

CariNet

CARIBBEAN DIGITAL FINANCE AND FREE TRADE SYSTEM

WHITE PAPER

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1. Program Overview

Caribbean Area is the largest tax-avoidance offshore financial center. By applying favorable policies in financial service field, the Area has made great achievements in developing offshore banking, trust, insurance, funds and other offshore financial institutions. Space for the development of traditional tax-haven offshore financial centers is being squeezed with international crackdown on tax avoidance. However, fast development of blockchain technology and digital finance have become the new engine for financial industry development of Caribbean Area.

CariNet Project is a digital finance and free trade system for the Caribbean Area, initiated by the Caribbean Free Trade Zone. The project will establish a blockchain payment and digital finance infrastructures, construct a blockchain intelligent international trading platform and attract blockchain industry companies' registration. It will enable the Caribbean Area to become a global digital financial center and free trade zone in the new era, and create new power for economic growth within the area.

To complete the construction of digital finance and free trade system, the Caribbean Free Trade Zone will complete the task within three phases:

Phase 1: Establish an infrastructure for Caribbean blockchain payment to improve local digital payment facilities:

- 1) To complete the development of CariNet (financial chain) and national data node;
- 2) Develop and popularize digital wallet, ATM and POS for digital assets in Caribbean Area.

Phase 2: Develop the Caribbean Free Trade Zone digital financial infrastructure.

- 1) Provide regulation certificates for Caribbean digital finance to attract global

blockchain industry into the region;

- 2) Establish a blockchain cross-border payment system;
- 3) Initiate blockchain digital finance service based on blockchain cross-border payment system.

Phase 3: Establish the blockchain intelligent international trading platform, creating a free, fair, transparent international trading environment, providing service for global trading companies digital finance industry with blockchain cross-border payment system, and attracting more trading companies to enter the Caribbean Free Trade Zone.

2. Background Introduction

2.1 Development History of Caribbean Free Trade Zone

CARIFTA was founded by Antigua and Barbuda, Barbados, and Guyana on 15 December 1965, with the signing of the Dickenson Bay Agreement (the Agreement establishing the Caribbean Free Trade Association). They were later joined by Caribbean countries that had recently become independent. CARIFTA was intended to unite these economies and to give them a joint presence on the international scene.

Specifically, CARIFTA was intended to encourage balanced development of the Region by providing free trade:

Increasing Trade: Buying and selling more goods among the Member States.

Diversifying Trade: Expanding the variety of goods and services available for trade.

Liberalizing Trade: Removing tariffs and quotas on goods produced and traded within the area.

Ensuring Fair Competition: Setting up rules for all members to follow to protect the smaller enterprises.

At the Eighth Heads of Government Conference of CARIFTA held in April 1973, the decision to establish the Caribbean Community was brought to fruition. By July 1974, all members of CARIFTA had signed the Treaty of Chaguaramas to become full members of CARICOM.

On Aug 1st 1973, CARICOM was officially established and replaced CARIFTA. The newly-built Caribbean Community is aimed at economic cooperation within Caribbean mutual market and collaboration within the field of healthcare, education, culture, communication and manufacturing industry.



Source: caribbeanelections.com

Member States and Associate Members of CARICOM

In Aug 2014, Antigua and Barbuda launch the initiation of Caribbean Free Trade Zone, aimed at establishing professional free trade zones within Caribbean Community member states, in order to attract foreign direct investment and build a top-tier economic zone among the Caribbean Area.

Caribbean Free Trade Zone investment company was proposed by the Caribbean Community, approved by Antigua and Barbuda Management Committee of Free Trade and Processing and participated by multiple Caribbean Community organizations. Capital of the zone was invested by companies focusing on Caribbean Free Trade Zone Investment in the international industry zones. The target of the company is to fund for and build 15 free trade zones with local characters among the 15 Caribbean states, with total investment totaling at \$15 billion and total development area at 30 square kilometers.



Source: caribbeanelections.com

Map of Caribbean Free Trade Zone Members

Three characters of Caribbean Free Trade Zone include:

Comprehensive FTZ: Caribbean Free Trade Zone is one of the most typical comprehensive free trade zones. Such FTZs combines its unique location advantages with shipping, trans-trading and logistics, in order to evolve into higher additional value, better human capital and more technical intense industry or areas, gaining diversified functions of global logistics management.

Free Capital Flow: In Caribbean Free Trade Zone, most countries adopt easy, free financial and monetary policies with little foreign exchange regulations, having no restrictions on company capital, earnings, interests and dividends. Some free trade zones allow offshore financial services as well as forex exchanging services towards non-citizens. Local financial supervision authorities have no regulations towards financial services within the zone towards legal reserves, deposit insurance, interest rates, exchange rates and forex transaction: Full principles of natural treatment are adopted towards foreign investments with no restrictions on ownership, stockholding ratio and business scope.

High Staff Mobility: most zones adopt convenient entry policy including temporary resident permit, provisional and permanent pass, landing visa and visa exemption policies, especially for those who enter free trade zones for business.

Most region also relax the conditions for talents employment with no nationality restriction, in order to provide special preferential policies to attract foreign high-level professionals.

2.2 Existing Advantages and New Challenges

The Caribbean Free Trade Zone is the global largest offshore financial center. With stable political environment and tax shelter policies on financial markets, member states of Caribbean Free Trade Zone has provided offshore companies with numerous favorable treatments, making the Caribbean Area a reputational offshore financial market.

Antigua and Barbuda: Largest global registration address for offshore gambling industry, providing easing industry regulations and best trading transfer station.

British Virgin Island: Largest global registration address for offshore companies, funds and family offices, with total amount of investment surpassing the amount towards China from US, Japan, German, UN and Korea. It has become the second largest source for China to attract foreign investment, and its actual usage of foreign investment only inferior to that of Hong Kong.

The Bahamas: Global largest registration address for offshore international bank, with more than 400 banks and other financial institutions registered and operating on the Bahamas Islands.

Cayman Islands: World's largest registration address for listed companies. Has become the fifth largest financial center, after New York, London, Tokyo and Hong Kong.

Bermuda: World's largest offshore insurance registration address, about a third of world's total amount of accident reinsurance. Finance and tourism have been the pillar industries of the Bermuda Islands.

Grenada: Famous offshore financial center, the best place for entrepot trade from US. Have access for US immigration.

International offshore companies chose the Caribbean Free Trade Zone for the following reasons:

Easing and Open Financial Policies: The Caribbean Area has grown into an international offshore financial center for both the instability of international market and the openness of local financial industry towards global capital. To better adjust to the demand of international financial development and expand local financial industry, the Caribbean Area has been adopting easing regulation policies. Therefore, for years the local policies on financial service have made great achievements on the development of banking, trust, insurance, offshore companies and other institutions.

Low Information Disclosure, Strict Stipulations on Confidentiality: Key offshore financial centers within the Caribbean Area have applied very beneficial confidentiality stipulations on international business companies registered locally, such as issuance of non-registered stocks, no requirements on compulsory shareholder and director information recordings, and no necessary records requirements on local economic activities.

Low Tax and Access for Double Taxation Avoidance: The Caribbean Offshore Financial Center impose low taxation on all sorts of international business corporations, and almost every offshore financial center has signed treaties with leading economies to avoid double taxation.

Loose Requirements on Corporate Governance: Annual general stockholders and board meeting of offshore companies are not compulsory. Stockholders have options for the location of general stockholder meeting, and most offshore financial centers have no minimum capital requirements on international offshore business companies.

Convenient Registration Procedure and Low Maintenance Costs: Registration procedure for offshore companies are very simple, with room for professional registration agencies providing proxy services. Registrants can complete the process online, and registration period is time-efficient with most completed within 24 hours.

However, ever since US subprime crisis the international call for financial regulation revolution has been fierce. Under such regulation tide, it's inevitable that multiple countries and regions within the Caribbean Area be affected. Even if it is

possible to modify existing loose regulation terms into meeting international requirements, the Caribbean Area's advantage of offshore financial market will be lost. According to 2010 IMF research data, total asset amount of international offshore financial center has surpassed the economic aggregate of France, German and Japan, as well as multiple times of other major economies such as China. From one hand, this has enhanced the key importance of international offshore financial center on global capital investment flow; from the other hand, it as well has reinforced the regulation requirements of OECD and G20 on international offshore financial center. In addition, due to the inevitable competition, the advantage of Caribbean Area offshore financial market will be adversely affected.

With continuous advance of financial globalization, the increasing liberalization of onshore financial center are imposing underlying effects on the comparable advantage of offshore financial center system. Most small offshore financial centers run their own local island economies, and their mini scales are unable to attract large financial business into their separate precincts. Therefore, it is difficult for them to breed a massive international financial market with high liquidity on securities, financial derivatives and other products that can show the development trend of financial industry.

2.3 Embracing Blockchain Digital Economy

Traditional tax havens have been adversely affected by the further crackdown of global finance on tax avoidance, therefore squeezing the living space of financial industry within Caribbean area. By exploring consensus mechanism, decentralized distributed storage and cryptographic computations and intelligent contract, blockchain technology is making continuous discovery and innovation, revolutionizing the international financial infrastructure, and is promoting the development of Caribbean financial industry.

Financial policies within North America have been strict and conservative, whereas the legal tenders of numerous countries within South America are infamous for their instability. As the connection between North and South America, the Caribbean Area has developed its unique, flexible policies, gaining the area large development advantage using its great geographic position.



Geographic Location of Caribbean Area

Caribbean Region has always been a push to global digital technology development, massive high-tech companies have established offshore firms, in order to acquire local policies and regulations beneficial to industry development. Caribbean Region has the world's most advanced ecological chain system, providing massive service basis for blockchain talents. Many Caribbean countries have proposed supportive attitude towards blockchain and digital cryptocurrencies, planning to realize a economic transform through blockchain and other revolutionary technologies, to transit from tax havens to blockchain and cryptocurrencies heaven, creating a global-leading blockchain industrial ecosphere and international blockchain special zone.

On Feb 21st 2018, the Caribbean Free Trade Zone officially launched the strategic plan for Blockchain Special Economic Zone. Within this special economic zone, companies can apply for financial license for digital cryptocurrencies and take more preferential taxing policies. All the blockchain companies will enjoy tax-free policies (including corporate income tax and value-added tax), and these companies' blockchain assets will as well receive legislative protections. In the era of global blockchain development, the Caribbean Region is continuous sending out strong competitive advantage compared to Switzerland and Singapore where regulation are becoming stricter.

3. Caribbean Blockchain Payment Infrastructure

Phase One Job Content: Complete the construction of CariNet (financial chain) and national data nodes; Issue the Caribbean Free Trade Zone official digital token based on CariNet; Develop and spread POS machines and ATMs among member states of Caribbean Free Trade Zone to resolve the problems of weak local digital payment facilities.

3.1 CariNet (Financial Chain) and National Data Nodes

CariNet (a financial chain) is the blockchain infrastructure developed for Caribbean digital finance and free trade zone. It focuses on the fields of financial and trading, and real-name authentication will be applied on online users. The CariNet is designed with the following technical specifications:

Distributed Storage: Digital information will be mutually recorded by multiple nodes distributed in different areas, and each of the nodes will keep a complete data record, avoiding possibility of full control of a single node or fake data record due to bribery.

Consensus Mechanism: A consensus will be reached among all data storage nodes to cognize the validity of a record. Such an approach is applied for both cognization and tamper-avoidance.

Smart Contract: Automatically proceed with contracts. No third-party institution is needed during the process, therefore increase contract execution efficiency and reduce expenses. Every counterparty or stakeholder will be unable to take full control or alter related assets, ensuring the reliability and safeness of the contract.

Trusted Mechanism: CariNet applies real-name registration system to solve trusted authentication, guaranteeing privacy through modified pseudonym and

access control, butt-join authorized identity authentication (e.g., eID or multidimensional authentication) to enhance the security of identity.

CariNet will be in charge of the digital asset issuance and transaction data information recordings, and its side chain will function as the major network for Caribbean Pirates blockchain intelligent international trading platform. These technologies above are fundamental elements for well performance of Caribbean Free Trade Zone digital token, infrastructure of Caribbean Area digital payment and finance, as well as the blockchain intelligent international trading platform.

Fifteen member-states of Caribbean Free Trade Zones will function as national data nodes to participate in and guide the operation of blockchain data distributed storage and blockchain community building. The key importance of national data nodes is to supervise and promote the well application of digital assets, to track digital asset transaction records, and to avoid digital asset from being applied to illegal transactions.

3.2 Blockchain Digital Payment Infrastructure

Apart from issuing official digital tokens, the Caribbean Free Trade Zone will construct a digital payment system based on blockchain technology for member states, including blockchain digital wallets and ATM for digital assets based on CariNet. This is to satisfy demand for convenient payment demand originated from daily commercial activities, and will become the prerequisite for constructing a digital finance infrastructure for the Caribbean Free Trade Zone.

1) Blockchain digital wallet will be applied to the storage, management and transaction of digital assets. Users can take full control of their own digital assets, and the application and management barrier of using digital tokens will be greatly reduced, effectively promoting the flexible application of digital assets. Transactions through digital wallets will become a major digital payment approach within the Caribbean Area.

2) Digital Asset ATM is the equipment for offline digital asset withdrawal, payment and transaction. Users can exchange between blockchain digital assets and legal tender of member states, buy digital assets through legal currencies, and have access to multiple security protection mechanisms based on encryption algorithm and digital cipher code, protecting the asset safety of users.

3) Digital asset POS machine is a multifunctional device connected directly to blockchain aimed at satisfying the mobile payment demand. Users can apply digital tokens to complete payment at various consuming places or make financial deals at retail outlets. It will accelerate the development of non-cash payment environment in Caribbean Zone.

Digital asset ATM and POS machine can be applied to daily life scenes, such as consuming in restaurants, cafeterias, bars and other locations, as well as marketplaces, office buildings and communities and other public areas.



Diagrammatic Sketch of Digital Asset ATM

Tourism is the pillar industry of countries within the Caribbean Zone. According to a report from the Caribbean Tourism Organizations, in 2016 the number of tourists visiting the Caribbean Zone has reached 29.3 million, with a YoY growth of 4.2%, keeping a consecutive growth over seven years and again surpassed the global tourism average growth of 3.9% for the third year. In 2016, the proportion of visitors to the Caribbean Zone to global tourists is 2.4%, with another 0.1 percent increase.

In 2016, tourists visiting Caribbean Islands through cruise ships has reached 26.3 million, with a 1.3% YoY growth and a 33.7% proportion of global cruise-ship visitors. Within the Caribbean Zone, the Dominican Republic, Virgin Islands and Grenada have attracted most cruise visitors with a two-digit growth rate; Belize has attracted more than one million cruise tourists, becoming the eighth tourist destination that has reached the number.

The Caribbean Area is weak in internet mobile payment infrastructure. Most local citizens fail to meet the prerequisite of entering banking industry, with about 50% of Caribbean citizens have no bank accounts. A digital payment system based on blockchain technology will provide a feasible opportunity to better financial services for the Caribbean countries, establishing a new economic growth point. Meanwhile, by introducing blockchain digital payment system into tourism, the

Caribbean nations can assist its local companies constrained by USA to attain currency reserves based on East Caribbean Dollars (XCD) and USD.

4. The Caribbean Digital Finance Infrastructure

Having completed Phase 1 job contents, technical preparations corresponding to the Caribbean digital finance infrastructure will be initiated.

Working contents within the second phase will be constructing the digital finance infrastructure for Caribbean Free Trade Zone. It will be based on the Caribbean Free Trade Zone official digital Token, aimed at establishing a blockchain special economic zone, providing blockchain digital financial service, constructing a blockchain cross-border payment system, and attracting international blockchain industry to locate within the Caribbean Free Trade Zone.



4.1 Caribbean Blockchain Special Economic Zone

The Caribbean Free Trade Zone is now developing a Caribbean Blockchain Special Economic Zone. The blockchain special economic zone will provide digital finance regulation certificate service to the companies registered in the zone, as well as attract global blockchain-relevant industry to locate within. The Caribbean

Blockchain Special Economic Zone is born with the following characters:

Friendliest Blockchain Community: The Caribbean Free Trade Zone is now assisting member states to initiate blockchain-related legislations, granting licenses for digital asset exchanges, issuing official digital tokens and establishing official digital asset exchanges, in order to make the Caribbean Free Trade Zone the world's top blockchain economic zone.

Blockchain Programs and Enterprise Cluster: The Caribbean Free Trade Zone has attracted tens of blockchain projects and companies to establish global headquarters of foundations through digital asset operation licenses, blockchain ICO certificates and zero tax rate policies.

Blockchain Investment Funds Cluster: The Caribbean Free Trade Zone is the world's largest offshore financial centers, tens of thousands of PE and VC funds have gathered in Virgin Islands and Cayman Islands, member states of Caribbean Free Trade Zone. The Caribbean Free Trade Zone has become the world's largest blockchain investment fund cluster.

Digital Asset Exchanges Cluster: The Caribbean Free Trade Zone has attracted 12 digital assets exchanges to locate within the area through issuing licenses. We estimate that, by the end of 2018, about 40 digital asset exchanges will gather within the zone, becoming the world's largest digital asset exchange cluster.

Digital Token Mines Cluster: The Caribbean Free Trade Zone is now investing to build digital token mines with a total of more than one million servers in Quebec Province of Canada and Washington D.C. of USA, gradually forming the world's largest digital token mines cluster.

4.2 Blockchain Cross-Border Payment System

So far, the widely-accepted cross-border payment system is composed of banks, regional clearing centers, central bank clearance systems, overseas agent banks, overseas central bank clearance systems and international card associations. These intermediate institutions have formed a sophisticated hierarchical system. Since the traditional cross-border payment system has long exchange routine and needs to go through multiple institutions, the transaction speed is slow with high

cost. Within the international payment system, large amounts are delayed, and the system in general is challenged with credit, liquidity and operational risks, as well as credit card fraud and other non-systematic risks.

Blockchain technology principles and application architectures have huge differences with traditional centralized accounting system. It has fundamentally changed the payment system structure, eliminated the intermediate institutions between payment participants and realized point-to-point payments directly.

4.3 Blockchain Digital Financial Service

Fast development of financial industry has been promoting, pushing and stimulating international trading, and, vice versa, international trading will adjust accumulation of financial capital, formulate financial policies, and adjust financial industries. With the globalization of economies, relationship between the financial industry and international trading will be certain to move further, and mutual influence will as well be enhanced.

Modern financial market infrastructure has provided a relatively stable and reliable infrastructure and environment for global financial market, yet it still has some limitations:

- 1) Today's financial market is composed of diverse different layers of

participants, forming a complicated network. Its business procedures and relevant technical systems are also very complicated, combined with numerous manual procedure processes.

2) Every participant needs to preserve and protect its own, unique database, every change in transaction data needs to notice stakeholders and to balance the account between different systems.

3) There are gaps between transaction, clearance, mortgage, capital and asset management systems. These are built between different historical periods and no broadly accepted standards. Cross system maneuverability is limited.

4) Limitations of financial market infrastructure prolongs the settlement periods, increase the backstage processing costs, as well as increasing the financial market costs in general.

As a general ledger to record transactions, blockchain is entirely different from traditional centralized, stratified transaction processing and clearing methods. Blockchain's unique technical characters can be used to disperse some intermediate procedures and realize point-to-point direct transaction, simplifying business procedures, shorten transaction cycle, and effectively lower risks, increase efficiency and cut costs.

5. Caribbean Blockchain Intelligent International Trading Platform

Having completed work from first and second phases, the technical preparation work of Caribbean Blockchain Intelligent International Trading Platform will be completed synchronously; meanwhile, digital financial service will be applied to attract international trading business as the seed users of Caribbean Blockchain International Trading Platform, and initiate the works for phase three.

Job Contents for Phase Three: Establish Blockchain Intelligent International Trading Platform, construct a free, fair and transparent international trading environment, provide digital financial industry chain service for international

trading companies, and attract more companies into the Caribbean Free Trade Zone.

5.1 Current Status and Defects of International Trading Market

International trade has existed throughout history, and in most countries such trade represents a significant share of GDP. During the years before digital era, traditional foreign trade export has been under the influence of sluggish growth in labor force, resource and other factors, slowing down the speed of global trade GDP growth to almost 0%.

Under such background, internet featuring globalization and low cost gave rise to the cross-border commerce to meet demands. Relying on their internet and logistics system, giant e-commerce companies such as Alibaba and Amazon led to another tide of improvement: Since 2000, global trading GDP started to speed up, but it became more vulnerable to the international economy shocks, during the financial crises of 2008 and 2012, the growth fell near or below zero, and it did not return to a positive growth ever since.



Global Trading GDP and its YoY Growth

Even if we are stepping into the era, we still witness a slow-down of global trading. Three major issues have prevented the market from development:

Flow of Info: Traditional centralized e-commerce platform determined what its business model is like. The centralization reveals not only in the approach of data storage, but also in the direction of resource flow. The platform takes full control of the trading market, absorbs the sellers' share of benefit and leads to high marketing costs of sellers.

Flow of Logistics: One of the important characters of international logistics is the differences between logistic systems, specifically between their soft environments. Compared to national logistics, logistics across the globe have wide differences on physic environment, logistic system, information system and standardization environments. Unable to make accurate logistics information tracking will seriously affect the business synergy between buyers and sellers.

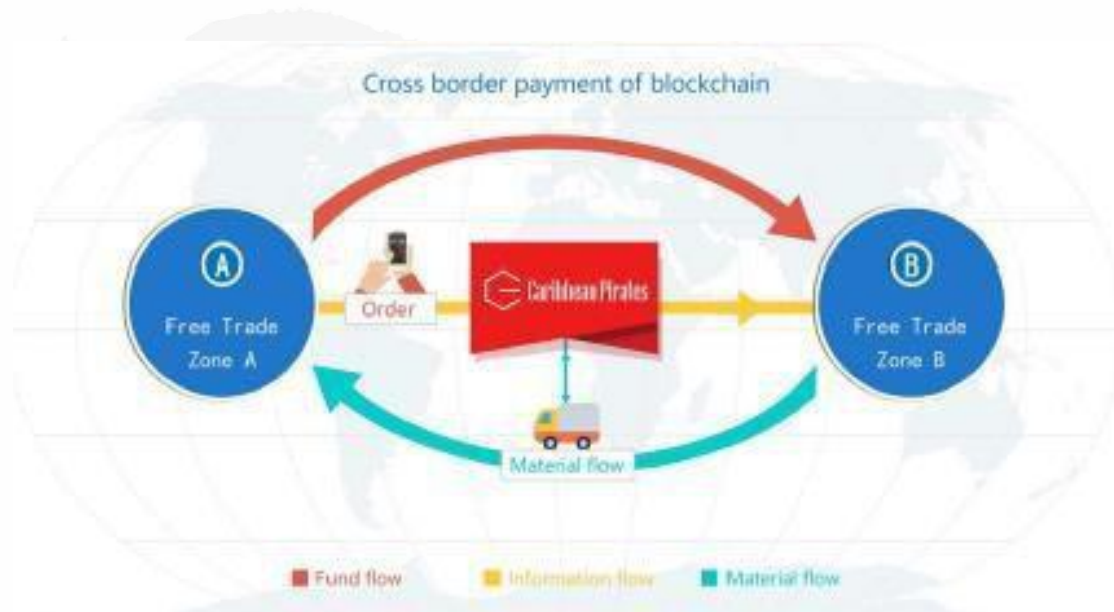
Flow of Fund: So far, there are four categories of participants in the cross-border market: 1) Bank Cable Transfer, 2) Professional Remittance Companies, 3) International Credit Card Payment, 4) Third-Party Cross-Border Payment. These traditional cross-border payment systems are time-consuming and expensive, which greatly increase international trading costs.

To sum up, under e-commerce background, global small and middle-sized enterprises' benefits are yet to be protected, and the whole international trading system is also facing challenges from flow of information, funds and logistics. A solution to these problems are in serious demand.

5.2 Solutions for Blockchain Technical Defects

Caribbean Pirates Blockchain Intelligent International Trading Platform is an e-commerce platform focused on cross-border B2B business. It is initiated by Caribbean Free Trade Zone, based on eWTP (Electronic World Trade Platform) and set its marketplace towards the \$30 trillion market of international trading. The Caribbean Pirates Platform makes full advantage of blockchain and AI technology, and will collaborate widely with World Congress of Free Trade Zones, World Blockchain Organization (WBO) and other international institutes. Blockchain cross

border payment system and digital financial service will assist the development of Blockchain Intelligent International Trading Platform, mutually solving the three major problems of international trading:



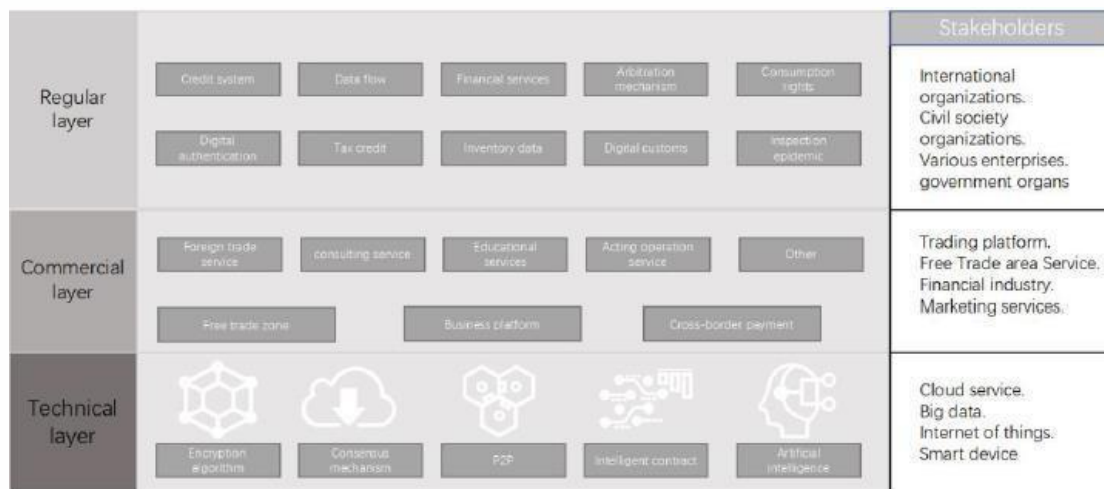
Diagrammatic Sketch of Caribbean Pirates Business Model

Based on eWTP ecology infrastructure framework, it has established a new business ecologic system more suitable to cross-border B2B trading environment, including:

Technical Layer: Make advantage of artificial intelligence and blockchain technology including encryption algorithm, consensus mechanism, point-to-point network and smart contract, and collaborate with cloud computing, big data, internet of things, intelligence services and other service providers.

Service Layer: Provide services related to cross-border B2B platform, connect logistics service among free trade zones, enable blockchain cross-border transaction service.

Rules Layer: Complete business synergies of both parties' payment and logistics through intelligent contracts, and using blockchain data to establish credit system and also collaborate with all kinds of relevant institutions and organizations, together formulate and implement rules for the platform.



Business Ecology Diagrammatic Sketch of Blockchain Intelligent International Trading Platform

Applying blockchain and artificial intelligence as the base layer to supply transaction deal-making and settlement system, Caribbean Pirates Platform realizes consideration to serial performance, parallel performance, low delay, upgrading maintenance, bug repair and low threshold, as well as self-upgrading:

Intellectual Transaction Deal-Making: share transaction data across the net to realize tamper-resistance, apply AI to ensure highly-efficient matching of buyers and sellers, reduce marketing costs of sellers, and improve the marginal benefits of both parties;

Intellectual Transaction Procedures: apply intelligent contract to finish business synergy of both parties, weaken the effect of third-party intermediary, and avoid the credit risks of both parties in executing transactions;

Traceable Transaction Information: Utilize distributed storage and consensus mechanism to store and trace transaction data, prevent wash sales of international transaction, and realize long-term sustainable development of the Platform;

Realize Instant Cross-Border Payment: Use Caribbean Free Trade Zone official digital cryptocurrency (CariCoin) to finish instant, cost-efficient cross-border payment.

6. Rights Token

6.1 An Intro to Rights Token

Caribbean Digital Finance and Free Trade System adopts the Caribbean Pirates Token (a.k.a. CIT) as the rights token within the system.

Within the whole platform, the value of holding CIT Tokens is hidden within the four aspects below:

Platform Services: Allow users to fully enjoy store-opening, credit-rating and other services provided by the platform, and pay for the low-level commission fee to the platform.

Node Reward: When signing a customized intelligent contract and record important data on the blockchain, both buyers and sellers will pay CIT Tokens to the Data Node holder, in order to attract more data nodes to the procedure of data storage and Certification.

The total number of CIT Token is 1,000,000,000, which will not increase later.

All coins will be allocated as follows:



Token Offering: Sales open to investors, providing funds for the construction, extension, operation and other development procedures for the Caribbean Pirates Platform.

Ecological Construction: When users participate in the cross-border system a portion of the CIT Tokens will be granted for free, promoting the construction of blockchain cross-border payment system;

Strategic Reserve: Maintained as the preserved fund for program development;

Founding Team: Released to Founding team as a reward to the contributions they made to the program;

Strategic Advisor: Issued to the strategic advisors as a return for resource supplement in early stages.

Community Reward: Reward to the community activity participants as the community activity fund.

7. Team and Cooperative Partner

7.1 Core Team



Charles Xue / Early Investor and Chairman

The most famous angel investor of China, Wall Street well-known Chinese investors Co-founder of UTStarcom, chairman of the board of directors. He served as chairman of 8848cc.com and chairman of xue.zhizhjw.net. Investment of the project including PCOPP, Autohome, xueqiu.com, 265.com, flamingo, iBokan Wisdom, lyooyoo.



Frank Zheng / Early Investor and Consultant

Secretary-General of the World Blockchain Organization, President of the Caribbean Institute of Blockchain Industry, Director of the Caribbean Free Trade Zone and Director of Blockchain Regulators. He leads the design, investment and construction of the official digital asset exchange in the Caribbean Free Trade Zone, dominates the design, investment and construction of the largest digital currency mine in North America.



Vere Hill / CEO

Honor Member of CBA, MBA of Howard University, CEO of CUB, COO of Global Commerce Bank, Manager of UBS.

**Hugh V. Jarvis / COO**

CEO of ISEED SOWERS INVESTORS AND DEVELOPERS CO.LTD.;
Regional Partner of SDE ENERGY CO.LTD; Chairman, CEO of
SSI&D CO.LTD

**Tilmar W. Goos / Marketing Consultant**

Goose&Goose Consultant; Founder of TWG International Ltd.;
Program Manager of About Asia; Manager and Consultant of
P.P Trading B.V. CRM

**Susan Wang / CFO**

Co-founder, VP and board of director of the parent company
in Hengji Limagrain Seed CO., LTD, monitor of Deloitte
Consulting, strategy & operation. She led the team to serve
the industry leading corporations in China and global MNCs.

**Maggie May / PR Director**

Secretary of the WBO International Relations Department of
the World Blockchain Organization, Vice President of the
Caribbean Institute of Blockchain Industry.

**Frankie Van/CTO**

IBM Global Solution Center technical director, once worked at
SAIC General Motors,
China Guodian Corporation, Xinao Group and China National
Nuclear Corporation

7.2 Cooperative Partner



Caribbean Blockchain Research Institute is a world class blockchain industry development platform. It is launched By the Caribbean Free Trade Zone, and aimed at creating a world's leading blockchain industrial ecology system.



World Blockchain Organization (WBO) is a non-governmental organization (NGO) registered at United Nation Department of Economic and Social Affairs (UNDESA). It aims at building a world leading blockchain industry biosphere and promoting popularization, promotion, application and other social commonweal activities of blockchain across the world.



US National Academy of Artificial Intelligence is a non-profit, non-party organization established by US and international universities, research institutes, national labs and business companies with more than 200 institutions across the globe.



Greenfield Capital Group is the world's leading free trade biosphere maker, aimed at consulting, land reserve, investing and developing, operating, managing and other global investment and offshore financial services across World Free Trade Zone.



**World Congress of
Free Trade Zones**

As an international non-profit organization, the World Congress of Free Trade Zones will focus on free trading, promote profound collaboration among free trade zones, discover synergy among national free trade zones, and develop into a special consulting agency of UNESCO.



Tai Lab
Silicon Valley

Tai Silicon Valley Laboratory (Tai Lab) was established in Silicon Valley in the United States and has a large number of core intellectual property rights. With the mission of “scientific investment banking”. Tai Lab's core team has provided blockchain-related professional advice and solutions for a number of Fortune 500 companies, technology unicorns, multinational government agencies, industry alliances, and financial institutions since 2014, and has hatched many successful blockchain projects.

Member States of Caribbean Free Trade Zone



Antigua and Barbuda



Bahamas



Barbados



Belize



Bermuda



British Virgin Islands



Cayman Islands



Dominica



Grenada



Jamaica



Montserrat



Saint Lucia



Saint Kitts and Nevis



Trinidad and Tobago

8. Disclaimer of Liability and Risk Factors

8.1. Disclaimer of Liability

CariNet does not make, and hereby disclaims, any representation or warranty with respect to CIT (such as merchantability or fitness for a particular purpose), except those expressly specified herein. Each purchaser's decision to participate in the purchase any CIT shall be made based on his/her own knowledge of CIT and the information disclosed in this Whitepaper. Without prejudice to the generality of the foregoing, each purchaser will, upon the launch of CIT and accept CIT on an "as is" basis, irrespective of the technical specifications, parameters, performance or function thereof.

CariNet hereby expressly disclaims its liability and shall in no case be liable to any person, for:

1) Any person's purchase of CIT in violation of any anti-money laundering, counter-terrorism financing or other regulatory requirements that are imposed in any jurisdiction;

2) Any person's purchase of CIT in violation of any representation, warranty, obligation, covenant or other provision under this Whitepaper and the resulting failure or inability to make his/her payment or to claim relevant purchased CIT;

3) Early termination of the CIT crowd-sale for any reason;

4) Failure or abortion of the Exchange development and resulting failure to deliver the Exchange

5) Delay or rescheduling of CIT development and resulting failure to meet any anticipated milestone;

6) Any error, bug, flaw, defect or otherwise of the source code of the Exchange;

7) Any malfunction, breakdown, collapse, rollback or hard forking of CIT or the

blockchain of Ethereum;

- 8) Failure of CIT to meet any specific purpose or unfitness for any specific use;
- 9) Utilization of the proceeds raised through the CIT crowd-sale;
- 10) Failure to timely and completely disclose any information relating to the development of CIT;
- 11) Any purchaser's divulgence, loss or destruction of the private key of his/her crypto-currency or crypto-token wallet (inter alia, the private key of the CIT wallet used by that purchaser);
- 12) Any default, breach, infringement, breakdown, collapse, service suspension or interruption, fraud, mishandling, misconduct, malpractice, negligence, bankruptcy, insolvency, dissolution or winding-up of any third party crowdfunding portal of CIT;
- 13) Any difference, conflict or contradiction between this Whitepaper and an agreement between any purchaser and any third party crowdfunding portal;
- 14) Trading or speculation of CIT by any person;
- 15) Listing or delisting of CIT on or from any exchange;
- 16) CIT being classified or treated by any government, quasi-government, authority or public body as a kind of currency, securities, commercial paper, negotiable instrument, investment or otherwise that may be banned, regulated or subject to certain legal restrictions;
- 17) Any risk factors disclosed in this Whitepaper and any damage, loss, claim, liability, punishment, cost or other adverse impact that is caused by, associated with, in connection with, incidental to or consequential to that risk factor.

8.2. Risk Factors

CariNet believes that there are numerous risks involved in the development, maintenance and running of CIT, many of which are beyond the control of CariNet.

Each CIT purchaser should peruse, comprehend and consider carefully the risks described below in addition to the other information stated herein before deciding to participate in the CIT crowd-sale campaign.

Each CIT purchaser should pay particular attention to the fact that, while CariNet is established in the Republic of Singapore, CIT lie in cyberspace only without physical presence and hence do not fall within or pertain to any specific jurisdiction.

Participating in the CIT crowd-sale campaign shall be an action based upon prudent decision and will be deemed as the relevant CIT purchaser having been fully aware of and agreed to take all the risks below.

1) Termination of the Campaign

The CIT crowd-sale campaign may be early terminated, in case of which a purchaser may only be refunded with part of his/her payment as a result of the Bitcoin / Ether price volatility and/or the expenses incurred by CariNet.

2) Insufficient Information Availability

CIT and its application are at the stage of development as of the date of this Whitepaper and its philosophy, consensus mechanism, algorithm, code and other technical specifications and parameters could be updated and changed frequently and constantly. While this Whitepaper has contained the then up-to-date key information of CIT, it is not absolutely complete and is subject to adjustments and updates that CariNet might make from time to time for certain purposes. CariNet is not in a position, nor obliged, to keep the purchasers closely posted on every detail of CIT development (including its progress and expected milestones no matter whether rescheduled or not) and therefore will not necessarily provide the purchasers with timely and full access to all the information relating to CIT that may emerge from time to time. The insufficiency of information disclosure is inevitable and reasonable.

3) Regulatory Measures

Crypto-tokens are being, or may be, overseen by the regulatory authorities of various jurisdictions. CariNet may receive queries, notices, warnings, requests or

rulings from one or more regulatory authorities from time to time, or may even be ordered to suspend or discontinue any action in connection with the Campaign. The development, marketing, promotion or otherwise of the CIT crowd-sale campaign may be seriously affected, hindered or terminated as a result. And since regulatory policies could change from time to time, existing regulatory permission or tolerance on the CIT crowd-sale campaign in any jurisdiction could be just temporary. CIT could be defined from time to time as virtual commodity, digital asset or even securities or currency in various jurisdictions and therefore could be prohibited from being traded or held in certain jurisdictions pursuant to local regulatory requirements.

4) Cryptography

Cryptography is evolving and cannot guarantee absolute security at all times. Advances in cryptography, such as code cracking, or technical advances such as the development of quantum computers, could present risks to all cryptography-based tokens including CIT. This could result in the theft, loss, disappearance, destruction or devaluation of the CIT held by any person. To a reasonable extent, CariNet will be prepared to take proactive or remedial steps to update the protocol underlying CIT. In response to any advances in cryptography and to incorporate additional reasonable security measures where appropriate. The future of cryptography or security innovations is unpredictable while CariNet will try its best to accommodate the continuing changes in the domains of cryptography and security.

5) Development Failure or Abortion

CIT is still in the process of development, rather than a finished product ready to launch. Due to the technological complexity of the CIT system, CariNet could be faced with unforeseeable and/or insurmountable difficulties from time to time. Accordingly, the development of CIT and its use cases, such as exchanges and user adoptions, could fail or abort at any time for any cause (including insufficiency of funds). The development failure or abortion would result in non-availability of the purchased CIT for crowd-sale to any purchaser.

6) Theft of Crowd-sale Proceeds

There may be attempts to steal the crowd-sale proceeds received by CariNet (including the fiat currency amount converted therefrom). Such a theft or attempted theft may affect the ability of CariNet to fund the development of CIT. While CariNet will adopt cutting-edge technical solutions to keep the crowd-sale proceeds safe, certain cyber thefts could be hardly unpreventable.

7) Flaws in Source Code

Nobody can guarantee the source code of CIT to be flaw-free. It may contain certain flaws, errors, defects and bugs, which may disable some functionality for users, expose users' information or otherwise. Such flaws, if any, would compromise the usability, stability, and/or security of CIT and consequently bring adverse impact on the value of CIT. Open source codes rely on transparency to promote community-sourced identification and solution of problems within the code. CariNet will work closely together with the CIT community to keep improving, optimizing and perfecting the source code of CIT onwards.

8) Permissioned, Decentralized and Autonomous Ledger

There are three prevailing categories of distributed ledger adopted among the contemporary blockchain projects, namely, permissioned ledger, consortium ledger and private ledger. CIT's underlying distributed ledger is an permissioned one, which means it is publicly accessible and useable by everyone on a permission-free basis. While CIT is initially developed by CariNet, it is not owned, operated or otherwise controlled by CariNet. The community of CIT which is spontaneously formed and open, decentralized and admission-free, is composed of users, fans, developers, CIT holders and other participants worldwide who are mostly not connected with CariNet in any manner. Such a community will be decentralized and autonomous with regards to the maintenance, governance and evolution of CIT while CariNet will merely be an active player in the community peer to others without express or implied authority, irrespective of its earlier efforts and contributions to the genesis of CIT. As a result, it is not at the mercy of CariNet about how CIT would be governed or evolve after its initial launch.

9) Update of Source Code

The source code of CIT is open and could be updated, amended, altered or

modified from time to time by any member of the community of CIT. Nobody is able to foresee or guarantee the precise result of an update, amendment, alteration or modification. As a result, any update, amendment, alteration or modification could lead to an unexpected or unintended outcome that adversely affects CIT's operation or CIT's value.

10) Security Weakness

The blockchain of CIT rests on open-source software and is an permissioned distributed ledger. Regardless of CariNet's effort to keep the CIT system secure, anyone may intentionally or unintentionally introduce weaknesses or bugs into the core infrastructural elements of CIT which the security measures adopted by CariNet may be unable to prevent or remedy. This may consequently result in the loss of CIT or any other digital tokens held by a purchaser.

11) "Distributed Denial of Service" Attack

The Ethereum is designed to be public and permissioned and therefore may suffer cyber-attacks of "distributed denial of service" from time to time. Such attacks will adversely affect, stagnate or paralyse the network of the CIT and accordingly render the transactions thereon delayed to be recorded or included in the blocks of the Ethereum blockchain or even temporarily unable to be performed.

12) Insufficiency of Processing Power

The rapid growth of CIT will be accompanied by a surge of transaction numbers and demand of processing power. If the demand of processing power outgrows how much the nodes of the Ethereum blockchain network can provide, the network of CIT could be destabilized and/or stagnated and could lead to fraudulent or false transactions such as "double-spending". In the worse-case scenario, the CIT held by the purchasers could be lost and rollback or even hard forking of the blockchain of the Ethereum could be triggered. All these issues may harm the usability, stability and security of CIT and the value of CIT.

13) Unauthorized Claim of CIT for Crowd-sale

Any person who gains access to the CIT purchaser's registered email or

registered account by deciphering or cracking the purchaser's password will be able to claim the purchased CIT for crowd-sale in bad faith. As such, the relevant purchased CIT for crowd-sale may be mis-sent to the person whoever claims that the same through the purchaser's registered email or registered account, which sending is not revocable or reversible. Each CIT purchaser shall take care of the security of his/her registered email and registered account throughout by taking such actions as: (i) using a highly secure password; (ii) refraining from opening or responding to any scam emails; and (iii) keeping strictly confidential all the secret or personal information about himself/herself.

14) Private Key of CIT Wallet

The loss or destruction of a private key required to access CIT may be irreversible. CIT are controllable only by possessing both the relevant unique public and private keys through the local or online CIT wallet. Each purchaser is required to safeguard the private keys contained in his/her own CIT wallet(s). Where such private key of a CIT purchaser is lost, missing, divulged, destroyed or otherwise compromised, neither CariNet nor anyone else will be able to help the purchaser access or retrieve the related CIT.

15) Popularity

The value of CIT hinges on the popularity of the CIT system. CIT is not expected to be popular, prevalent or widely used directly after the Launch. The worst-case scenario is that CIT may even remain marginalized in the long run, appealing to only a minimal portion of the users. By contrast, a significant portion of CIT demand could be of speculative nature. The lack of users may result in increasing volatility of CIT market price and consequently compromise CIT's long-term development. CariNet will not (nor has the responsibility to) stabilize or otherwise affect CIT market price if there is any such price.

16) Liquidity

CIT is not a currency issued by any individual, entity, central bank or national, supra-national or quasi-national organisation, nor is it backed by any hard assets or other credit. The circulation and trading of CIT on the market are not what CariNet is responsible for or pursues. Trading of CIT merely depends on the consensus on its

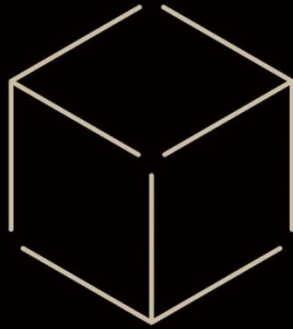
value between the relevant market participants. Nobody is obliged to redeem or purchase any CIT from any CIT holder (including the purchasers). Nor does anyone guarantee the liquidity or market price of CIT to any extent at any time. To divest his/her CIT, a CIT holder would have to locate one or more willing buyers to purchase the same at a mutually agreed price, which attempt could be costly and time-consuming and does not necessarily bear fruit. And there could be no cryptocurrency exchange or other marketplace having CIT listed thereon for trading.

17) Price Volatility

Cryptographic tokens, if traded on public markets, usually have extremely volatile prices. Fluctuations in price over short periods of time frequently occur, which price may be denominated in Bitcoin, Ether, US Dollars or any other fiat currency. Such fluctuations could result from market forces (including speculations), regulatory changes, technical innovations, availability of exchanges and other objective factors and represent changes in the balance of supply and demand. CariNet is not responsible for any secondary market trading of CIT no matter whether or not there would be such markets for CIT. Therefore, CariNet neither is obliged to tame the price volatility of CIT nor cares about that. The risks associated with CIT trading price have to be taken by the CIT traders themselves.

18) Competition

CIT's underlying protocol is based on an open-source computer software such that nobody claims copyright or any other type of intellectual property right of the source code. As a result, anyone can legally copy, replicate, reproduce, engineer, modify, upgrade, improve, recode, reprogram or otherwise utilize the source code and/or underlying protocol of CIT in an attempt to develop a competing protocol, software, system or virtual platform or virtual machine, which is out of CariNet's control and may consequently compete with or even overshadow or overtake CIT. CariNet will in no case be capable of eliminating, preventing, restricting or minimizing such competing efforts that aim to contest with or overtake CIT.



CariNet

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