

# United States: Digital Transformation

*Analysis by Charles D. Reilly Jr: Co-founder of BitcoinShield Inc.*

The United States is undergoing a digital financial transformation. Americans are about to witness the largest transfer of wealth and value in history. The infrastructure and policy groundwork has been positioned over the last few years through the cloud of Covid, political turmoil, and motions by leaders and the U.S. Government.

The U.S. dollar value is on its fastest historical decline due to inflation, interest rate fluctuations, political discourse and faulty policies. Since January 2020, the U.S. has printed eighty-percent of all the dollars that exist. Economic adversaries are positioning to steadily take advantage of this reality. [China and Russia](#) agreed to settle all trade between the two powers in the digital yuan after President Xi met with President Putin on March 22nd. France just completed its [first energy trade deal](#) with China. At the same time, **Brazil, Russia, India, China, and South Africa** have formed trade alliances focusing on economic prosperity known as *BRICS* in an effort to step further away from reliance on the dollar. Other Asian nations are rumored to join this group shortly. Although the dollar still makes up sixty-percent of the world foreign exchange reserves, dominoes are in motion threatening the U.S. trade stature.

The Silicon Valley Bank collapse on March 10th may have been orchestrated to shake consumer confidence in small banks in order to flood the masses to the four largest (JPM, BoA, Wells Fargo, CitiGroup) creating monopolistic control of the majority of depositor money. Case and point, an [influx of account inquiries](#) at a massive scale has been reported over the two weeks after SVB crumbled. Secretary of Treasury, Janet Yellen, agreed to work with the FDIC to cover losses, but said strategically in her press conference this was an exceptional scenario and that smaller banks would be reviewed on an individual basis to determine if they qualify for a bailout. For those depositors not banking with the big four—the chance of getting reimbursed if the bank goes bust is slim, especially if the deposit exceeds the FDIC limit of \$250k. Public confidence is now waning in once trusted regional banks.

Only five days later on March 15th, the Federal Reserve announced it was launching its instant settlement payment token called [FedNow](#) this July. This is the first infrastructure step towards creating a [Central Bank Digital Currency](#) and it will face much less resistance technologically speaking if the system is switched on between four banks instead of a thousand entities most likely operating on old hardware. Once the CBDC is installed, potentially overnight, it will be the end of financial sovereignty in the United States. As cash evaporates, every transaction will be monitored, tracked, permissioned, and linked to the public's Digital Passport (in the works) as well as tied to a slowly emerging social credit score for citizens similar to China's. Depending on the depth of the developer code, the state may be able to dictate how and when money is spent, install an expiration date to the funds, and in the worst-case scenario may deny transactions if a person's "behavioral patterns" do not meet ethical standards related to carbon footprint or government expectations.

Fractional Reserve Banking could be the catalyst of the financial downfall despite being established after the Great Depression in the 1930's to curb such situations and stop bank runs. FRB is a system in which only a fraction (average 1-3%) of bank deposits are required to be available for withdrawal as the rest of the principle is loaned out. In theory and overtime, this has proven to be a stable model as it frees up capital and allows for credit lending, but the end of the runway could be near for the U.S. According to the FDIC, at the end of 2022, U.S. banks were sitting on [\\$620 Billion](#) in unrealized losses. Mostly, this is attributed to banks buying massive amounts of treasuries and bonds when interest rates were near zero. As the Fed was forced to adjust and hike rates to fight inflation the value of those bonds has continued to decline.

While the American public is distracted by train derailments, chemical explosions, the Ukrainian war, and civil unrest, the banking system is undergoing the largest transformation in fifty years. Swift is currently the antiquated operating model for cross-border payments utilized by banks which was installed in the early 1970s. Blockchain is now recognized as the path forward by world leaders as the best mechanism for transfer of value. Swift is being replaced by a community of strong blockchain/crypto projects that make up the New Financial System and are the *only* ones approved (so far) by governments in what's known as the [ISO20022](#) Protocol: The New Financial System. March 2023 marks the beginning of the transition from the legacy system and it's expected to be completed by 2025.



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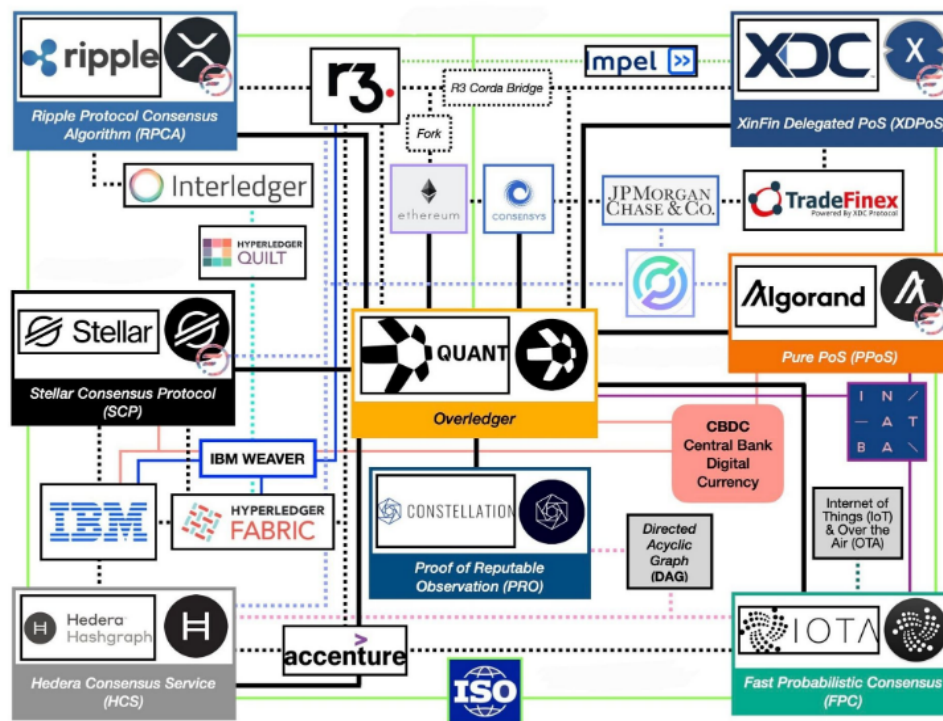
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ISO20022 compliant crypto can be purchased on [Uphold](#) or [Coinbase](#):

- Quant (QNT)
- Ripple (XRP)
- Stellar (XLM)
- Hedera (HBAR)
- IOTA (MIOTA)
- XDC Network (XDC)
- Algorand (ALGO)

*The New Financial System Ecosystem*



The New Financial System

As banks continue to collapse, crypto exchanges have filed \$50 billion worth of bankruptcies, record inflation soars, the dollar seems positioned to slowly lose its status, and fading trust in world government policies—now is the time to get finances and assets under total control as we as Americans navigate this digital landscape. Whether the belief is that Bitcoin, crypto, or neither will have long term success, the cryptography’s utility and deflationary decentralized nature provides a safe-haven of independence acting as insurance against fiat fallacies. Bitcoin sparked a seventy-percent rally in the last three months due to its real-world utilization as the only permissionless money and transfer of value regardless of economic and political distress. The new financial ecosystem is being installed and allocating a portion of funds to these ISO20022 approved blockchains could be prosperous during this digital revolution. If the decision is made to diversify into Bitcoin and/or promising crypto blockchain projects as listed above or any others subject to research, one must take the necessary steps of ensuring total asset security.

Visit BitcoinShield’s website and [schedule your free consultation](#) with a team of Boston-based, security-first crypto consultants today and learn how others are making the best of crypto in the inevitable economic digital shift. Designing a financial ecosystem that puts the asset holder in complete control is the mission. It’s time to master self-custody of digital assets and truly protect hard-earned money for the long-term.



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