

France to allow trading of securities via blockchain

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Blockchain technology adds transparency to transactions as well as security, experts say.

France's finance minister unveiled Friday a decree that would make it the first nation in Europe to allow the trading of some non-listed securities using the blockchain technology that underpins cryptocurrencies.

The decree, presented by Finance Minister Bruno Le Maire to the government, should enter into force by July at the latest and will apply to non-listed financial securities that EU law doesn't require to be traded via an intermediary, a market worth potentially more than 3 trillion euros.

In particular this includes shares in mutual and hedge funds, negotiable debt securities, and unlisted stocks and bonds.

Blockchain [technology](#) debuted in 2009 as a public, encrypted ledger for the digital currency bitcoin.

It has drawn interest from the established [financial sector](#) in recent years because of its potential for securely tracking transactions, allowing anyone to get an accurate accounting of money, property or other assets.

Blockchains record transactions as "blocks" that are updated in real time on a digitised ledger that can be read from anywhere and does not have a central recordkeeper. It is considered to be secure as all changes should be made simultaneously among all users.

"The use of this technology will permit fintechs and other financial actors to offer new solutions for exchanging securities, solutions that are faster, cheaper, more transparent and more secure," Le Maire told journalists.

Fintechs are startups trying to shake up the financial sector via the introduction of new technology.

Le Maire said the decree "is a way of telling firms 'come do live tests here, in a secure legal framework'."

Becoming the first in Europe to authorise [blockchain](#) trading will

increase the attractiveness of Paris for fintechs and encourage innovation, he added.

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