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Translation of Clarín article *El Banco de China dice que hay que impulsar las inversiones en actividades “verdes,”* published on July 21, 2017

### **Bank of China says investments in green businesses have to be promoted**

More regulatory documentation that show green activities from businesses is needed to increase sustainable investments, said Ma Jun, the chief economist at the People’s Bank of China, the central bank of the Asian country. The Stock Exchange of Buenos Aires could require registered companies and bond issuers to submit documentation related to their environmental activities, such as residual waters, carbon emission and air pollution.

“You will see that the money will begin to change the direction,” explained Jun in the offices of the United Nations Development Program. “Some of the money that was always invested in polluting sectors will be redirected to green companies.”

Jun indicated that this is not driven by public opinion, but by investors’ need for more information before funding green companies. More information will provide investors with concrete reasons to justify the risks. Additionally, investments in traditional energy sectors, like fossil fuels, could be more costly in the long-term due to increasing regulation in those industries. Jun was visiting the country for the first time to attend the Green Economy Symposium as a guest of the Inter-American Development Bank and UN Environment Program.

Jun has led, along with the Bank of England senior advisor Michael Sheren, the group that studied green finances since the G20 founded it in the 2016 summit in Hangzhou, China. Green finances are investments focused on sustainable social, economic and environmental activities. An example of green finances is the green bonds from La Rioja province that were announced in February. The funds from the 8-year bonds will be used for projects that have few impacts on the environment.

There is a need to reorganize the preferences in the financial sector to promote more private investment in green finances and to relieve the fiscal pressure on governments that can’t sustain the subsidies, Jun explained. The other way to promote investments in green activities is to remove the subsidies to the traditional fossil fuel sectors that hinder the investment in renewable energy.

“You probably don’t need to spend money, you just need to reduce subsidies,” said Jun.

This year, Argentina began examining how the financial system supports sustainable finances in the country, but did not comply with other recommendations that resulted from the green finances study, like expanding educational resources, promote international collaboration and improve the access to green finances, according to the progress report published this month.

“We are now looking forward to Argentina to continue to study this topic of green finance or sustainable finance in 2018,” noted Jun. The team behind the next G20 meeting in Argentina will have to decide if it will continue to research and promote green finances.

Jun named three topics that he thinks the organizers of the next G20 could study: financing sustainable infrastructure, finding ways to finance green activities for small and medium businesses, and reducing the environmental footprint from agriculture.

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Translation of Clarín article *Bitcoin: una actualización del software podría sacudir el mercado de monedas digitales*, published on July 18, 2017

### **Bitcoin: a software update could shake up the digital coin market**

Bitcoin, the organization behind the network that allows exchanges of the digital coin with the same name, announced that there would be network disruptions on August 1. The problems will be caused, according to the organization, by the lack of confirmation scores, which is a classification system that determines how probable a transaction could be revoked.

But the disruption is more important than it seems. The system software is being updated that day and if there is not a consensus to use the same one, bitcoin could be divided in two. The network does not have a centralized leadership and functions when the operators don't have a consensus over how to manage the network.

The use and valuation of bitcoin has increased recently. Even though there is a limit to the creation of bitcoins, these had a value of \$20 billion at the end of April, according to Bitcoin. The value of the coin has increased 141% so far this year and has a value of \$2,351.02, according to data from Bloomberg.

With the popularity of the coin, two options have emerged to manage the influx of information, explained Rodolfo Andragnes, director general of ONG Bitcoin Argentina. There are people in the community who want to see if the solution can be two coins. On August 1, the users or nodes of Bitcoin will activate new software and if not everyone agrees to the same update, then there will be another chain created and eventually another coin. This change will not occur until November.

Llew Claasen, executive director of the Bitcoin Foundation, explained that this is a long-awaited event. "There's two group of people who don't agree on how to scale," Claasen said, adding that the capacity of each transaction, which can now be done at a rate of three or four a second, are not enough to sustain a global payments network.

This update is needed to better manage the flow of transactions that could be done four times faster with the new software, explained Sebastian Serrano, CEO and cofounder of Ripio, a company that offers bitcoin wallets and other services.

If there is a consensus, the split will be similar to the stock split for a publically traded company. Each coin would have it's own valuation, which will be established by the market, said Andragnes, who explained that this is just another stage in the evolution of the digital coin.

Owners of bitcoin may have the right to obtain coins in both chains, but it will depend on the provider. It would be prudent to contact the provider before the

disruption to understand the possible consequences with more certainty, warned Claasen.

A year ago, there was another split in the digital coin called ethereum. This coin was divided in the classic (ETC) and the non-classic (ETH) and caused the coin to lose half its value in a month, but it has rebounded in the last year. ETH is now valued at \$207.88, according to CoinDesk. The comparison can't be made accurately to bitcoin because not as many people had ethereum and the confusion was less, explained Claasen. Ethereum also didn't have the inflationary characteristics because there is no limit to the amount of coins, while the creation of bitcoins is limited to 21 million coins.

Since the value of bitcoin began to increase its use and investments, there are more incentives to control the network, Claasen commented. "I'm personally conflicted if it's a good thing or a bad thing," he admitted. On one hand, if it is divided, then the community can focus on product development, but it will create uncertainty in the short term. Just like government elections, it is difficult to project a winner. The result will depend on the decision of all the people operating bitcoin's network, said Claasen.

"In the short term, [the value] could go down, but immediately after this it is going to be much stronger," said Serrano. The value of bitcoin will be affected by the uncertainty, but in time, the improvements to the technology can add value to the coin.

The debate over bitcoin's future is also routed in something simple. Both groups want to maintain the name that is the most well known in the digital currency market. There are hundreds of digital coins and many are based on the original bitcoin code. But the original bitcoin is the most valuable.

There will be risks for individual owners of the bitcoin. If they try to make a transaction 12 hours before or during the installation of the new software, they could lose bitcoins. Additionally, the uncertainty could continue throughout August, Claasen explained.

"At the end of this process there will be more capacity on the network and costs will be reduced," said Serrano. He is recommending that owners of bitcoin do not move the coins until the update is resolved, which could be a day or more.