



LBMA WEBINARS

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Digital Gold: Part 01

Speakers:

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Summary:

In the first of the digital gold series, Sakhila Mirza, LBMA Executive Board Director discusses the case for Digital Gold with Daniel Masters (Executive Chairman, CoinShares) and Peter Grosskopf (CEO, Sprott). There are over 70 gold-backed tokens in existence today, with the top two having a market cap of \$150 million between them. However, is that enough in a multi-trillion-dollar gold market and given the huge success of the ETFs? Both Danny and Peter comment that there needs to be support from regulators, major exchanges, and sovereign vaults for the market to embrace Digital Gold. Standards need to be established and enforced to help provide integrity and confidence. Watch this webinar, as Danny and Peter share their thoughts on the opportunities and the challenges, and the case for digital gold.

Speaker 1:

Good afternoon, and welcome to LBMA Webinars, we're delighted to welcome you Daniel Masters, Executive Chairman of CoinShares and Peter Grosskopf, CEO at Sprott in the first webinar of our Digital Gold Series where leading experts will provide their perspective on benefits and challenges that lie ahead. If you have any questions throughout this webinar, please feel free to write them into the Q&A function and our panellists will try to answer them at the end, should there be any time. But, for now, I'll hand over to Sakhila Mirza, Executive Board Director and General Counsel at the LBMA. Sakhila, whenever you're ready, if you could set the scene for us.

Speaker 2:

Great, thank you Sophie, and good afternoon Danny in Cyprus and good morning to Peter in Canada. So, thank you to you both for joining us in the first of a series of webinars on digital gold. But, before we get started on what's going to be no doubt an interesting discussion, I just wanted to give a bit of background as to why the LBMA is doing this. So, for several years now, the LBMA has been looking at technology and how can technology help the precious metals market, focusing on gold. One area of focus for the LBMA has been supply chain provenance, and how can technology help the track and trace technology that exists. However, that's a separate project, one that we're working with refiners and other market participants. But the focus today is the other use case, which is very much on the tokenization of gold, digital gold, digital receipts – that's what this series is going to be focusing on, and the idea is to bring some of the debate to service, to raise awareness, and to hear thought leaders' perspective as to what they think is the case for digital gold.

Some of you may already be aware that there is something like over 70 projects focusing on gold-backed tokens. I've also read that, back in January 2020, about 30 projects had actually already failed in this space, but nevertheless there are still 70 today, and between the top two projects, there's a market cap of 150 million, which seems like a reasonable number – that's 150 million U.S. Dollars – seems like a reasonable number, but in a multi-trillion market, is that really enough of a market cap for digital gold to be successful? Is there really a case for digital gold? So, that's what we're going to be focusing on today. And before we get focused on digital gold specifically, I'm going to start with Danny. Danny, as a leader – you know of CoinShares – as a leader in the Digital Asset Management space, it'd be great to get some sort of basic understanding of what is a digital asset? What is digital currency? Bitcoin? Cryptocurrency? What are we talking about? So, if you could explain that to us in the most simplest format, it'd be really helpful.

Speaker 3:

Sure. Well thanks very much to you Sahkila and the LBMA for hosting this. I hope it will be an interesting conversation. I am the Chairman of CoinShares, Europe's largest Digital Asset Manager. We are involved in the gold tokenization business as well as many other aspects across many cryptocurrencies. So, let's just think for a couple of minutes about where digital gold fits in this digital asset ecosystem and I think, you know, you could go all the way back to the beginning and you could think about the definitions of Bitcoin and peer-to-peer electronic cash system. That's what we got involved in eight years ago. We didn't know where this road was going to lead, but it's been an incredible journey and I couldn't have imagined back in those days that what we were really talking about was the re-plumbing of the financial system, amongst other systems, and that's happening today. So, I'm going to just fast forward to where we are in 2020, and probably you'd be surprised to hear that, sort of, one of the more motivating and important developments is the adoption by about 8 countries in the world now of credible central bank digital currency projects. So, to fit gold into the picture you've got to understand what's going on in the overall. Number one, you know, we used to have a system – we do have a system probably currently – where central banks issue electronic money, commercial banks sit in the middle layer producing products and services like lending, hypothecation, mortgages and so on. And then we have a large number of clients at the bottom, who usually are the customers of those commercial banks who take advantage of those services.

The way for the future is a different kind of plumbing and the rationale for this is more scrutiny, more control, more transparency, faster processing times, lower cost, and there are actually a vast number of benefits to digital assets and central bank digital currencies, but with those digital currencies, they sit at the top. In the middle we're starting to see really interesting companies producing on-chain, peer-to-peer, centrally automated, programmatic borrowing, lending, hypothecation, mortgages and trading, and so on. And then the bottom layer, you know, how did these products get into the marketplace? Well, there's a bit of an arms race going on for who owns the customers. Is it going to be Libra, with some massive wallet infrastructure? Is it going to be blockchain.com, who have probably the biggest wallet infrastructure today? Is it going to be amazon.com? Is it going to be Samsung putting a hardware supplement in their phones? We don't know. So, the world's turning digital, we're going to be able to programme our assets and programme our money, and digital gold has a large part to play in this and that's because, you know, digital gold – in its current incarnation – is still physical. It will be residing in a vault somewhere, and the quality of projects many of them will succeed or fail, as Sahkila said, will depend on items like where they're vaulted and how they're vaulted with MKS in Switzerland – one of the world's greatest providers – and what we provide, essentially, is a token representing ownership of that gold and that token can transport itself across the internet. It can exist in a wallet, it can exist in a smart contract and we essentially provide the ownership of allocated gold, in a Swiss vault, through the holding of a private key to a wallet, in which this digital token exists. Probably more complicated than you wanted, but that's digital gold.

Speaker 2:

Thank you, Danny. Actually, over to you now, Peter. I know Danny has already, sort of, touched on where digital gold sits in terms of the ecosystem but, sort of, you know, in a multi-trillion market, why do we need digital gold? What is the case for digital gold?

Speaker 4:

Well, gold has become more efficient over time and, with the advent of ETFs, was much more available to financial investors, but it's still a market that has a lot of intermediaries, and it's still a market where there doesn't exist one specific standard, and there's real downsides to that. I think the time has come for gold and, in fact, it needs to make the next step to become a fungible asset in the world of other electronic assets that, you know, Danny was talking about. And in order to become fungible, it needs two properties. First of all, there needs to be a standard and secondly, that standard needs to be technologically imprinted, and be able to function electronically with the rest of the financial system. And, so, this slide that we're putting up here is perhaps unnecessarily complicated, but I think it's kind of the layers of the onion, and if you just focus on going from the very core which is a bar of good delivery gold. Once you have a standard around that, the delivery gold, and you make it available for trading, you can put digital product around it, and then offer it to a wide variety of customers. So, ETFs have a very specific path through this onion, and they do get to a wide variety of customers, but they do so inside the securities world. We need to get gold doing that at both inside and outside the securities world.

Speaker 2:

Great, thank you, Peter. So then who is actually interested in these projects, then? Who are you targeting through investing? I know Sprott has invested in several projects, so, definitely you have quite a strong belief that this is definitely going to be successful. Who are you targeting? And why should they be buying digital gold? I mean, there's already a lot of products out there. ETFs – extremely successful in their own right. So, if you've already got those options out there why would they be focusing on digital gold?

Speaker 4:

Well ETFs are a very successful market, you know, maybe \$200-250 billion worldwide in gold products. The gold universe is a \$10 trillion+ universe, so, there's lots of growth yet to go. I think digitization is still in its infancy in the gold world. I think we've passed proof of concept. There are several digital coins and tokens and entities which work now, and you're getting very, very, early-stage customer adoption – almost like test cases. So, yes, it's developing a bit more slowly than Bitcoin, but once a major vault – which can hold billions and billions of dollars of gold – decides to digitize, it can also happen very quickly. I think in order for that to happen, standards need to be put in place and, you know, you might see an increasing kind of adoption curve coming in the next year or two.

Speaker 2:

So, Danny just, sort of, coming back to you. Do you have a view on the, I mean, let's focus in on the ETFs first, and then also I know you've got a gold token out there as well – who is buying your token and why are they buying?

Speaker 3:

Yeah. Two-part question. Look, I will view this again from the Bitcoin lens, and I'll view it in a dimension where we think about, is something analogue, or is it digital? is something intermediated or is something dealt with on a direct basis? And, if you look Bitcoin, it will be at the top right-hand corner of that space, because it is a bearer asset, it is totally digital and is not intermediated in its natural state at all. If you look at physical gold, physical gold is you know, would be another bearer asset, but it would be way over on the left side of the graph because it doesn't naturally have any digital form at all. But what we found over time is that as gold has become more digital and being wrapped and being processed and being packaged for marketplaces, it's become ever more intermediated, and if you take it to the limit, you know, an option on a gold ETF, you've got option market makers, option markets pricing agents, security trustees, custodians, banks, brokers and exchanges, and there's probably a dozen intermediaries between you and your gold. And so, to me, the digitization of properly vaulted, you know, responsible gold brings the ETF investor potentially much closer to his gold. And, similarly, although there are various pricing structures in the marketplace right now – which, frankly, you know, probably don't compete particularly well with ETFs today because of the scale that ETF has – it's my contention that, in the long run, if gold tokenization does scale, it could actually be offered at a much lower price point than the current ETF product. So, you end up with that double advantage: a) you are way closer to your gold if you're brave enough to hold your private keys, you can pull up a truck to the vault and pick up your gold. If you're not brave

enough, there are some really incredible custodians like Komainu for example, regulated in Jersey, that are now authorised to be custodians and vaults for these kind of keys. So, you can be very, very well connected to your gold.

To the second part of your question, yeah! Well, our gold token DGLD company trades on one of the crypto exchanges, so it's on blockchain.com. Again, blockchain.com has the largest wallet infrastructure in the world and will be propagating that token across that network, and obviously that speaks mainly to what we call crypto investors. The crypto investors, they have various choices, they can flip their volatile crypto into other volatile crypto, they can flip it into stable coins and there are multiple stable coins now. The stable coins market – Peter's point about adoption has scaled really, really fast now – or they can flip it into gold and the difference there, and crypto investors do think this way a little bit, is when you flip it into digital gold, you are outside of the banking system, and that's a preference for a lot of crypto investors. Running through some other marketplaces we're looking very closely at the Internet investment for gold. Obviously Sprott, with OneGold, Gold Money, BullionVault is probably in our estimation around a \$6 billion market. We're domiciled in Switzerland with our gold token assay company that issues the DGLD. We have been relationships there with Swiss private banks. We think that marketplace might be a half a billion. And another marketplace we are particularly fond of is Turkey and, you know, that's probably not common knowledge. But Turkey lives in this intersection between the country that's most friendly to crypto, and simultaneously most friendly to gold. We think that market is probably quarter of a billion dollars, and we're targeting that one too.

Speaker 2:

Thanks, Danny. Over to you Peter. We've heard Danny mentioned crypto exchanges, digital gold sitting with the crypto exchanges, so, I wanted to get your view as an investor in the various gold tokens. How do you, sort of, see digital gold sitting with crypto currencies or crypto exchanges? Cause you do get, sort of, all sorts of challenges and I know there's a question that's come through – which I will be asking you Danny a little bit later in terms of, you know, integrity, confidence – what's your view on some of those challenges, and where digital gold should sit?

Speaker 4:

Well, there's a lot of challenges and, as you mentioned, there's probably 70 live projects. We think a good half dozen of them are quite credible, and it's those that achieve the remaining technical challenges that will capture the largest market share. I do think that digital gold works in its current form so you can choose a couple of these tokens and, as Danny said, get closer to your physical. It's now a question of scaling, and getting the efficiencies of that scaling and, in order for that to happen, I really think standards are an important part of it, you know. What unit of gold are you buying? Where are you buying it? Where is it being vaulted? Those things will become increasingly important because that's what customers are interested in at the end of the day, and it also needs to be sleek execution on the customer's side, and there's already a couple of organizations which provide that sleek execution. I think Danny's company does. I think OneGold does and so you've got a very good robust user experience, which is important, and I think it's verging on being ready. So, now we need big players to adopt, private banks, larger customer bases coming from crypto vaults and hopefully the LBMA.

Speaker 2:

So, I mean, when you say you want the larger market participants to adopt, you know, what would be your, sort of, key focus for them to persuade them to adopt? What is it that they should be, sort of, thinking about to help with adoption? I know you've already mentioned standards – we'll talk about that in a second – but if you, sort of, had one, sort of, point to raise with them, what would that be?

Speaker 4:

Well, it's that gold is, in our view, one of the most competitive currencies globally and the only pure currency globally that can't be printed by governments. So, it's already a very attractive market. What it does not have is fungibility? And it's punished in the financial system as a collateral asset for its lack of fungibility and you don't need to look much further back than March of this year to see the inefficiencies in the gold market the way it stands currently. When you have different standards in North America from the UK, for instance, and where gold still needs to move physically to settle contracts. Those are inefficiencies which really hurt its user case with the others that would

ordinarily buy it. So, don't go further than March, just to see what the advantages of a digital currency could be, if it can settle contracts without moving gold, there's a lot of upside.

Speaker 2:

So, the question to you both – you and Danny. So, we've seen the upside, and we've already referred to some of the challenges – in terms of, you know, standards to help provide that confidence – and I've already mentioned that the two top gold tokenization projects have a market cap of 150, which is quite small in a gold market, like I said, a multi-trillion market. How do you make these projects more successful, first of all? And, secondly, do we need 70 gold tokens out there to actually help with market cap? I don't know who wants to go first, Peter?

Speaker 4:

Well, it comes down to how do you build any business? You have to offer a compelling user case, you have to make it easy, you have to have some large customers adopting, you have to have some large names that embrace the technology. I do think there's room for several successful tokenisations. If they can all talk to each other, then it would really work a lot better. You're right, there does need to be increasing AUM adoption, and I think you're under counting it a bit. There's probably in my estimation several hundred million outstanding in total, but we need to drive that number into the billions and that's the focus for us over the next couple of years.

Speaker 2:

Danny, over to you.

Speaker 3:

Yeah, I mean I'll just take the same question, slightly different aspect. You know, the way I look at the world again, is from the digital asset perspective, and I think the world is going to get much more familiar with digital assets as we go forward. I mean Bitcoin was just this crazy thing when it started. All these other coins, you know, certainly serve to confuse people further. You know, we are consolidating and contracting now to some really powerful protocol coins like Ethereum, Tezos, Bitcoin, Polkadot, a new multi-interoperable chain technology. It's only recently launched, and these things are getting stronger and stronger, the traffic on these networks is getting bigger and bigger, and it just speaks to the idea that digital assets are, sort of, coming of age. You know, if you view these protocol coins in some ways, the utility and transportation mechanism, then the assets that you transport are things like digital gold, as we discussed before. So, I take, you know, a lot of interest and comfort from, you know, a different kind of adoption that's going on. You know, we've put our gold token DGLD now in Uniswap. Uniswap is an emerging platform for the exchanging of digital assets that's growing faster than coin base. It's now bigger than coin base, it probably only launched almost a year ago, maybe less, and it's just the next generation. It is the next generation of exchange where it's very autonomous, it's very equal and anyone can participate, and anyone can participate in any token so our token, you know, can live there. And I just think, you know, I think that all of what Peter alluded to, building a business, you know, I think in the past there's been this idea that yes you need, you know, Barrick Gold to endorse your token or something like that. I am not sure that's really the case at the moment. I think what we need to show is that all of a sudden gold is programmable, it's accessible, it's liquid and, as we move into this more digital mindset for tokens, it's going to appear less, kind of, new and novel – in the same way as Bitcoin did – and I think a great example of this is stable coins. You know, U.S. Dollar Tether was created because we needed a digital dollar within the crypto system. It's been a very controversial project that is now a \$15 billion asset. I mean, I was there at inception a few years ago.

U.S. Dollar coin is also a new contender, Gemini coin. And what's happening is all these coins were created with a slightly different standard. I mean they are dollars but they're different kinds of dollars issued by different kind of people, but a lot of exchanges now are actually saying 'okay, we'll take any one of these dollars as a dollar.' So, they are de facto merging into a single stable coin and this, in turn, will probably be replaced by a central bank coin of some kind, but they're definitely showing the way and it's been stunning to see. You know, there were a lot of doubters about this, but it was stunning to see how big that stable coin market has become in a short period of time, and I think the gold token market will follow a similar trajectory.

Speaker 2:

Great. Okay, so I'm going to stop here – in terms of my questions. I see a lot of questions coming in from participants. I want to start with perhaps the challenges, and maybe a recent story, so this is for you, Danny: the KuCoin hack. You know, in terms of where gold tokens were stolen affecting the future integrity and the trust here. I'd like to get your thoughts, in terms of, you know, issues like that. That's a huge setback, and if you're trying to, sort of, really use digital gold as a future then you get these cases. It's a huge setback, what's your perspective?

Speaker 3:

Look, I mean, I think one has to be honest, realistic, pragmatic about the point of development in which we sit in the digital asset market and it, sort of, reminds me of those sort of movies I love, about going to space, where they go to Apollo 1, Apollo 2, Apollo 3, and all the way through the – you know, it's the Space Shuttle and the Space station. You know, people got on these little rockets trying to break the sound barrier and died, and people went up in the spacecraft and died. This was not a safe activity, and there is still a degree of experimentation, trial, and error within the Digital Asset ecosystem, but what I can say, which is, you know, expected and then also very comforting, is that I've seen the technology around security developed dramatically. You know, companies like Legend Labs in Paris – you know, probably the most ubiquitous producer in hardware security modules for, sort of, Bitcoin key storage as a service – as well as the nano devices and the other stuff they provide, so you can hold your own private keys very securely. I mean these technologies have just moved on tremendously from where they were a few years ago. So, I have to admit there is still risk in this marketplace. One of the good things about an asset backed coin is that you can usually fork the chain. I.E., you know, get a second bite of the apple. We can certainly do that, you know, we will do that by appointment and with evidence from our clients. So, you can't really steal our gold tokens. I'm not sure what the KuCoin incarnation was, but the basic message is we're still learning, we're still building, but it's building faster.

Speaker 2:

Thank you, Danny. So, another question. Let's start with Peter maybe on this one. So, the question is, they would be interested in understanding the key hurdles to overcome for digital gold to be embraced within the wholesale financial markets as eligible collateral. Peter?

Speaker 4:

Well, I've understood that the reason why gold is being punished by Basel III and other regulatory hurdles, is because of a lack of transparency for trading data and we kind of know the numbers involved in the gold market are huge, but how can they be verified? So, having the ability to show the ledger, and to show the activity on the ledger, I think, will go a long way to satisfying regulators that gold is a high-quality liquid asset. So, I think digital gold could have a big impact on the eligibility of gold as a fungible asset. In fact, I think it goes hand in hand, so, it's a very good question. It all comes down to making that ledger as efficient as it can be and being able to show trading data on the ledger in terms of where physical gold is actually being transacted.

Speaker 2:

Danny, did you have a view on that?

Speaker 3:

Yeah. I would add a little bit to that. Again, you know, we probably spent a year and a half trying to figure out the regulatory prescription that would support DGLD before we launched the DGLD. I would argue we do as much work on the regulatory side as we do on the technology side actually. And, what we, you know, we had to fit within a framework that didn't create a collector investment fund scheme, didn't create (inaudible) security, didn't create a derivative, wasn't part, you know, of the banking system and the only way we could do that at the end of the day, was to create a token which confers physical ownership of an allocated amount of gold in our Swiss vault, whereby that straight up allocation is true throughout every microsecond of the token lifecycle. In other words, you know, what we ended up with is something that is ownership – as close as it can possibly be, without having it in your hands – of that digital gold token. So, you know, in as much as anyone will accept collateral and I will tell you right now...

Speaker 2:

Oh! I think we might have lost Danny unless there's a connection issue on my end. Okay, I think – yeah, I think there might be a problem on Danny's end. Let me then move on to another question. What is the use case for digital gold tokens to be used in mainstream financial services lending-borrowing collateral, Peter?

Speaker 4:

I think that's one of the strongest upsides of the – as Danny was just talking about – is the evidence of physical ownership, is that if it's pure and it's quick and it's extremely secure, it can be used to collateralize gold much more easily than it currently is. So, it's one of the tremendous upsides of having a digital gold token or ownership in digital form is that it can – gold in a vault, which is potentially passive and not earning any income – can then be loaned out in the financial system. So, you know, it's not what our customers like to do, they like to keep ownership of their physical, but to the extent that you're, you know, working within a much larger financial system, gold as a passive asset can then go from a latent form in vaults and be used much more easily to interact with the financial portfolio including leasing, lending, forwards, any kind of collateral activity.

Speaker 2:

Great, thanks, Peter. Sorry, I think we lost you there Danny. Did you have any concluding words?

Speaker 3:

Yes, I don't know what happened, I disappeared and came back. Yeah, as I was saying, gold is already being used as collateral within the digital asset system, and with these new modern platforms, we're going to see more of that. You know, this is gold that you can programme and it's kind of in...

Speaker 2:

Well, that's a shame. I think we're about to lose Danny again. Sorry, Danny can you – are you still there? So, I do have another question then for Peter directly. So, Peter is it feasible to get the token creators to work together? How far are we from interoperability, as almost all those coins are on different technologies protocols and how do you see that happening?

Speaker 4:

Yeah, so, anything is possible and, as Danny said, there's these new exchanges where you can swap different ledger's, and where users can interact with each other so it's really a question for Danny. I notice he's back. I'm going to pass it over to him.

Speaker 2:

I'm sorry Ross, you've faded out there on my end.

Speaker 3:

Yeah, I apologize for the technical issues. I'm not quite sure what is going on but, yeah, interoperability. I mean, the problem with the vast majority of gold token projects right now is that they rely on the Ethereum network. We actually work on two networks. We work on the Bitcoin network and the Ethereum network and the Bitcoin network is less adopted but it's much more – much cheaper effectively. The Ethereum network is overcrowded, and it is not feasible that gold tokens will scale on the Ethereum network. We need a Layer 2 solution. There are some proposals out there – something called Plasma, a firm called Leverage. Leverage.io runs the glue on plasma projects which is a level 2 solution, a bit like visa sitting on top of the bank-wise system processing and batching transactions and then confirming them back to a ledger later on. And we don't really see what the performance of networks like Tezos and Polkadot are yet. And, you know, they are promising in the terms of transaction processing capability and scale. They're not being, you know, the traffic – there's not the demand in traffic at the moment on those networks because everyone's crammed onto Ethereum, but I think we will see some migration. We'll see how those other networks do and, no doubt, there will be more advances in network technology as well, but in order for it to scale today it will need to move off Ethereum.

Speaker 2:

So – maybe a little bit controversial for you to answer Danny, but the question – the next question I have. What is the most exciting gold token project that you know of? So, maybe I'll start with Peter on that one.

Speaker 4:

Well, I think there's three that constantly come to mind. There's Danny's DGLD project, there's Paxos and there's Tradewinds and those three seem to have credibility in each case, and are growing in each case, and have serious AUM in each case and, you know, that's what I would rhyme off at the top of the list. So, you know –

Speaker 2:

Well, what do you think differentiates those three from the other 67?

Speaker 4:

Credible players in the background. You know, advanced technologies with secure ledger's and the ability to scale a project, the proven ability to scale a project. So, you know –

Speaker 3:

I had a – look, I think you're talking about, you know, the most exciting – in many ways this is not an exciting, you know, corner of the digital asset space. It's the collateral corner, you know, the exciting stuff goes on with these crazy tokens. You're not looking for fireworks here, you are looking for safe pairs of hands and Peter's pointed out partners. That's absolutely essential with blockchain.com and MKS – we're very comfortable and very well positioned there. You've got to have a regulatory framework; you've got to know where you are in terms of regulation.

Speaker 4:

Yeah, I forgot to mention that.

Speaker 3:

We're Swiss based but we do a lot of analysis on how our tokens travel to Europe and other places. That's absolutely crucial. The technology – I've just mentioned the problems with the Ethereum network – that's a big problem for anybody to even, you know, to scale and then of course, you know, the whole concept. There is an element of trust in a gold token, there isn't an element of trust in the Bitcoin but in the gold token there is, because you have an associated asset. I mean, I remember bumping into a chap after outside a crypto conference who showed me a selfie of him with a gold bar in a garage in Dubai somewhere, and that was his idea of custody and that was back there. You know, I mean creating an Ethereum token is not hard – you can do it in five minutes – but there's all the infrastructure that goes and we have a whole infrastructure around this. It's a company, it's audited, you know, the people, and it's a much bigger deal than just taking a selfie and putting it on the Ethereum network.

Speaker 2:

Great! I mean we still have a number of other questions. What I might do is go back to them directly after the webinar with support from both Danny and Peter. I just want to, sort of, start wrapping up. I'm already five minutes over. So, you know, we've sort of spoken about some of the benefits, we've spoken about some of the challenges, and that there's a lot of projects out there but perhaps they're not getting as much momentum today as you would like for them to get and, hopefully, tomorrow we can support that. In supporting that momentum, what is it that you think needs to happen? If you are to a sort of prioritize three action points, or maybe less, what would you say are the top three? Peter let's start with you.

Speaker 4:

Well, I think that number one, I think the regulators are going to encourage this process, because it works for them as well. Secondly, we hope that one or both of the major exchanges embraces the project, and three, we know that sovereign vaults are looking at this. We have a deal between Tradewinds and the Royal Canadian Mint. We think the sovereigns are going to come on board. That will add the credibility and the volumes that will immediately leapfrog this into a much different realm, so that's what I'd say are important from our perspective. We don't have the experience that Danny does on, you know, the general crypto, so I'll pass it over to him.

Speaker 3:

Yeah. You know, I think for us, you know, all our heavy lifting has been done. We are close to, you know, rolling out our second network incarnation of DGLD – WDGLD. It's wrapped DGLD, it's DGLD that travels on the Ethereum network as I mentioned. That's going to be available natively on blockchain.com wallet, and there are 55 million of those wallets in existence in the world. You know, we think that's a really good way to bootstrap this project, and then it becomes blocking and tackling. It is about messaging, it's about, you know isolating – you can't take on all that world at the same time. You know, I mentioned some of the core marketplaces we're looking at. You know, we have people that, you know, as happens with all our crypto related projects it's, you know, introduction to the concept. There's a lot of hand holding, there's documentation, there's due diligence, there's, you know, portfolio fit and then there's execution, and, you know, we have to take people all the way through that. Hopefully, the underlying will be a lot more comfortable for them, but it's the same process, nonetheless.

Speaker 2:

Great, well, then thank you so much. I mean, this isn't going to be concluding the debate or, sort of, discussing what needs to happen next. We will be joined by PAX Gold – or Paxos – Charles in a few weeks' time, as well as Fidelity. So, they'll be discussing some of their perspectives as to, you know, what needs to happen with digital gold. I think we've already heard PAX Gold mentioned as, you know, another successful token to the extent that they're successful today, but what would they like to see, to actually help with the worldwide adoption? So, that's in a few weeks' time. Otherwise, if you have any further questions, any follow up for either Danny or Peter please get in touch with the LBMA and we shall follow up with them. Danny and Peter, thank you so much for your time. I know, I certainly found this extremely interesting and I actually also welcome the preparation that, you know, we all did, and I certainly learned a lot. So, thank you so much for sharing your perspective and your time. Sophie over to you.

Speaker 1:

Thank you everyone today for tuning in and listening, and we hope that you'll be able to join us in our upcoming webinar series. It just leaves me to wish you a lovely afternoon and evening and a great weekend. Goodbye for now.

Speaker 2:

Thank you.

Speaker 4:

Thank you.

Interested in contributing?

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