EDITORIAL

Blockchain and Cryptocurrency: the Way Forward

Blockchain has initially emerged as the backbone of bitcoin and is an incorruptible digital public ledger of transactions. Blockchain technology is secure, cryptography-based, and stores transactional records (known as the block) in databases (known as chains) distributed across a network through peer-to-peer nodes, allowing the transfer of digital goods. It works on the principles of transparency, decentralisation, accountability, and immutability. They find wide applications in Smart Contracts, Supply Chain Management, Asset protection through an indisputable record of real-time ownership, Personal data management and Identification, Payment processing, Crowdfunding through cryptocurrencies, tracking drugs in pharmaceutical supply chains, verification of land records and certificates, etc.

The potential of blockchain technology to enable remote voting is also being explored by the election commission. It is estimated that blockchain will generate $3.1 trillion worldwide in new business by 2030. India aims to become a digital economy powerhouse and embracing emerging technologies like cryptocurrency and blockchain are inevitable. The digital economy currently comprises 14-15% of India's total economy, which is targeted to reach 20% by 2024.

Globally India is among the fastest-growing FinTech markets. It is expected that 60% of retail and SME credit will be digitally disbursed by 2029. In 2019, fintech investments nearly doubled to $3.7 billion from the previous year's $1.9 billion. The Centre of Excellence (CoE) in Blockchain Technology was launched in Bengaluru for identifying and sharing suitable data and rendering world-class blockchain services to government departments. It is set up by the National Informatics Centre (NIC) to provide Blockchain-as-a-Service (BaaS) as a third-party cloud-based infrastructure and management. Institute for Development and Research in Banking Technology (IDRBT), an arm of the Reserve Bank of India (RBI), is working on a model platform for blockchain technology.

In recent years, blockchain technology has evolved far beyond bitcoin and is now being tested in a broad range of business and financial applications. Many accounting firms have undertaken blockchain initiatives to further understand the implications of this technology. Blockchain has the potential to enhance the accounting profession by reducing the costs of maintaining and reconciling ledgers, and providing absolute certainty over the ownership and history of assets. Blockchain could help accountants gain clarity over the available resources and obligations of their organisations, and also free up resources to concentrate on planning and valuation, rather than record-keeping.

A blockchain solution, when combined with appropriate data analytics, could help with the transactional level assertions involved in an audit, and the auditor's skills would be better spent considering higher-level questions. The adoption of blockchain will allow auditors to access information in real-time and conduct online assessments throughout the period under audit instantly. The auditors will no longer need to request and wait for clients to provide data as they will be able to obtain audit evidence directly through blockchains.

To have the matching set of skills needed in 2021 and beyond, having an understanding of how blockchain technology affects audits is very important to study. Furthermore, accountants with blockchain experience can serve as consultants by helping their clients navigate both implementation and regulatory issues related to blockchain technology. Professionals like CMAs will also have enormous opportunities for participating in the process of developing market driven entity specific business strategies, merging the same with digital transformation strategies, providing consultations for risk-enabled performance management, etc. They can immensely contribute to articulating digitally transformed business requirements; participate in solution development using Blockchain, AI, Machine Learning, Forensic Data Analytics, etc. and can define revised policies and lay down strategies for clients; thus ensuring sustainable value creation for business entities.

This issue presents a good number of articles on the cover story *"Blockchain and Cryptocurrency: The Way Forward"* written by distinguished experts. We look forward to constructive feedback from our readers on the articles and overall development of the Journal. Please send your emails at *editor@icmai.in.* We thank all the contributors to this important issue and hope our readers will enjoy the articles.