

We will describe how theoretical ideas from market design can be used to make cryptocurrency exchanges and transfers more efficient. First, we will show how credit networks, a trust-based abstraction of a distributed currency, model layer 2 blockchain payment systems such as lightning, and how these networks can provide high liquidity with very low cost. We will then show how the famous Arrow-Debreu market model can be used to design efficient and arbitrage-free exchanges for cryptographic assets.