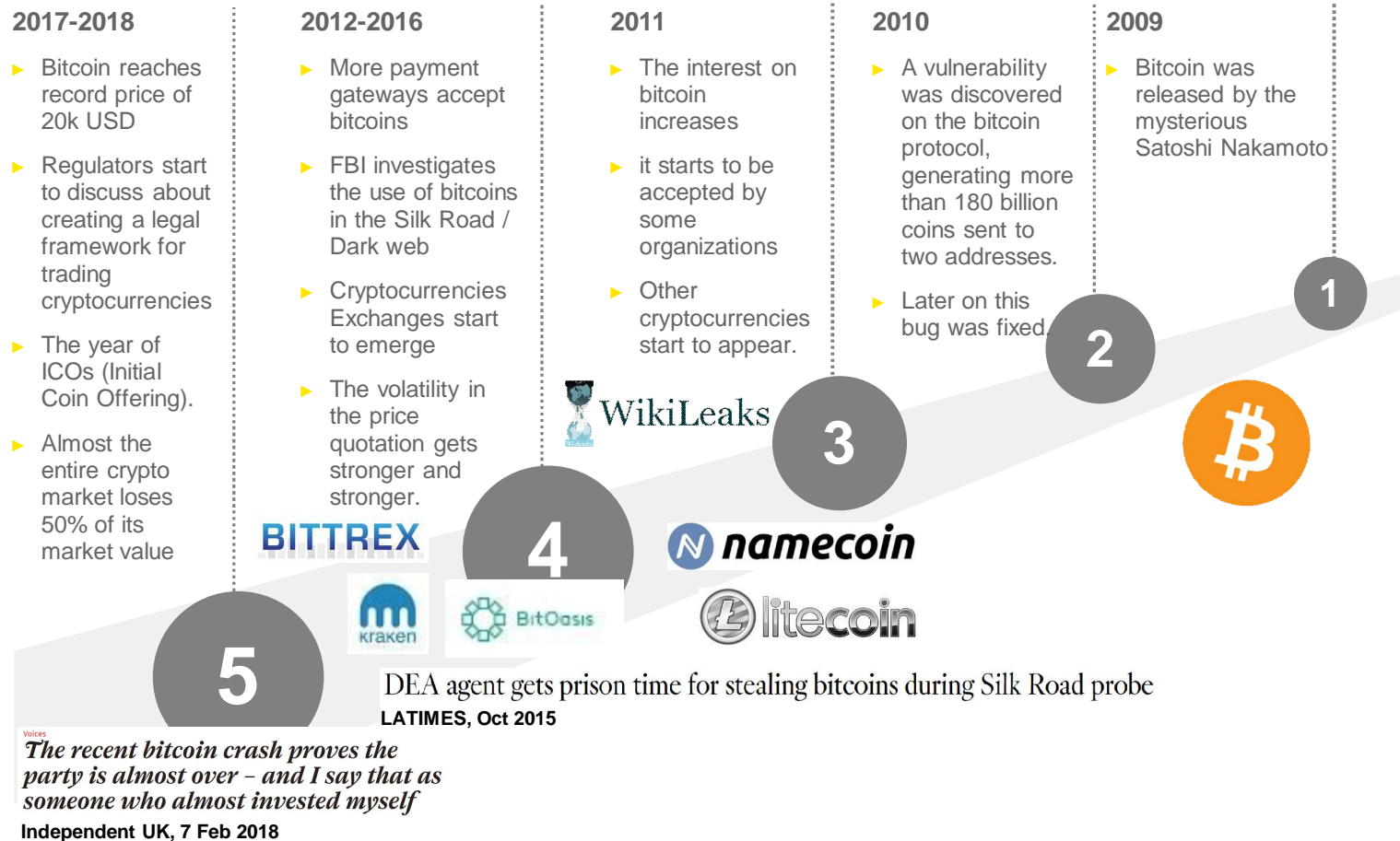
- ▶ The interest on bitcoin increases
- ▶ it starts to be accepted by some organizations
- ▶ Other cryptocurrencies start to appear.

### 2010

- ▶ A vulnerability was discovered on the bitcoin protocol, generating more than 180 billion coins sent to two addresses.
- ▶ Later on this bug was fixed.

### 2009

- ▶ Bitcoin was released by the mysterious Satoshi Nakamoto



# The market

## What is its size?

---

229

**Billion USD Is the Market Cap for the top 5**  
Bitcoin, Ethereum, Ripple, Bitcoin Cash, Litecoin

1500+

**Is the number of cryptocurrencies**  
Is so easy to create a cryptocurrency nowadays, that each day new currencies are being created.

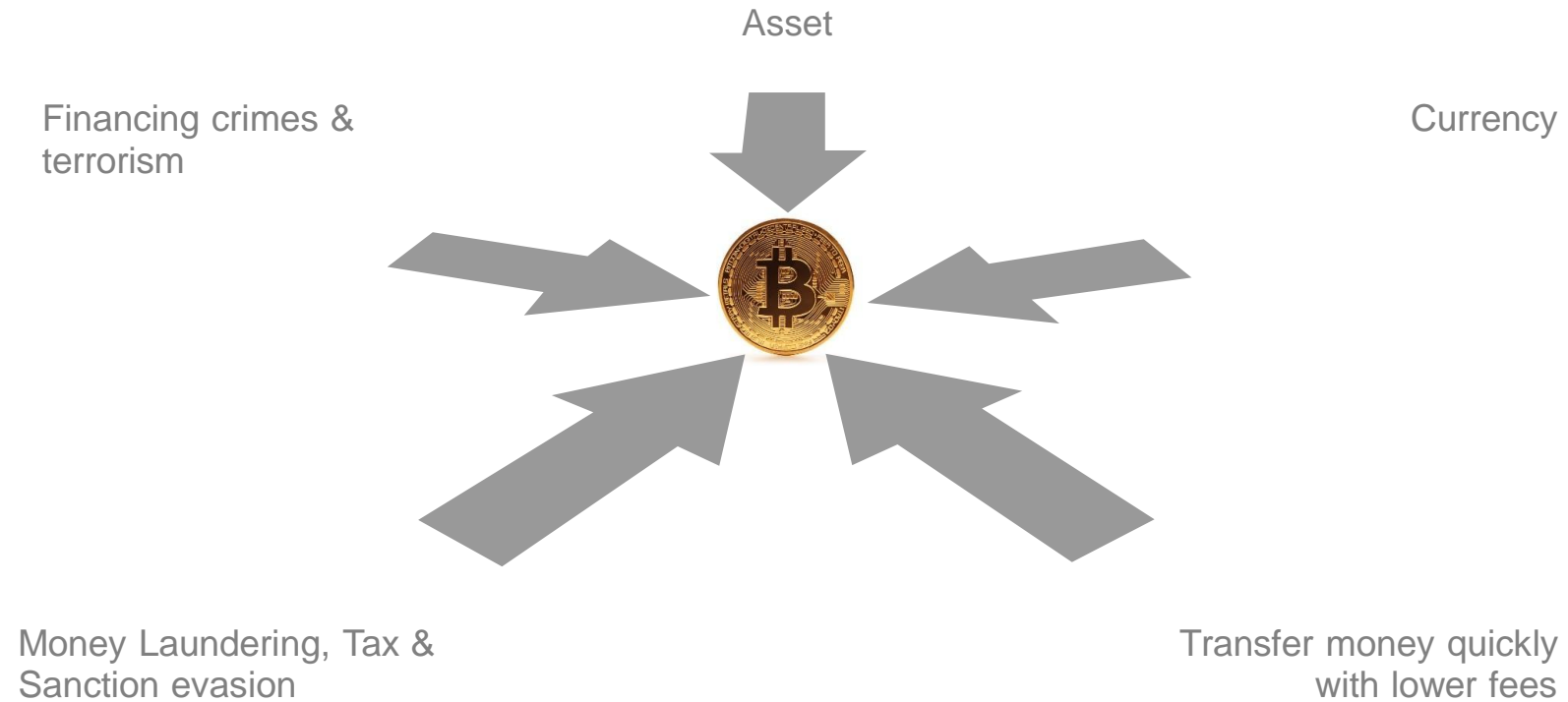
99K

**Is the number of Bitcoins sent per hour**  
As of 17-Mar-2018 nearly 700 million USD is sent between bitcoin wallets per hour.

# Most common use of cryptocurrencies

What can I do with cryptocurrencies?

---



# Risks associated to Cryptocurrencies

What are the main risks?

---

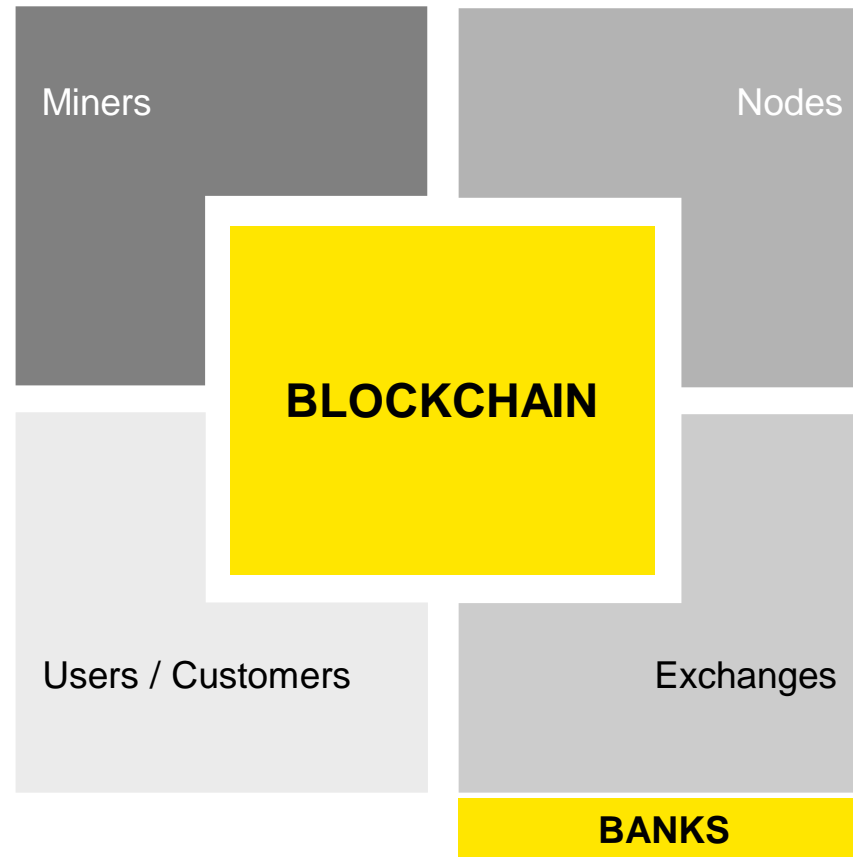




# Cryptocurrency ecosystem

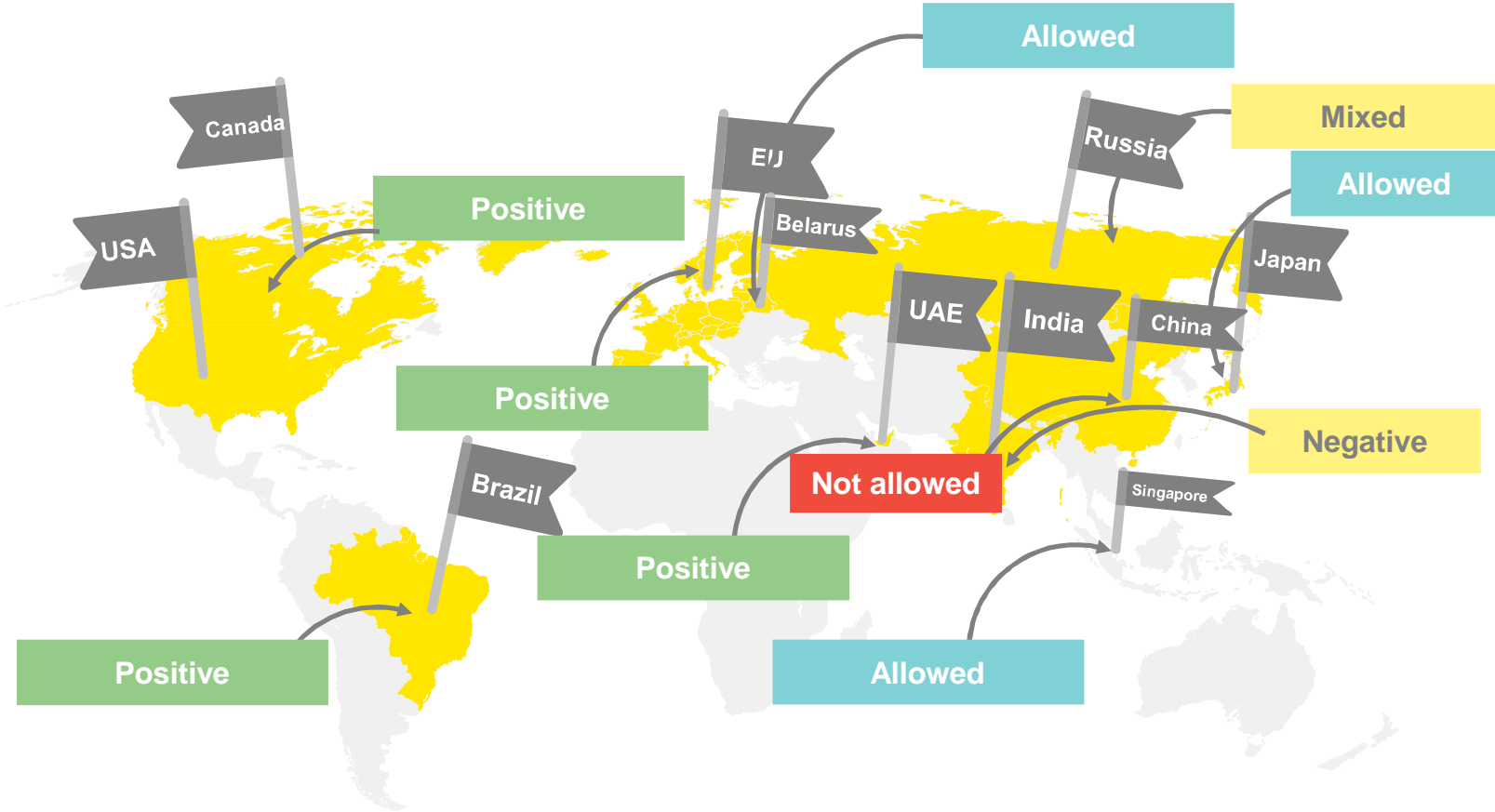
What makes it work?

---



# Across the Globe

How it has been accepted

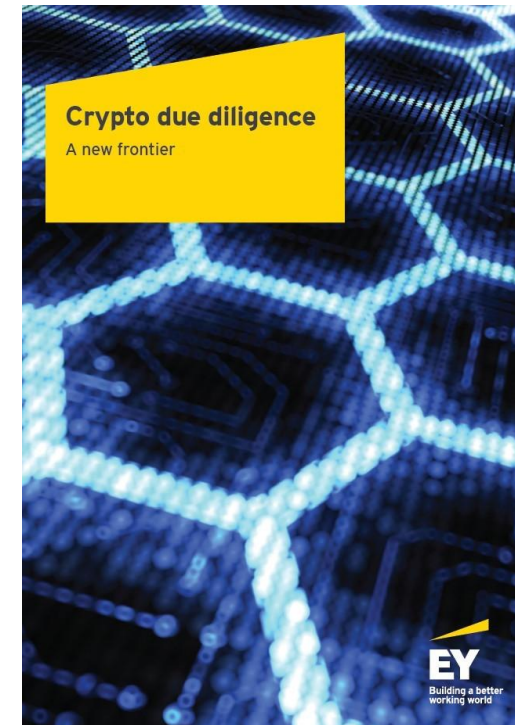


# Regulation is coming

Be prepared and get ahead

- ▶ Managing crypto currency financial risks
  - ▶ Conduct a look back review
  - ▶ Revise customer due diligence
  - ▶ Enhance your policies and procedures
  - ▶ Raise awareness within the organization to better understand and asses the risks
- ▶ Manage your credit risk
  - ▶ Apply data analytics to your credit card transactions

For more information please contact Fabiano Rocha at [fabiano.rocha@ae.ey.com](mailto:fabiano.rocha@ae.ey.com), +971 56 416 23 51.



EY | Assurance | Tax | Transactions | Advisory

#### About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit [ey.com](http://ey.com).

The MENA practice of EY has been operating in the region since 1923. For more than 93 years, we have grown to more than 6,600 people united across 21 offices and 16 countries, sharing the same values and an unwavering commitment to quality. As an organization, we continue to develop outstanding leaders who deliver exceptional services to our clients and who contribute to our communities. We are proud of our accomplishments over the years, reaffirming our position as the largest and most established professional services organization in the region.

© 2018 EYGM Limited.  
All Rights Reserved.

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax or other professional advice. Please refer to your advisors for specific advice.

[ey.com/mena](http://ey.com/mena)