

# BLOCKCHAIN TECHNOLOGY AND ITS IMPACT ON FINANCIAL TRANSACTIONS

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## ABSTRACT

Blockchain technology has been emerging an innovation restructuring financial transaction cutting off costs making it important for the financial industry to estimate the opportunities offered and challenges posed by this technology. Financial transactions could be renovated by this innovation while paving the way for new entrants and extending the horizon of established financial organizations. Before realizing the benefits of this technology, startup as well as existing businesses should find ways to address challenges in terms of technology, regulations and adoption. Although this technology is a coffer of new possibilities, the impact of this on transactions especially in financial domain is fragmented in literature having puny empirical evidences and inadequate theoretical explanations. This phenomenon makes it difficult for managers, due to less guidance available, in the financial industry to design and formulate strategy to make use of the blockchain technology on the process of financial transactions. In order to address this phenomenon, this study tried to find out the proclaimed impacts on transactions in terms of finance having stress on transaction cost, verification of assets, record keeping and privacy of data. To investigate the theme this study adopted a pluralist approach including firstly analysis of existing literature on blockchain technology in the financial transaction domain, secondly perception analysis built on interviews with experts in the subject, financial executives and researchers, and thirdly interpretation of theories making use of transaction cost theory. Hence, this study synthesized insights from these three methods in order to deliver guidance for financial organizations on the opportunities offered and challenges posed by the blockchain technology.

**Keywords:** Blockchain, Distributed Ledger Technology, Transaction Cost Theory, Data Privacy, Financial Transactions