

## Article Information

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## **Blockchain Bites: Deutsche Bank: Digital Currencies may dominate by 2030, Amazon to accept Bitcoin as payment?, Digital or print? HENI launches 'The Currency' experiment**

**Michael Bacina, Barbara Vrettos and Jade McGlynn of the Piper Alderman Blockchain Group bring you the latest legal, regulatory and project updates in Blockchain and Digital Law.**

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### **Deutsche Bank: Digital Currencies may dominate by 2030**

Many in the Blockchain and digital currency world predict that fiat currencies will be replaced by cryptocurrencies and digital currencies, in a surprising move Deutsche Bank has released its Konzept prediction report for 2030, making this very prediction.

The report acknowledges that plenty of "10 year prediction" reports are wrong in many ways before raising concerns about the stability of fiat currency:

The forces that have held the current fiat system together now look fragile and they could unravel in the 2020s. If so, that will start to lead to a backlash against fiat money and demand for alternative currencies, such as gold or crypto could soar.

The report argues that the inflation which has historically accompanied unbacked fiat currency has been impacted by a "once in a lifetime event" of Chinese labour becoming available to the global market:

Chinese demographics were arguably the biggest suppressors of global inflation over the last four decades. At work was an extraordinary surge in the global labour supply at a time when globalisation and deregulation in the global economy were taking off.

As China's demographics turn away from this inflation-suppressing impact, the author suggests that inflation may return and with it a significant threat to the value of fiat currencies. Couple with this is the suggestion that regulatory hurdles for digital currencies are the primary barrier to adoption, together with the need to bring stability to pricing of digital assets (i.e. stablecoins),

The changing position of China in particular in seeking to move to a central-bank digital currency (CBDC) is seen as significant driver towards other countries following suit and moving to digital currencies. Deutsche bank research supports consumer demand for digital payments:

According to [Deutsche Bank] primary research, nearly two thirds of consumers prefer dematerialised to cash payments and a third are concerned by anonymity. These are the two things that cryptocurrencies do best.

No prediction would be complete without raising concerns around the environmental impact of digital currencies (the

myths of which still proliferate) but it was the danger of a reliance on electricity to underpin near all payments in an economy in a time of increasing cyber attacks which was a surprising point of concern. This of course is a risk underpinning all electronic payments.

This report also focuses heavily on stablecoins and CBDC as the cornerstone of digital currency to replace fiat, and doesn't opine on whether and how peer to peer systems might still compete with centralised systems for a CBDC.

It's impressive to see such a major international bank put such bold predictions around digital asset adoption, which shows clear thought leadership which other banks will be sure to follow.

### **Amazon to accept Bitcoin as payment - Job ad sparks speculation**

Rumours circulated recently that multinational e-commerce company [Amazon](#) may move to accept bitcoin as payment from customers as early as the end of this year. If true - alongside others who have moved to accept crypto payments in recent years - Amazon would be bringing an asset class once shunned by major financial institutions, closer to the mainstream than ever.

What is certain is that Amazon recently [posted a job advertisement](#) for a digital currency and blockchain product lead, reaching out for someone who can:

*leverage domain expertise in blockchain, distributed ledger, central bank digital currencies and cryptocurrency to develop the case for the capabilities which should be developed, drive overall vision and product strategy, and gain leadership buy-in and investment for new capabilities.*

Following Amazon's announcement, [London's City A.M. newspaper published a story](#), citing an unnamed "insider" who claims to have the inside scoop on Amazon's plans to push themselves further into the crypto space this year.

The anonymous source said that Amazon is looking to accept Bitcoin as a means for payment by the end of the year and other major digital currencies later on, describing the plans as "pretty much ready to roll". According to the statements by the "insider" including that "it is looking increasingly possible that we're heading towards tokenisation", accepting digital currencies may be followed by the introduction of a "native token".

Before the "insider's" report, Amazon [told news website CNBC](#), "they are inspired by the innovation happening in the cryptocurrency space" and in view of their belief that the future will be built on new modern technologies which allow for fast and inexpensive payments, "they hope to bring that future to Amazon customers as soon as possible".

However, since the insider's comments surfaced, an Amazon spokesperson has denied Amazon's "specific plans" by way of [an email statement](#) to Bloomberg (paywall), touting that despite Amazon's keen interest in the digital currency space, "the speculation that has ensued around our specific plans for cryptocurrencies is not true."

Given other companies are already moving to accept digital currency payments, like Paypal who, since May, has allowed select customers of its Venmo app, to buy, sell and hold cryptocurrency in the USA (as we previously wrote about [here](#)), and Tesla - which Elon Musk recently hinted at the [Crypto Council for Innovations B-Conference](#) (see video at 30:42) will resume its acceptance of Bitcoin as payment in the near future, it wouldn't be surprising if this is on Amazon's agenda.

With more and more major companies exploring cryptocurrency as a means of payment from customers, who will be inspired next?

### **Digital or print? HENI launches 'The Currency' experiment**

With applications closed, participants are well underway to take part in [HENI's](#) latest experiment based on the collection by contemporary artist Damien Hirst. HENI, an international art services business, launched the project which aims to re-imagine the way [non-fungible tokens](#) are used.

'The Currency' is a collection of 10,000 physical artworks each comprising hand painted and randomly scattered coloured spots. Each artwork is numbered, contains a unique message, has a microdot of the artist and an embossed stamp and an NFT for each artwork has been created.

For USD\$2,000 purchasers are now presented with a choice: redeem the NFT issued to them for the physical artwork or keep an NFT with an image of their artwork and see the physical art burned. Those who don't redeem the NFT within a year will be deemed to have chosen to keep the digital.

Hirst designed the collection in order to explore the concept of value behind both paintings and money. In [a video](#) Hirst shares his interest in viewing the requests to proceed with the collection in digital or physical form and reiterates his view that a key factor underpinning money or commerce is trust.

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As NFTs continue to gain attention and the market for digital collectibles continues to grow, this is a neat experiment to explore how purchasers will behave.

All NFTs will be minted on the [Palm blockchain](#), an NFT ecosystem built on Ethereum which has been specifically built to be energy efficient and transact with speed. The sale offer was over [six times](#) subscribed and the final deadline for purchasers to make their decision is 27 July 2022.