



Patrick Byrne: Barbados Tests Fiat Hosting on Blockchain

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At the Cato Institute's "The Policy Challenges of a Decentralized Revolution" in Washington D.C. on Tuesday, Patrick Byrne confirmed that the island nation of Barbados has indeed ran trials hosting their local fiat currency, the Barbadian Dollar (pegged at \$0.50/1-dollar), on a blockchain equivalent. Mr. Byrne spoke to the larger trends ongoing with the technological shifts towards decentralization, and then off-handedly mentioned confirmation of Barbados' successful trail linking fiat currency to Blockchain technology. Given the pioneering nature of this move, it will be a great case study for future nation states looking toward this technology in supporting fiat.

Answering a question about the Barbadian dollar experiment, Mr. Byrne confirmed, "We recently just bought a large interest in a Barbados company. The Barbadian Central Bank, quite intelligently, about a month ago was the first central bank to say 'you can put our fiat on the blockchain'. And they were given permission to do so. A company down there did it, and we went and bought a nice little stake in it." The willingness of the Barbadian government to work with industry leaders such as t0 to help facilitate such a maneuver demonstrate the importance and potential symbiotic relationships between regulators and private blockchain firms, especially in the developing work.

The Barbadian dollar is relatively small in the global financial economy, yet its inclusion in such a trial run aligns with past initiatives such as that by the government in the Isle of Man. Developing nations have strong incentives to help rid of corruption and find ways to be innovative in order to attract foreign investment to their capital markets. To residents of the Barbados, this could prove to be very valuable to alleviate future travel hurdles and also in sending remittances abroad. On a larger scale, the Caribbean islands and island-nation-states worldwide are ripe for blockchain adoption as a means to increase their exposure and investment channels.

One outstanding question, however, is whether or not the Barbadian Dollar is being traded directly on the blockchain equivalent, or if an "Alt-coin" representing the Barbadian Dollar with a 1:1 peg is being used.

Uses for blockchain technology can impact central banks on a more widespread scale, Mr. Byrne remarked. "All of this can be done to create a transparent and rigid version of central banking..."

you can apply it to remittances which is a \$500 billion industry of which \$75 billion gets taken by guys in the middle. 87% of the world is unbanked, yet cell phone penetration can be 140%. Everyone can be banked on the blockchain.”

Speaking to the shifts towards regulators embracing the technology, Mr. Byrne added, “In fact, after 2008, there’s (I think) a \$500 million budget to get a consolidated audit trail going. And you can do consolidated audit trail in the blockchain for about a tenth of that cost. There’s a lot advantages for the buyers, sellers, and regulators, though there are some people in the middle who won’t be too happy about it.”

For the t0 system, the acquisition of the Barbadian firm adds to its robust technical offerings. With the t0 software, “the trade is the settlement.” as one of Mr. Byrne’s slogans goes. With Overstock positioned to use the t0 platform for blockchain securities processing, it will be fascinating to see if islands such as the Barbados implement blockchain technology to help with securities or commodities market settlements. “My attitude was that they should love this. I mentioned that NASDAQ was formed with the desire in 1971 to have, among the broker dealers, a peer-to-peer electronic settlements system. Well that’s what the blockchain let’s us have.”