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Blockchain-based Decentralized Data Exchange, Terminator of Credit Checking Industry Chaos

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Welcome to the new boom of Internet Financing!

The economic pundits tend to link investment, consumption, and exports as a magic triangle overshadowing a GDP growth.

But when the growth of investments declines, the power of exports goes to an immediate halt. Meanwhile the consumption, however, keeps growing rapidly, bringing in a new wave of economic development.

According to the data by iResearch, the scale of China's consumer credit in 2013 was massive 13 trillion yuan. It grew up to 15.4 trillion in 2014 and 19 trillion yuan by 2015. Furthermore, in 2019 it will exceed 41 trillion yuan. In the future, the conditions on consuming will be improving. At least it looks evident that the growth in the upcoming few years won't slow down.

Besides this, the part of consumption to the economic growth will continue to increase. This signifies that after the rapid development of industrialization, economic growth will reflect the welfare of the residents. Sharing the positive influence with the citizens mark a massive development in consumer's finance, also building the basis for future success.

In the first quarter of 2016, the Bank of China and the CBRC jointly issued the policy on increasing financial support for new consumption. A series of following policies were put forward to improve the financial stability. Meanwhile, on June 10 this year, a State Council executive meeting decided to liberalize the market access of consumer finance. The original 16 cities were issued to carry out the consumption of financial companies to expand the pilot to the whole country. The idea was also to increase the use of the economy push, develop consumer finance vigorously, release the consumer potential, and promote customer upgrades. Multiple policy guidance and particular emphasis on its development have laid out the foundation for the countrywide boom on consumer financing.

On line with the central bank report on personal credit reporting business, eight private credit agencies opened. The Middle Kingdom's credit system was officially set sail. With the support of national policy and the gradual improvement of credit system the consumer finance extended to the whole country. It promoted the banking industry's transformation and the rise of Internet finance. Consumer financial markets now began to usher in a tremendous opportunity for development. It was a modern Klondike with Chinese characteristics.

The potential of developing personal credit investigation industry

However, as China's credit reporting reform began relatively late, the system initiated by the central bank had a lot of flaws. Transaction records can, in mainland China, be owned by groups of people who are considered economically mature and stable. That accounts around 300 million Chinese. Even though there are another 500 million more Chinese in the central bank credit system, it accounts only for their basic information. This coupled with those Chinese who don't even have a basic information of the central bank records, and you realize there's a massive vacuum to be filled. This is where the unimagined future development potential of China's credit market lies.

Risk pricing the core of financing

Thus in 2013, the credit industry entered on a new historical track. With the Internet finance witnessing the slump of its industry, people from all corners of China world have entered a new game field.

A few of them, including some data and credit companies, headed directly to the the black market in search of a fresh data. Many of them, tragically, even hired hackers to the data for them. Some of them reached the valuation of billions with the new company. Some were eager to cash with the company, and saw a flow of recruitment agents flooding around, helping to grow the profit with hundreds of millions. There's emerged even a specifically tailored "transaction middleman", who semi-publicly sell's services on company's private records. That data may include records from tens of thousands of people. The value of the data of each circulation can rise up to thousands of millions of renminbi. An industry source is pointing out that "underground black market, has already formed a trillion level market".

It seemed as if the Dwarfs and Orks had got free for way too long.

Fintech business pain points and industry status quo in China

The Chinese financial performance data trading market is still in a chaotic state, and truth to be told, there have still not been any fully successful actions or solutions introduced.

Behind the scenes, the First insufficiency was that the Chinese powerhouse, the Credit center of the Bank of China, did not go to collect and evaluate its data. Due to this, the current network loan and the consumer finance industry rely on the "small-scale" data of the credit service agencies. These include credit services, credit rating, and large data companies. With the credit evaluation not only was the data timeliness poor, but its degree also had to be confirmed.

The Internet has long gone wild with news on most of the credit companies linked with the black market "middlemen" in order to buy personal credit data. This is endangering the environment with a lot of corruption, and the proportion of fraud may be as high as 90%. In addition to buying data from the black market, the company can also sell the data, including from his partnering organizations. Each agent sells a data to the cache memory, including the withholding of data, which is a core central data transaction idea - and great business.

As each data can only be sold once, the future income is no longer at the hands of the data source business causing a great harm to the interests of data producers. The credit industry is in urgent need to solve both data quality problems while protecting data producers. That would be the perfect, and only, solution to meet everyone's rights and interests.

Besides that, the "credit data island" problem of the financial industry has not yet been resolved. This accounts to a daily average of more than 30,000 Internet loans. With these the consumer finance and micro-credit companies will produce millions of loan records, repayment records, overdue records, black lists and other financial performance data. This massive amount of data, however, has not yet played its due value. It is also possible to join the industry-wide enterprises and form a healthy data exchange platform. Measures such as joint credit, control of loan leverage and reducing of bad debts can all provide a great help. These can also significantly reduce the control costs of enterprises and have broader benefits for the companies and the society.

Blockchain technology finishing the credit industry chaos

The distributed ledger technology, simpler know blockchain, is an important concept of Bitcoin. It is essentially a centralized database, and at the same time also the bottom technology of Bitcoin.

To introduce, the blockchain technology is a string of data blocks generated by the use of cryptographic methods.

Each data block contains information about the bit member network transaction, which is used to verify the validity (and thus security) of the information and generate the next block.

After seven years of development, the block chain has though only been completed as a financial product transformation for major industries, institutions and so on in the study of its application scene. It could be stated that in the field of Fintech, blockchain is its hottest idea.

GXB (Gongxinbao, ???, 'Public Information Treasure') , established in 2016, includes specialists from the blockchain to the depth of its R&D, Internet financial practitioners. It has the profound understanding on the Fintech industry, including the source of loans, approval process and large data analysis. It also has created a customer portrait, the establishment of labels and other large data analysis tools, such as screening, filtering and packaging.

After a long period of exploration and try, and finally having the blockchain technology in the credit industry. The depth of research and development is based on GXBs own data interaction center on the block chain technology.

"An ideal data exchange should allow multiple parties to involve in the transactions and to store, transfer and exchange data in the context of minimizing risk and cost," says CEO Huang Minqiang, CEO of GXB Technology.

"In the context of decentralized thinking and on the basis of block chain technology, we redefine a new product called the GXB, used to achieve an ideal data exchange."

With GXB we aim at breaking the traditional data transaction problems related to the industry's greedy opportunism. In addition, we aim at data transaction participation of the parties.

There won't be any third party obtaining data. In order to protect the identity and privacy of an enterprise, the transaction will be anonymous for both sides. In addition to the realization of the data volume of the equal exchange of enterprises, the ownership of digital assets Certification and effective containment of false information in the exchange of information.

The public credit data exchange works as a common data exchange platform. The core is based on the block chain to make a data exchange accessible from a typical Fintech customer of the, to the governmental players with their data exchange demands, to banking, insurance and other industries and enterprises. (Let's call it collectively as the Group). In order to better explain its use and more quickly cut into the market, GXB is the first in the field of internet and consumer financing. The bank as target customers, the financial performance data generated by these institutions as the main asset of the data transaction.

The CEO, Huang Fuqiang further explains:

"Public letter data crawler products are part of the data exchange, specializing in the provision of personal authorization to capture user data under the financial technology products. It's covering data on financial, commercial, social, personal identity and other dimensions. It aims to provide a high quality credit-based data services for the major banks, consumer finance, network loans, automotive finance and other companies.

While a few of the traditional black market related "reptile" services have a relatively high price, our data price is between 1-3 yuan. It's not only free of charge to members and merchants to provide services, but also for the Group members to access the data. It's also for the exchange transactions and the access to income.

Huang pondered the question on the doubts on personal privacy:

"All the exchanges of sensitive and private data must over-go a thorough check authorized by the person in question. Let's imagine, an internet lending company using this APP. He as the user authorized to obtain the user's data, makes a transaction. Another insurance company buys the user's information. Her the user would receive and SMS or mobile app push information, whether or not to authorize the data sold to the company.

At its best, the GXB would enable the individuals to manage their own data. The ultimate goal of the company is win over the hearts and minds of local citizens and their data and, yes, having them managing it on their own."

Our vision in the near future, is to witness a scene, where the company's HR staff scans job seekers with our GXB app in her mobile phone. The job seekers would pay only 2 RMB per data exchange. Meanwhile the app would immediately collect the job seekers resume and real experiences. These would include state of social security, background on criminal records, history on drugs, data on credit rating, which would finally lead to the decision whether to hire the job seeker. While the society continues its fast development, we'd ought to create a future based on a society with credit and trust.

We believe where there's a person, on our beautiful planet, with a sense of credit and honor in her heart, she should never face a hardship too difficult to manage!

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