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## Blockchain Technology in Southeast Asia

Blockchain technology lets multiple parties have real-time access to a constantly updated digital ledger that can't be altered. Some of the areas that will see effects with the utilization of blockchain would be in Clearing and settlement, Trade finance and so on. One of the developments in the banking sector in Singapore, with the use of blockchain would be the Cross-Border Payments. By adopting the blockchain technology it brings about safer, faster, cheaper and more transparent payments.

In Southeast Asia OCBC Bank has become the first bank in using blockchain technology in its local and cross-border payment funds transfer services. OCBC Bank has adopted a blockchain technology permitting local and cross-border inter-bank fund transfers. A payment blockchain solution collectively designed by OCBC Bank and a local banking payment solutions company, BCS information Systems (BCSIS). With the BCSIS blockchain platform, it allows inter-bank payments between banks in Singapore and overseas while not requiring a payment intermediary. As such, generally a cross-border funds transfer between OCBC Bank Singapore and OCBC Malaysia takes up to one day currently it may be completed in less than five minutes. Some of the advantages for OCBC Bank for adopting the payment blockchain solution would be safer, quicker turnaround time, more transparency and lower cost.

With the BCSIS blockchain platform the removal of the traditional intermediary transaction platform, there's a visibility of transaction flows between senders and recipients and therefore the dealing is far more easily tracked. While SCB adopted cross-border payment services for the corporates in both Singapore and India by using the enterprise Blockchain platform from the FinTech start-up, Ripple. Ripple's distributed ledger technology (DLT) solution. SCB and Axis Bank (India) uses the RippleNet as a passage through the "\$15 billion trade corridor" between Singapore and India.

A typical cross-border funds transfer would take up to two business days, whereas with Ripple's enterprise blockchain solution, making a cross-border payment which is able to be completed in less than ten seconds with full transparency of fees and FX. When fully commercialised, businesses are going to be able to have access and make cross-border payments in real time, at any time of the day while not being restricted by cut-off times. Additionally, fee & FX transparency in conjunction with real-time status updates can give businesses greater control and certainty on their payments, costs and also the use of funds.

Ripple's blockchain platform reduces the amount of your time and money related to sending payments across the border which provides real-time, business-to-business (B2B) international

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payments. Additionally, with the Ripple-powered corporate payment service, it permits SCB to offer their customers an enhanced payment experience, and enabling their end-customers to manage their cash flow, costs, and float better

There are several large international corporates with regional treasury hubs in Singapore, these corporates span industries together with fast-moving consumer goods (FMCG) and retail. Typically, these corporates manufacture their product in India before shipping them to Singapore for worldwide distribution. Singapore-India trade corridor is worth \$15 billion, with the Ripple-enabled cross-border payment it helps to unlock the corridor on both sides for SCB and Axis Bank. With the increase in uses of blockchain technology in banks, it might probably disrupt the financial industry. Thus, regulatory issues and impacts might arise.

Regulators can ought to raise the standards in cybersecurity to make sure the safety of data by reviewing the technology risk management guidelines. Whereas the impacts would be fraud reduction, eliminate intermediaries in the payment processing system, keeping up with Know Your Customer (KYC) and having smart contracts. With DLTs organizations that are using a similar DLTs would be able to access and share structured information across a distributed network using advanced cryptography, as such different organization do not have to start a KYC process again which reduces the administrative costs. As for good contracts, with the use of blockchain, codes will be programmed to form contracts between financial organization once a certain set of criteria has been achieved. two or more parties then will enter their keys to decrypt the contracts.

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