

★ — WHAT ARE — ★ SMART CONTRACTS?



Smart contracts help you exchange money, property, shares, or anything of value in a transparent, conflict-free way while avoiding the services of a middleman.

Like many ideas in the Blockchain industry, a confusion regarding Smart Contracts shrouds among us.

Let's try to clear out some of them.

IN THE CONTEXT OF BLOCKCHAINS AND CRYPTOCURRENCIES, SMART CONTRACTS ARE:

- Pre-written logic (Computer Code)
- Stored and replicated on a distributed storage platform (e.g.; a Blockchain)
- Executed/run by a network of computers (usually the same ones running the blockchain)
- Can result in ledger updates (Cryptocurrency Payments, etc.)

ADVANTAGES OF SMART CONTRACTS ARE



SECURITY

The distributed Ledger is impregnable and immune to alterations.



DISINTERMEDIATION

Enable parties to enter into agreements with reduced dependence on mediators.



NEAR REAL-TIME EXECUTION

As it take place almost simultaneously for all parties, across participating computers.



TRANSPARENCY

Create an environment of trust as the logic and information in the contract is visible to all participants.

SMART CONTRACTS CAN:

- ✓ Function as 'multi-signature' accounts, funds are spent only when a required percentage of people agree.
- ✓ Manage agreements between users, if one buys insurance from the other.
- ✓ Provide utility to other contracts.

SMART CONTRACTS CAN BE USED ALL ACROSS

THE CHAIN FROM FINANCIAL SERVICES TO HEALTHCARE TO INSURANCE



GOVERNMENT

Ledger-protected votes need to be decoded and require excessive computing power to access.

Volunteers can cast vote online and millennials will turn out en masse to vote for their leader.



MANAGEMENT

Business operations have to wait for approvals and for internal or external issues.

Blockchain ledger streamlines this by reducing discrepancies leading to costly lawsuits and settlement delays.



CASE HISTORY

In **2015**, the Depository Trust & Clearing Corp. used a blockchain ledger to process more than

\$1.5 quadrillion worth of securities, representing **345 million** transactions.



AUTOMOBILE

In Self-autonomous vehicles, Smart Contracts could detect whether the sensor, or the driver was at fault in a crash.

Automobile insurance companies could charge rates based on where, and under which conditions customers are operating their vehicles.



REAL ESTATE

The ledger cuts the cost of paying a mediator or a newspaper to advertise.

Brokers, real estate agents, hard money lenders, and anyone associated can profit.



HEALTHCARE

Personal health records could be encoded and stored with a private key granting access only to specific individuals.

Receipts are stored and automatically sent to insurance providers as proof-of-delivery.

The ledger could be used for general Healthcare Management, supervising Drugs, Regulation Compliance, testing Results, and managing Healthcare Supplies.

SMART CONTRACTS ARE AWESOME!

HERE'S WHAT YOU GET:

AUTONOMY

You're the one making the agreement; there's no need to rely on a broker, lawyer or other intermediaries.



TRUST

Documents are encrypted in a shared ledger, no way someone can say they lost it.



BACKUP

Every one of your friends has your back.



SAFETY

Cryptography, keeps your documents safe.



SAVINGS

Save you money as there's no intermediary.



ACCURACY

Not only faster and cheaper, but also avoid man-made errors.

THE FUTURE OF SMART CONTRACTS



- Law firms should tool up and build in-house capabilities for coding smart contracts.
- Students should learn both law and computer programming to bridge that gap between law and computer science.
- Open a lot of possibilities for new decentralized businesses, remove the need for expensive third party.
- Radical change in the international business market - speedy transactions, reduced paperwork, and cost-efficiency.
- Industries that could benefit significantly from Smart Contracts - Art, Music, Real Estate, Finance, Manufacturing, Retail, Supply Chain, and Telecom.