

Web Settlement

Exchanging real value on the Web

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Agenda

- What is Web Settlement?
- Why is Web Settlement important?
- How do we achieve this vision?
- How can you get involved?



What is Web Settlement?



Payments are promises to pay.

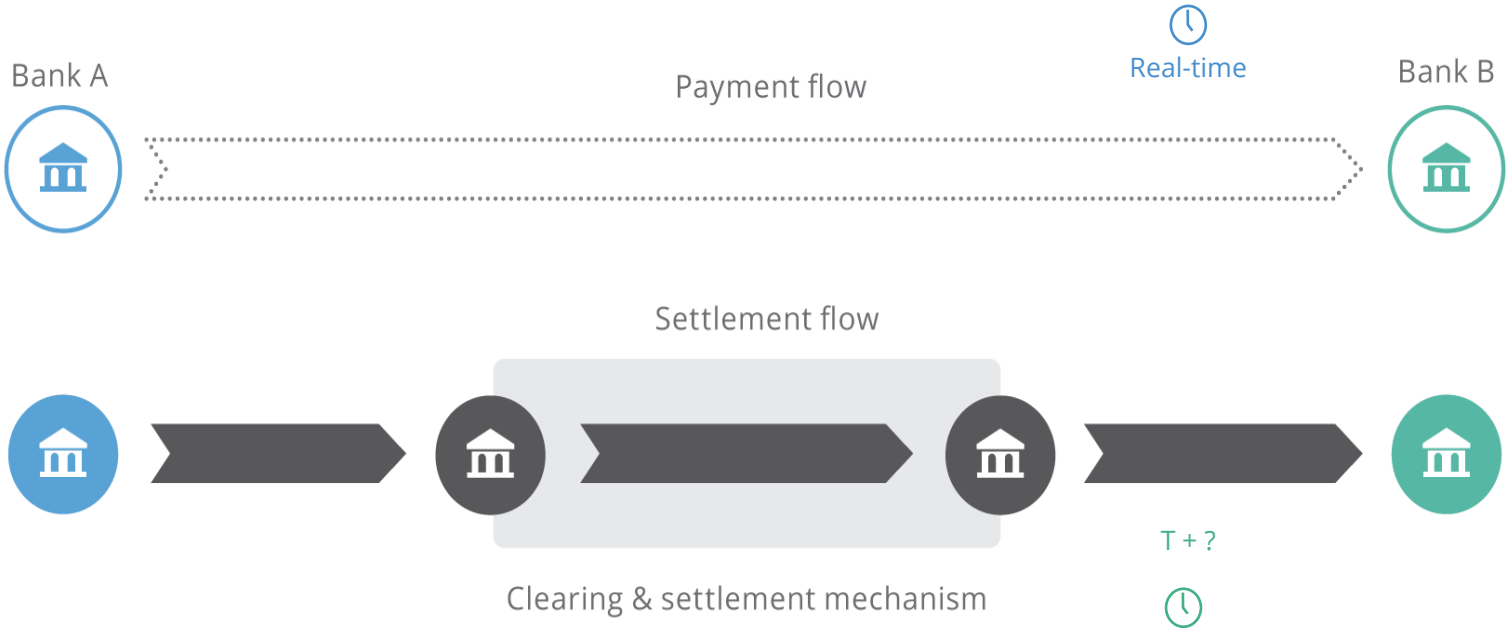


Payments are promises to pay.

Settlement is the real exchange of value and the final resolution of those promises.



Payment is not settlement



Settlement is “an act that **discharges obligations** in respect of funds or securities transfers between two or more parties”

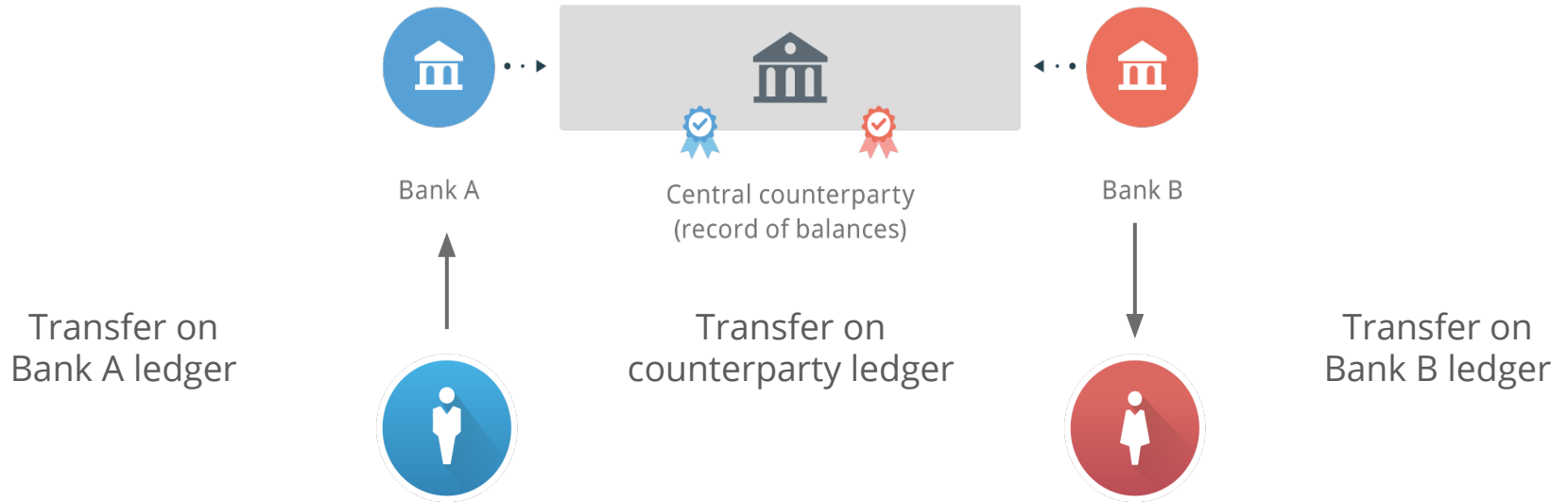
- Bank for International Settlements



Settlement is facilitated by a counterparty, such as a central bank or payment network.



The 5th party in the 4-corner model



Web Settlement involves using the Web to create an open marketplace for fast, low cost, and secure settlement.

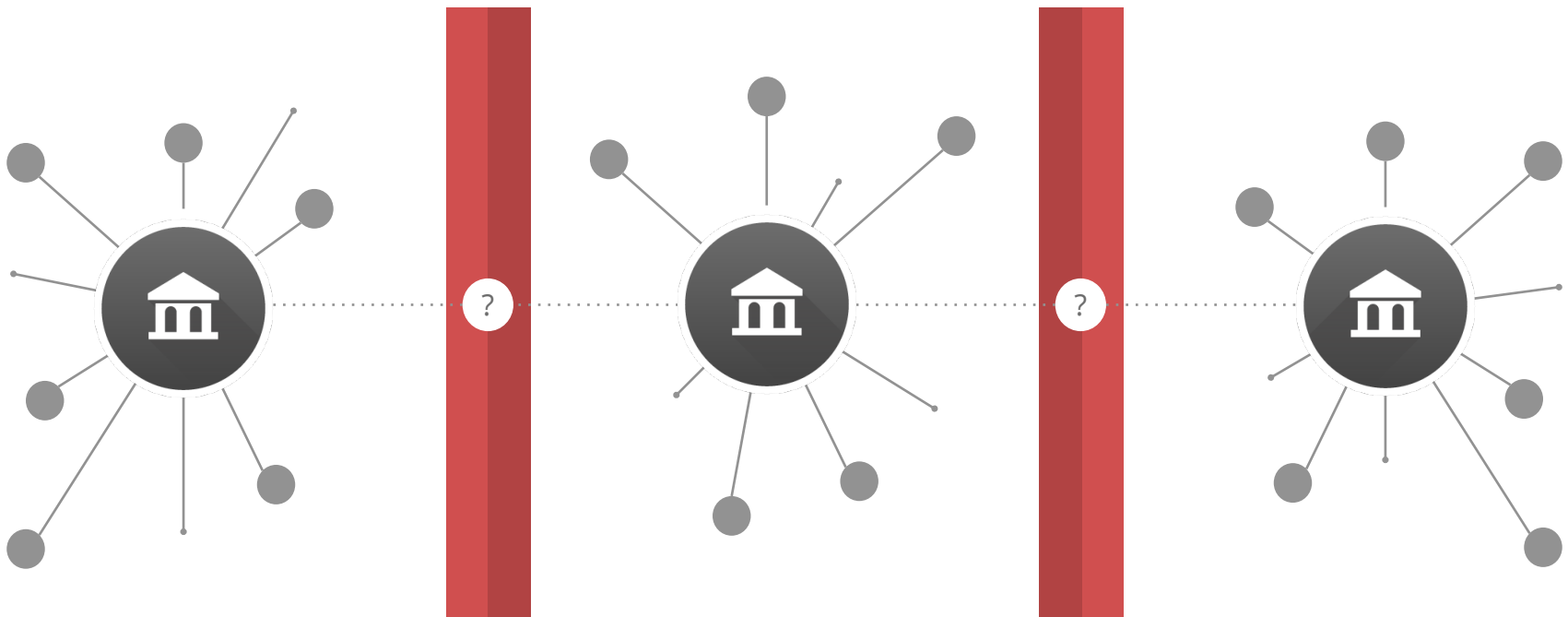


Why is Web Settlement important?



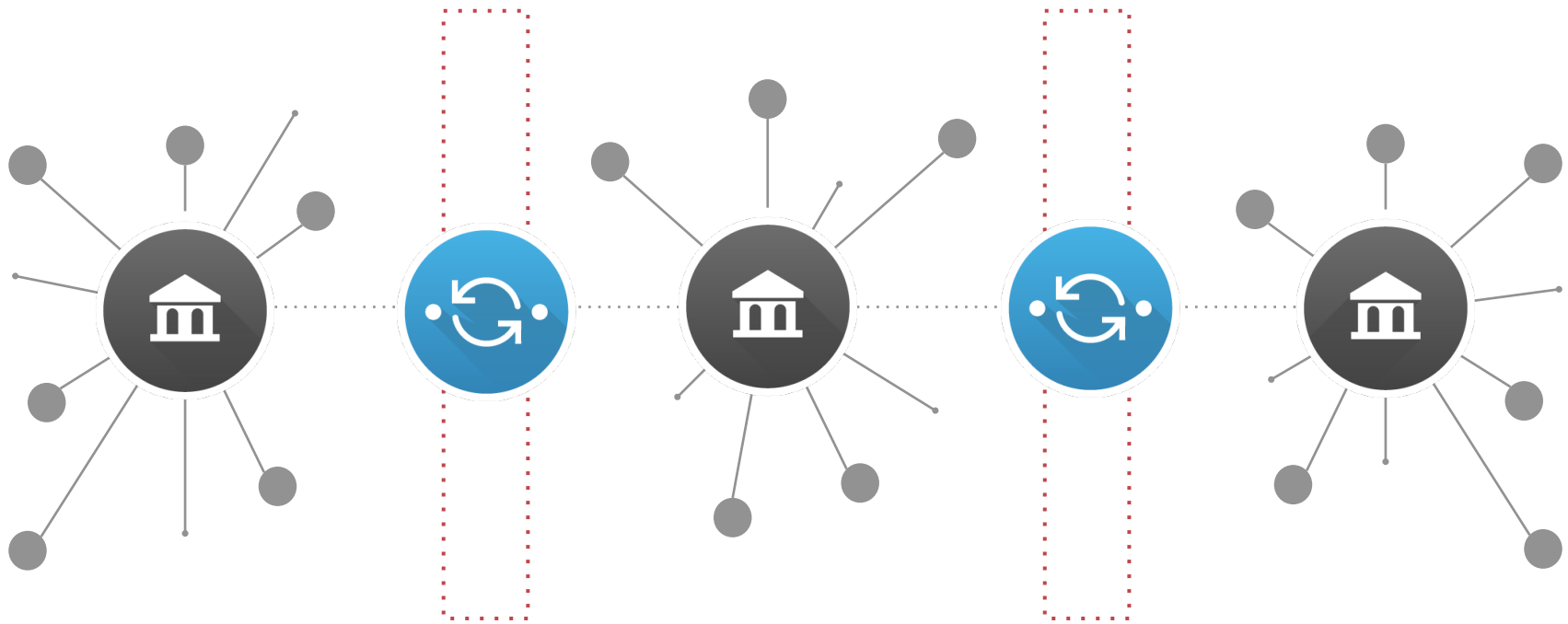
Today: payment networks are siloed

Few counterparties provide inter-network settlement

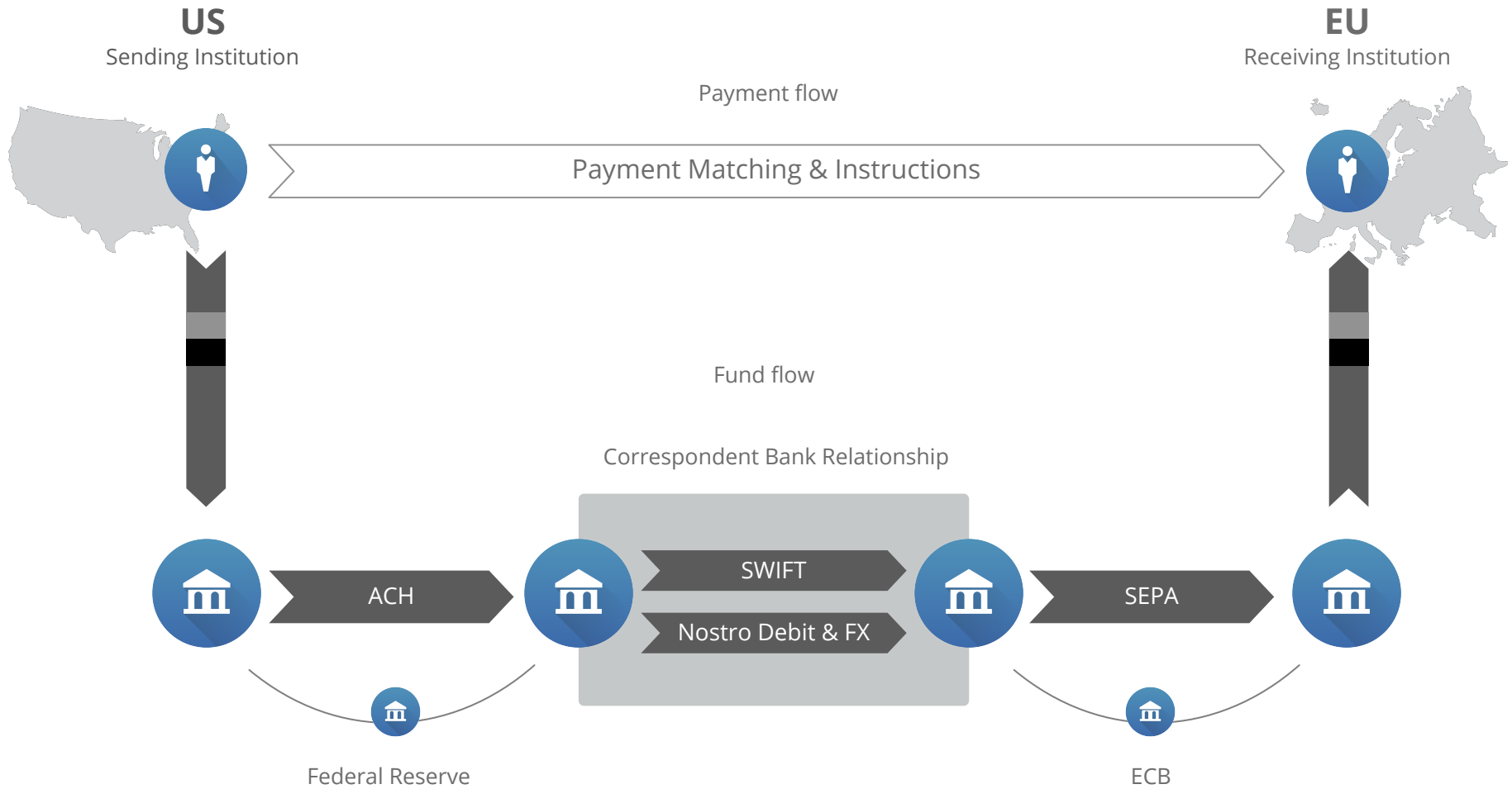


Web Settlement can connect networks

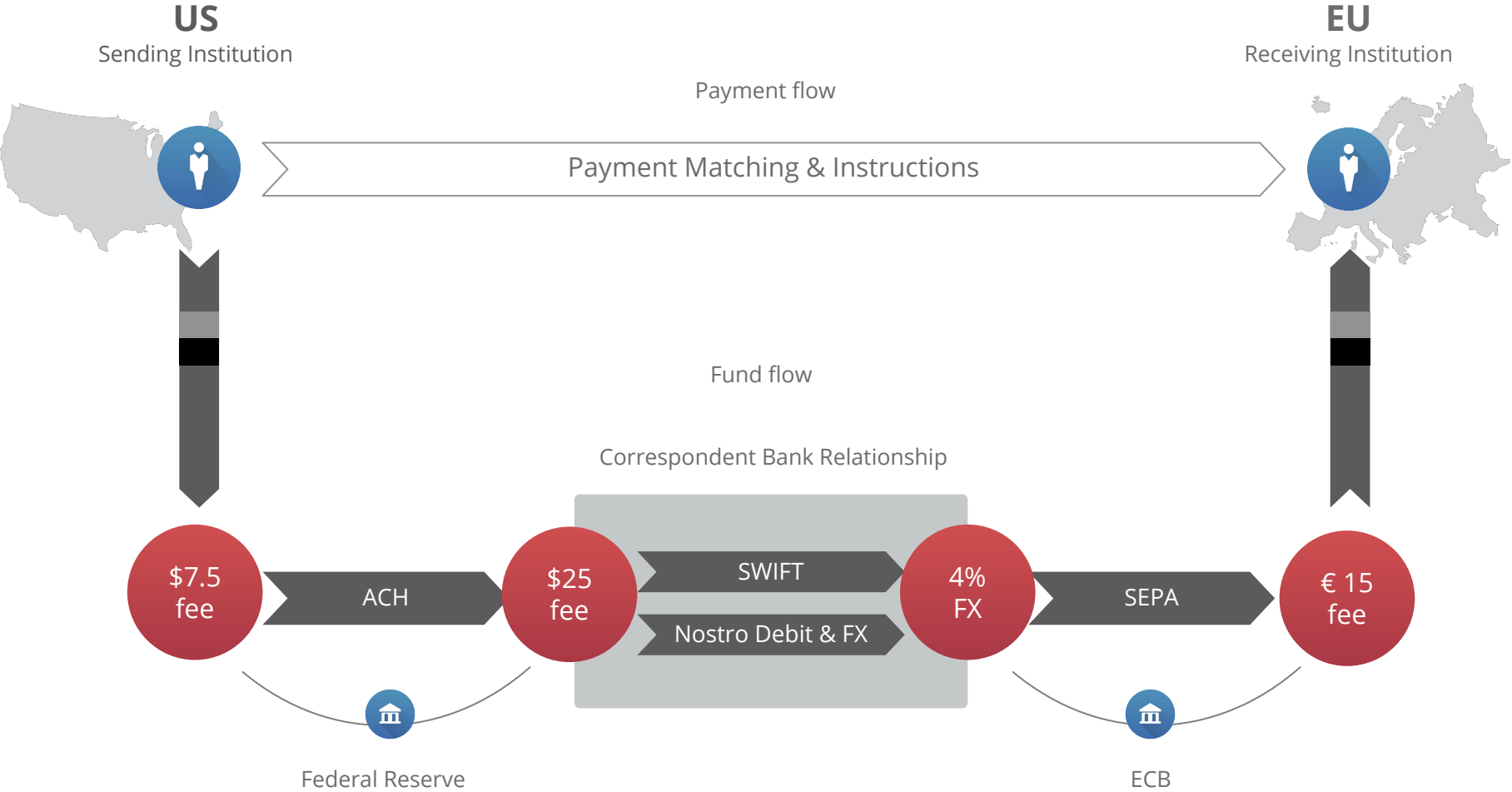
Standards enable links between counterparties and ledgers



Today: slower, more costly settlement

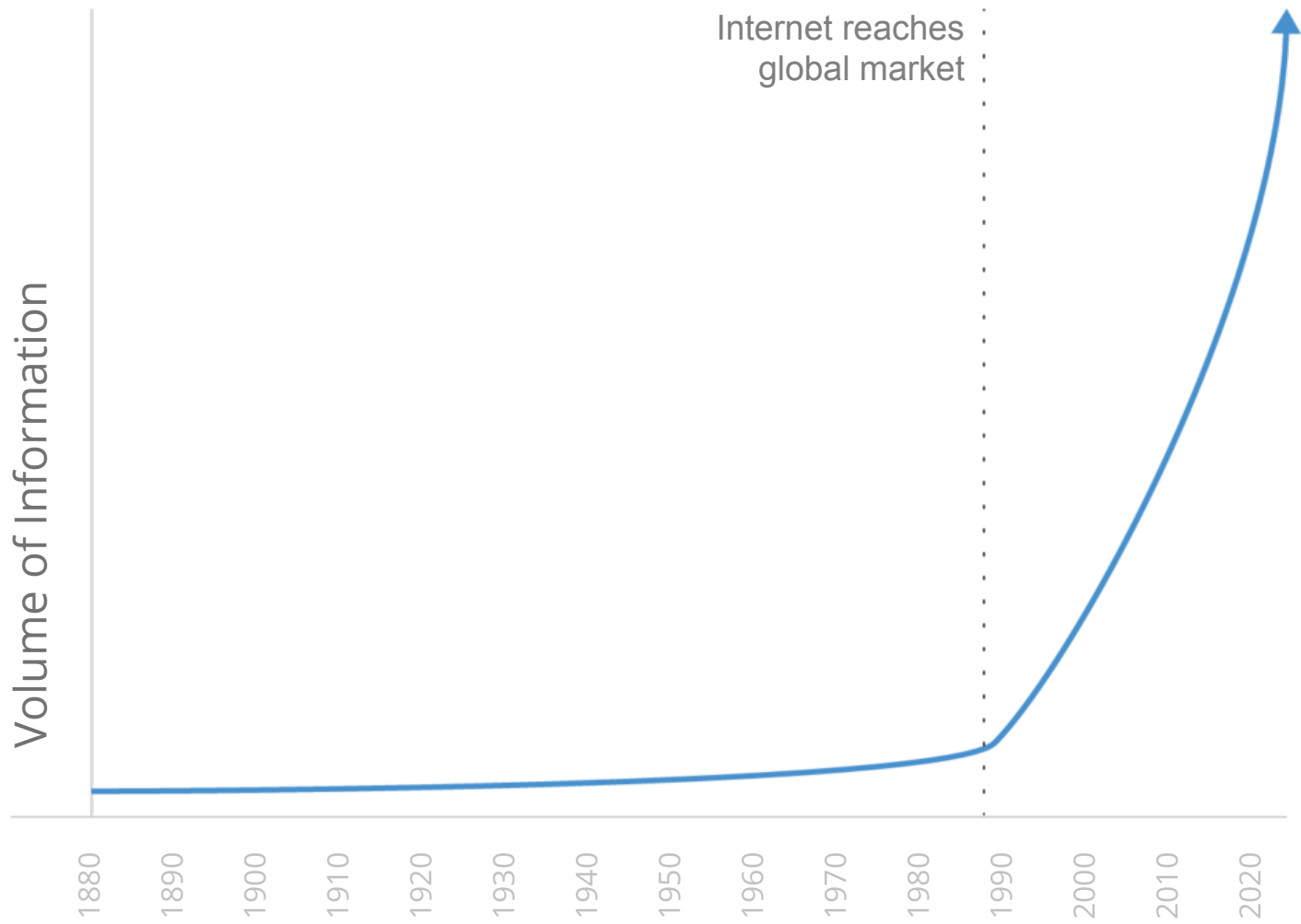


Today: slower, more costly settlement



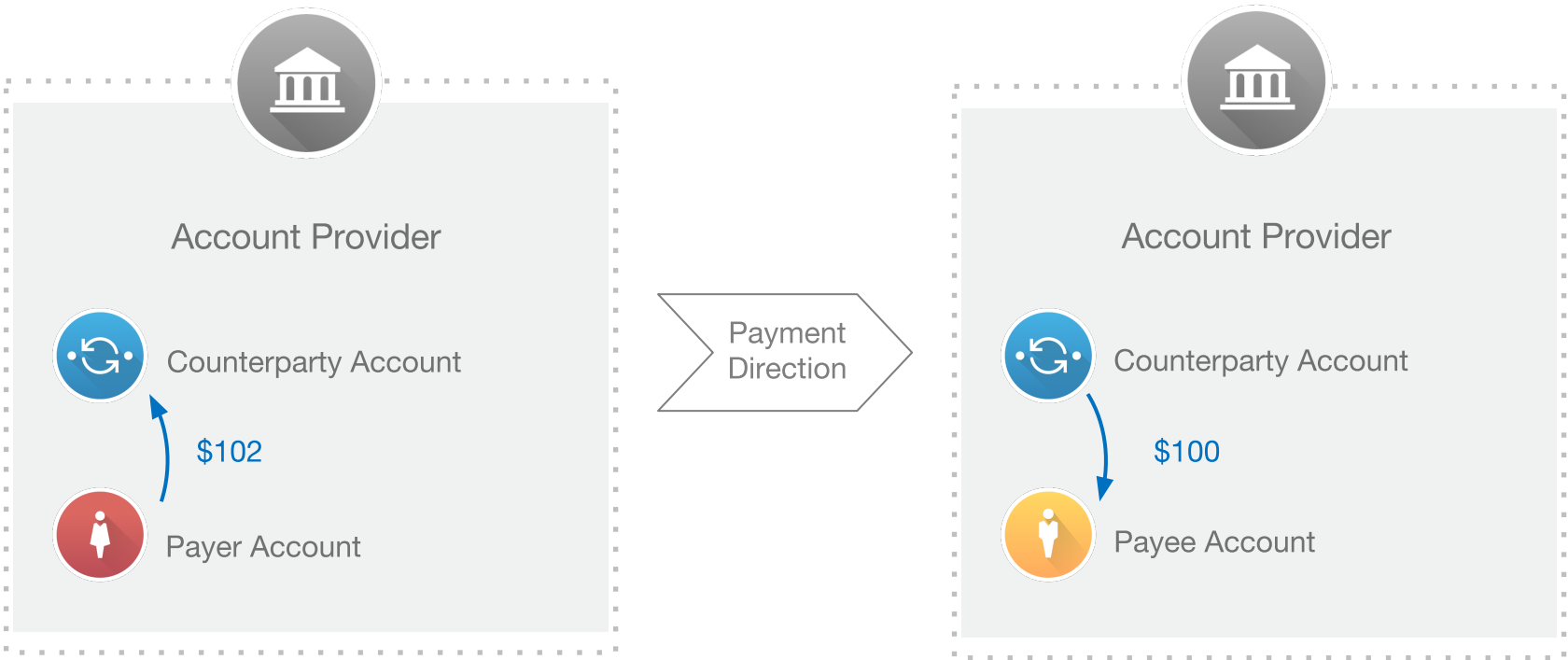
Increasing speed increases the volume

Information exchange exploded because of the Internet's speed and reach



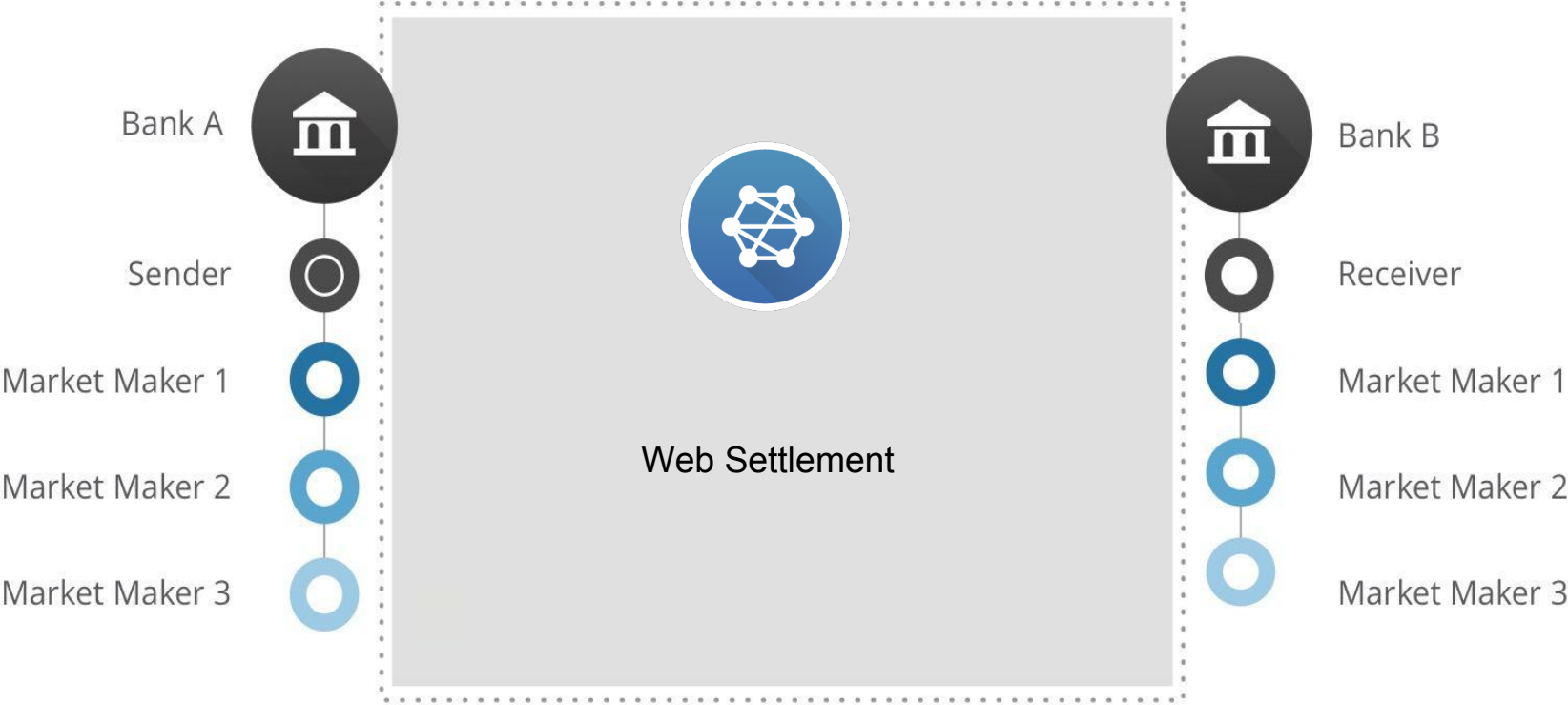
Using the Web as settlement rails

Standards enable many options for settlement



Increasing competition to deliver settlement

Competition provides more options and brings costs down



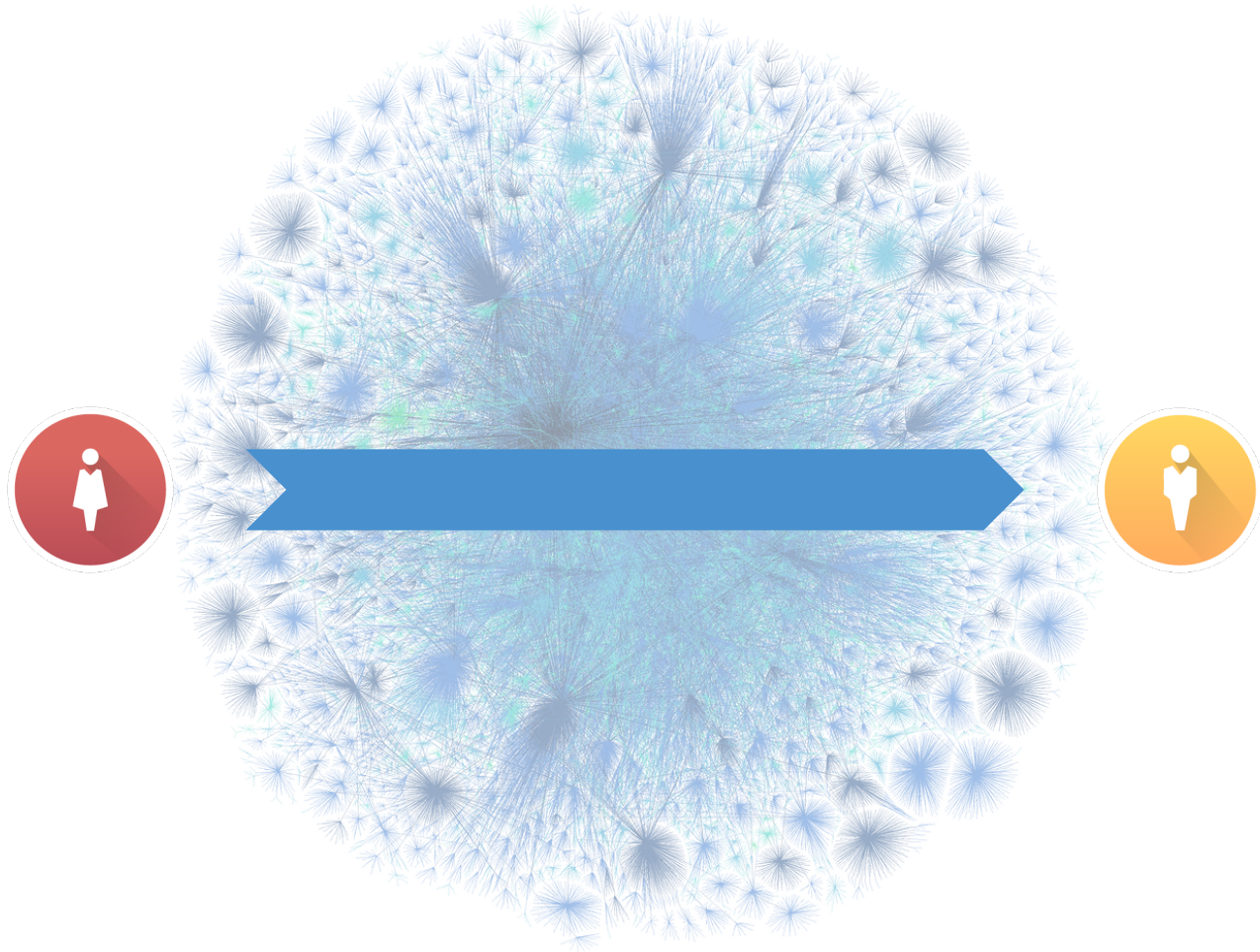
Web Payments standards increase choice among payment instruments.

Web Settlement increases links between payment instruments.



The Value Web

People and institutions can transact across the Web



How do we achieve this vision?

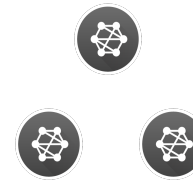


Learning from the Web's history

First, infrastructure providers lay groundwork for the Internet

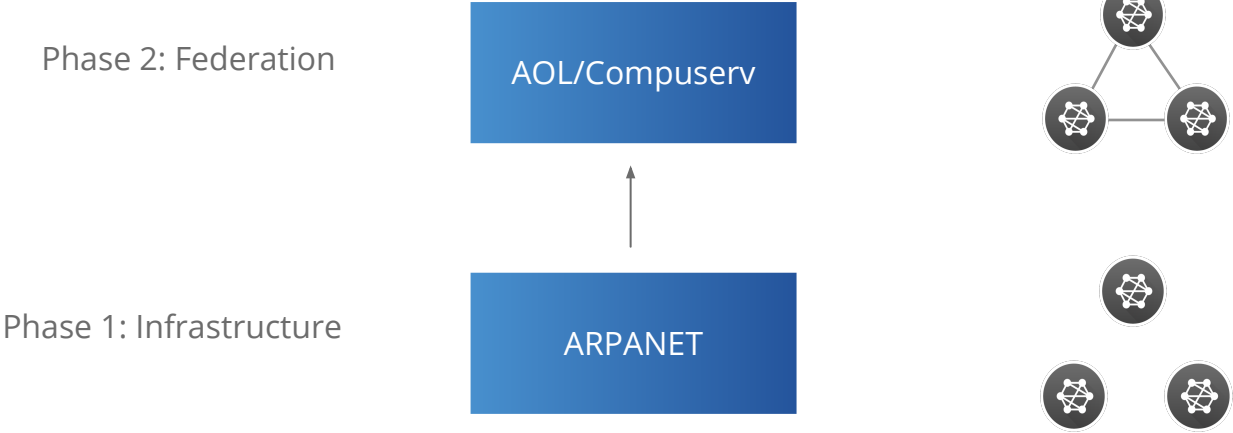
Phase 1: Infrastructure

ARPANET



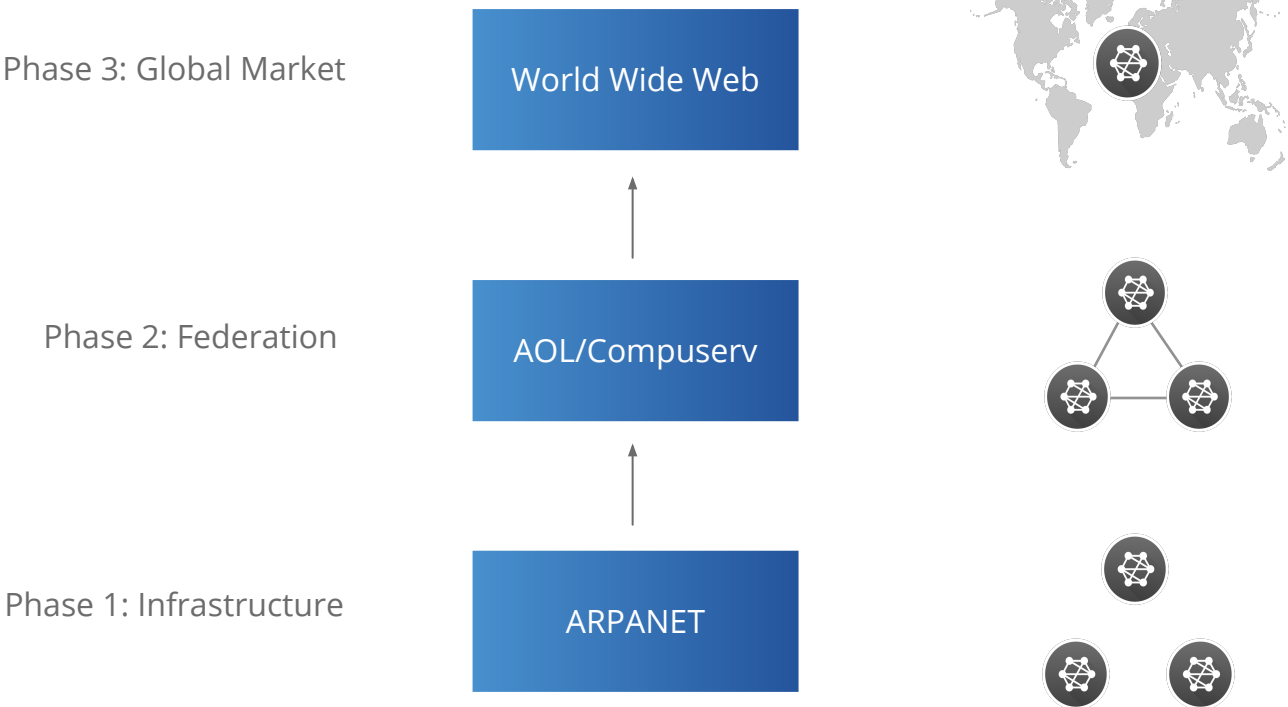
Learning from the Web's history

Second, networks develop and begin to federate

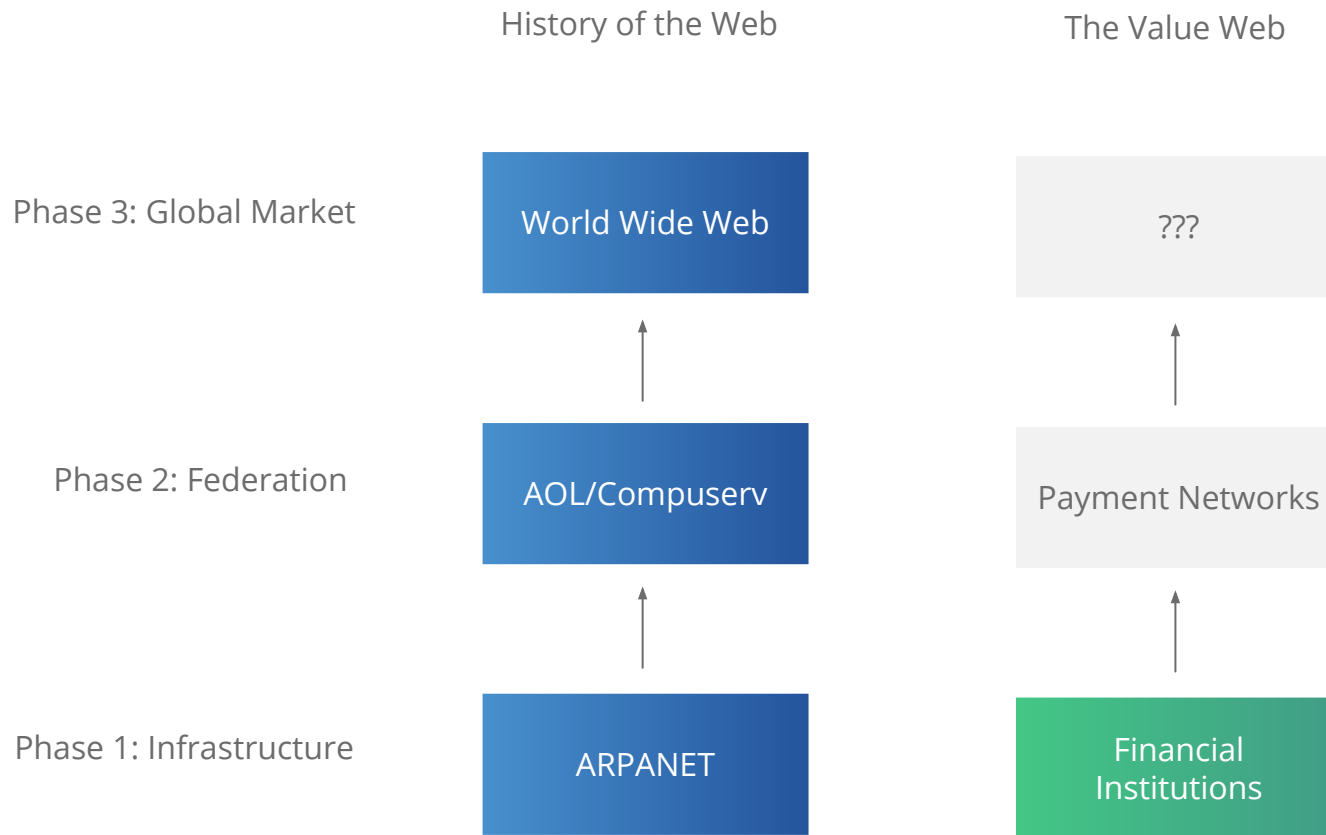


Learning from the Web's history

Third, the Web provides platform for all new types of services

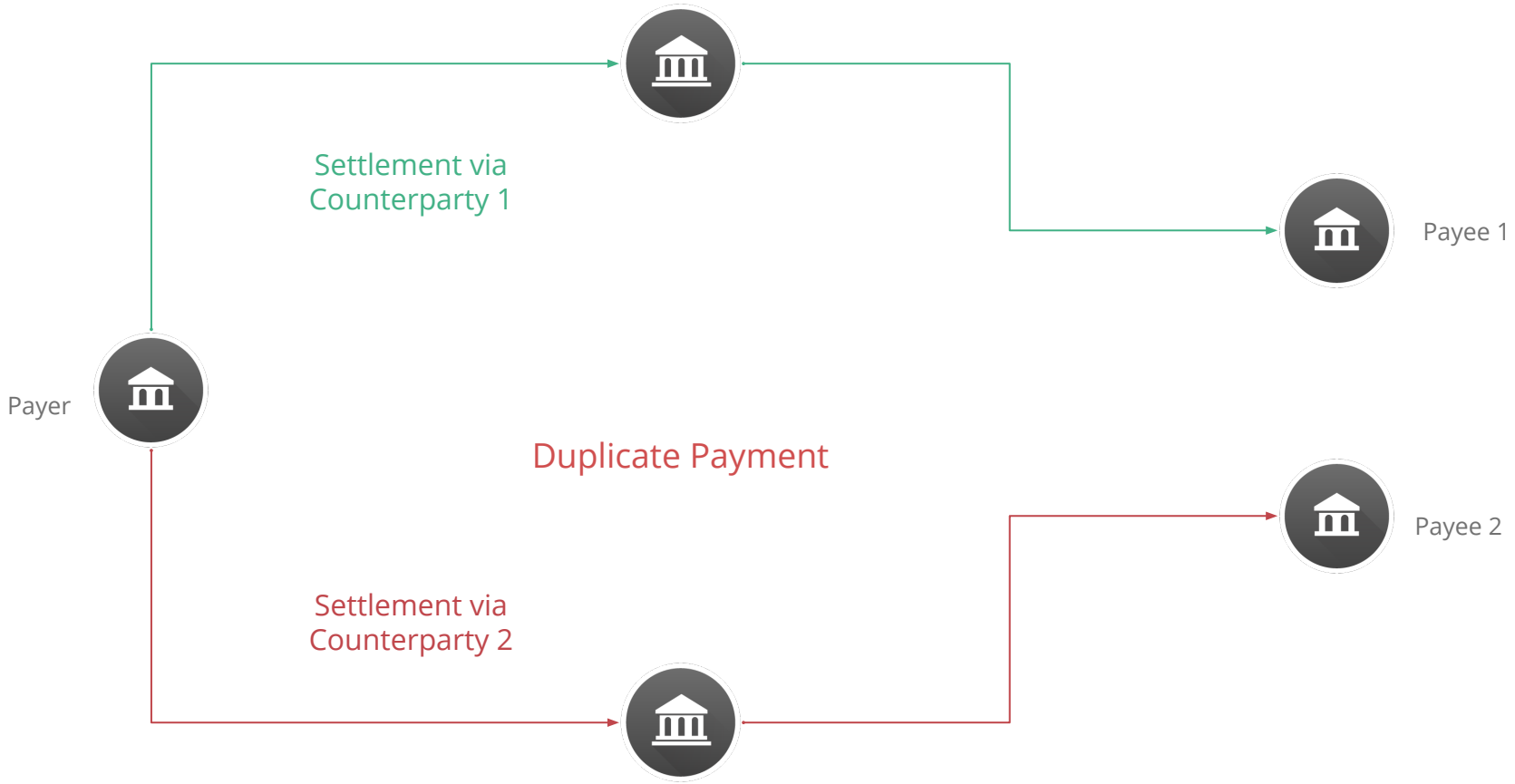


The progression of the Value Web



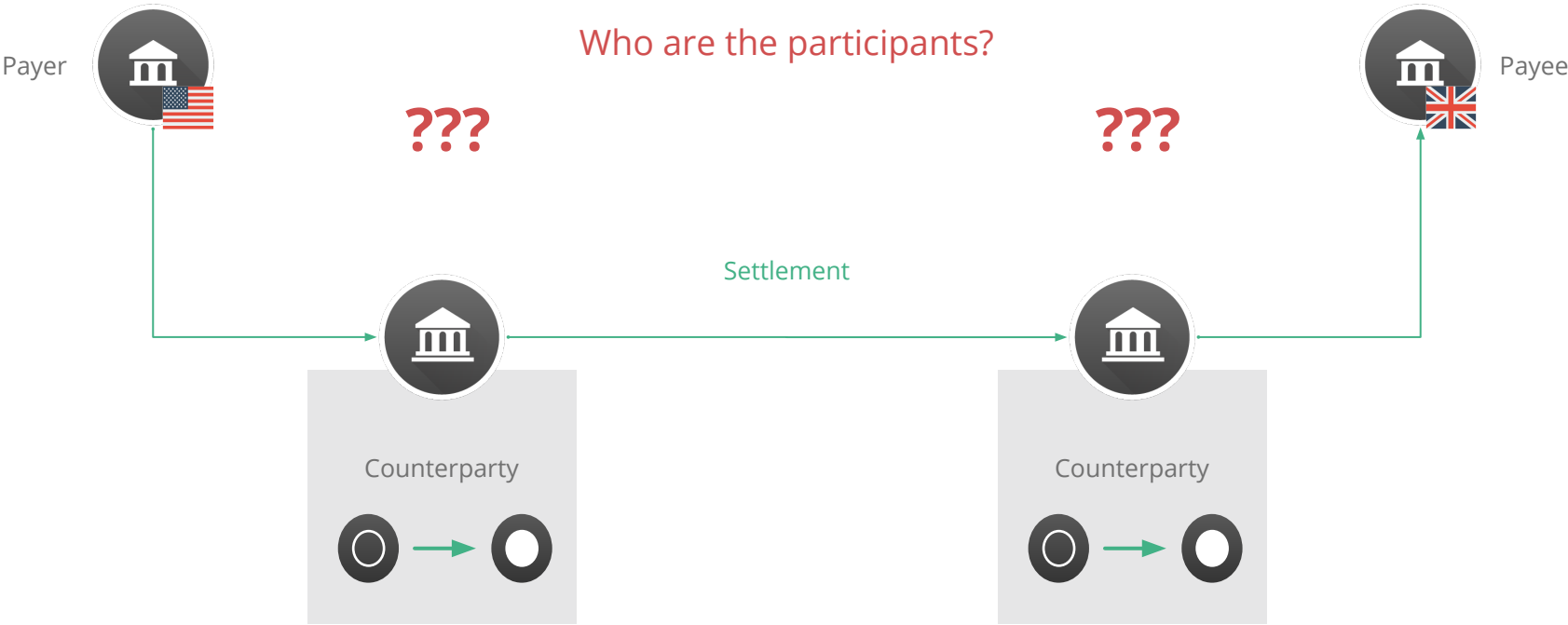
Challenge: the “double-spend” problem

Money is not just information, you cannot send it twice



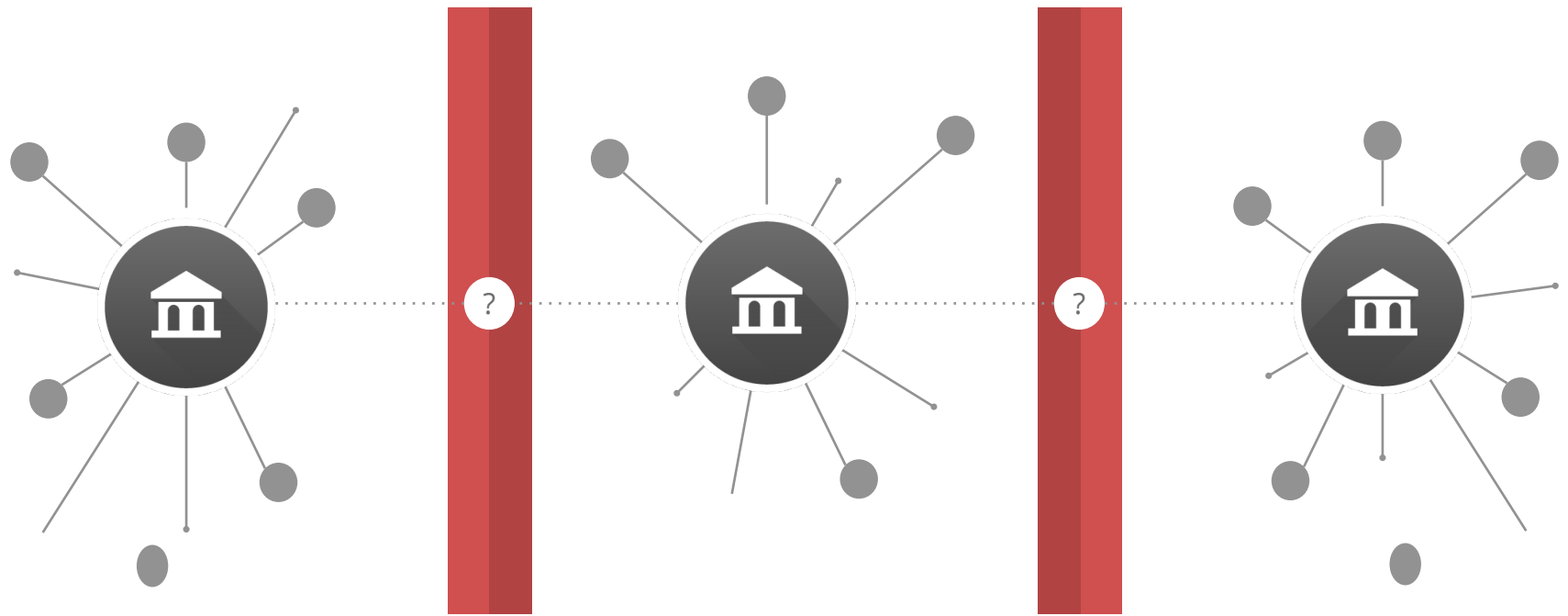
Challenge: new regulatory frontier

More ledgers, more counterparties, more need for oversight



Challenge: lack of simple, open standards

Existing standards are not equipped to facilitate Web Settlement



How can you get involved?



Web Settlement Community Group

- Further build case for new settlement standards
- Incubate and prototype standards
- Bring in non-W3C members, including banks and payment networks



Web Settlement Task Force

- Liase with the W3C Web Payments activity
- Connect with other TFs on Credentials, Authentication, Payment Initiation, etc
- Develop charter for Web Settlement Working Group



Web Settlement: from anyone to anywhere

Linking networks enables faster, cheaper payments for everyone

