

# BitStockX: The Creation of a Peer-to-Peer Electronic Stock Exchange

---

[info@accelerando.se](mailto:info@accelerando.se)

[www.accelerando.se](http://www.accelerando.se)

December 2011

## Abstract

A pure peer-to-peer version of electronic stock exchange, which still is as secure and trusted, would allow transactions to be sent directly from one party to another without going through traditional stock exchanges or other fixed institutions. This would allow individuals, companies and institutions to launch ideas and companies for the potential of external investment in a much easier way than currently is possible. Specifically such a stock exchange is likely to foster the launch and financial support also for individuals significantly and “the small guy” with great ideas. We propose an idea to use the fundamentals behind Bitcoin ([www.bitcoin.org](http://www.bitcoin.org)) as a basis for selling and buying shares in companies, ideas, software or content.

## Introduction

We believe the idea behind Bitcoin ([www.bitcoin.org](http://www.bitcoin.org)) is great. When discussing how projects, companies, software, content and ideas can be shared and owned in the future we stumbled upon Bitcoin. The future stock exchanges must be different from what they are today, today's markets are unstable and unsupportive of the “little guy” with a great idea. Extending the ideas behind Bitcoin into stock exchange is what we propose. We think this will be a game changer.

We call the idea **BitStockX**. We believe it cannot only be applied to companies' shares, but also to shares in content, software, ideas and projects. That is, as long as there is an interest (in the form of an investor) in a something, there is a potential for launching it on a BitStockX exchange.

## Why Bitcoin?

Bitcoin is already now used as a secure peer-to-peer solution for money transfer and ownership. We propose to use the technology behind Bitcoin, e.g. the Bitcoin block chain, for share ownership transactions. A new chain can be created for each company (content, software, idea or project). The chain keeps track of ownership and transactions, just in the same way as the Bitcoin chain keeps track of Bitcoins, but for actual shares in.

## Pros and cons

### Pros:

- distributed stock exchange (no central point of failure)
- anonymity (to a certain degree)
- no need for central and controlling stock exchanges

- shares listed on the network
- a stock exchange for "the little guy"
- a stock exchange for ideas, software, content etc.
- there can exist any number of stock exchanges

#### Cons:

- may not suitable for shares with few owners (and peers)
- unclear legal aspects of "ownership"

#### Further Work

The legal aspects of having a company owned by peers, potentially anonymous, are not easy to define. Several questions need to be answered. How can the owners vote? What agreements shall exist between the company (i.e. share) owners and its executives? How are the shareholders protected? How about governments and taxation on profit?

#### About / Contact Us

Please visit [www.accelerando.se](http://www.accelerando.se) for more info.