让数字货币支付走进生活

BIZKEY

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V 2.0

www.bizkey.io

2018-10-10

Written on the 10th Anniversary of Bitcoin

Dear readers and community members:

Hello everyone!

On the 10th anniversary of Bitcoin, the Bizkey team has updated the first draft of the Whitepaper. This update reflects Bizkey's recent growth over the last 6 months as well as the significant progress we have made.

Firstly, we have upgraded from a developer of inhouse blockchain intelligent POS products to an open platform that comprehensively supports third party developers. We aim at enabling general developers, third-party payment channels, and retail SaaS developers targeting the retail industry to quickly access the Bizkey ecosystem and providing a wide range of commercial resources and applications for digital currency payment.

Secondly, we have launched the global node cooperation plan and the ecosystem committee construction plan, plans which aim to attract global partners to help build the Bizkey retail ecosystem.

Thirdly, we have listed on a crypto exchange the BZKY token, clearing a difficult hurdle and allowing the market to decide the value of our token. With the refined ideas and relevant pivots, we release this new Whitepaper to update our supporters and community members.

Of course, a review of this paper will show that our premise and fundamental vision remains unchanged, such as the allocation plan of token, team, etc. We hope that through the upgrade of this Whitepaper, the finer details of the Bizkey project can be read and understood more quickly and easily.

Bizkey team
10 October 2018

Table of Content

1. Project Profile

Bizkey, whose Chinese name is "coin key", means the key to the retail sales industry.

We are dedicated to creating an offline payment solution for digital currency, which aims to provide a wide range of offline payment applications for many kinds of digital currencies. Our vision is to connect more than 1 million offline brick and mortar retailers within three years and make it possible for digital currency payment to enter public life.
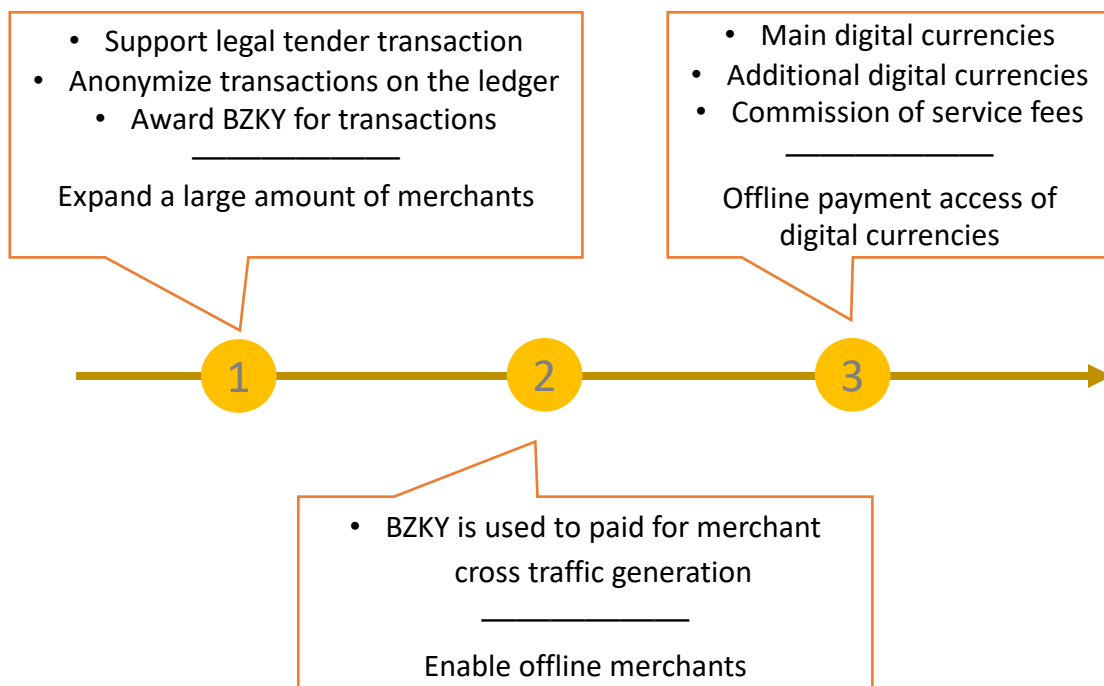
Mission: Enable digital currency payment to become commonplace

Vision: Build the world's largest offline payment ecosystem of digital currency

Values: Return the value of transaction data to the merchant

Since the development of Bitcoin 10 years ago, more and more people have become aware of the digital currency. In the past two to three years, with further advances in the fields of cryptography, distributed ledger technology, and token economic theory, blockchain has made rapid progress and obtained explosive development. The total number of digital currency users has reached more than 40 million. According to Brian Armstrong, the founder and CEO of Coinbase, this figure will exceed 1 billion in five years. With such a large user group, digital currency is on track to be widely used in our daily life. One day, we will use digital currency not only to buy luxury goods and book hotels, but also to pay for meals. Using digital currency will be as common as using legal tender.

Looking back on the past three years, the mobile payment methods (legal tender) popularized by WeChat and Alipay were used by less than 1%. 2% usage in 2015 rose to more than 80% in mainland China today. Referring to the rapid development of mobile payment, we have reasons to believe that digital currency will experience the same rapid development progress in the future.
The future is coming. Bizkey is making arrangements ahead of time, and we look forward to working with merchant acquirers to seize the opportunity and cooperate for a bright future!

- Support legal tender transaction
- Anonymize transactions on the ledger
- Award BZKY for transactions
———————————

Expand a large amount of merchants

- Main digital currencies
- Additional digital currencies
- Commission of service fees
———————————

Offline payment access of digital currencies

1 2 3

- BZKY is used to paid for merchant cross traffic generation
———————————

Enable offline merchants

1.1 We will achieve our ambitious goal through three steps ：

The first step is supporting legal tender transaction which functions as the mining mechanism. At the present stage when digital currency is not widely held or accepted, retail transaction data be sanitized to add value to brick and mortar retailers, with the merchant base expanding through the incentive of obtaining data insights with the BZKY token. Compared with the centralized payment platforms such as WeChat, Bizkey is agnostic on the legal tender earnings of the merchants and returns the value of the data assets to the merchants, incentivizing the addition of more merchants to the Bizkey ecosystem.

The second step is to reduce costs and increase efficiency. The BZKY token will be used to reduce the payment cost of using the Bizkey payment system. In addition, various retail services can be paid or discounted through the use of the BZKY token within the ecosystem. Bizkey's consumer side token, the TIME token, will function as a common loyalty rewards point given to consumers when patronizing merchants in the Bizkey ecosystem. Merchants can offer rewards, perks, and discounts in exchange for TIME tokens to promote consumer cross traffic and reduce the cost of obtaining customers. This system of blockchain rewards will continuously acclimate merchants and consumers to the use of blockchain in everyday life.

The third step is to enable a large number of other digital currencies. With the constant acquisition of merchants and the increasing number of crypto users, Bizkey will access more mainstream digital currencies and enable them to have many offline payment applications. Bizkey will charge fees in the digital currency transactions and offer passive income for merchants choosing to invest their crypto currency instead of liquidation of crypto assets.

Payment is the closest industry to the application of blockchain technology. Bizkey will connect the blockchain industry to many offline businesses, using incentives to align the interests of decentralized merchants and users to share assets in mutual cooperation.

1.2 Significance of adopting blockchain technology:

Bizkey is very different from other blockchain projects, especially public blockchain projects. We have always defined Bizkey as a supporting facility of the largest blockchain industry. Bizkey hopes to build an offline application to help more digital currencies see adoption in the future and provide payment access to all.

However, Bizkey still has many typical characteristics of blockchain projects. From aligning incentives between merchants to facilitate data sharing to the construction of a DAC organizational structure, Bizkey has made full use of blockchain technology in many areas.

Data Incentivization: Through the application of blockchain technology, we incentivize the sharing of transaction data by merchants. We format and clean the data, conduct data engineering, and reward the data producers.

Data Validation: Blockchain can play the role of data tamper-proofing. Knowing the exact origin of transaction data using the blockchain rewards, we can hold data providers accountable and avoid the possibility of data falsification.

Decentralization: The ethos of decentralization emphasized by blockchain technology pairs with the decentralized nature of brick and mortar retailers, which is threatened by market centralization exhibited by the dominance of Amazon and Walmart. The potential efficiency of local merchants is much higher than centralized online platforms but can only be unlocked through cross traffic strategies and data asset sharing. Data oligopolies and information asymmetry caused by market centralization can be reversed, greatly reducing the cost of customer acquisition and data insights for smaller merchants.

Token Economy: The unique token economic model of blockchain can incentivize merchants and third party partners to participate in the ecosystem and accelerate growth.

Biz-Pay: The Bizkey platform has a lower payment service charge compared with existing financial platforms.

2. Market Scale
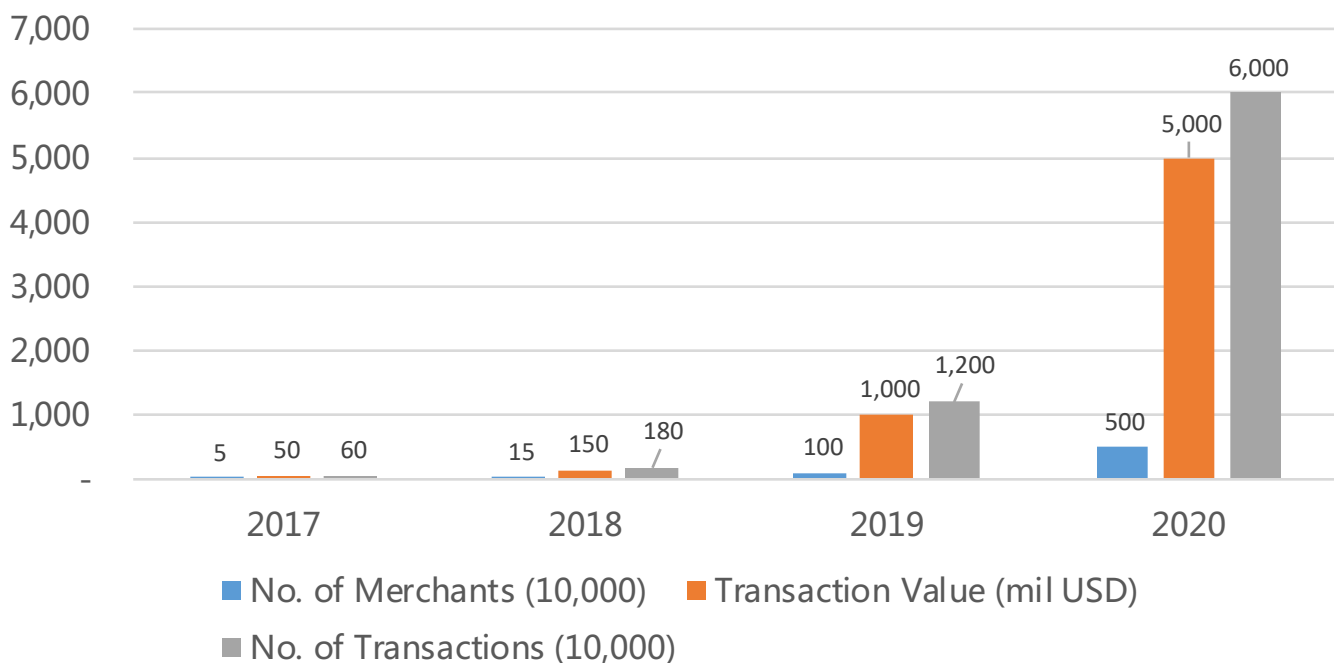
Offline payments using digital currency is still in the very early stage. However, with the participation of more teams similar to Bizkey, the userbase will have massive growth by 2020. It is a relatively conservative estimate that more than five million brick and mortar merchants will support digital currency payment by then. We estimate that the transaction scale will exceed more than 5 billion dollars per year and the number of offline payments will exceed 60 million.

At present we must consider the fundamental issues and limitations regarding digital currency. There are at most 40 million coin holders in the world. We do not know how many active users are among them. Most real users only regard it as an asset for speculation, and do not intend to spend during their daily life. In addition, we can see from the data of Bitmap that there are only 14,000 merchants around the world that accept Bitcoin payments. Although the quantity has increased one hundred-fold over the past few years, the two sides of the equation are still unmatched. This means that the proportion of digital currency payments in daily life will be very low. For a single merchant, it is expected that someone will make a digital currency payment once a month.

Armstrong, the founder of CoinBase, estimated that there would be more than 1 billion digital currency holders within five years. By that time, digital currency will have appeared in every aspect of people's lives. The Bizkey team and many of our backers have witnessed three years of legal tender mobile payment to grow from nonexistence to omnipresence. From mainland China and Southeast Asia, to Japan, South Korea and Europe, WeChat Pay and Alipay are available wherever there are Chinese consumers. How many people believed in a cashless society three years ago? Likewise, we have reason to believe that it is inevitable for digital currency to move into our daily lives.

Looking backing on WeChat Pay in 2015, although the acceptance of merchants was very low at that time, let us not forget that almost all the Chinese users initially got money in their WeChat Wallet owing to the red envelope marketing campaign during the 2015 Spring Festival Gala. The educational costs of merchants and users for WeChat Pay seem much lower than digital currency payment. However, Bizkey and many mobile payment partners are very clear that it is extremely difficult at the beginning of promoting a nationwide application. During the Spring Festival in 2015, the proportion of offline payments including WeChat Pay and Alipay was less than 2%. The major difficulty was that it was required to keep in touch with merchants and keep assuring them that mobile payments were safe, fast and convenient. Other than payment, there were many other utilities that needed to be given to merchants. It all depends on the frequency of contact with merchants. With more contact and higher frequency, it is easier to achieve success.
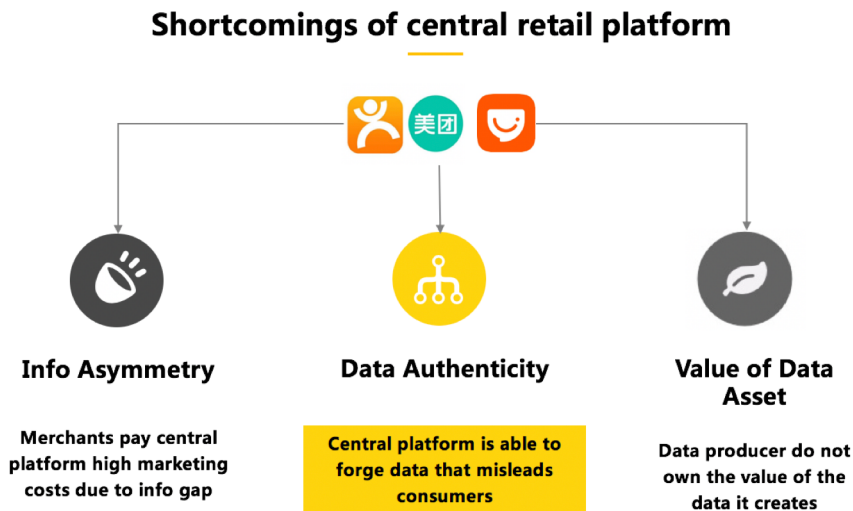

In recent years, mobile payments in China's legal tender have exhibited explosive growth, and there are reasons to believe that digital currency payment is expected to exhibit explosive growth in the future as well.

It is necessary to maintain the high frequency contact with the merchants so that the problems that accompany the expansion of merchants can be solved. After all, the names of Bitcoin/ Ethereum, the issues of large fluctuation/safety, with the addition of the black sheep of Ponzi scheme-like coin / Air coin, make it much harder for merchants to accept digital current payments than the promotion of WeChat Pay in the first place. But Bizkey clearly understands how to achieve this target through three steps.

3. Pain Points and Opportunities in the Retail Industry

3.1. The Current State of the Retail Industry and the Deficiency of the Centralization Platform

The global retail market size was 2.4 trillion dollars in 2017 and is expected to reach 2. 8 trillion dollars in 2020. The retail industry has been affected by the development of the internet and the mobile internet access in recent years, with online retail sales growing significantly faster than offline sales. However, 90% of retail transactions are still offline. With more and more e-commerce logistics moguls are investing in the offline retail market, the traditional brick and mortar merchants can take advantage of the third-party platforms to shift sales online. Omnidirectional retail is becoming the standard, gradually integrating the offline and online worlds. In the process of integration, transaction data between merchants and customers are collected and controlled by the centralized service platforms such as Amazon. The powerful centralized platforms have three main deficiencies:

Shortcomings of central retail platform

Info Asymmetry	Data Authenticity	Value of Data Asset
Merchants pay central platform high marketing costs due to info gap	Central platform is able to forge data that misleads consumers	Data producer do not own the value of the data it creates

1) Data is controlled by the centralized platforms resulting in a huge information gap
On the centralized retail platforms, the information between merchants and users is asymmetric. The unilateral control of transaction data creates a less competitive system, resulting in merchants paying up to 15% in customer acquisition.

2) The authenticity of retail data science cannot be guaranteed while data fraud is common--false data on the part of centralized platforms leads to unfair competition
In the current environment, it is impossible to defend against transaction data fraud effectively. Centralized platforms such as Facebook can easily falsify or overestimate figures. Some merchants, in order to obtain traffic in accordance with the platform algorithm rules, will produce many false figures themselves, not only affecting the purchase decisions of users, but also contributes to unfair competition on the platform.

3) Data contributors are unable to enjoy the value of data assets
Centralized platforms enjoy a high capital premium on the data. As the core creators of the platform value, the high-quality merchants practicing real bookkeeping not only do not get any capital value, but even find themselves being squeezed for profits by the platform.

3.2. Blockchain can rebuild the offline retail industry

Blockchain technology is one of the most important recent inventions, whose technical core is to reshape the productive relations of the retail industry and eliminate the existence of third-party intermediaries. By using blockchain technology to disrupt the current offline retail ecosystem, Bizkey returns the value of data and consumer traffic to the participants in the transaction to effectively solve the various deficiencies of the centralized platforms.

1) Establish a trusted network for distributed accounts

Bizkey establishes distributed accounts for offline retailers based on blockchain technology and ensures the uniqueness of transactions, putting an end to the unilateral data fraud exhibited by centralized platforms in order to maximize data benefits and ensure fair competition in the ecosystem, thus establishing digitized trust.

2) The rational distribution and circulation of data value

Through tokenization of data assets, Bizkey can validate and capitalize on the transaction data's value, so that data value can be returned to the creator, rather than be concentrated in the hands of a few centralized platforms, ensuring fair and reasonable circulation of data assets in the physical retail ecosystem.

3) Reach community consensus and community autonomy

Bizkey will align the data formats of retail merchants through the incentive distribution of tokens, setting the rewards according to the contributed value from each side of the transaction, maximizing the value circulated and community autonomy of the ecosystem.

3.3. New opportunities for the development of digital currency

While using blockchain to reshape the offline retail ecosystem, Bizkey also brings new opportunities to the wide application of digital currency in the real economy.

1) Digital currency payment is getting closer to daily life
In recent years, encrypted digital currencies based on blockchain technology have gradually entered public knowledge, and the value of mainstream digital currencies such as Bitcoin, ETH, etc., have been recognized by more and more people. However, the main applications of digital currency are speculative investments, cross-border transfers, and anonymous payment. The "goods" that digital currencies can purchase are usually other kinds of digital currencies, a fact which limits the mainstream public's ability to perceive benefits offered by digital currency.

2) With the help of fiat payment transactions, blockchain rewards make headway with merchants
Bizkey establishes daily contact with merchants by facilitating legal tender transactions, which constitute the mining mechanism for BKZY tokens. It constantly provides merchants with digital currency payment, and the Biz-POS device allows for crypto payment. Consumers can directly use digital currencies they hold to buy retail goods, enhancing the utility, future value, and circulation of digital currency.

3) Mobile payment channels are enabled and Bizkey as an open platform for fast integration
With the proliferation of mobile payment in mainland China, the fourth party mobile payment companies, aggregating payment companies, ground promotion companies and other service providers have emerged in large numbers. They continue to help WeChat and Alipay expand territory. The slender commission rate cannot scale to support the rising cost of labor for these companies and allows WeChat or Alipay to cut out the service provider and connect directly with the merchant. With the appearance of personal QR code collection as a market standard, service providers are cut out.

Bizkey changes the game by making full use of these existing networks and enables blockchain technology, thus becoming a new channel of digital currency payment.

4. Team Composition

4. 1. Core management team

1) CEO Ken: Ken worked in the Ministry of News and Communications in Singapore and was responsible for the Infocomm Media Masterplan 2025. During this period, he studied the application of Bitcoin and blockchain technology in the fields of finance and logistics.

2) COO Scarlett: While serving in Chuangda Investment and Newsion Venture Capital from 2016 to 2017, she studied the blockchain technology and the related investment projects and oversaw many blockchain project investments.
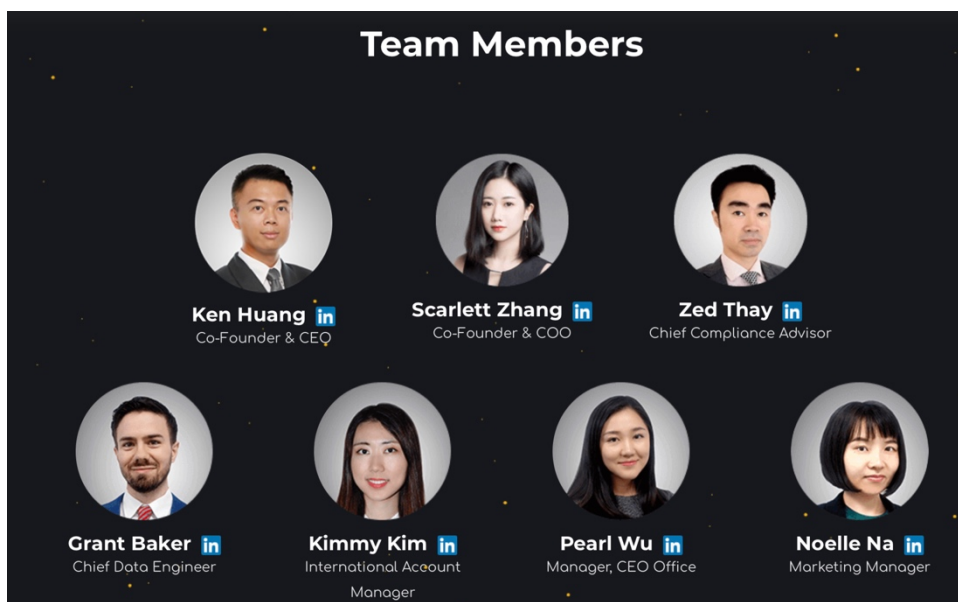
3) Co-founder Dr. Zheng Guangyuan: As one of the project founders of Bizkey, he was an early investor in digital currency and a consultant of multiple projects.

4) Community Director Xavier Sun: Xavier was the director of operation in IOTA and ELF, and CMO in BiMoney. He has plentiful operations experience in blockchain projects.
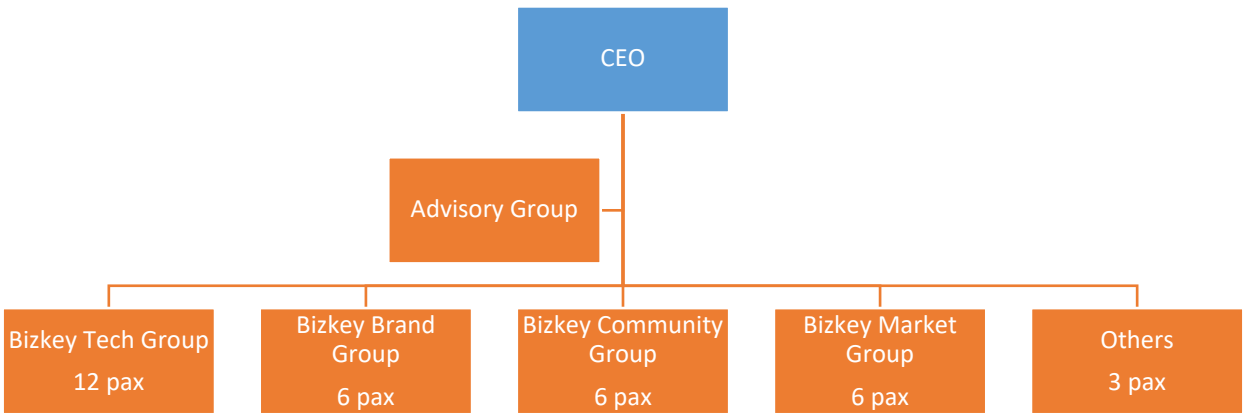
5) Chief Compliance Adviser: Zed, Thay Yhong Miang has a Bachelor of Science in Electrical Engineering with first-grade honours from the Nanyang Technological University. He is the director of Southeast Asia, Greater China Business in a transnational financial group. He served as the cashier and important post of business department in Credit Suisse Group and National City Bank of New York.

6) Chief Data Officer Grant Baker earned a Master of Science in Financial Engineering with honours from the National University of Singapore. He has held positions in search engine optimization and brokerage firms in insurance and commodities across Singapore, Hong Kong and Austin.

7) International Community Manager Kimmi, Kim Mikyeong, has a Bachelor of Science in Statistics from the National University of Singapore. She served as community manager in another blockchain project and served as digital marketing manager for SEA Leadtime Tour and China Medical Device.

Team Members

Ken Huang in
Co-Founder & CEO

Scarlett Zhang in
Co-Founder & COO

Zed Thay in
Chief Compliance Advisor

Grant Baker in
Chief Data Engineer

Kimmy Kim in
International Account Manager

Pearl Wu in
Manager, CEO Office

Noelle Na in
Marketing Manager

4.2. Team Structure

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                              │     CEO      │
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│ Tech     ││ Brand    ││ Community  ││ Market     ││ Others   │
│ Group    ││ Group    ││ Group      ││ Group      ││          │
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4.3. Team background in major related industries

Bizkey is a digital currency payment and data analysis project for offline retailers. The major team members all have relevant market or technical backgrounds.

1) From 2010 to 2013, CEO Ken worked for the Infocomm Development Authority of Singapore and set up a project committee and funds to promote the use of mobile cashless payments in the retail industry.

2) From 2014 to present, Lei Yong, the CEO of Koalac and project consultant of Bizkey, has abundant practical experience in the retail industry and serves more than 400 thousand merchants in China.

3) Lynne, head of overseas business, is a former COO and co-founder of the O2O platform, similar to the Singapore-style Dianping.

4) Qiao, head of Continental Business, is the former COO, of star apps such as "Rice Ben" and "ENJOY", which owns a large number of domestic high-end catering industry resources and European high-quality commodity suppliers.

5) Team Technical Director PJ is a former Tencent WeChat Pay product manager with rich product design capability and payment industry experience.

6) Grant Baker, the team's Chief Data Officer, designed the architecture for the data sharing ecosystem of Bizkey. He designed the token utility and database rules for ensuring data privacy. Prior to joining Bizkey, Grant received a master's degree in Financial Engineering from the National University of Singapore. Grant has held multiple positions in insurance and commodities brokerages, as well as search engine optimization, across Singapore, Hong Kong and Austin.

4. 3 Consultant Team

1) Technical Consultants

Jiang Hai, founder of Bubi Technology, holds a doctorate from the Chinese Academy of Sciences. He has nearly 10 years of experience in scientific research and product development in the field of network and internet communications, and has experience in distributed computing networks, network content security, electronic currency, and P2P payment networks.

Guo Qiang, co-founder of BUMO, started to study blockchain technology in 2014, bringing rich investment management experience in innovative businesses. He is also a Tsinghua University I-Center tutor, a China cloud computing standardization committee member, and a Zhongguancun intelligent hardware industry alliance director.

Zhou Zhengjun (Jeff Zhou) is the founder and CEO of TrustNote. Zhou Zhengjun is the blockchain software and chip research development expert and has developed the world's first bitcoin/lite-coin double-miner, supplying roughly 80% of the computing power in the global lite-coin mining machine market. He was also the former director of microelectronics technology at China's first NASDAQ-listed chip company and was responsible for core software and algorithms.

Zheng Guangyuan is an associate Professor of Engineering at the National University of Singapore, a Ph. D. scientist from the Science and Technology Research Institute at Stanford University, holds a Bachelor's degree from Cambridge University, was named Massachusetts Institute of Technology under 35 Innovator of the year 2018, and was shortlisted for the 2014 World Technology Award.

John Luo, Senior Software Developer, Amazon

2) Marketing Consultants

Lei Yon, the founder and CEO of Mr. Koala, holds a Masters from the Science and Technology University of National Defense, was an orbit engineer of Shenzhou I spacecraft. Mr. Koala is a well-known retail SaaS platform in China and won the title of "China's Best Innovation Company Top 50" in 2017 awarded by American famous business media Fast Company .

Zhao Yangxian (Andy) is the founder of Hemo Technology and was MBA President Class member of Tsinghua University. The annual turnover of the company's SaaS platform for human resources services "loving employee" is over ten billion. In 2004, he founded the industry-renowned high-end headhunting consulting firm Hong Kong People-based Management Agency.

Weng Shaobin is the managing Director of the 4th Quarter of Illuma, has a Master of Business Administration from Tsinghua University, and serves as deputy secretary general of the Guangdong Provincial Association for the Promotion of Internet Financial Development. He was a research fellow and product manager of Bell Labs in USA.

Wang Zi Yang, CEO, Blockfolks, a leading blockchain advisory firm in Southeast Asia

3) Industry Consultants

Jin Xiang is the former technical director of IGE (Greater China), the world's largest virtual currency trader. He is also a continuous entrepreneur, successfully establishing several websites and Internet products with daily active users in the tens of millions and set up a quantitative trading trust fund. He also has rich experience and profound understanding on the integration of Internet, big data, artificial intelligence, and finance.

Patricia is the chairman of the New Age Foundation, serves as deputy secretary general of the United Nations Club of Future leaders in China, and chairman of Neex.co, the first licensed exchange in Southeast Asia.

Rui Xiong is the founder of Holly Capital, partner of BHP cash, a student in the phase one of Innovation college at Hundun University, loves philosophy, and has a master's degree in law.
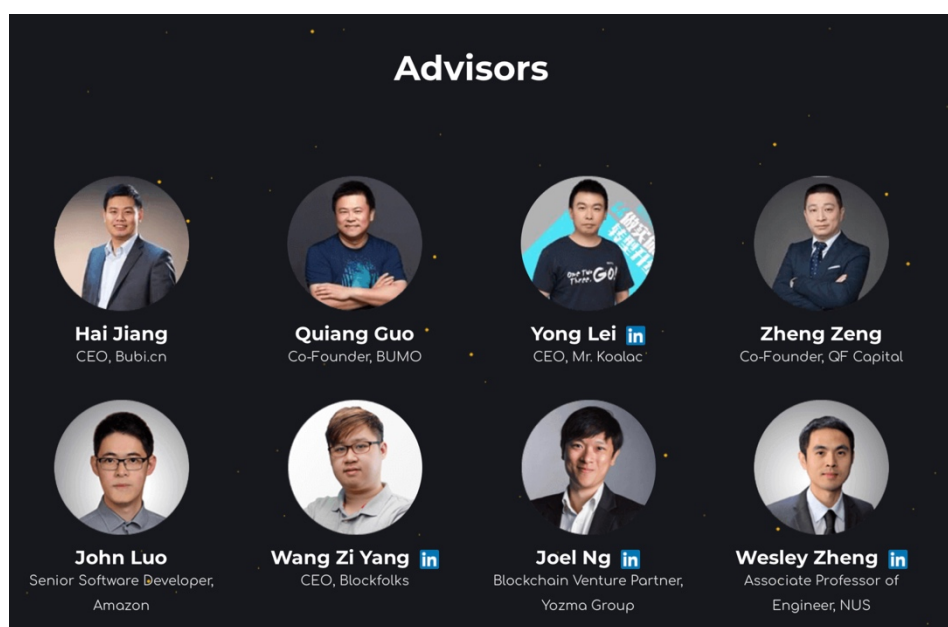
4) Investment Strategy Consultants

Zeng Zheng is the co-founder of Illuma Capital, hold an IMBA degree from the School of Economics and Management at Tsinghua University, and holds more than 20 years of financial investment and industrial operations management experience. He also has experience in management consulting, bank credit, corporate investment and financing, corporate restructuring and consulting, mergers and acquisitions, stock listings, and equity investments.

Gu Kai is the co-founder of Illuma Capital, laying out the blockchain direction and pushed the "block chain+" direction of investment very early in the blockchain industry. Two main blockchain enterprises he invested in, Bubi blockchain and Babbitt community, are industry leaders.

Ren Feng is the founder and investor of many listed companies in China, is the founder and CTO of CorePlayer, partner and SVP of Music Element, Senior Product Director of 360, YAHOO (China) Project Manager & Senior engineer, General Manager of 360 Router.

Joel Ng, Blockchain Venture Partner, Yozma Group

Advisors

Hai Jiang — CEO, Bubi.cn
Quiang Guo — Co-Founder, BUMO
Yong Lei — CEO, Mr. Koalac
Zheng Zeng — Co-Founder, QF Capital
John Luo — Senior Software Developer, Amazon
Wang Zi Yang — CEO, Blockfolks
Joel Ng — Blockchain Venture Partner, Yozma Group
Wesley Zheng — Associate Professor of Engineer, NUS

5. Open Platform Architecture and Application

5.1. Open Platform Architecture

The entire Bizkey platform architecture can be divided into three levels:
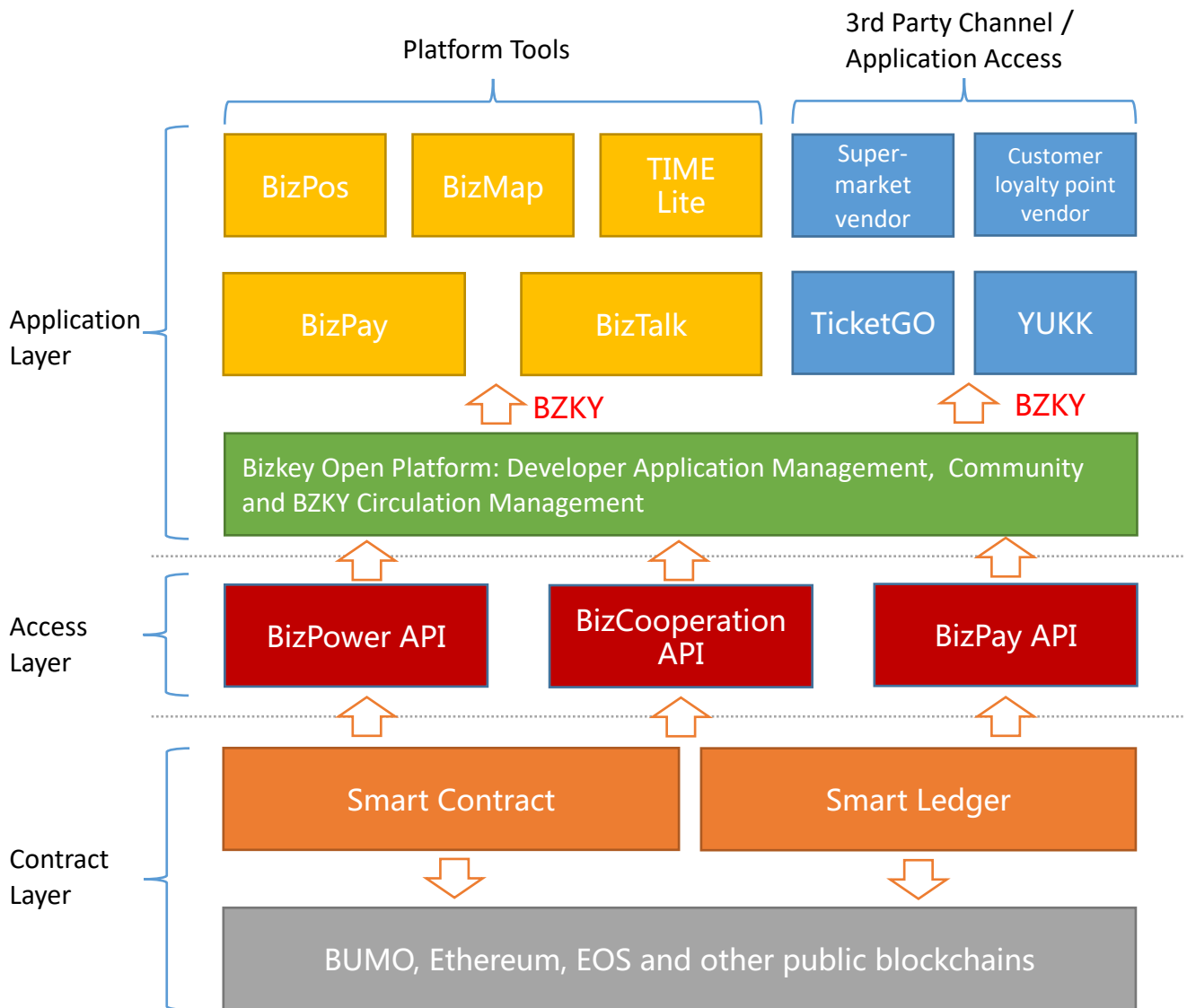
Contract layer is the lowest level. Smart contracts and account books are designed to provide integration capabilities for various public connections. At present it supports the integration of BUMO and Ethereum public blockchain and wallet, and will gradually connect EOS and other public blockchain;

Access layer is the medium level of the open platform, which provides integration capacity for legal tender mobile payment platforms and retail SaaS platforms. At present, 80% of the main interfaces have been developed and tested, and the third platform and applications are open to transfer. More than 10 third-party platforms have integrated. As the number of integrated platforms increases, the number of merchants and transactions in the Bizkey ecosystem will increase exponentially (See Bizkey node API access document).

Application layer provides application development, audit and release for Bizkey ecosystem contributors. We welcome any developer who willing to enable the retail industry to develop applications based on the Bizkey access level. By using the Bizkey interface and token incentive, the original application will carry on with optimization and modification.

Third party access: At present, more than 5 applications are in R&D, or in internal testing among ecosystem partners, and will be put on the market soon. The Bizkey Open platform also provides an API interface support to third-party platforms with merchant resources and assists third parties in system upgrading and transformation, thus promoting the circulation of BZKY in more channels and among more merchants.

Among them is E-purchase, a supermarket self-service fast cash register App. The E-purchase technical team is integrating with Bizkey's open platform for development. YUKK, Indonesia's largest local retail & lifestyle information platform, is also integrating with the Bizkey open platform. TicketGO is Taiwan's largest coupon verification platform and is also integrating with Bizkey's open platform for App transformation.

5.2. Introduction to Ecosystem Application of Bizkey

Currently, more than five applications for our ecosystem partners are in the R&D or internal testing phase and will be released to the market soon:

1) BizPos: a dual-screen blockchain intelligent POS machine. Its v1. 0 prototype was released on October 10 in Beijing, and in November began small-scale production. BizPos provides support for merchant fiat payment-mining, CRM systems, voucher systems, and digital currency payment acceptance. Digital currency holders will be able to pay in Singapore's Chinatown using the ERC20 wallet, which was unveiled on October 31 at the first "Token Day" event.

2) TIME card: v1.0 is online. This WeChat Mini Program, based on Bizkey consumer points, can obtain TIME universal points by mining, consuming, helping merchants market, and exchange privileges and commodities among many real businesses. At present, it has been accessed by more than 10, 000 restaurants, with daily active users totaling more than 20, 000 in first tier cities in northern China.

3) BizTalk: an app in beta phase of internal testing. It is a social product for local retail merchants. Merchants can buy inventory, make sales, accept mobile payments and make withdrawals. Merchants can communicate with each other, recommend each other, and cross promote each other.

4) BizPay: digital currency payment solution. V1. 0 is in R&D and will be online, it is a very simple and convenient APP to help real businesses with digital money payment and settlement. The best feature of BizPay is that customers can pay in digital currency, while merchants have direct access to local currency settlements. V1. 0 currently supports Singapore and mainland China.

5) BizMap: BizMap is under development and will be available for internal testing at the end of November. Any user can quickly find merchants that support Bizkey tokens or points to complete transactions. Any merchant in the Bizkey ecosystem can also find other businesses that can cooperate by quick matching.
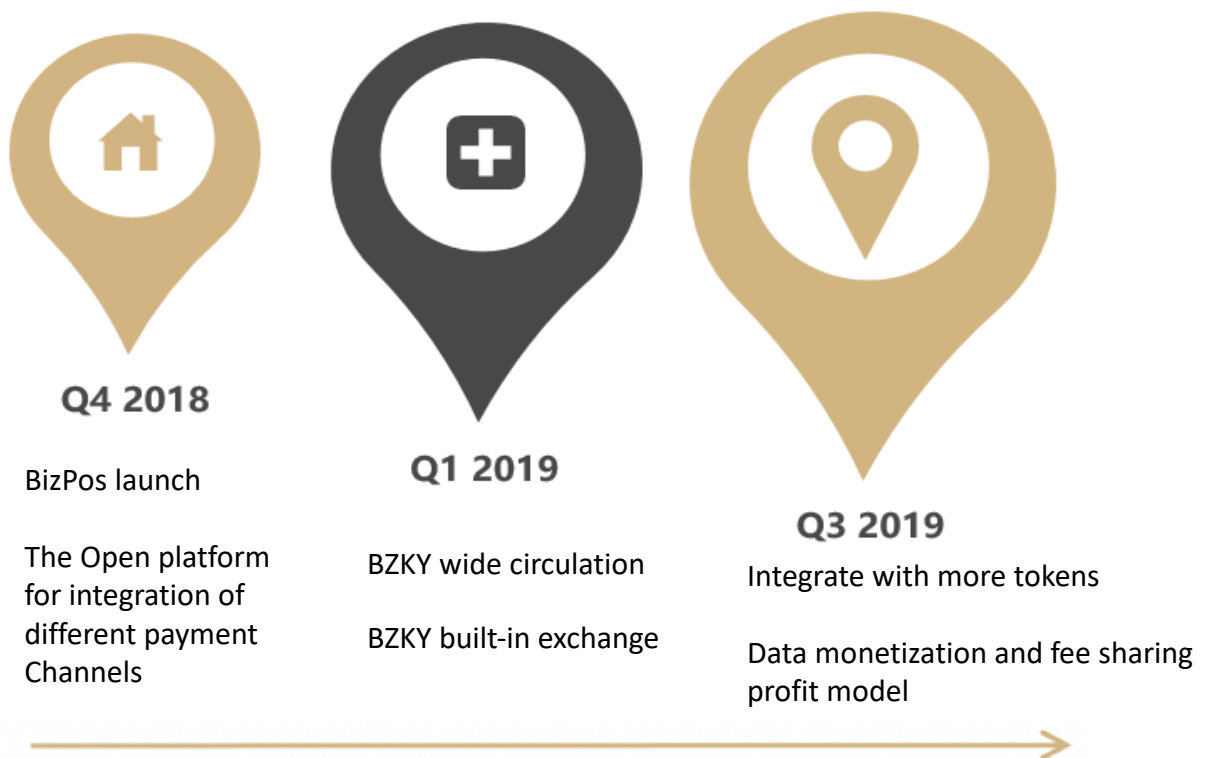
5.3. Product Development Planning

Bizkey One-year Product Development goal is divided into three stages:

The first stage: the Bizkey open platform is launched to facilitate integration of payment channels and the sale of the BizPos device;

The second stage: the establishment of BZKY built-in exchange to facilitate circulation of BZKY tokens;

The third stage: provide more mainstream digital currency payment and settlement solutions, create traffic and launch the fee share profit model.

Q4 2018

BizPos launch

The Open platform for integration of different payment Channels

Q1 2019

BZKY wide circulation

BZKY built-in exchange

Q3 2019

Integrate with more tokens

Data monetization and fee sharing profit model

6. Token Issuance and Economic Model

6.1. Bizkey Token Issuance

The name of Bizkey's token is BZKY, which represents the certificate of transaction data assets of merchants. After the data collection and anonymization, we reward BZKY tokens to merchants. The total number of tokens is 10 billion, and the distribution and use are as follows:

Allocation		Proportion	Use	Locking scheme
Early stage supporters		20%	Fundraising	When the BZKY is listed, 3% will be unlocked. The rest will be unlocked within 12 months on average.
Start-up Team		15%	Reward early stage team contribution	After the listing of BZKY, it will be unlocked in 18 months.
Ecosystem Building	Partner	5%	Motivate partners to join us	When the BZKY is listed, 0. 5% will be unlocked. After that, the rest will be unlocked six times, with the proportion of 0.5%, 0.5%, 0.75%, 0.75%, 1% and 1%. They will be unlocked every three months.
	Merchant reward	30%	Rewarding merchants	Released gradually over 3 years.
	Foundation	30%	Foundation operations	After the listing of BZKY, it will be unlocked every six months. The amount of each unlocking does not exceed 10% of remaining amount of the held coins.

The funds raised through token sale will be fully spent on developing Bizkey projects and building the ecosystem, with approximately 20% of the funds spent on R&D activities, 30% on the operation and development of the project, 20% on promotion and establishment of a high-value community, 20% on providing payment terminal equipment for businesses, and 10% on other revolving funds. The above proportion is a rough plan and may change in the future if adjustments are required during the implementation of Bizkey project.

6.2. Bizkey Token Economic Model to Promote Fast Acquisition of Merchants
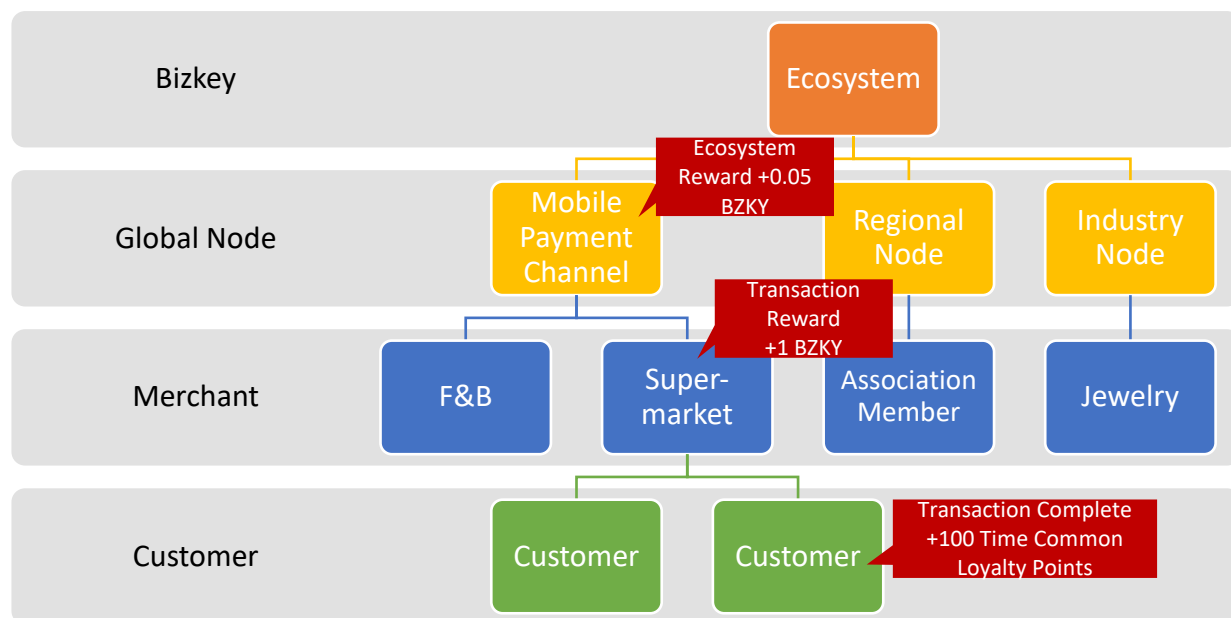
1) Transaction is mining

Bizkey uses 30% of the tokens to reward real transaction data from merchants in the ecosystem. After sanitizing and recording the transaction data, merchants can receive the amount of BZKY rewards based on BizPower computation. The usage of Bizkey does not decrease the merchant's actual income. Rather, the BZKY token rewards is a subsidy to the transaction fee merchants have to pay.

2）Ecosystem rewards

Bizkey set aside 5% of the tokens in the ecosystem pool to reward the Global Nodes that bring merchants to the ecosystem. Bizkey collaborates with many channel partners that already have offline merchant resources. Without affecting any of their current earnings, Bizkey works with all these partners to jointly create a future ecosystem of digital currency usage and acceptance.

3）About the mining capacity of BizPower

There are three elements in a complete piece of transaction data: merchants, users, and order-related information. The more complete and cleaner the transaction data is, the higher the BizPower score will be calculated by the BizPower API. The higher the score, the higher BZKY reward allocation. Put simply, the greater the BizPower value, the stronger the mining ability.

4）BZKY reward rules

The release amount of BZKY tokens per day is equal to the number of merchant nodes multiplied by 100. When the number of merchant nodes reaches 30,000, BZKY rewards will cap at 3 million, releasing the remaining ~3 billion BZKY steadily over 1000 days.

5) Allocation standard of merchant rewards: The quantity of reward is affected by BizPower and the amount of BZKY holding by the merchant.
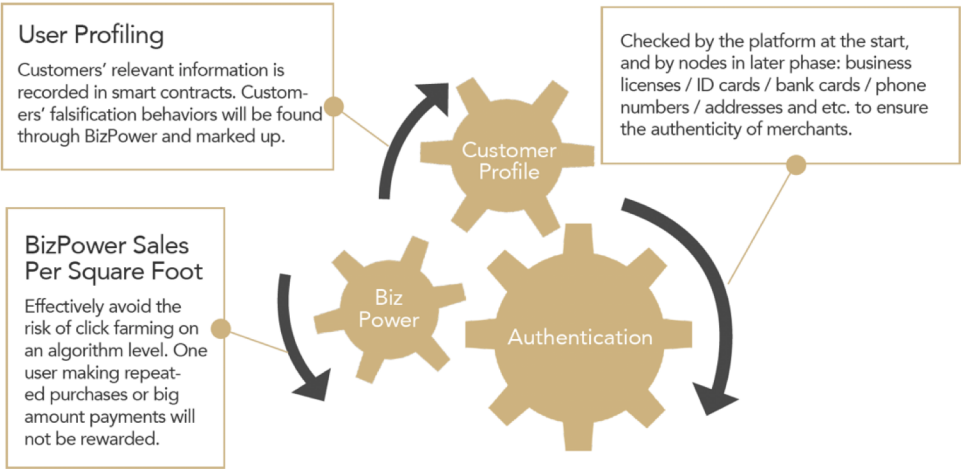
In the first month, the rewards are distributed just according to the BizPower of merchants per day to the total amount of BizPower. From the second to the sixth month, merchant's holding of BZKY plays a increasing weightage in determining the reward allocation, until 50% of the rewards are determined by BizPower and the other 50% determined by the merchant's holding of BZKY.

BZKY rewarded to merchants	BizPower proportion	BZKY holding proportion
1st month	100%	0%
2nd month	90%	10%
3rd month	80%	20%
4th month	70%	30%
5th month	60%	40%
6th month	50%	50%
7th month onward	50%	50%

Presumably, there are 5 merchants in the first day of the first month, then the total distributed incentives would be 5 X 100 = 500. Since the incentives are distributed according to BizPower proportion, presumably, the average total of the 5 merchants on that day amounts to 400, in which the BizPower of merchant A is 80, then the incentives merchant A will obtain would be 500 X (80 / 400) = 100 BZKY.

Presumably there are 100 merchants in the first day of the second month, then the total distributed incentives would be 100 X 100 = 10000. Since from the second month, 90% of rewards are based on the proportion of BizPower and the rest 10% according to BZKY holding proportion. Suppose the average BizPower of the 100 merchants was 9, 000, the total was 1000 BZKY, of which, merchant A had a daily BizPower of 85, holding 10 BZKY. The reward of merchant A would be 10000 X 90% X (85 / 9000) 10000 X 10% X (10 / 1000) = 95 BZKY.

6) How to prevent fraudulent transactions

User Profiling

Customers' relevant information is recorded in smart contracts. Customers' falsification behaviors will be found through BizPower and marked up.

Checked by the platform at the start, and by nodes in later phase: business licenses / ID cards / bank cards / phone numbers / addresses and etc. to ensure the authenticity of merchants.

BizPower Sales Per Square Foot

Effectively avoid the risk of click farming on an algorithm level. One user making repeated purchases or big amount payments will not be rewarded.

Customer Profile

Biz Power

Authentication

The incentive mechanism of BZKY is the key to the healthy development of the Bizkey ecosystem, so long as it can effectively prevent merchants and customers from counterfeiting data and transactions. Prevention of fraudulent transaction requires active prevention and passive punishment.

Firstly, the ID offline authentication system authenticates the identity of merchants. The Bizkey team can verify the business license, address, ID card, bank card, telephone number and other information of merchants through the ID offline authentication system. Real merchants are the basis for ensuring authentic data.

Secondly, BizPower is a very effective filter mechanism to prevent merchants from counterfeiting and can filter the repeated "click farming" attempts by colluding with users. The algorithm will continue to optimize, so that the counterfeiting costs of merchants rise while rewards get smaller.

Finally, Bizkey will draw portraits of participants based on their transaction data. Users with abnormal transaction behavior will be identified and the Token awards of merchants and customers will be reduced. According to the seriousness of the counterfeiting behavior between the merchant and the customer, severe punishments will be imposed on the merchant and the user such as authority downgrading, degradation, limitations on free transaction, deletion of nodes, and so on.

6.3. Digital currency payment with BZKY reduce transaction fee for retail merchants

Traditional financial institutions have high transaction service charges, especially credit card payment charges which are 2-3%. By cutting out the bank, the transaction service charges of WeChat and Alipay in China can be quite low. Similarly, the BizPay service charge is only 0. 38%.

	Countries and Regions	Payment Method	Service Charge
1	Mainland China	WeChat/Alipay	0.38%
		Credit card	0.6%
		Debit card	0.5%
2	Singapore	WeChat/Alipay	1.5%
		Credit card	1.5 ~ 2%
3	South Korea	Credit card	2 ~ 3%
4	Japan	Credit card	1.5 ~ 2%
5	United States	Credit card	1.5 ~ 2%

6.4. Effectively promote cross traffic between merchants

The transaction data given to obtain BZKY rewards is not sold to vendors, but instead run through data science modules to return data insights to merchants, helping them better understand customer journey from start to finish. Contributors to this ecosystem receive actionable insights at a discounted rate and receive other tools to drive cross traffic between themselves and other merchants.

1）Consumer incentives in the ecosystem:

TIME represents the consumer incentive in the Bizkey ecosystem and is a circulation voucher that can purchase perks, discounts, or other merchant driven rewards. Customers receive TIME by patronizing merchants in the Bizkey ecosystem and are incentivized by custom rewards offered by each merchant exchangeable with TIME. Customers will obtain 100 TIME for each 100 RMB spent (For the consumption using the legal tender of other countries, it will be converted based on a real-time exchange rate). The utility of TIME increases and its consumer incentive becomes more attractive as merchants participate in the ecosystem.

How consumers can receive TIME:

| Purchases	Tasks	Marketing for merchants & products
• Spend 100 RMB to obtain 100 TIME	• New registration • Invite friends to sign up • Daily sign in • Seasonal & festive gifts	• Sharing on social media • Giving merchants reviews

2）Location based customer sharing:

Most believe that rivalrous companies cannot share customers or clients, but this is not the case in retail. Food festivals, shopping malls, and bar hopping are all examples of this phenomenon. Merchants may be in similar categories, but when clustered together, they share a common pool of traffic.

Bizkey has a dual Token economic model: the BZKY token representing merchant data assets, and the TIME loyalty points used by consumers within the ecosystem. Some small merchants may not be able to give discounts on their goods, but by joining the Bizkey ecosystem are still able to have their customers rewarded. The larger merchants may be more likely to offer larger reward in exchange for TIME tokens, and are able to use TIME to drive cross traffic between themselves and the smaller merchants in a win-win relationship.

Merchants decide themselves how they want to attract customers using the TIME token system. Some merchants may not feel the need to use this system at all but will still have patrons rewarded with TIME courtesy of Bizkey.

3）Higher efficiency of cross traffic based on customer daily routine journey

After a long-term study by Bizkey and its partners, an efficient model of cross marketing based on customer daily journey has been explored. Along each customer's journey, relevant recommendations can be made to consumers which are close to places visited during their daily routine. Just as machine learning can find recommendations for e-commerce shoppers, similar tools can find brick and mortar merchants in one's area. This strategy breaks through the original geographical location restrictions and expands the scope of commercial marketing possibilities. Internal studies show that recommendations that are close to a customer's typical daily path can increase cross traffic between merchants by 30%.
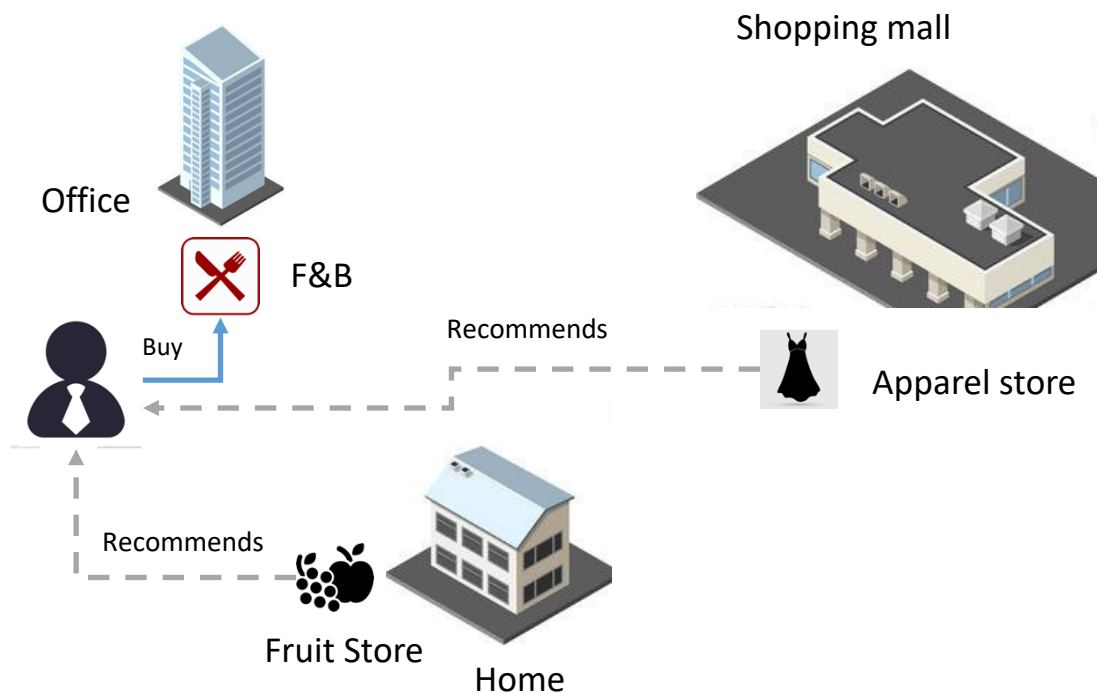
Offline retail struggles to provide the right goods to the right people at the right place, time, and price. Bizkey can help businesses in the ecosystem with:
- People: through recommendations, bring warm leads
- Goods: discover inventory optimization tools with local historical transaction data
- Place: with local recommendations, Bizkey expands each merchant's marketing promotion possibilities. In the offline retail industry, we see that small data is more efficiently used when paired with local customers.

6.5. "Transaction is mining" to keep merchants active

Bizkey has a huge advantage over its competitors due to the abundant experience getting traction with merchants. Many blockchain teams are strong in technical background but are weak in merchant acquisition. We know from experience that the cost of merchant acquisition is high, as is promoting digital money payments to businesses. Even if education is successful, keeping the POS devices in use requires continuous manpower. Crypto enabling POS devices may end up on the shelves collecting dust if crypto users are infrequent, or there is no other incentive to use it. BZKY token rewards incentivize merchants to continuously use our device, creating a high-frequency point of contact with merchants.

1)   At the present stage it is difficult to promote cryptocurrency payment

It is an arduous process to train merchants to use crypto enabled POS devices, from giving it to the merchant, activating it, and getting them to use it frequently. Have other teams who deploy POS machines logged more than a single digital currency payment transaction per day on each POS device? This is unlikely, and this is often the case when the machine is given for free. It is equally difficult, if not more, to sell a POS device to a merchant. To cultivate merchant's habit, the team must maintain high frequency contact, a process requiring a lot of manpower, material, and financial resources. Even so, the machine may still end up lying in a storage cabinet collecting dust.

After each transaction, merchant receives a notification for BZKY reward, keeping frequent contact for training & advertising purpose

2)   Facilitating traditional payment for data-driven rewards keeps merchants responsive

One of the advantages of Bizkey is that we have make use of established payment channels to maintain contact with merchants. The most frequently used and indispensable part of retail is the payment gateway. At this stage, fiat payment is indispensable. For each transaction merchants record, they receive a corresponding amount of BZKY tokens.

The cost of onboarding merchants is low, and the success rate is high, because Bizkey does not affect the merchant's legal tender income or disrupt the merchant's existing operation.

We established contact with merchants after each purchase, keeping ourselves part of their routine. In Chinese markets where mobile payments are more prevalent, this connection is more convenient. If the merchant sees a material benefit to using our POS devices or application, we have influence with merchants. This process is cheaper than the manpower required to continuously retrain merchants to use our device.

3）Opening our platform and allowing integration to improve onboarding:

Bizkey focuses more attention to API integration rather than facing merchants directly. Blockchain capable POS machines are only one entry in Bizkey ecosystem. We have the API integration to achieve a wider customer base, especially the existing mobile payment channels. These channels often have their own payment and settlement systems in place.

One channel brought in over a week spent on API integration can bring tens of thousands of new merchants for the Bizkey ecosystem. Not only can the merchants can obtain BZKY during the normal transaction process, but merchant acquirers can also receive an additional 5% BZKY reward, becoming an indispensable node in the ecosystem. At present, Bizkey has integrated with payment channels in mainland China, Southeast Asia, Japan, South Korea, and other countries. This rapid integration and mutually beneficial ecosystem can expand our merchant base faster than peers. In an era where speed is the defining competitive advantage, Bizkey has an absolute advantage using this business model.

6.6. The logic for value appreciation of BZKY tokens

1）BZKY infiltrating the payment process
Bizkey's first landing scenario is "payment", which gives BZKY a natural direct payment usage scenario. Whether merchants or users, you can use BZKY and others for the exchange of goods and services. At this point, the "BZKY" has currency characteristic.

Total BZKY circulation	10 billion
Total BZKY rewards	3 billion
Daily rewards cap	3 million
Rewarding duration	1,000 days

As the Bizkey project deepens and lands in various areas, the more payment scenarios there are and the more merchant partners it will bring: The scale of the transaction multiplied, directly increasing the demand for BZKY. However, the total amount of BZKY is limited, and the supply of circulating flux is decreasing gradually, the relationship between supply and demand will promote the rise of currency price. The frequency of transactions increased in multiple, liquidity demand pushed up the price of currency;

Bizkey Supply & Demand Relations
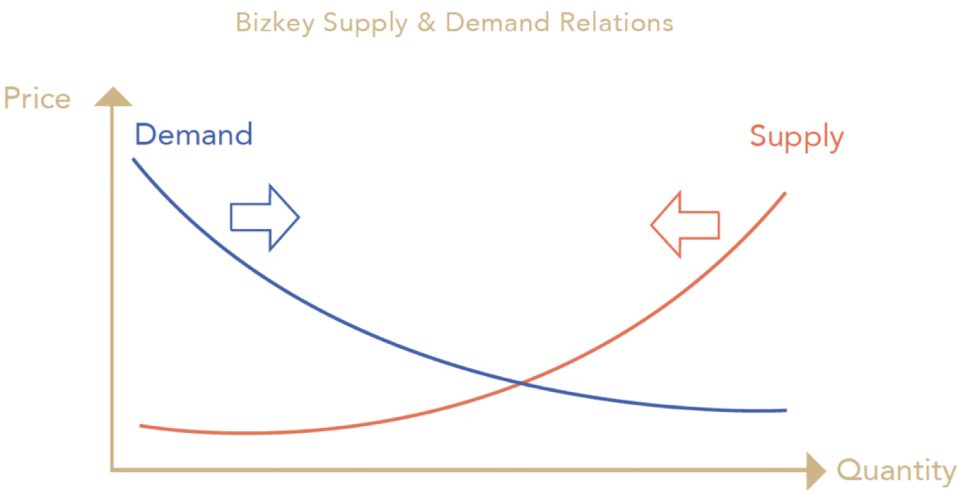
[Merchant]: willing to accept BZKY payment
• The transaction cost is lower than the traditional way such as credit card, the merchant has the willingness to accept;
• Willing to actively recommend customer use;
• In addition, BZKY circulation is limited with value-added utility, businesses would want to hold on to it.

[Customer]: willing to buy BZKY
• BZKY can be used for payment and is useful;
• Limited circulation, low initial price, customers thus have the desire to buy and keep;
• Even when not in use, BZKY has the potential to appreciate in value.

2）Internal circulation: the application potential of BZKY in the ecosystem is enormous

Merchants can use BZKY to obtain the rights to use products such as: the POS machine, API call, APP products, DAPP products etc. Merchants stake BZKY to obtain discounts.

	Utility	Remarks
1	Deduction of transaction service charge	
2	Data sharing among agreeing merchants	Mutual data cooperation
3	API calls, APP, DAPP product usage	Token staking discount
4	Purchase of Biz-POS device	Token staking discount
5	Purchase of supply chain or financial services	Token staking discount
6	Business Intelligence related services	Token staking discount

3）Holding more BZKY to attract more customers

Holding more BZKY will translate to more rights and privileges in the ecosystem. Based on our design, the maximum discount a customer can claim with TIME token at a merchant will be pegged proportionately to the BZKY holding by the merchant. So selling BZKY on the market means reducing its ability to attract new customers or retain existing customers with discount. It is more important for merchants to attract customers at low cost. As a result, merchants have the incentive to purchase and keep BZKY.

More TIME discount allowed

More spending

Holding BZKY   Customer
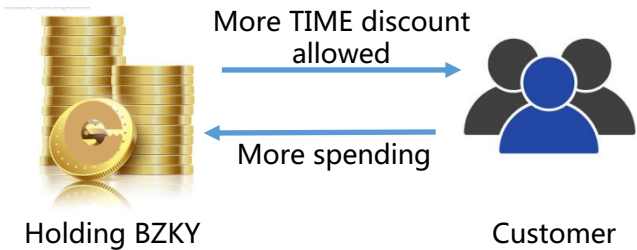
7. Market Promotion and Commercial Deployment

7.1、 Large scale of readily convertible merchant base

	Cooperation Partner	Region	Number of Merchants	Phase
1	Koipy	Singapore	Over 8, 000	Allocated on the Token day
2	SK Jewelry	Singapore, Southeast Asia	Nearly one hundred	MOU signed
3	Koryo Mart	Singapore	9	MOU signed
4	Digital Diamond Foundation	Mainland China, Hong Kong	Nearly 20, 000	MOU signed
5	YUKK	Indonesia	Over 5, 000	Allocated and integrated with API
6	Ji Dian Shu	Taiwan	Nearly one thousand	MOU signed
7	TicketGO	Taiwan	Nearly a thousand hotels and ten thousand retailers	MOU signed
8	Mr. Koala	Mainland China	40, 000	In progress
9	DRAGONPASS	Global airport lounges	Over 2, 000	MOU signed
10	Xbed	Mainland China	Over 20,000	MOU signed
11	ALL PEOPLE	Mainland China	Over 100, 000	MOU signed
12	Ru E Gou	Mainland China	12 Supermarkets	Allocated and integrated with API
13	Over a dozen other 3rd party payment channels	Mainland China	Over 120, 000	Allocated and inserted with API

Bizkey, with its considerable resources across Southeast Asia, has signed cooperation agreements with Singapore based KOIPY, SK Jewelry group, Singapore branches of a South Korean supermarket chain, and the DD-Foundation. They respectively represent more than 8, 000 catering merchants, more than 100 jewelry stores, dozens of Korean supermarkets, and approximately 20, 000 retail gold and jewelry stores in HK and mainland China. We are also developing the transition to API for YUKK of Indonesia, TREE of Taiwan, and TicketGO, which covers massive numbers of merchants in Southeast Asia.

The ultimate target of Bizkey is the global offline retail market. Currently, Bizkey is making contact with retail channels and mobile payment systems in Japan, South Korea and Canada. Soon, BZKY will gain huge traction in brick-and-mortar retail payment systems, which will implement wide availability of crypto payments solutions.

Mr. Koala Science and Technology Network and other Bizkey partners in mainland China have serviced at least 400 thousand brick and mortar merchants including more than 100 famous brands including HaiDiLao, Xibe Youmiancuni, Dalongyi Hotpot, Xiao Long Kan, NAYUKI, and others.

DRAGONPASS Company Limited has nearly 20 million registered members, a service network spanning globally, including 115 countries and 500 airports and bullet trains with more than 2, 000 lounges and restaurants.

We have also obtained the cooperation with domestic accommodation platform - Xbed, social media business platform - ALL PEOPLE, and supermarket service provider - Ru E Gou, which are all integrating their systems with our API. These platforms hold 20, 000 Bed &Breakfast (B&B) merchants, more than 1 million beauty salons and dozens of large supermarkets. We signed agreements with more than 10 mobile payment service providers and developed the API integration.
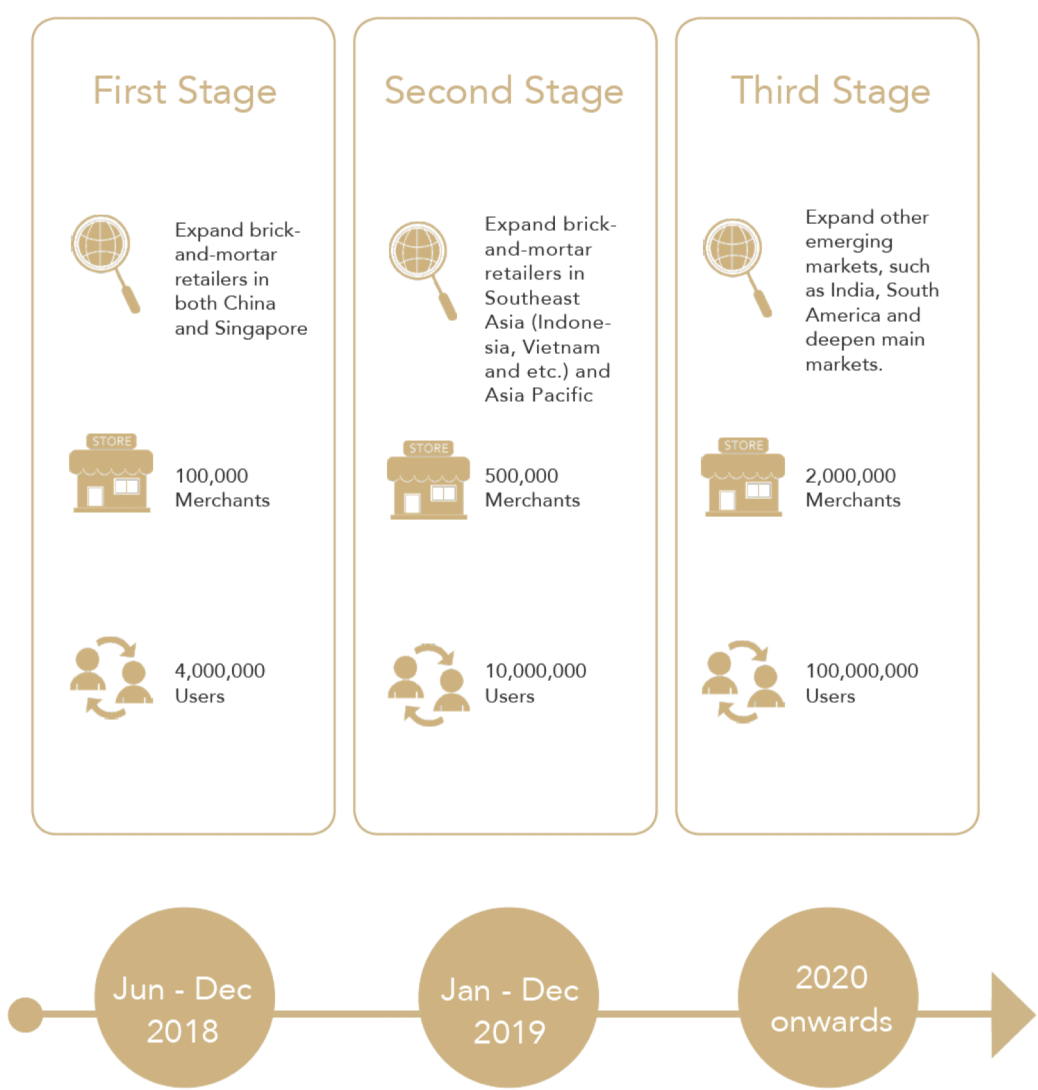
7.2. Market Expansion Strategy

Market expansion is mainly driven by the "transaction is mining" mechanism, allowing for rapid expansion due to the increased benefits for early adopters.

In the first stage, Bizkey primarily expands in the retail markets of both China and Singapore to gain large market share in a short period of time. With the rapid growth of our merchant base, Bizkey will optimize the incentive mechanism according to data and merchant feedback, shape our products according to need, and improve services.

During the second stage, the Bizkey team will strategically expand in selected emerging markets in Southeast Asia and Asia Pacific and gradually promote international cooperation with merchant acquirers. Bizkey will expand to additional emerging markets, further deepening its operations in major markets and begin cross-industry promotion in the third stage.

First Stage	Second Stage	Third Stage
Expand brick-and-mortar retailers in both China and Singapore	Expand brick-and-mortar retailers in Southeast Asia (Indonesia, Vietnam and etc.) and Asia Pacific	Expand other emerging markets, such as India, South America and deepen main markets.
100,000 Merchants	500,000 Merchants	2,000,000 Merchants
4,000,000 Users	10,000,000 Users	100,000,000 Users
Jun - Dec 2018	Jan - Dec 2019	2020 onwards

7.3. Token Day

In celebration of the 10th anniversary of Bitcoin, Bizkey launched 'Token Day' in Singapore. Held from October 31st to November 18th, Token Day is a campaign to familiarize the public with cryptocurrency in a retail setting. During this period, 30 retailers clustered around Singapore's Chinatown accepted various cryptocurrencies as payment. Customers use Bizkey's POS device to pay with various cryptocurrencies including Ethereum, BZKY, and 10 other tokens voted on by the community.

Token Day will be held once a year, with locations held according to community input and elections. Hong Kong, Taipei, and South Korean Jeju Island have applied to be the candidate city for the second annual Token Day.

Token Day aims to be the most-anticipated and largest crypto payment festival in the global blockchain industry each year, giving Bizkey international reach and an opportunity to expand the merchant base.

8. Profit Model

8.1. At current stage, it is too early to charge commission fees as a profit model

It is impossible for any project to work without a profit model. However, it would be short sighted to charge commission fees for the reasons listed below:

First, the frequency of digital currency payment is too low to support such a model. If it is not possible to exceed 100, 000 orders per day, a commission fee would not even able to support a team of 10.

Second, the commission charge on crypto payments must be lower than those on fiat payments. If commissions are higher on crypto than fiat payments in addition to being less efficient, who would choose to pay using crypto currency?

Third, it would be difficult for a company whose core business is offline to survive if forced to pay a commission charge. Is it possible to run a team of 100 staff with lower charge and less efficient marketing promotion? If the project must manufacture and sell POS machines, it is incapable to earn money in the short term.

8.2. BZKY tokens are not available for free

Merchants have the decision of sharing their data, which becomes masked and anonymized, in exchange for BZKY. One of the most valuable parts of the offline retail industry is the transaction data. Mobile payment companies, aggregate payment companies, Banks, and other platforms work hard and at great expense on acquiring merchant data. The decentralized data assets each merchant has are quite small, have many different formats, are possibly unreliable, etc. Through the BizPower mechanism, we incentivize merchants to offer clean data, and converge formats over time. In this way, we are attempting to correct the increasing market centralization driven by the overwhelming market dominance of a few players.

BZKY has many functions usable directly by merchants. The basic function of BZKY is to deduct transaction fees and offer discounts on Bizkey's suite of services. These benefits scale with the amount of BZKY held, increasing in utility according to the number of merchants and users in the ecosystem.

8.3. Profit Model: Beyond the commission charges

1)   Short term: monetization of merchant-platform interaction

It is mentioned earlier that frequent interaction between merchants and Bizkey is achieved as payments are processed through the platform. The callback /notification page for the merchants to claim BZKY is the easiest way to maintain connection.

At the time of this writing, BZKY is trading at 0.1 RMB, meaning that the cost to buy one interaction with a merchants costs 0.1 RMB. On the callback page, by just providing information or an advertisement about our logistics products, credit products, or wealth management products can generate a healthy revenue for Bizkey. Bizkey's launch event on 10th October 2018 showed BHPC's cloud mining product, which gives monthly return of 1%, as an example of how this model works. Assuming a conversion rate of 1 percent, this gives us an ROI of 30x on the merchant-platform interaction. Therefore, allocating 30% of the token pool to reward merchants doesn't generate much selling pressure for BZKY. It is rare for blockchain projects to have such a clear profit model in such an early phase.

2) Medium Term: cross traffic and performance fees

As the number of merchants in the Bizkey ecosystem and associated transaction data increases, there will be more opportunities to achieve more cross traffic opportunities between merchants.

Merchants can easily refer their customers to other establishments in their area and receive automatic rewards based on successful referrals. Customers from store A successfully referred to store B will reward store A according to inter-merchant agreements, with Bizkey taking 1% of the transaction amount as commission, a figure which is much lower than larger platforms in the industry.

3) Long Term: Commission from the digital currency

As crypto currency payments are more commonly used, Bizkey will take 10% of the transaction fee as a commission fee. For example, if the transaction fee is 3%, then 0.3% will belong to Bizkey.

9. Foundation Structure

9.1. Foundation Structure

In order to meet the needs of international positioning and governance, a non-profit organization, Bizkey Foundation Ltd. (referred to as the "Foundation") has been incorporated. The Foundation is committed to developing and building the Bizkey and dealing with related matters of open source community projects to promote the harmonious development of the community by making a good governance mechanism.

The Foundation consists of a Board of Directors and Work Group. It takes charge of administrative function, technical function, operational function and other functions. The Foundation deals with routine work and special matters to maintain daily operation and the pace of development.

The Board of Directors is the highest management decision-making body of the Foundation. It is made up of more than three directors. The chairman will be selected from the members of the Board of Directors. The board is responsible for hiring or dismissing the CEO, making important decisions and holding emergency meeting. It has the right to vote by registered ballot for all the above matters. Each member shall have one vote. When the board decides, it must be approved by more than half of the members.

The Board of Directors shall exercise the following duties:

1) Adjust the governance structure of the Foundation
2) Appoint or dismiss the CEO
3) Make decisions on technological paths, business modes, the direction of the market, etc.
4) Emergency events such as events affecting the entire community software security, system upgrades, etc.
5) Other major decisions

The Foundation has a CEO who is responsible for the daily management of the Bizkey project and performs the following duties:

1) Manage the daily operation work and carry out the decisions of the Foundation
2) Formulate a basic management system
3) Appoint or dismiss the heads of the working groups
4) Map out the open source code framework and work out capital allocation

9.2. Foundation and Ecosystem Committee

【Name】: Ecosystem Committee for Blockchain & Retail

【Target】: Establish the committee system, super node election system, empower the merchants in the community. The representative participates in the Foundation management, and through 10-year development, it shall become fully autonomous community governance.

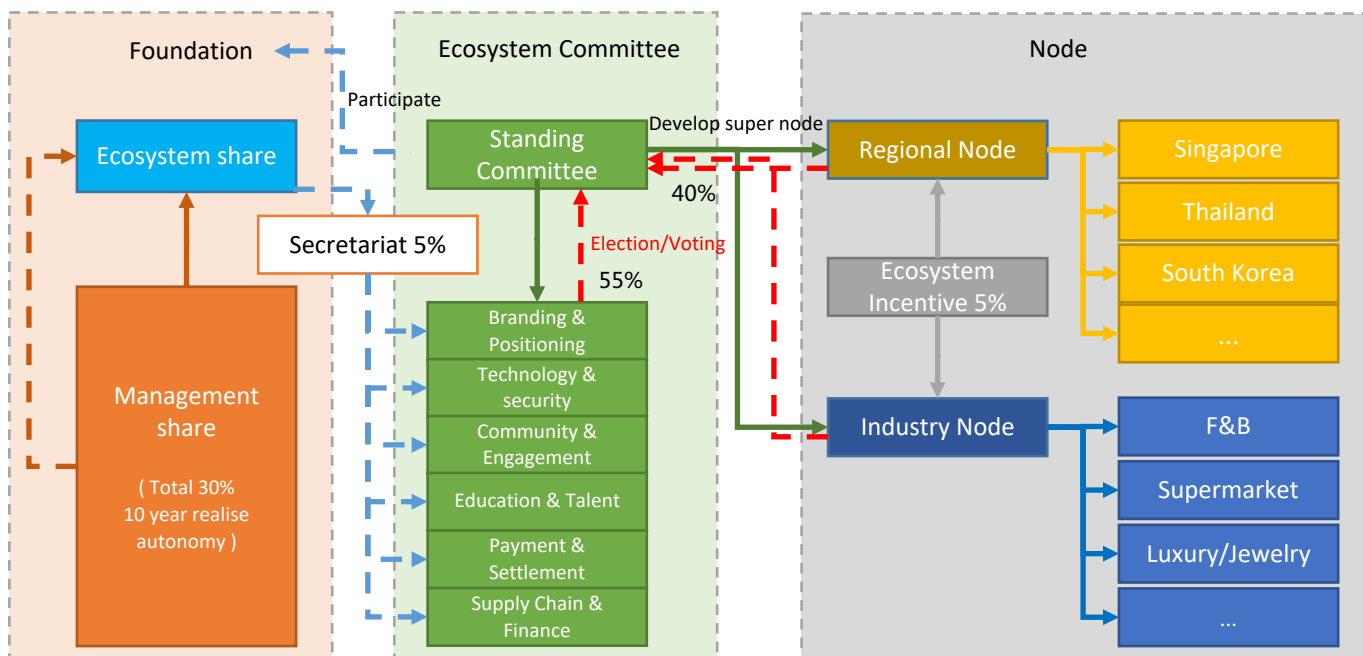【Mission】: Empower the offline economy, create the better future

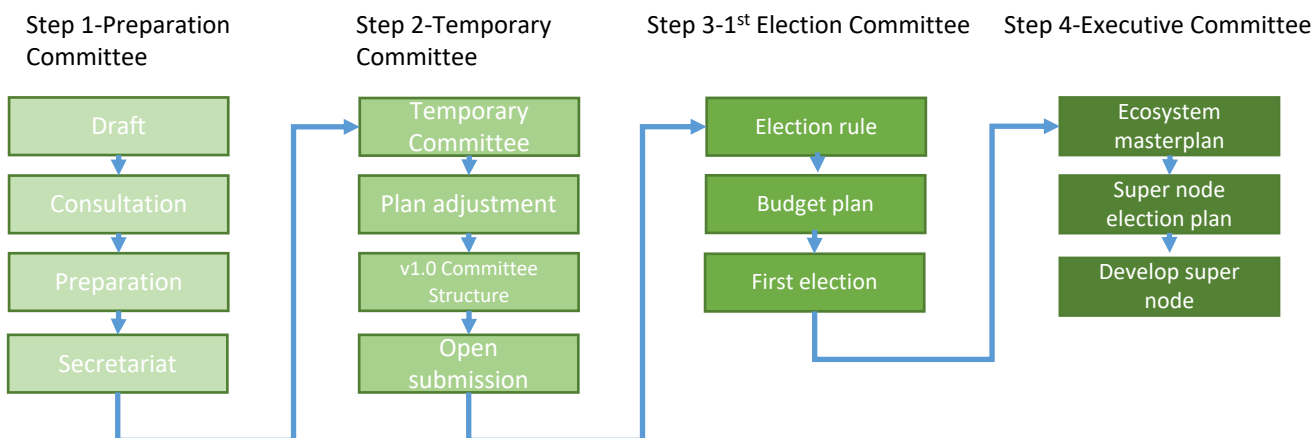【Vision】: Realize the community construction and autonomy

【Value】: Share resources

Within 10-years of development, the Bizkey Foundation will be fully entrusted to the Ecosystem Committee for governance.

1) Structure and Distribution

Foundation
- Ecosystem share
- Management share (Total 30% 10 year realise autonomy)
- Participate
- Secretariat 5%

Ecosystem Committee
- Standing Committee
- Develop super node
- Election/Voting
- 55%
- Branding & Positioning
- Technology & security
- Community & Engagement
- Education & Talent
- Payment & Settlement
- Supply Chain & Finance

Node
- Regional Node — 40%
  - Singapore
  - Thailand
  - South Korea
  - …
- Ecosystem Incentive 5%
- Industry Node
  - F&B
  - Supermarket
  - Luxury/Jewelry
  - …

2）Executive Committee Founding Process

Step 1-Preparation Committee
- Draft
- Consultation
- Preparation
- Secretariat

Step 2-Temporary Committee
- Temporary Committee
- Plan adjustment
- v1.0 Committee Structure
- Open submission

Step 3-1st Election Committee
- Election rule
- Budget plan
- First election

Step 4-Executive Committee
- Ecosystem masterplan
- Super node election plan
- Develop super node

10. Early Stage Investors

11. Legal and Risk Warning

Except the provisions in the white paper, the Bizkey Foundation and its affiliates make no representations or warranties for Bizkey or BZKY (especially the marketability and specific functionality). The behavior of participation in contributions, sale and purchase of any merchant is based on their own knowledge, laws and regulations and information about Bizkey and BZKY. Without breaking the marketability of Bizkey, all the participants will accept the BZKY as it is after the launch of Bizkey project, regardless of its technical specifications, parameters, performance or function.

The objectives and contents in the white paper may change. Part of the content in white paper and other documents will be modified as the project progresses. The team will update the contents by posting an announcement on the website or updating the white paper or other documents.

The Foundation and its affiliates shall deny and disclaim these duties:
1) Anyone who violates the regulatory requirements of anti-money laundering, counter-terrorism financing or other regulatory requirements when purchasing the BZKY.
2) Anyone who violates the representations, warranties, obligations, promises or other requirements in white paper and fails to use and withdraw the token.
3) The marketing plan of BZKY is abandoned for any reason.
4) The use of funds raised by the BZKY Sales Program
 Any behavior of revealing, losing or damaging of the BZKY's wallet private key
6) The breach of contract, violation, infringement, collapse, libel, termination or suspension of service, fraud, misuse, misconduct, error, negligence, bankruptcy, liquidation, dissolution or closure of BZKY's third-party distribution platform.
7) There is a difference, conflict or contradiction between the content of the agreement with the third-party distribution platform and the content of this white paper.
8) Trading or speculation about BZKY
9) Listed, suspended or delisted of BZKY on any trading platform.
10) BZKY is classified or treated as a currency, securities, commercial paper, negotiable instrument, investment or other matter by any government, quasi-government agency, competent authority or public agency, so that it is prohibited, regulated or restricted by law.
11) Any risk factors disclosed in this white paper and the damages, losses, claims, liabilities, penalties, costs or other negative effects caused by related risk factors.
12) The failure, delay or postpone of public blockchain of BUMO and other third parties. Errors, flaws, defects, failure, crash, rollback, or hard fork of the source code and fails to perform a specific function or is not suitable for purposes

In addition, the potential risks briefly mentioned above are not exhaustive. To the extent permitted by applicable law, the damages and risks resulting from participation, include but not limited to direct or indirect personal damage, loss of commercial profits, loss of business information or other economic losses. Bizkey Foundation and the Team are not liable for such damages and risks. Participants are required to fully understand the team background, the over- all framework and ideas of the project before participating in the project and making decisions.

Appendix – BZKY Tokenomics

BZKY Token use

In the future, additional applications of the BZKY token will be laid out in detail. This section deals exclusively with the token staking mechanism.

Merchants will have the option to stake tokens for a period of 2 months, 3 months, or 6 months. With tokens staked, merchants will be able to purchase utility tools offered by the Bizkey platform at a discount, limited by the value of tokens staked and stake duration. The value of the tokens staked will give a discount ratio of 2 to 1. For example, if a merchant stakes $50 worth of tokens for 6 months, he will be able to enjoy a 40% discount off the suite of services of up to $25 during the 6-month stake period. Shorter stake durations will reduce the discount percentage. In this way, merchants have incentive to stake tokens proportional to the amount of utility purchased on the Bizkey platform.

The ratio of tokens staked to merchant discount may not necessarily remain 2:1, as the ratio may be adjusted according to merchant feedback or promotion specials.

If the token price drops over the staking period, merchants must purchase more tokens to renew a discount of an equivalent size. If the token price rises over the staking period, merchants need only stake a portion of their unlocked tokens and are free to hold the rest or sell on exchange.

Scalability of BZKY Token

With the staking system, the value of the BZKY token scales with merchant adoption and the value of Bizkey's suite of utilities. Better tools, more utility functions, better transaction systems, and additional market segments serviced translates to more purchases and therefore more discounts the BZKY token can provide.

As merchants are rewarded with BZKY tokens in exchange for transaction data, they will have an incentive to use it in the staking mechanism for discounts. Many merchant early adopters, having been rewarded with a larger share of the token pool, will be able to stake for free, enjoying the deeply discounted rate with tokens to spare.

As seen below, a merchant who spends $10 a month on utility and participates in the 6-month staking mechanism reaps huge savings with a stable or increasing BZKY token. The only potential for downside is if the token price drops by more than 50% over the staking period. Anything else is pure savings, or even profit.
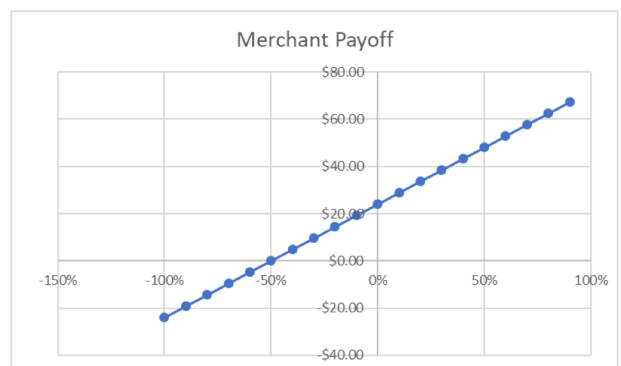
Case Scenario:

Consider a merchant who spends $10 monthly on a business intelligence module on the Bizkey platform. He is interested in the 40% discount under the 6-month lockup plan, one of the 3 plans demonstrated below.

2 month		3 month		6 month	
20%	2	30%	3	40%	6
Tokens	Fiat	Tokens	Fiat	Tokens	Fiat
$ 8.00	$ 16	$ 18.00	$ 21	$ 48.00	$ 36

He decides to lock up $48 worth of tokens and pay $6 each month for the utility, paying only $36 dollars over the 6-month period and saving $24 dollars. He is free to sell the tokens after 6 months or use them for another lockup.

Token Pool Valuation

The total value of the BKZY token pool may be thought of as the present value of an annuity, where the annuity payments are the savings reaped by token staking. Working with the conservative assumption that merchants on average will spend $10 a month on Bizkey's utilities and take advantage of the largest possible discount of 40%, we can make use of the following annuity valuation:

$$P\left[\frac{1-(1+r)^{-n}}{r}\right]$$

$$P = Periodic\ Payment$$
$$r = rate\ per\ period$$
$$n = number\ of\ periods$$

Since a 40% discount requires a 6-month staking period, the annuity is semiannual with a payment of $4 monthly, or $24 semiannually. We can find a lower-bound token pool valuation by assuming ultraconservative parameters. If the project lasts just 5 years which translates to 10 payment periods, using a 5% annual or 2.47% semiannual interest rate, we can find the following lower-bound valuations:

Number of Merchants	Semiannual savings	Token Pool Valuation
10,000	240,000	$ 2,103,864
20,000	480,000	$ 4,207,728
50,000	1,200,000	$ 10,519,320
100,000	2,400,000	$ 21,038,641
200,000	4,800,000	$ 42,077,281
300,000	7,200,000	$ 63,115,922
400,000	9,600,000	$ 84,154,562
500,000	12,000,000	$ 105,193,203
1,000,000	24,000,000	$ 210,386,405
1,200,000	28,800,000	$ 252,463,687
1,400,000	33,600,000	$ 294,540,968
1,600,000	38,400,000	$ 336,618,249
1,800,000	43,200,000	$ 378,695,530
2,000,000	48,000,000	$ 420,772,811
4,000,000	96,000,000	$ 841,545,622

Note that successful conversion of our existing merchant network (500,000 merchants) into customers paying $6 monthly gives the BZKY token market cap a lower-bound valuation of $105 million. With 10 billion tokens, this valuation places the value of each BZKY token at just over a penny each. By adjusting the parameters, investors can create their own valuation of each BZKY token.