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PRESS RELEASE

Clifford Chance acts as partner in research project "Map of Russia's Corporate Blockchain Ecosystem"

Clifford Chance has teamed up with **Waves Enterprise** and **IPChain** as partners in a research project by **MindSmith** to assess the current state of Russia's corporate blockchain ecosystem, as well as opportunities and barriers to further development of the technology in Russia.

"Before our eyes we are seeing the economy of the future emerge — not just blockchain technology, but the Internet of things, big data, workplace automation and artificial intelligence. It's an economy that is opening up incredible opportunities, and Russia can become a global leader if Russian business continues to invest in its development and the government supports those efforts with sensible regulation, not imposing unjustified restrictions that will hamper development of the technology and competition on this market" — Alexander Anichkin, partner and head of the Russian Tech Group, Clifford Chance.

"We set ourselves the task of assessing the opportunities and outlook for the ecosystem's development as well as identifying any factors holding it back. It is our intention that the results of the research facilitate an open dialogue among stakeholders and greater collaboration and cooperation between all participants in the ecosystem. That will be a win-win situation for some of the participants themselves and the country's economy as a whole" — Ruslan Yusufov, managing partner, MindSmith

The report can be downloaded here: <https://mindsmith.io/map/>

The research involved:

- Collecting feedback from CEOs and senior management of leading companies such as: Sergey Kaurov (**GPB-Factoring**), Evgeny Arkhipov (**Ak Bars Digital Technologies**), Denis Reymer (**Lanit**), Oleg Zaytsevsky (**Otkritie Bank**), Dmitry Plakhov (**Russian Railways**), Sergey Matveev (**Intellectual Property Federation**), Andrey Krichevsky (**IPChain**), Artem Kalikhov (**Waves Enterprise**), Alexander Anichkin (**Clifford Chance**) and others.
- Determining the current state of Russia's corporate blockchain ecosystem (**the main players and how they are interconnected**).
- **Classifying the main blockchain projects of Russian companies** by level of influence on business processes and nature of interaction between participants.
- Identifying **opportunities and barriers to the development** of blockchain technology solutions in Russia.
- Collecting **economic performance data** from a number of corporate projects.

Key findings of the research:

Current status of the ecosystem:

- **Blockchain has proven itself to be a robust technology that can be deployed effectively on the Russian market.**
- **Of the blockchain projects launched in Russia, projects involving supply chain control, document flow optimization, payments, and tokenization of traditional financial instruments are predominant.**
- Blockchain technology is used primarily in fields requiring interaction between large numbers of counterparties.

Projected growth of the ecosystem:

- **Blockchain technology may get a second wind in Russia.**
- **Russia can compete for a technological leadership role worldwide.**
- The use of blockchain technology in the corporate environment goes beyond logistics and finance.

Facts and figures:

- **In the first half of 2019, the number of blockchain projects was up 45% year-on-year.**
- **Companies in the energy, extractive and manufacturing industries (30%) surpassed financial institutions (28%) in terms of the number of blockchain implementations in their business processes.**
- **Russia is vying for global leadership in blockchain technology.**
- **Over 150 Russian companies are working in the blockchain industry, driving \$25 billion in economic growth.**
- **Blockchain technology has proven to be an effective solution at over 40 Russian corporations.**
- **Of the 10 largest Russian information security companies, 5 of them now offer blockchain-related services.**
- **The number of blockchain platforms soared in 2019.**
- **In Russia, 6 of the 10 largest IT companies have a blockchain group.**

Recommendations to market participants:

- Work closely with regulators and bring new technologies and developments into conformity with regulatory requirements and state standards.
- Engage in collaboration within the ecosystem and cooperation across the industry.
- Form a community and promote the advantages of your projects.
- Consider blockchain in conjunction with other end-to-end technologies and work on cross-platform solutions.
- Take global experience into account.

In the course of the research, **157 organisations** that work with blockchain technology in Russia were analyzed. These included Russian companies and international companies with a physical presence in Russia.

15 in-depth interviews with market leaders were held for clarification of methodologies and validation of the list of organisations.

The 157 organisations were divided into **11 segments**:

- vendors and platforms
- integrators
- corporations
- education and science
- legal advisory
- business advisory
- information security
- regulators
- development and support institutions
- associations and consortiums
- clubs and communities

We contacted **each of the 157 organisations** indicated on the map to get their views on the current state of and outlook for Russia's blockchain ecosystem as well as **information about specific results they managed to achieve using blockchain technology.**

With this research it is our intention to facilitate the start of an open dialogue between those who are already working with blockchain technology and those who are only entertaining thoughts of implementing the technology in their business.

The research is intended for a wide range of readers.

The map:



With offices on five continents, Clifford Chance is one of the world's leading law firms. The Tech Group, a global team at Clifford Chance uniting 400 top-notch professionals (talkingtech.cliffordchance.com), is a leader in advising on legal issues related to blockchain and other rapidly developing digital technologies. The Tech Group team has the knowledge and resources necessary to implement the latest high-technology projects.

Mindsmith was founded in 2018 in Moscow, Russia. The company specializes in strategic consulting, training and research in the field of blockchain technology. Mindsmith offer custom blockchain solutions tailored to fit a client's business, based on best practices and business cases from around the world, bridging the gap between teams of developers and decision-makers.

For further information about Clifford Chance, visit the website www.cliffordchance.com

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