# monetha

White paper

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# Executive summary

E-commerce worldwide sales in 2014 were USD 1.33 trillion and are projected to increase to USD 4.058 trillion by 2020. E-commerce share of retail sales is expected to increase from 7.4% in 2015 to 14.6% in 2020. Furthermore, according to Statista, the number of people buying goods or services online will increase from 1.46 billion in 2015 to above 2 billion in 2020.

Despite the explosive growth, three major problems still exist:

1. **Trust and reputation**: Building trust is difficult, and it is centrally governed by big marketplaces. There is an inability to transfer trust from one centralized service to another, and thus a need to establish relationship with each merchant separately. Moreover, a merchant's history is not recorded, so there is no ability to punish fraudulent buyers or merchants. Huge efforts and advertising budgets are needed to create trust if a merchant is not a part of a centralized marketplace.

2. **Expensive and long payment process:** There are 16(!) different steps to settle the transaction and up to 15(!) different fees to pay for payment gateways. Transaction fees range from 2% + 0.1 to 6% + 0.7. Chargeback fees of USD 15. Moreover, existing payment gateways rarely offer a simple solution for a merchant to accept mobile payments on their website or point of sale terminals.

3. **An inability to reach the growing ethereum economy:** Today, merchants cannot accept payments in Ether, which has reached a market cap of USD 36bn as of June 14th. Moreover, a totally new digital asset class is being created: tokens of products that are built on the Ethereum platform. The rise of a new kind of digital assets enables the creation of a token-based digital asset economy. It is expected that 10% of global GDP will be generated on blockchains by 2025. Merchants will definitely want to participate in the blockchain created economy.

**Monetha is creating a universal decentralized trust and reputation solution working flawlessly together with mobile payments processing on the Ethereum blockchain leveraging smart contract technology.**

1. **Universal/Transferable trust and reputation system:** Every time a transaction is made the blockchain will record the time of the transaction, both receiving and sending wallet addresses, warranty conditions, delivery time,





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and all other information that is typically needed to ensure trust. All the sensitive information will be hashed and only available to authorized users in a beautifully designed user interface. Based on that information, clients and merchants will be able to file/solve a claim, rate each other, etc. **Every time a transaction is made, claim registered, solved or unsolved (according to the purchase details saved during the purchase), review written, etc., the smart contract will automatically change the trust level for each of the parties involved.**

2. **Mobile payments solution:** With the help of the Ethereum blockchain, we are able to make payments with **only 1 step and 1 fee,** which results in accepting payments generally up to 5X cheaper and up to x10000 faster for merchants. After simple integration with Monetha, merchants will be able to: use our decentralized trust and reputation system, accept Ethereum based tokens, accept mobile payments, and easily convert cryptocurrency to their local fiat currency.

3. **Enabling merchants to reach $10 trillion digital asset economy:** By developing Monetha, we will not only allow merchants to participate in a trustful decentralized economy, but also reach the growing digital asset economy through our payment solution. The World Bank estimates that 10% of global GDP will be generated on blockchains by 2025. The GDP estimated for 2025 is $100T, thus the value generated through blockchain is expected to be $10T (10%).

**Mobile payments:** According to Boston Consulting Group, the payment industry is about to experience a huge shift towards mobile payments: 1) In 2015 mobile payment volume was USD 8.6 billion in the US. It is expected to increase almost 32x by 2021 to reach $274bn in the US alone, 2) mobile share of total ecommerce is expected to increase to 48.5% of total e-commerce by 2020. It was 23.6% in 2015.

**Business model:** Monetha will only have one fee – a 1.5% transaction fee for merchants.

**Token and token ecosystem:** A ⅓ of Monetha's revenue will be put in the "Voucher Smart Contract" in a form of MTH tokens to our token holders with an ability to claim for a voucher proportionately to the amount of MTH tokens they hold. Token holders will receive a voucher in MTH (Monetha's currency) to use it as a discount when buying from Monetha's merchants. This voucher would be proportional to the amount of the MTH tokens held.

**Loyalty program:** In order to encourage a network effect and create an ecosystem for the Monetha token, we are going to introduce a loyalty program for merchants.

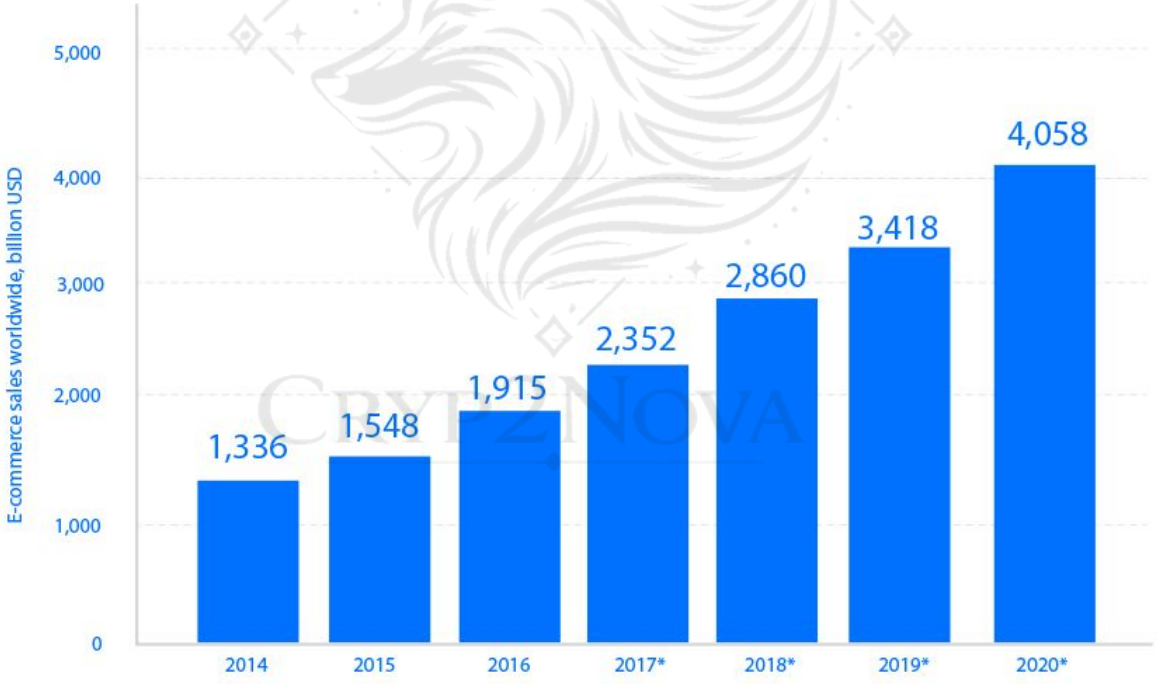


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Every purchase made via the Monetha payment system will reward the client of the merchant with 0.2% (the exact percentage might change over time) of the value of the transaction in Monetha tokens from the Monetha loyalty pool.

# 1. Three significant problems that merchants face: trust and reputation, payments, and an inability to reach the growing Ethereum economy

E-commerce has grown at an unprecedented rate and is projected to grow at an even higher rate over the coming years. According to “Statista”, retail e-commerce sales worldwide in 2014 were USD 1.33 trillion and are projected to increase to USD 4.058 trillion by 2020.




The growth is perfectly illustrated by the number of shops created on the Shopify platform. They had 84,000 shops in 2013, 144,000 in 2014, 243,000 in 2015 and ended 2016 with almost 378,000 merchants on the platform - a growth of 450% over 3 years.



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E-commerce is also gaining greater weight in total retail sales globally. It is expected to increase from 7.4% in 2015 to 14.6% in 2020. Furthermore, according to Statista, the number of people buying goods or services online will increase from 1.46 billion in 2015 to above 2 billion in 2020.

Despite the super high growth of e-commerce, merchants face three major problems: **1) Trust and reputation, 2) Expensive and long payment process, and 3) An inability to reach the growing Ethereum ecosystem, with a market cap of ~36 billion and its corresponding Ethereum token economy.**

## 1.1 Trust and reputation problem in global e-commerce

Building trust is difficult. It takes time and costs a lot of money. It's even more difficult for new or small merchants.

Trust and reputation are extremely important for participants of today's global commerce. People are more likely to buy from trusted merchants; therefore, merchants are striving to maximise their trust rating/reputation and build a loyal customer base.

According to Econsultancy, 61% of customers read online reviews before making a purchase decision. Moreover, according to Reevo stats, 63% of customers are more likely to make a purchase from a site which has user reviews and a proven trust rating.

Consumer reviews are significantly more trusted (nearly 12 times more) than descriptions that come from manufacturers, according to a survey of US internet users by the online video review site EXPO. Furthermore, Shopify, in one of their merchant blogs, emphasized that "showing that others trust you" is vital to a merchant's success.

There are, however, a few major problems regarding trust that merchants face in today's global e-commerce.

1. The trust and reputation system to facilitate commerce **is only possible in closed marketplaces,** which are controlled by a central authority. In order to build trust, you have to join one or a few of the closed marketplaces, such as: Amazon, Ebay, Alibaba, etc. By joining them, merchant must accept all their rules; for example, 20% commission from sales.



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2. Merchants have **no ability to transfer their trust rate from** one centralized service to another. For example, once you become trusted on Amazon, you still must build your trust on Ebay or another marketplace.

3. Merchants have to **invest considerable effort and finance into their brand and advertising** if they do not want to join the centralized marketplace that facilitates trust and reputation.

4. Buyers need to **establish a relationship with each merchant separately.** Moreover, a buyer's history is not available for merchants to make decisions. Being trusted with one merchant doesn't mean you are trusted with another.

5. There is no ability to punish fraudulent buyers or merchants and reflect that in their history. Most fraud happens due to stolen cards or stolen credit card information. In 2015, card fraud reached $21.84 billion – a figure that is expected to rise to $31.67 billion by 2020. According to Advanced Payment Report 2016 conducted with the help of Wirecard.de, 92% of merchants say fraud will remain a prime concern for online payments. **Large e-commerce and m-commerce merchants lose 1.4% and 1.7% of revenues** respectively to fraud according to the 2015 True Cost of Fraud Study.

There are millions of e-commerce merchants outside closed marketplaces that need a universal trust and reputation system in order to be trusted by their clients.

In order to build global trust in e-commerce, **we need a universal trust and reputation system**. Payments and commerce using Monetha will be done directly between two unknown parties using a much-needed **decentralized, smart contract based, trust and reputation system**.

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## 1.2 Expensive and long payment process

Despite having a wide variety of different payment gateways and processing companies, the following major problems still exist for merchants:

- Costly and complex transaction settlements with **up to 16(!) steps to accept and settle transactions.**
- **Up to 15(!) different type of fees** including a transaction fee of between 2% to 6%, and a chargeback fee of **USD 20.**
- Extremely high cross-border transaction fees.
- Long transaction times ranging from **2 days to several weeks** to receive their money. E-commerce payment processors often hold merchants' money for a week due to higher probability of chargebacks during first week after





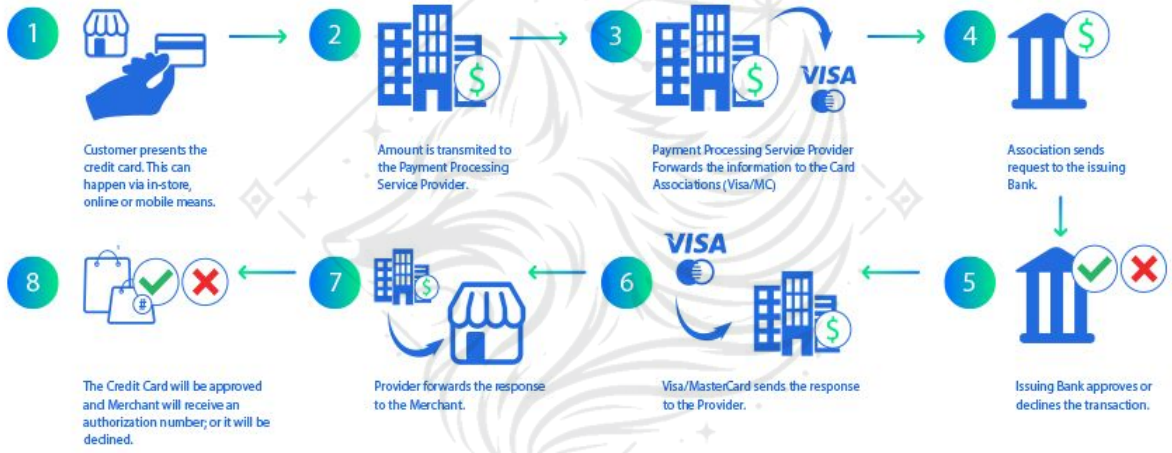
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purchase.

- Mobile payments. Mobile payment solutions are fragmented and not available universally or simply not easy to use despite a strong consumer appetite to leverage them. Payment processors **rarely offer a simple solution for a merchant to accept mobile payments**.

### 1.2.1 Current payment process

The picture below describes the payment confirmation or rejection in 8 steps at the time of payment regardless of it being in a physical store, e-commerce or m-commerce. The process is complex and includes 8 additional steps to settle the transaction. In total, you have **16 steps** for money to be transferred from the client's bank account to the merchant's bank account.




### 1.2.2 Merchant fees

Merchants have to pay **up to 15(!) different types of fees** in order to accept payments from their customers.

- **Transactional fees** stand somewhere between 2% and 6% per transaction plus a fixed fee which is between USD 0.1 and USD 0.7. For example: every time someone makes a transaction for USD 10, the merchant on average pays => 10*((0.02+0.06)/2) + ((0.1+0.7)/2)) = USD 0.8 for banks, credit card associations, payment gateways and processors.

- ***Retrieval Request Fee*** **and** ***Chargeback Fee*** are paid when someone claims for a chargeback. The best-known payment gateways such as PayPal and Stripe charge merchants a USD 15 chargeback fee. In addition to the chargeback fee, there is work to be done by the retailer to prove the



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transaction was done respecting the rules. This costs time and money. When the info is missing, the charge is reversed even if it was legit.

- **Flat fees** include: ***Terminal fees*** to buy the needed terminal for retail merchants, ***PCI fees*** paid to Payment Card industry for compliance OR noncompliance, and others, such as: ***Annual fees***, ***Monthly fees***, ***Monthly minimum fees***, ***IRS reporting fees***, ***network fees***, etc.

- **Incidental fees that** consist of: ***Address Verification Service (AVS)***, ***Voice Authorization Fee (VAF), Batch Fee, and NFS fee.***

- **Cross-border fees.** PayPal, for example, charges the merchant a transaction fee of 4.4% + fixed fee (depends on the currency), instead of 2.9% + fixed fee (depends on the currency) if the funds the merchant is receiving comes from outside of the U.S.

Finally, some payment gateways and/or processing companies like to keep their fee structure hidden or totally incomprehensible to the average merchant.

### 1.2.3 Long fund transfer time

As there are a lot of different parties involved in moving the money from one bank account to another (or from one country to another), it often takes up **3 days to settle the transaction**. For international payments, it can take **up to a week or even more**. Moreover, payment gateways more often than not hold your money for a week.

That often causes **cash flow problems for small merchants.**

### 1.2.4 Mobile payments

According to StatCounter, October 2016 was the first ever month in the history when more users around the world accessed the internet from mobile devices than from desktop computers. Of all users, 51.3% used mobile devices while 48.7% used computers. Moreover, according to Statista, **approximately 80% of internet usage will be mobile by 2018**. At the same time, mobile payments are projected to increase from USD 8.6bn in 2015 to USD 274bn in 2021.

The problem is that most e-commerce and retail payment gateways and/or terminals were developed to accept and process payments using physical credit cards, and at their core, cards are not mobile-friendly. Payment gateways rarely offer a simple



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solution for a merchant to accept mobile payments in their website or point of sale terminals.

### 1.3 An inability to participate in token-enabled digital asset economy potentially worth $10T in 2025.

The market cap of all the Ethereum tokens is growing extraordinarily fast. Ether reached a market cap of USD 36bn as of June 14th. But most importantly, a totally new market of **digital assets is being created:** tokens of projects that are built on Ethereum platform. The rise of new kind of digital assets enables **the creation of a token-based digital asset economy**.

A correspondent of Bloomberg talks about it here, starting from 2:00.

The World Bank estimates that 10% of global GDP will be generated on blockchains by 2025. The GDP estimated for 2025 is $100T, thus the value generated through blockchain is expected to be $10T (10%).

Today, merchants don't have an opportunity to access that money. They will have a considerable incentive to participate in the token economy within the next few years.

## 2. Monetha's solution: a decentralized trust and reputation system working flawlessly together through a blockchain based payment gateway

We are creating a decentralized **payment and trust solution on the Ethereum blockchain leveraging smart contract technology.** The payment solution works flawlessly together with our decentralized trust and reputation system. Merchants will be able to accept Ethereum based cryptocurrencies and exchange them with traditional (fiat) currencies. Merchants and customers will participate in global decentralized commerce with total trust.

Monetha is on a mission to:

- Develop a global **decentralized trust and reputation system** for tomorrow's global e-commerce.





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- Make the payment process simple and efficient: **only one step**.
- Make accepting payments for merchants generally up to **5x cheaper and up to 10,000 times faster.**
- Provide an opportunity for merchants to accept **mobile payments.**
- **Bring the** Ethereum-based **token economy** to the **mainstream.**
- Expand Ethereum real-world application infrastructure.

In simple words: our mission is to develop and deploy the best transaction system that would be based on enforceable contracts without third party between consumer and merchants and a strong decentralised reputation management system. Transaction and fund transfer will be done in one step together with the enforceable sale contract. Transaction fees would be simplified from many to a simple transaction fee wherever the consumer and merchants are located on the planet.

## 2.1 A Universal Decentralized Trust and Reputation System on the Ethereum blockchain. Ensuring trust in global commerce.

Building trust is difficult because:

- Merchants need to become part of a centrally governed marketplace, like Amazon, Ebay, Alibaba, Etsy, etc, where they must pay a sales commission.
- Merchants cannot transfer their trust from one centralized service to another.
- Merchants need to invest huge efforts and budgets into brand and advertising if not being part of centralized marketplace.
- Complicated conflict management using existing system.
- Buyers need to establish a relationship with each merchant separately and their history is not transparent.
- There is no ability to punish fraudulent buyers or merchants and reflect that in their history.

**Monetha's trust and reputation system will be universal, transparent, transferable, self-executing, not controlled by a central authority, and working flawlessly together with a payment solution.**

### 2.1.1 How it works

Every time a transaction is made, no matter if it's retail or e-commerce, the blockchain will save the time of the transaction, both the receiving and sending addresses, warranty conditions, delivery time, and all other information that is typically needed to ensure the trust. All the sensitive information will be hashed and only available to authorized users in a beautifully designed user interface. Based on





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that information, clients and merchants will be able to file/solve a claim, rate each other, etc.

Default trust rates will be created for both merchant and client using the Monetha ecosystem for the first time. A Trust rating will be assigned to a specific wallet address. **Every time a transaction is made, claim registered, solved or unsolved (according to the purchase details saved during the purchase), review written, etc., the smart contract will automatically change the trust level for each of the parties involved.**

*The merchant trust rating*

Once the merchant starts accepting mobile Ethereum based currency payments using Monetha, a default trust rating will be created. Smart contract will automatically change the trust rating according to the behavior of the merchant. For example:

- Does the merchant react to claims from clients?
- Does the merchant react **quickly** to claims from clients?
- Do clients rate the merchant for delivering products as promised: on time, as advertised and in good quality?
- Does the merchant have good reviews from clients?

Different weights will be assigned to different actions.

The trust rating will be visible to everyone in the most common and typical places, such as the footer of the merchant's website or mobile app. The only way the merchant can increase the trust rating is by providing products or services as advertised and in good condition.

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*Trust client's trust rating*

The main reason to create a trust rating for the client is to decrease the likelihood of fraudulent buyers and offer loyalty features for trustful buyers.

Once a client buys something from a merchant using Monetha for the first time, the default trust rating for that client will be automatically created and linked to the wallet address of that client.

The client trust rating will be updated automatically by the smart contract based on his or her behavior. Different weights will be assigned to different actions. For example:





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- What is the client's claim history?
- How many claims has the user made? Are those claims being resolved?
- Have all the previous claims been solved with merchants?
- Purchase history: behavior, frequency, etc.

The trust rate of the client will be available to see on the blockchain and visible in a user-friendly interface to merchants once the purchase is made.

The client's trust rating will be visible on the blockchain or in Monetha's mobile app.

In totally decentralized e-commerce, it is important that merchants have information about the client. The most important thing for a merchant is to avoid someone who does hazardous things on purpose. If that happens, the merchant will be able to decrease the client's trust rating significantly. Based on that information, other merchants will be able to decide whether they want to sell products to a client with a low trust rating.

*Claims, reviews and conflict management.*

Every purchase will be saved on the blockchain together with the time of the transaction, both receiving and sending addresses, warranty conditions, estimated delivery date, the product that was bought and all other information that is typically needed to ensure trust.

The following information will be available to both parties:

- The merchant will have all the information about every transaction with the above-mentioned details in his profile in the Monetha system.
- The client will be able to see all his purchases together with the above-mentioned details only in his profile within the Monetha mobile app.

Based on that information, parties will have an opportunity to file/resolve claims, review, and rate each other in a transparent way. Smart contract will automatically decrease or increase the trust rating. That kind of management of conflict resolution through smart contracts will help each party to deal with the situation faster, easier and cheaper (no chargeback fees for the merchant).

Examples*:*

1. **Claim.** Once the client makes a purchase, all the needed information is saved to the blockchain. In order to see that information, the client must download the Monetha app. Once he logs in, he sees all the purchases he made with a



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particular wallet address **anywhere using Monetha as a payment gateway**. The client selects the particular purchase he is not happy about, and initiates a claim by providing the details of the claim, e.g., the product is broken. The merchant's trust rating is immediately decreased, so the merchant is incentivized to solve the problem as quickly as possible. The merchant receives the notification about the claim, looks at the details and contacts the client off-chain. Client and merchant agree on the solution and one of the parties initiates a resolution by pressing the "Claim resolved" button in the mobile app or the merchant system. Details of how the situation was resolved (product changed, money returned, etc.) must be provided as well. The details are saved to the blockchain. The other party gets the notification, reads the details and agrees by pressing "Claim resolved". Once the claim is resolved, trust rating is increased for both parties instantly.

2. **Reviews**. Clients and merchants will be able to write reviews about each other. Written reviews will have more weight on each other's trust rating than just "silent" transactions without a review. For example, a client's review about a good product and customer service will increase the merchant's trust rating more than just a simple "silent" transaction without writing a review. Reviews about the merchant will be visible in the mobile app for a client. Merchants will see the reviews clients have written about them in their system. **All reviews, good and bad, will be automatically reflected in the trust rating of the client and the merchant**.

3. **Sales contracts**. A merchant can propose a 15 day return policy - no questions asked. This merchant will be in a better position to sell than the one who does not offer a return policy. These rules will be published by the merchant. Smart contract will ensure merchants and consumers are respecting their commitments to each other and the rating system will reflect that.

### 2.1.2 How the likelihood of fraud is reduced with a global decentralized reputation and trust system

The trust rate will be available and visible to everyone in the ecosystem so that parties are incentivized to increase their trust rating, which will enable better decision-making and a safer e-commerce environment. Moreover, we will offer incentives such as a reduced transaction fee, faster transaction times, etc., for those who hold higher ratings and proven history. This level of transparency could decrease fraud significantly or at least make it more difficult.





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To illustrate this point, Kevin Kelly, the author of a book titled “Out of Control”, wrote:

> *A pretty good society needs more than just anonymity. An online civilization requires online anonymity, online identification, online authentication,* ***online reputations, online trust holders,*** *online signatures, online privacy, and online access. All are essential ingredients of any open society.*

We bring this to the next level. We want to create a transferable trust system so that **every merchant, big and small, retail or e-commerce, will be able to join a global decentralized trust rating system** by accepting mobile payments with Monetha.

## 2.2 A mobile payments solution to accept mobile Ethereum based cryptocurrency payments generally up to 5X cheaper and up to x10000 faster.

After simple integration with Monetha, merchants will be able to:

- Use our decentralized trust and reputation system.
- Accept Ethereum based tokens.
- Easily convert cryptocurrency to fiat currency.

### 2.2.1 How it works: e-commerce example

Clients will pick their items, add them to the cart and select that they will pay through the Monetha gateway instead of other available options such as credit card or PayPal.

The amount needed to pay is converted to the selected Ethereum based currency (token) from traditional currency in real-time. A QR code is generated which the client scans **with any crypto wallet** on his mobile app and presses “send”. Money arrives in merchant’s smart contract wallet in approximately 2 minutes. The amount of Ethereum based currency received is **exchanged to a merchant’s preferred fiat currency** according to the merchant’s preference via Kraken or another crypto exchange API. Merchants will be able to choose the frequency at which crypto tokens are converted to fiat, the local currency to exchange to, time of sending money to their bank account, and many other options.





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Monetha is easy, fast, cheap, and guaranteed by smart contracts.

*How merchant payment fees and transaction time are resolved*

The picture below shows how blockchain changes the method of payment. The transaction goes from customer to merchant directly; ditching all the intermediaries in the process and saving merchants a huge amount of time and money. There is no need to close or settle anything for merchant anymore. The settlement and closing happens at the same time as the transaction. There is only **1 step instead of 16!**

As the payment now goes directly from the client to merchant**,** instead of waiting for up to **2 weeks** to see the funds, it arrives approximately **2 minutes** after the purchase no matter where in the world the purchase was made.

As far as payment fees are concerned, **instead of 15 types of fees** merchants may pay using a standard payment gateway; with Monetha, they will have **only 1 fee**: a transaction fee of 1.5%.

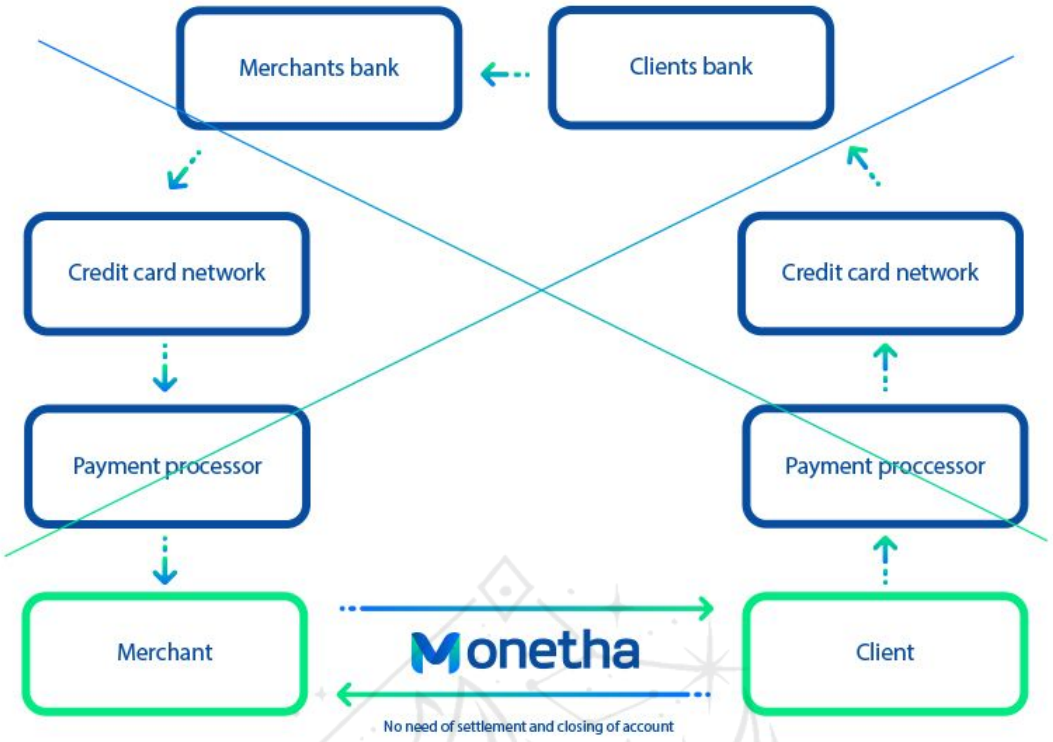
The **chargeback fee goes away as well**. Once the merchant agrees to send the money back, they just send the money back and pay the transaction fee. No ridiculously high chargeback fees anymore. In addition, the pain (time and money to prove the transaction is legit) is gone. Moreover, the decentralized trust and reputation system helps to decrease the rate of fraudulent payments as well.

Ultimately, it's **up to x5 cheaper and up to x10000 faster** for merchants to accept payments with Monetha: with a transparent fee structure with no chargeback or hidden fees, and a beautiful user interface with smart contract enabled wallet security.

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*Smart contract based wallet for merchants*

The merchant's account acts as the equivalent of a bank account that stores funds and enforces security. The crucial fact here is that it's only controlled by the user, the merchant. Today, banks hold higher authority because they run the database that points at the database entry which says you have that money and you have to trust that your money is safe. Banks own the control of that database and authority to grant or deny the access to the money they hold. Not anymore.

Monetha will not be able to suspend, hold or prevent any transaction. Instead, permissionless transactions will be guaranteed by the smart contract. Instantly, and as promised. No more headache of not knowing where the merchant’s money is and why it’s being withheld.

Merchants can customize their settings to fit their preferences, such as:

- How much funds to exchange with the local currency.
- How often to exchange.
- Others.

With Monetha, we are giving control of merchant funds back into their own hands and giving them easy-to-manage control of their funds received from selling goods or services which is safeguarded by the security of smart contracts. Now, merchants



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can have better security and substantially improved usability.

It is literally a merchant becoming his own bank.

### 2.2.2 Case studies: merchant fees and transaction time

*Merchant fees*

John is the owner of a small e-commerce store selling T-shirts for USD 10. He was always frustrated by the transactions fees he paid to the banks and other intermediaries.

One day, he found out about Monetha through a financial news article and decided to try it out. It took him only a few minutes to get started. Now the transaction money goes directly from the client to his account. That means that from now on, John will not only be able to accept mobile payments, but also, more importantly, instead of paying every intermediary in the payment process from 2%+0.1 up to 6%+0.7 per transaction, John now pays only 1.5% per transaction. So instead of paying EUR 0,8 **on average** every time someone buys a T-shirt, John will now only pay EUR 0,15 per transaction using Monetha as his mobile payments processor. **That's 5x times cheaper on average!**

Moreover, Monetha exchanges Ethereum based currencies with his local currency and sends the money to his bank according to predefined settings: upon his request or automatically.

*Transaction time and cash flow problems. E-commerce merchant.*

Peter has a website where he sells various home appliances to customers all around the globe for almost 12 years now. He knows money is just a digit that must be exchanged once the transaction is made. That's why he cannot believe how long it takes for him to receive the funds after a client places an order.

If the client is local, the funds show up in his bank account in up to 2-3 days. But if the client is from the other side of the world, it may take up to 2 weeks for funds to show up his bank account. **He has to trust the client and the banks and ship the product before he receives the funds.** Moreover, the payment gateway often holds the money for a week. Because of the time it takes for him to receive the money, **he often experiences cash flow problems and, consequently, is not able to pay his suppliers.**

One day, a friend of Peter told him about Monetha. The friend told him that it takes





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up to 2 minutes to receive money with Monetha after a purchase was made. With Monetha, Peter can accept mobile payments and **receive funds instantly no matter where the client is** after the purchase is made. He no longer has to trust banks, payment gateways or PDF files generated as a proof of payment that clients send him. Furthermore, Monetha solved his cash flow problems instantly. He receives funds, can ship products instantly and order more shoes without a fear of not being able to pay.

## 2.3 Enabling merchants to reach $10 trillion digital asset economy

By developing Monetha, we will not only allow merchants to participate in a trustful decentralized economy, but also reach the growing digital asset economy through our payment solution.

### 2.3.1 Growth of Ether as a currency and the Ethereum ecosystem's digital token economy

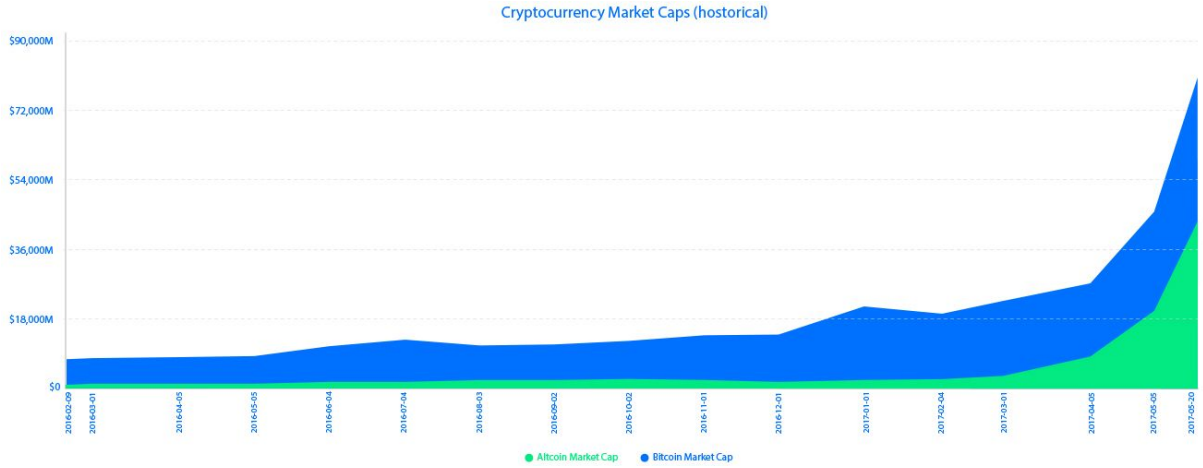
As shown above, a correspondent for Bloomberg talks about Ethereum's potential here, starting from 2:00.

Ethereum is a platform that enables the creation of decentralised applications. As a result, it has facilitated the emergence of a new and exclusively digital asset class: tokens. As discussed above, the **World Bank estimates that 10% of global GDP, which is approximately $10T, will go through blockchains in 2025.**

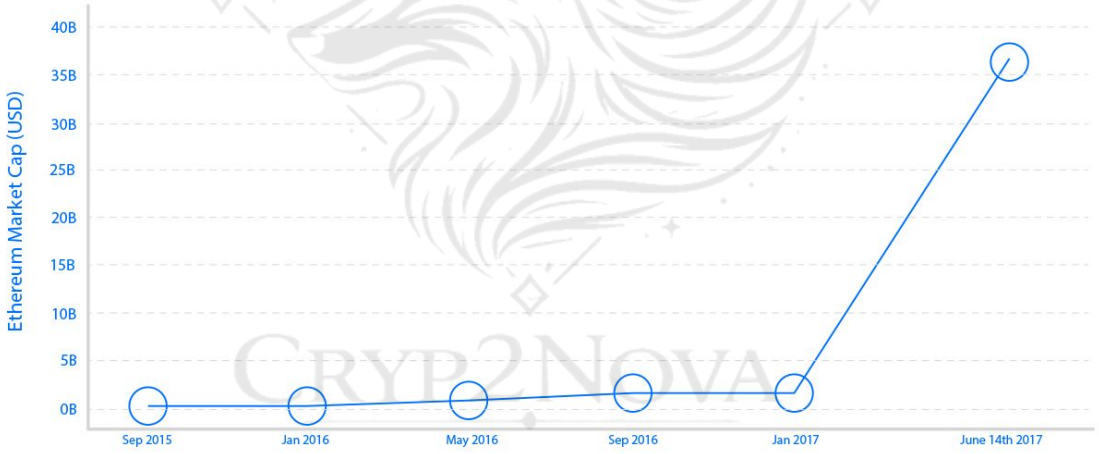
To illustrate the fact, let us look at the graph below showing the growth of altcoins. This growth is influenced by the ascendency of Ether as a currency and the expansion of Ethereum-based tokens.



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The graph below shows the growth of Ether's market cap. Market capitalization stands at approximately USD 36 billion as of June 14th. It has grown by ~4,390% since May 8th.




It is very likely that Ethereum will be the number one cryptocurrency platform soon because it facilitates the creation of an ecosystem that Bitcoin cannot match.

At the same time, it gets harder and harder to make transactions on Bitcoin: according to www.blockchain.info, the "Average Confirmation Time" to confirm a transaction was 316 minutes as of June 13 and "Cost per Transaction" was approximately USD 4.

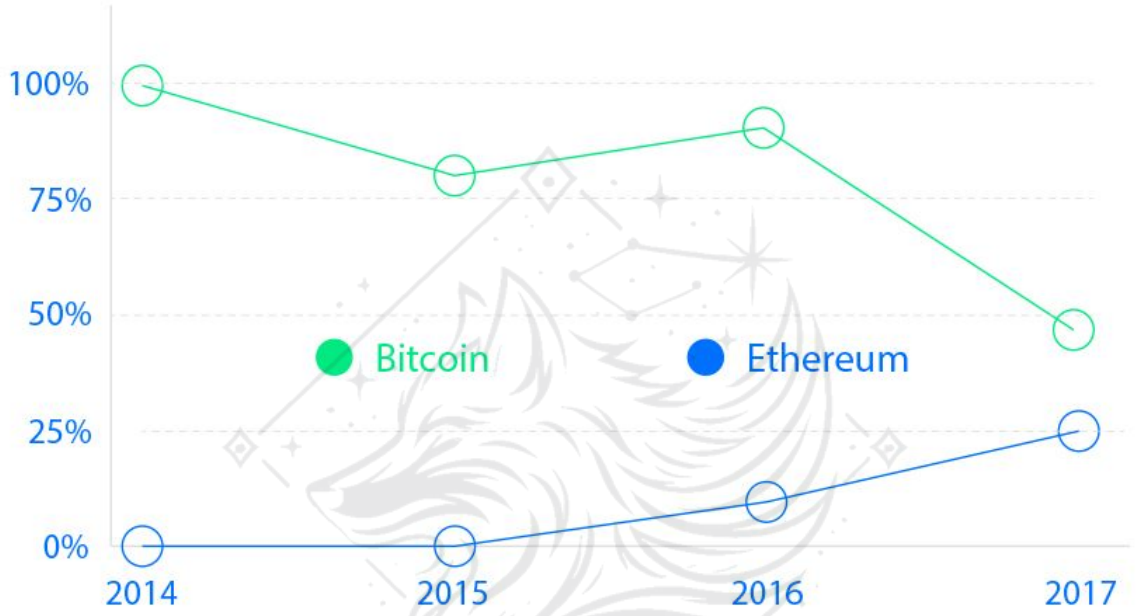
Merchants cannot use services such as BitPay to accept bitcoin payments when



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transaction time is that long and the cost per transaction is that high.

This fact causes Bitcoin's weight relative to other currencies to decrease dramatically and the graph below demonstrates that pretty well. Just a few months ago, Bitcoin accounted for more than 80% of all the market cap of cryptocurrencies. As of June 14th, it's approximately 39%, while Ethereum is already 31.7%. Ethereum is one of the reasons why the relative weight of bitcoin is decreasing.




# 3. Product architecture and product development timeline

## 3.1 Smart Contracts & Workflows

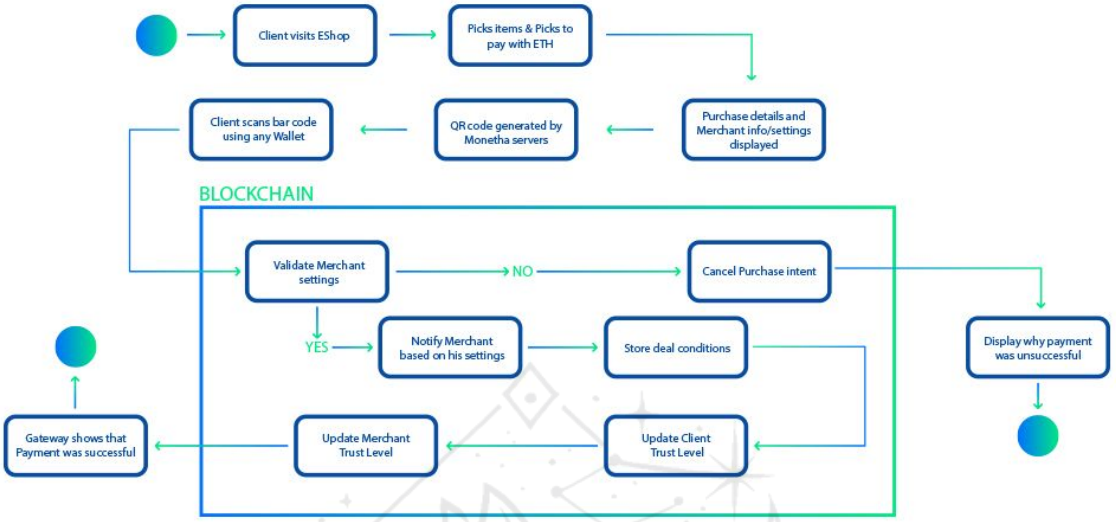
Smart contracts will enable us to facilitate a payment solution working flawlessly together with a decentralized trust and reputation system between parties via the blockchain. Number of smart contracts, detailed structure, and functionality will be defined and finalized during development.

To illustrate the intended functionality, we provide **sample workflows** illustrating the purchase and claim process and how they affect the trust rate for both parties.



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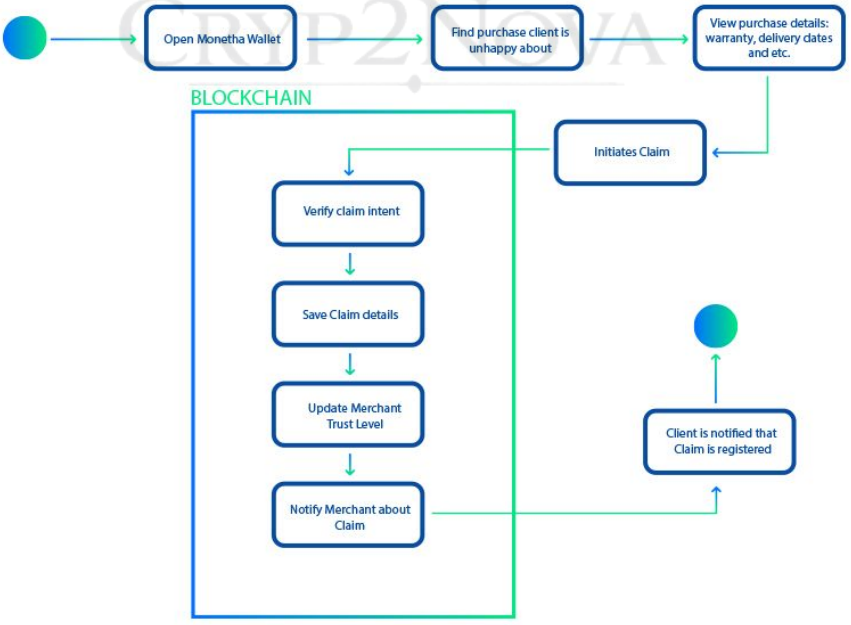
*Client makes a purchase*




*Claim workflows*

The sample workflows below demonstrate the process when the client initiates a claim, which is resolved together with the merchant. We will introduce incentives for merchants and clients to handle the claims fast and keep trust level high for both sides.

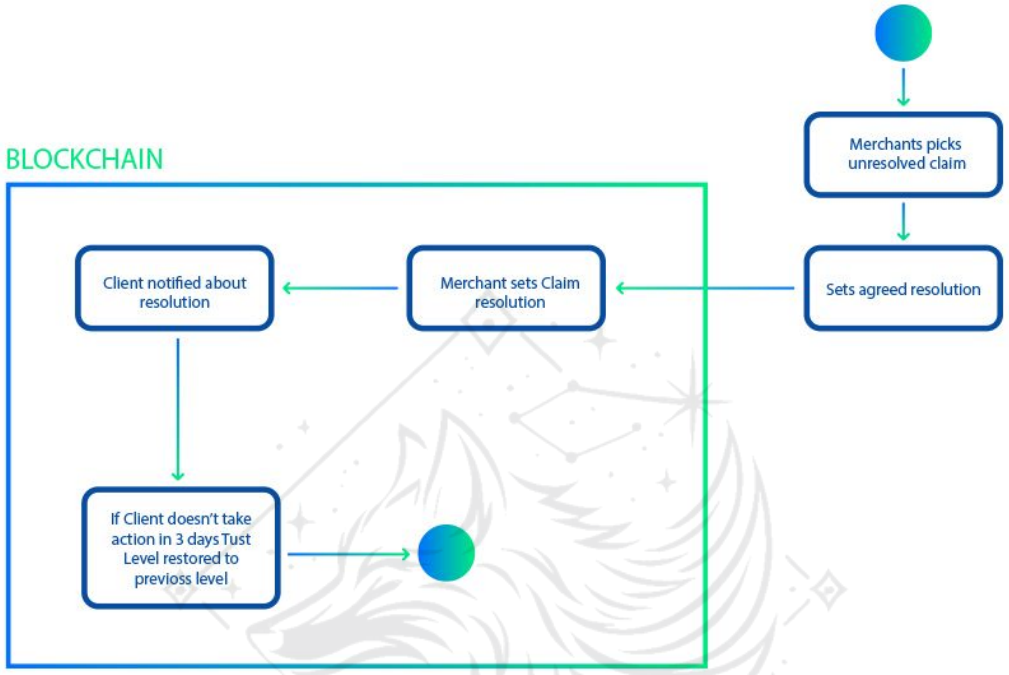
*Client files a claim*





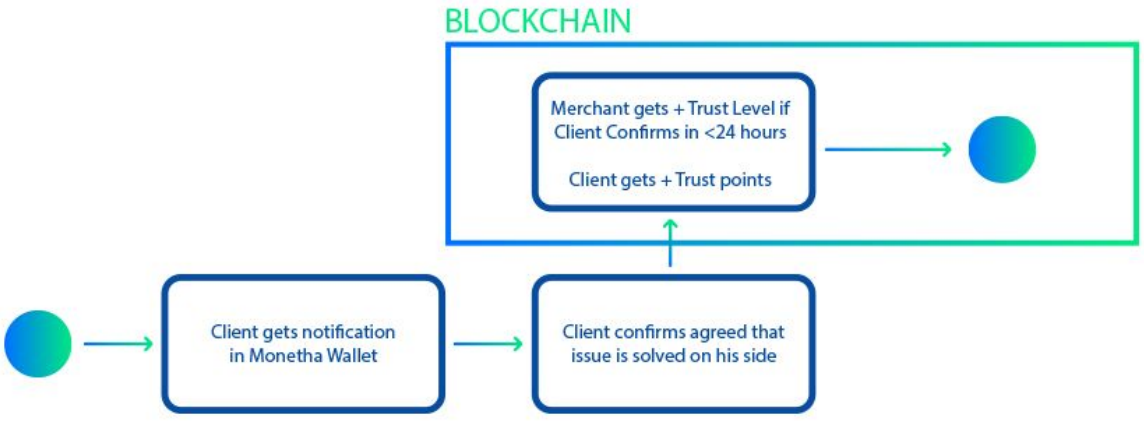

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*The merchant responds to a claim, finds a solution together with the client and provides resolution details*




The client and merchant resolve the claim resolution “offline” or on Monetha’s off-chain messaging system. After both parties agree on resolution terms, the merchant enters those terms (e.g. money back, shipping out new product,, etc.) into the merchant’s user interface. Resolution terms are saved on the blockchain. The merchant then waits for client’s confirmation.

*Client confirms resolution*

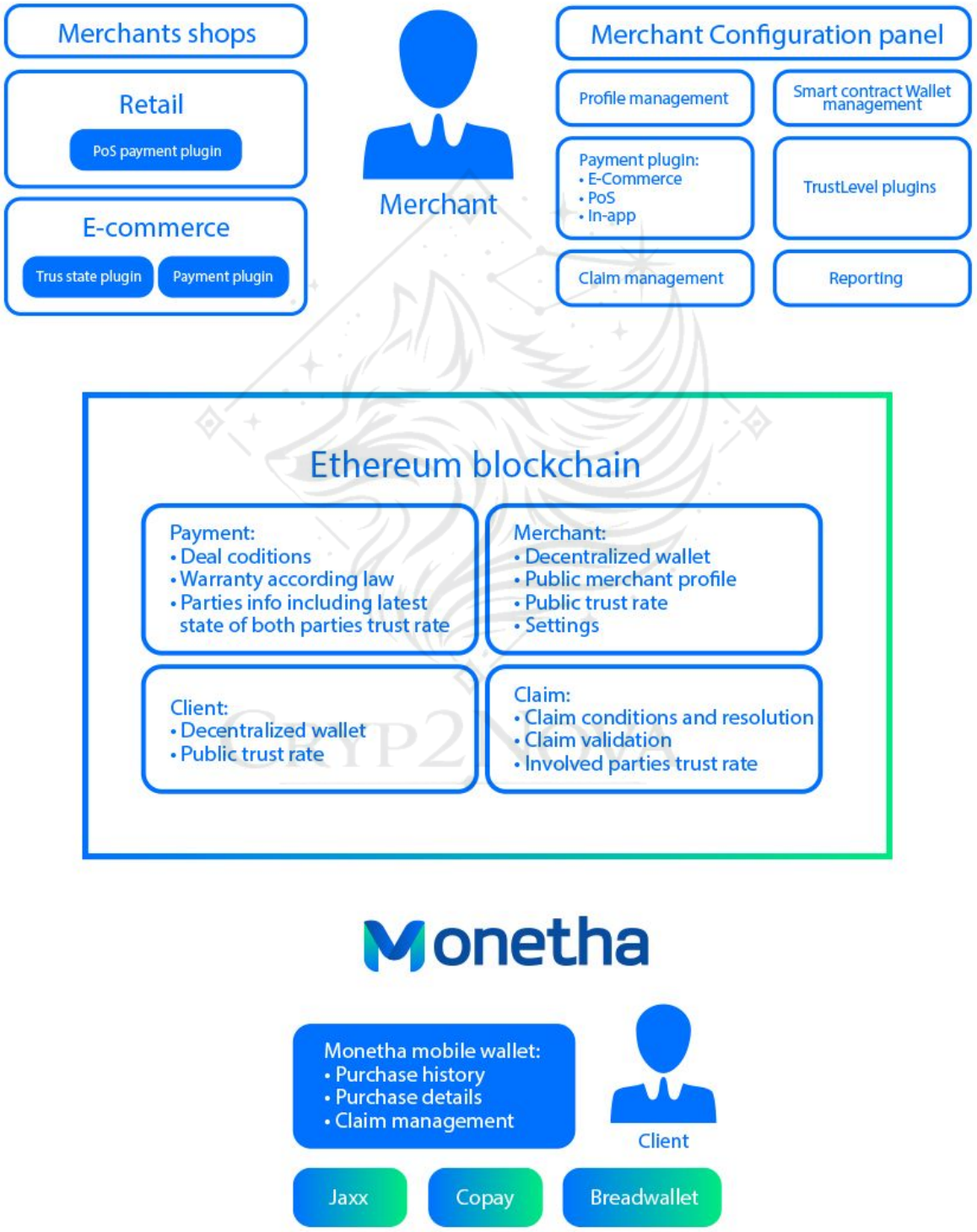





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If the claim is resolved relatively quickly, the merchant gets a relatively higher trust rating upgrade. The client's trust rating is also upgraded once the claim is resolved.

## 3.2 Intended Product architecture






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## 3.3 Beta version of the product

Goal of Beta version:

- Provide a platform for e-commerce merchants to expand their online payment solutions and accept mobile payments in Ethereum-based currencies.
- Show the potential of “TrustLevel” mechanism which will help to increase the transparency of e-commerce, which both merchants and clients will benefit from.

We have developed a solution where the merchant receives a Monetha payment gateway script that can be integrated into any shopping cart or website (some scripting knowledge is required).

The workflow is simple: the user picks items he or she wants, adds them to the basket and selects to pay with ETH. Monetha servers generate a QR code with all the needed underlying order information such as order number, price, currency, warranty, delivery option, etc. The client must scan the code during a defined time limit otherwise he needs to re-initiate payment. After the client scans the code with his preferred mobile crypto wallet and presses “send”, the transaction is sent to the blockchain together with purchase details.

Once the transaction has received several confirmations, the client is notified it was successful. After a few minutes, the merchant sees the money arrive in his wallet. During further development phases, we will introduce Merchant Smart Contract Wallet to enable rates, limits, and automatic exchange to local currency.

We aim to integrate with merchants in early Beta product stage, and together with them, improve and test the solution. Early participation will allow them to influence what features should be included in the roadmap. It will also enable them to expand their market reach, and through a simple setup to start accepting online payments with ETH.

After its launch, we will invite merchants to Beta programs to experiment with the newly introduced features.

## 3.4 Product development roadmap.

The product development timeline might not be final and is subject to change





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depending on the feedback we receive from our initial customers.

***Phase 1: E-commerce and first version of the trust rating - EUR 700k***

Goal: develop a fully-functional payment gateway with a user interface for e-commerce merchants and enable them to accept ETH currency while leveraging first version of trust level mechanism.

Time: early 2018

***Phase 2: A full e-commerce solution to accept Ethereum-based tokens and exchange them to fiat currency:  EUR 1.7m***

Goal: accept not only Ether currency, but also Ethereum-based tokens and enable merchants to exchange Ethereum currencies to fiat currency and transfer funds to their preferred account. Moreover, smart contract wallets, real-time analytics, and dashboards for merchants will be introduced during this stage

Time: mid 2018

**Phase 3: A Monetha Wallet for clients + Loyalty program + Significant improvement of decentralized trust and reputation algorithm: EUR 3.5m**

Goal: make a significant step towards a fully working decentralized trust and reputation system: improvement of decentralized trust and reputation algorithm together with Monetha smart contract based mobile wallet for making/solving claims, rating merchants, writing reviews, etc. Review purchase history, see clients' and merchants' trust rating, etc. Finally, the loyalty program will be enabled during this stage of development.

Time: late 2018

**Phase 4: Full functionality of the decentralized trust and reputation system - EUR 5.5m**

1. Goal: This level of financing will allow us to fully develop a globalized trust and reputation system to enable both parties to initiate/resolve claims so that global trust rate would reflect "the true trust of both parties". Reviews will be enabled, which will have a significant weight on trust rate for merchants and clients. Trust system algorithm will be improved to facilitate claims and client reviews. Mobile wallet version 2, mobile in-app SDK and other improvements to merchant's interface will be developed during this phase.





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Time: early 2019

**Phase 5: Retail -  EUR 7m**

Goal: Develop and introduce the decentralized payment, trust and reputation system for retail merchants. The ability to accept mobile payments in Ethereum-based currencies and exchange them to preferred fiat currency. Top-tier retail merchant interface to see the purchase history, analytics, etc.

Time: mid-to-late 2019

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# 4. Market opportunity and business model

The global e-commerce market size in 2016 was USD 1.9 trillion and is expected to rise to USD 4 trillion in 2020. At the same time, the global retail payments industry was worth USD 16 trillion in 2015. It is estimated to increase to USD 21 trillion in 2020. Global payment revenue was USD 1.8 trillion in 2015 and should reach USD 2.2 trillion in 2020.

According to Boston Consulting Group, the payment industry is about to experience a huge shift towards mobile payments:

- Mobile payment volume was USD 8.6 billion in the US. It is expected to increase tenfold by 2021 to reach $274bn only in US.
- Mobile share of total ecommerce is expected to increase to 48.5% of total e-commerce by 2020. It was 23.6% in 2015.
- Merchant mobile payment acceptance network to grow 10X by 2020.

## 4.1 Market opportunity

### 4.2.1 Explosive growth of E-commerce

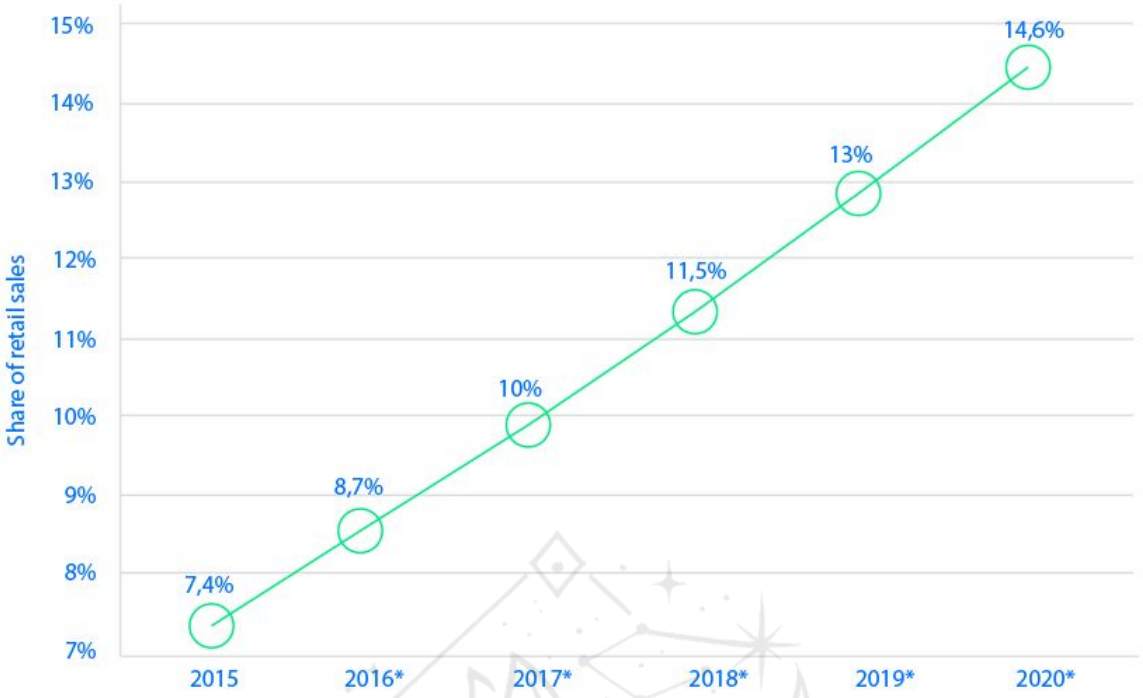
According to Statista, retail e-commerce sales worldwide in 2014 were USD 1.33 trillion and are projected to increase to USD 4.058 trillion by 2020.

The growth is perfectly illustrated by the number of shops created on Shopify platform. They had 84.000 shops in 2013, 144.000 in 2014, 243.000 in 2015 and ended 2016 with almost 378.000 merchants on the platform - a growth of 4.500% over 3 years.

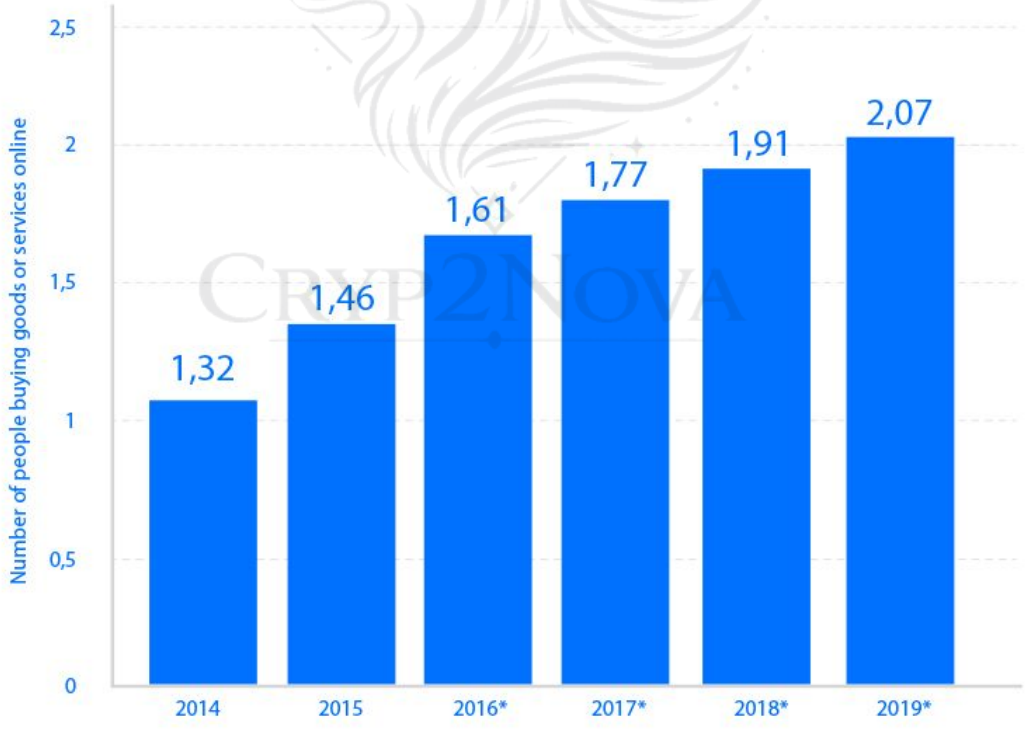
E-commerce is also gaining greater weight in total retail sales globally. It is expected to increase from 7.4% in 2015 to 14.6% in 2020.



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Furthermore, according to Statista, the number of people buying goods or services online will increase from 1.46 billion in 2015 to above 2 billion in 2020.




### 4.2.2 Explosive growth of mobile and digital payments



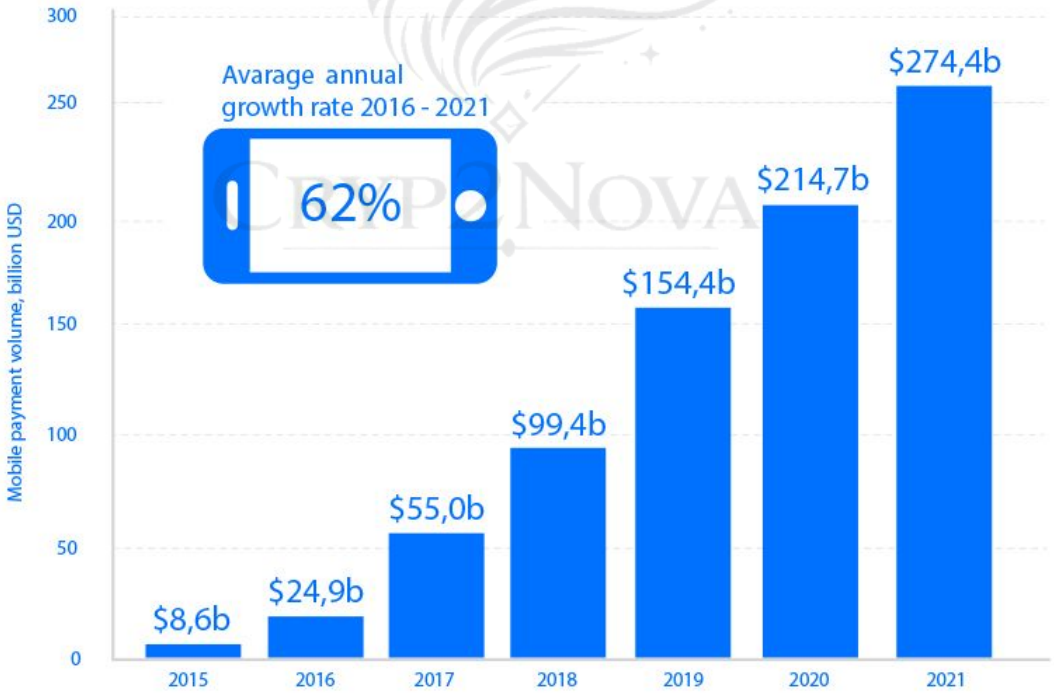
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According to Boston Consulting Group, the digital payments space is about to witness significant disruption in coming years. Some trends are starting to become clear that will transform the payments landscape globally over the next few years:

- Technology will make digital payments simpler: smartphone penetration, blockchain and crypto currencies, ubiquitous connectivity, biometrics, tokenization, cloud computing, and the Internet of Things are a few trends that will shape the way consumers will transact in the future.

- Merchant mobile payment acceptance network to grow 10X by 2020: Mobile based payment solutions and proprietary payment networks will drive merchant acquisition by offering low-investment solutions that will create economic incentives for merchants and acquirers, resulting in over 10 million merchant establishments that will accept digital/mobile payments.

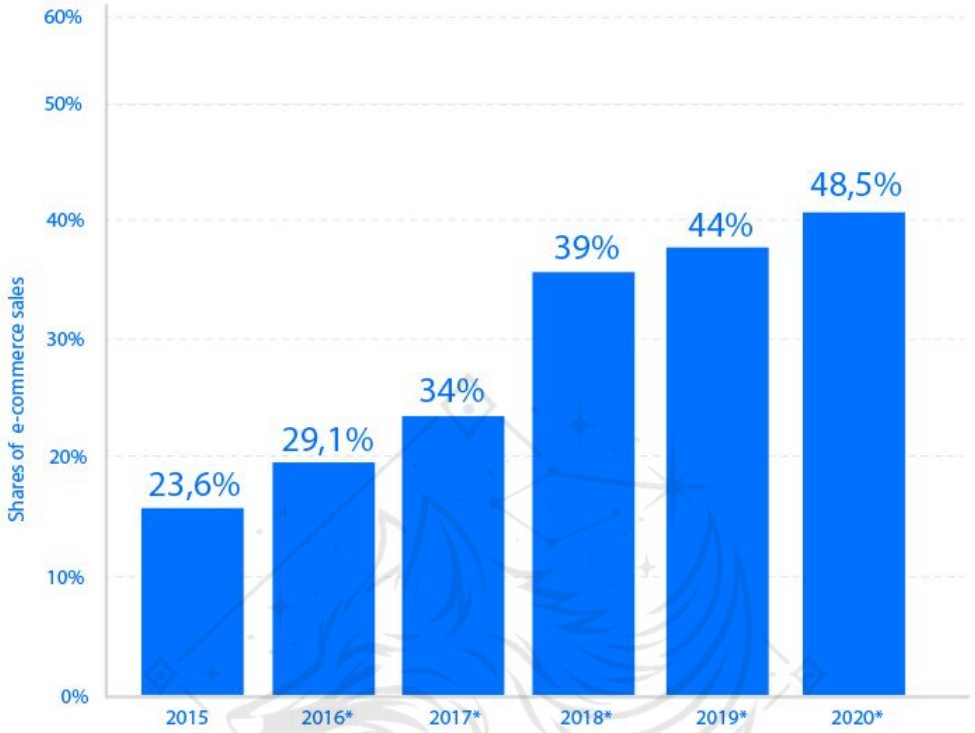
Mobile payment volume is expected to increase to $274bn by 2021 in the US alone. Chinese mobile payments were nearly 50 times greater than those in the US last year, according to Financial Times. Mobile payment with Alipay or WeChat is much more streamlined and only requires scanning a QR code from a retailer's point-of-service terminal or a smartphone.






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Moreover, as shown in the graph below, the mobile share of total e-commerce is expected to increase to 48.5% of total e-commerce.




In-app payments and proximity transactions are expected to be key catalysts of growth in the days ahead. However, in a breakout scenario, given a possible disruption by convenience, security and Internet of Things, the growth rate of mobile and digital payments could be even higher.

### 4.1.3 Transaction volume and global payment revenues

The payments industry is enormously big. The total value of global retail payments transactions was estimated at USD 16 trillion in 2015. This is estimated to increase to USD 21 trillion by 2020. The estimation comprised consumer-to-merchant transactions across retail verticals such as food and grocery, apparel, consumer durables etc. **Digital payments contributed to 8 percent, which is USD 1.26 trillion,** of the overall global retail payments market in 2015 and is projected to increase to **18-24 percent by 2020, which is USD 6.3 trillion.**

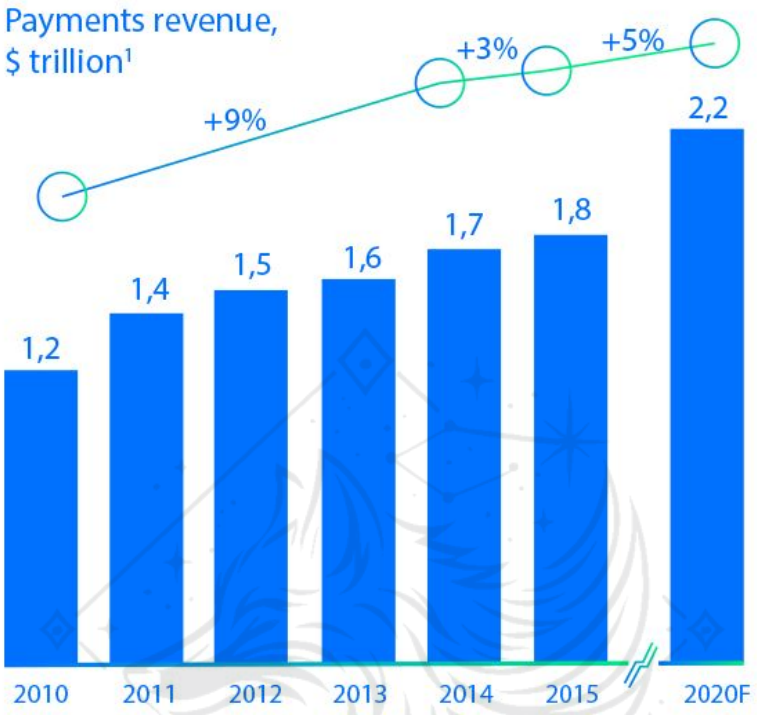
The global payments revenue market size is approximately **USD 2 trillion** and steadily rising. In most cases, global payments are the payments revenues that include direct and indirect revenues generated by non-cash payment services



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(excluding interbank transfers). Simply speaking, it's the total revenues collected by financial services companies around the globe.

As shown in the graph, the global payment revenues should reach USD 2.2 trillion over the upcoming few years.




## 4.2 Business model

Monetha will charge a 1.5% transaction fee from merchants. Of that, 0.5% will go to a "Voucher Smart Contract" in a for of MTH for Monetha token holders for an ability to use that in the Monetha's ecosystem and other 1% will go to the company as revenues.

An interesting fact is that the average traditional payment gateways take approximately only 0.25% + 0.1 from total fee as their revenue. This 0.25% + 0.1 is a mark-up fee to the interchange rates.

For example, if the total transaction fee that merchant is charged is 2.35% + $0.2, the 2.1%+ $0.2 is the **interchange part** that banks, credit card associations and others are dividing and 0.25% + $0.1 is the **markup part**, which payment gateways take home as revenue. We not only decrease the transaction fee that merchant has to pay, let alone the other fees that he will not have to worry about anymore, but we are also left with approximately four times the rate to do business with.



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# 5. Marketing and Strategy

## 5.1 Network effect

Our strategy is focused on **creating a network effect** as our decentralized trust and reputation system enables us to do that. Moreover, we will use the well-known bowling pin strategy: start with a niche market (stage 2: existing crypto community), and then move to other niches and broader markets.

**Stage 1.** In our case, we are focusing on the supply side first: being accepted in as many locations as fast as possible through partnerships that enables instant scale. To achieve that, we will partner with payment providers that can give us instant scale. **We are already in positive talks with major players**, **Revel Systems** and **Shopify,** being the biggest (as of the end of 2016, Shopify had over 377K merchants on its platform).
**Stage 2.** Educate the initial client base in the existing crypto community. Main value propositions: decentralized trust system, no need to pay credit card network fees, no spending limit.
**Stage 3**. Broader market adoption:

1. Once again: supply side first. Monetha is accepted in even more locations globally.
2. Education of general public. Supply increases exposure and people are willing to buy more from trusted merchants. Only Merchants accepting payments through Monetha will be guaranteed to be trustful by decentralized reputation and trust system.
3. Once there are more people willing to pay with their mobile phones at trusted merchants, more merchants will join the network.

**Network effect** is very well illustrated by **Metcalfe's Law**. For example: one telephone is useless. Two people with telephones can only make one connection, while five telephones make 10 connections and twelve telephones make 66 connections.

$$Value\ of\ a\ network\ =\ n(n-1)/2,\ where\ n\ is\ number\ of\ people\ using\ the\ network$$

Focusing on the supply side first drives the demand which in turn drives the supply. Network effect kicks in: **the more users there are, the more valuable it is.** This rapid adoption is then self-perpetuating as both sides value the access to a bigger network of users (read 'more choice', 'higher probability of finding a match') coupled



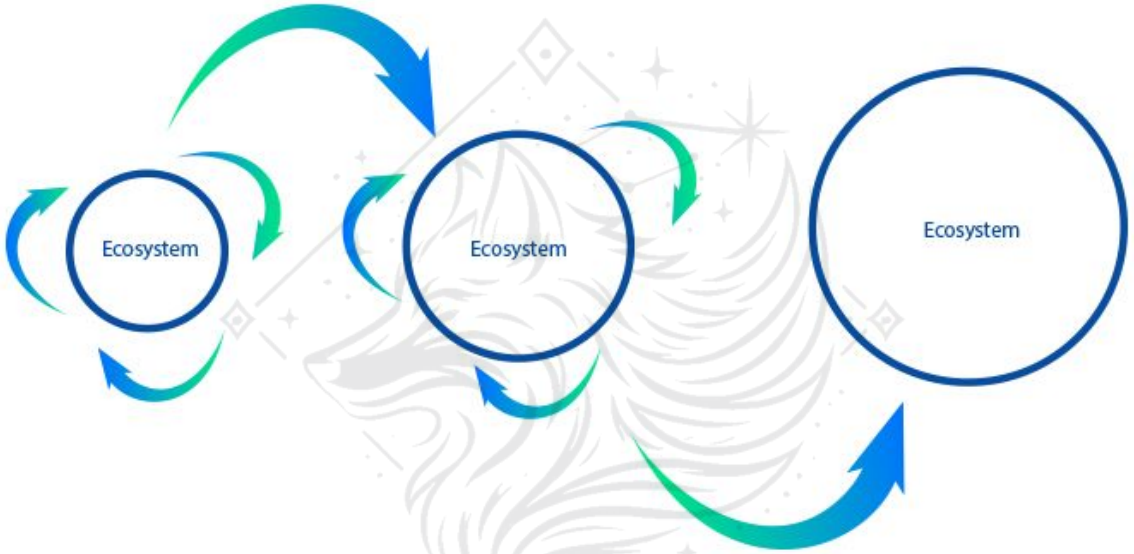


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with the improved transaction experience.

The importance of network effect was very well described by the Vice President of Bessemer Venture Partners (investors are LinkedIn, Shopify, etc.) in this LinkedIn post: https://www.linkedin.com/pulse/winning-marketplace-importance-supply-side-raghav-bahl

The growth of the ecosystem following those steps is illustrated in the graph below. That is how, in most cases, marketplaces and ecosystems are being built.




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## 5.2 Loyalty program

In order to encourage networks effects and create an ecosystem for Monetha token, we are going to introduce a loyalty program for clients. That is unprecedented as most loyalty programs are facilitated by merchants themselves and not payment providers.

### 5.1.1 How does the loyalty program work?

- Every purchase made via the Monetha payment system will reward the client with 0.2% (the percentage might change over time) of the value of the transaction in Monetha tokens from the Monetha loyalty pool. This is provided



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by Monetha no matter what goods or services the client buys or where the merchant and client are based.

- Loyalty tokens can be used during any purchase using a Monetha wallet:
    - The client picks an item he/she wants to buy
    - If the client has Monetha tokens she/he can apply them to reduce the items cost. The client gets a discount.
    - Monetha tokens are converted to ETH in real time.
    - Monetha tokens are returned to Monetha loyalty pool.
    - Monetha platform covers a discount for the merchant, so he gets the full item price.
    - Monetha tokens can be applied for up to 70% of the purchase value.
    - The client is still getting 0.2% of the amount paid by ETH (or other cryptocurrency) after loyalty is applied.
- Tokens acquired in this way are eligible for a discount for 6 months. Unused tokens are returned back to Monetha loyalty token pool.
- The client cannot convert tokens exchanged in this way to any crypto or fiat currency.
- The merchant is able to provide bigger loyalty discounts for his clients by adjusting his loyalty settings in merchants interface.
- Clients with high trust are eligible for higher discount percentage than 0.2%.
- The exact percentage of loyalty MTH tokens granted with every purchase might change over time.

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# 6. Crowdsale details

The Monetha crowdsale and the corresponding token creation process will be issued by Monetha GmbH, a Swiss Limited Liability Company, and will be organized around smart contracts running on Ethereum. Participants willing to support the development of the Monetha Project can do so by sending Ether currency to the designated address. By doing so, they are purchasing Monetha Tokens (MTH) at the rate of 2 000 MTH per 1 ETH which are sent instantly to their wallet.

- The accepted currency during the ICO is Ether.
- The creation will be capped (“Soft Cap”) upon receipt of ETH equivalent to EUR 7m (fixed on 28000 ETH). This amount is subject to change before the Token Creation event.
- The Token Creation period will last 31 (thirty one) days, if Soft Cap is not reached sooner.
- If the Soft Cap is reached before the end of 31 (thirty one) days, additional contributions will be accepted for 120 hours in case some contributors missed the very short window for MTH creation.
- If the Crowdsale campaign does not reach its minimal capital goal of EUR 700.000 (fixed on 2800 ETH) all funds will be returned automatically to the MTH holders by the Ethereum smart contract.
- Token Creation has a hard cap: upon achieving this cap, token creation will stop and no further contributions will be accepted. The hard cap amount is 95 000 ETH.
- Tokens that are not sold during the Crowdsale will be burned automatically by the smart contract

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| | |
|---|---|
| Issuer | Monetha GmbH |
| Jurisdiction of Issuance | Switzerland |
| Legal qualification | Utility Coin, not a security |
| MTH created per ether | 2000 MTH |
| Minimal goal | EUR 700k (fixed on 2800 ETH) |
| Soft Cap | EUR 7m (fixed on 28000 ETH) |



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| | |
|---|---|
| Hard Cap | 95 000 ETH |
| Additional | 120h if soft cap is reached |
| Maximum number of tokens generated | 402 400 000 |
| % of tokens generated to Monetha team | 15%. Automatically locked for 12 months by smart contract. |
| % of tokens generated for loyalty program | 13%. Automatically locked for 12 months by smart contract. |
| % of tokens generated to bounty campaign, advisors, partners, ICO campaign costs | 12% |
| % of tokens generated for future company financing | 10%. Automatically locked for 12 months by smart contract. |
| % of tokens generated to Crowdsale participants | 50% |
| Date of crowdsale start | August 31, 2017 |
| Date of crowdsale end | 31 days or until soft cap is reached |
| Additional time if soft cap is reached | 120h |

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## 6.1 MTH Creation Ratios

- 1st price batch until the soft cap is reached: 1 ETH = 2400 MTH
- 2rd price batch after the soft cap is reached: 1 ETH = 2000 MTH.

The contribution amount limits for each price batch will be announced.

## 6.2 MTH Tokens

The Monetha token will be an Ethereum-based token of value. The token is a digital asset, bearing value by itself based on its underlying assets, properties and/or associated rights.





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Ethereum-based tokens rely on a well-established Ethereum infrastructure, benefiting from several advantages:

- Security and predictability (as opposed to, for example, having to run an independent blockchain network).
- Use of robust and well-supported clients (Ethereum-based tokens can be managed with official Ethereum clients).
- High liquidity (interchangeable with other Ethereum-based tokens or Ether), easier listing on exchanges with infrastructure already in place.

Our Ethereum-based token contract complies with the ERC20 standard. More detailed info about the ERC20 standard can be obtained from: https://github.com/ethereum/EIPs/issues/20

## 6.3 Incentive program

Always with the scope to create a network effect, Monetha has decided to increase the purchase value of the MTH on the Monetha platform, by shifting ⅓ of Monetha's revenue in the "Voucher Smart contract" with an ability to claim for a voucher proportionately to the amount of MTH tokens that they hold. Token holders will receive a voucher in MTH (Monetha's currency) to use it as a discount when shopping with Monetha's merchants. This voucher would be proportional to the amount of the MTH tokens held.

Here's how it works:

*Let's say we have 1000 investors as MTH holders, holding 1 MTH each. Now, all token holders equally hold 0.1% of the total token supply.

*Let's say Monetha's merchants sold 100 000 ETH worth of goods and services in one month and let's say that 1ETH = 1MTH. Because Monetha takes 1.5% transaction fee from merchants, Monetha will have 1500 ETH of revenue collected.

*For this scenario, ⅓ of Monetha's revenue means ⅓ of 1500 ETH = 500 ETH. Therefore, we will put 500 MTH in the "Voucher Smart Contract".
We get 500 MTH Voucher that is available to use for MTH holders in Monetha's ecosystem. All 1000 MTH holders will equally have the ability to use 500 MTH



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Voucher when shopping with Monetha's merchants. In this case, one token holder will be able to spend up to 0.1% of 500 MTH (=0.5 MTH each).

This voucher will be redeemable if you transfer your MTH tokens to the smart contract address on the 1st day of every month. Then, within the 24 hour window, your MTH tokens will be returned to your wallet. You will be able to accumulate your voucher each month and spend the amount you collected over the 6 month period in the Monetha's ecosystem. Each month's collected MTH voucher will be viable to spend for the upcoming 6 months. Unclaimed/unused revenue from vouchers will be put in a pool for the next month.

The MTH voucher is not compare to the MTH token. The voucher is not transferable, cannot be sold and can only be used for purchasing discounted goods on the Monetha Platform.

The duration of this incentive program will stay at full discretion of Monetha, but will at least last for the first 24 months starting from the first purchasing activity on the platform.

## 6.4 Budget

| Field | Portion of budget | Activities |
|---|---|---|
| Legal | 10% | Company establishment, contracts with merchants, etc. |
| Product Development | 50% | Product development according to development roadmap |
| Operations | 10% | Management, employee salaries. |
| Marketing, sales, merchant acquisition & partnerships | 30% | Expenses for attracting merchants, making partnerships with payment providers, loyalty program |



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# 7. Legal

## 7.1 General information

The Monetha token does not have the legal qualification of a security, since it does not give any rights to dividends or interests. The sale of Monetha tokens is final and non-refundable. Monetha tokens are not shares and do not give any right to participate to the general meeting of Monetha GmbH. Monetha tokens cannot have a performance or a particular value outside the Monetha Platform. Monetha tokens shall therefore not be used or purchased for speculative or investment purposes. The purchaser of Monetha tokens is aware that national securities laws, which ensure that investors are sold investments that include all the proper disclosures and are subject to regulatory scrutiny for the investors' protection, are not applicable.

Anyone purchasing Monetha tokens expressly acknowledges and represents that she/he has carefully reviewed this white paper and fully understands the risks, costs and benefits associated with the purchase of Monetha.

## 7.2 Knowledge required

The purchaser of Monetha tokens undertakes that she/he understands and has significant experience of cryptocurrencies, blockchain systems and services, and that she/he fully understands the risks associated with the crowdsale as well as the mechanism related to the use of cryptocurrencies (incl. storage).

Monetha shall not be responsible for any loss of Monetha tokens or situations making it impossible to access Monetha tokens, which may result from any actions or omissions of the user or any person undertaking to acquire Monetha tokens, as well as in case of hacker attacks.

## 7.3 Risks

Acquiring Monetha tokens and storing them involves various risks, in particular the risk that Monetha GbmH may not be able to launch its operations and develop its blockchain and provide the services promised. Therefore, and prior to acquiring Monetha tokens, any user should carefully consider the risks, costs and benefits of acquiring Monetha tokens in the context of the crowdsale and, if necessary, obtain any independent advice in this regard. Any interested person who is not in the position to accept or to understand the risks associated with the activity (incl. the risks related to the non-development of the Monetha platform) or any other risks as indicated in the Terms & Conditions of the crowdsale should not acquire Monetha tokens.



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## 7.4 Important disclaimer

This white paper shall not and cannot be considered as an invitation to enter into an investment. It does not constitute or relate in any way nor should it be considered as an offering of securities in any jurisdiction. This white paper does not include or contain any information or indication that might be considered as a recommendation or that might be used as a basis for any investment decision. Monetha tokens are just utility tokens which can be used only on the Monetha platform and are not intended to be used as an investment.

The offering of Monetha tokens on a trading platform is done in order to allow the use of the Monetha platform and not for speculative purposes. The offering of Monetha tokens on a trading platform does not change the legal qualification of the tokens, which remain a simple means for the use of the Monetha platform and are not a security.

Monetha GmbH is not to be considered as an advisor in any legal, tax or financial matters. Any information in the white paper is provided for general information purposes only and Monetha GmbH does not provide any warranty as to the accuracy and completeness of this information.

Monetha GmbH is not a financial intermediary according to Swiss law and is not required to obtain any authorization for Anti Money Laundering purposes.
Acquiring Monetha tokens shall not grant any right or influence over Monetha GmbH's organization and governance to the Purchasers.

Regulatory authorities are carefully scrutinizing businesses and operations associated to cryptocurrencies in the world. In that respect, regulatory measures, investigations or actions may impact Monetha GmbH's business and even limit or prevent it from developing its operations in the future. Any person undertaking to acquire Monetha tokens must be aware of the Monetha GmbH business model, the white paper or terms and conditions may change or need to be modified because of new regulatory and compliance requirements from any applicable laws in any jurisdictions. In such a case, purchasers and anyone undertaking to acquire Monetha tokens acknowledge and understand that neither Monetha GmbH nor any of its affiliates shall be held liable for any direct or indirect loss or damage caused by such changes.

Monetha GmbH will do its utmost to launch its operations and develop the Monetha platform. Anyone undertaking to acquire Monetha tokens acknowledges and understands that Monetha GmbH does not provide any guarantee that it will manage to achieve it. They acknowledge and understand therefore that Monetha GmbH (incl. its bodies and employees) assumes no liability or responsibility for any loss or damage that would result from or relate to the incapacity to use Monetha tokens, except in case of intentional misconduct or gross negligence.





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## 7.5 Representation and warranties

By participating in the crowdsale, the purchaser agrees to the above and in particular, they represent and warrant that they:

- have read carefully the terms and conditions attached to the white paper; agree to their full contents and accept to be legally bound by them;
- are authorized and have full power to purchase Monetha tokens according to the laws that apply in their jurisdiction of domicile;
- are neither a US citizen or resident;
- live in a jurisdiction which allows Monetha GmbH to sell Monetha tokens through a crowdsale without requiring any local authorization;
- are familiar with all related regulations in the specific jurisdiction in which they are based and that purchasing cryptographic tokens in that jurisdiction is not prohibited, restricted or subject to additional conditions of any kind;
- will not use the crowdsale for any illegal activity, including but not limited to money laundering and the financing of terrorism;
- have sufficient knowledge about the nature of the cryptographic tokens and have significant experience with, and functional understanding of, the usage and intricacies of dealing with cryptographic tokens and currencies and blockchain-based systems and services;
- purchase Monetha tokens because they wish to have access to the Monetha platform;
- are not purchasing Monetha tokens for the purpose of speculative investment or usage.

## 7.6 Governing law and arbitration

Any dispute or controversy arising from or under the crowdsale shall be resolved by arbitration in accordance with the Swiss Rules of International Arbitration of the Swiss Chamber of Commerce in force on the date when the Notice of Arbitration is submitted in accordance with these Rules. The arbitration panel shall consist of one arbitrator only. The seat of the arbitration shall be Lugano, Switzerland. The arbitral proceedings shall be conducted in English.

# 8. Team

## 8.1 Monetha Team

**Andrej Ruckij: co-founder, technology.** LinkedIn



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The mastermind architect of “Monetha” technology. A blockchain geek. He earned gigantic experience as a Vice President of Development at “Adform”, a global digital advertising company. He is an engineering star who built and led more than 300+ engineers to build a scalable technology “Adform” now used globally. With a degree in computer science, Andrej is recognized as one of the thought leaders in “Agile” software development philosophy, and as a proof of that, he runs one of the most read “Agile” blogs in the world called “Agile Mindstorm”. It is notable that Andrej left “Adform” after 9 years of excellent work to co-found “Monetha”.

**Eric Duprat: payments lead. LinkedIn**

A major name in the payments industry. A former executive at PayPal. Eric was the General Manager of Mobile at PayPal where he played an instrumental role in establishing PayPal as a player in mobile payments. Under Eric’s leadership, PayPal’s mobile payment business saw a growth from $7M of payment volume on 2008 to $4+ billion in 2011. During the past two decades, he has established a reputation throughout the industry as a results-oriented leader. Eric has 20+ years of experience in global payment and security systems and 6 years with CEO/CFO and founder experience including successful fund raising.

**Kellogg N. Fairbank: Sales and Merchant Acquisition Lead LinkedIn**

An accomplished FinTech sales and BD executive. Former VP Sales/Head of Business Development for Braintree Payments in Europe, hired as their first international employee. As part of the Braintree/Venmo team, helped grow the company to $12 Billion in overall payments volume and $4 Billion in mobile payments volume annually, until its eventual sale to PayPal in 2013 for $800 Million. 8+ years working for major names in the payments space, including GlobalCollect and PayPal. More recently, leveraging his strong international network in the industry, Kellogg has been advising large international merchants to streamline their payments platforms at Opus Capital.

**Jean-Marc Seigneur: Decentralized Trust and Reputation lead. LinkedIn**

Dr. Jean-Marc (Jm) Seigneur has published internationally more than 100 scientific papers on computational trust and online reputation management (ORM). With a Ph.D. in Computer Science from Trinity College Dublin in 2005, Jm has managed several EU-funded multi-million R&D e-reputation projects at the University of Geneva. In 2016, he has obtained a Google Award for Excellent Research in



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Academia. He has advised companies like “Philips”, “Amazon”, “Thales” and “Swissquote”. Since 2016, Jm has started to apply online reputation management to the fintech world as Chief Reputation Officer of “GLOBCOIN” and as member of the ITU standardization groups on trust and digital currency including digital fiat currency.

**Justas Pikelis: co-founder, business.** LinkedIn

Justas is a Lithuanian entrepreneur who has previously founded companies in IT and robotics. He has gotten a governmental scholarship for his education in IIT (illinois Institute of Technology). In 2010, Justas Pikelis founded an established marketing and business consulting company “G4”. With his main competencies in digital marketing, social media marketing, product advertising and branding, he was able to attract well known international clients in Baltic States, France, the United States, United Arab Emirates, Sri Lanka, Singapore, Malaysia and other countries. Justas’s marketing knowledge of financial technologies and the blockchain inspired him to co-found “Monetha”.

**Laurynas Jokubaitis: co-founder, product.** LinkedIn

Previously a founding CEO of “Wowtto” which raised more than EUR 300k from Venture Capital investors. With an enormous interest in blockchain and financial technologies, he made an investment into “Edgeless”: zero edge decentralized casino on Ethereum blockchain. One of the most successful ICOs of 2017.
It is noteworthy, that Laurynas (Wowtto CEO) and Andrej (Wowtto CTO) co-founded “Wowtto” and have a history of working together in a team.

**Viaceslavas Ruckis: engineering lead.** LinkedIn

Jack of all trades. The right hand of Andrej. 10 years of experience designing and implementing software solutions. With the main expertise at the moment carrying in: B2B Ecommerce, Blockchain based systems development, data driven applications and document management applications. Bridging the gap from technical solutions to business. Participated as a technical consultant in startups like Wobble and Wowtto. Helped designing and building scalable, durable and cost optimized solution covering mobile, frontend and backend tracks.

**Martynas Adomaitis: smart contract developer.** LinkedIn

10 years experience implementing software solutions in B2B ecommerce, document



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management applications. Now he focuses on data driven applications and smart contract development.
Full stack software developer capable of handling whole life-cycle of development process.
Counts himself as a developer who believes nothing is impossible and any idea can be realized.

**Andrej Davidovic: software engineer.**

Andrej has a very interesting background as he came to software development world from a world of statistical data - previously working in National Department of Statistics. He is very precise in his work as a software engineer so he does not let even a minor bug slip by unnoticed!

**Erikas Malisauskas: product design/front end developer.** LinkedIn

Erikas is a magnificent UX/UI designer who also has a great product design thinking. His 6 years of experience working in companies like "MailerLite" and "Mediapark" has positioned him as a high demand user experience designer. Erikas is most effective when designing handy user interfaces, attractive product landing pages and satisfying mobile apps. He also has a strong knowledge in coding, so can communicate with developers very easily

## 8.2 Monetha Advisory Team

**James Downton: Marketing advisor.** LinkedIn

Co-Founder of “The Marketing Group Plc” (IPO’d in May 2016). He is also the CEO of a successful marketing agency “Clickverta”. James’s knowledge in digital marketing brings a lot of value to “Monetha” and his strategic experience in IPO’s is potentially very precious for “Monetha’s” ICO.

**Sean Harper: product and payments advisor.** LinkedIn

Sean Harper has been deeply involved in payments industry. After a successful run, his project "FeeFighters" (founder/CEO) was later bought by an e-commerce giant "Groupon". “FeeFighters” later became Groupon Payments. After the acquisition, Sean's involvement in payments didn't stop. He was a Chief Product Officer at more than 100 employee firm called "2Checkout". Nowadays, Sean is a board member of



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"Accion" and a thought leader in payment innovation.

**Nik Rokop: business advisor.** [LinkedIn]

Nik Rokop is currently a Coleman Foundation Clinical Associate Professor of Entrepreneurship at Illinois Institute of Technology with over 40 years of experience in business (Former VP of Rokop Corporation). Nik positioned himself as one of the thought leaders in Chicago's startup scene.

**Robertas Visinskis: ICO advisor** [LinkedIn]

Robertas is not only a founder/CEO of a very well-known ICO project "Mysterium Network" (raised 15 million USD in only 45 minutes!), but also has more than 2 years of experience in online reputation systems building (ex-CEO of Trustribe). Robertas provides significant ICO knowledge to raise money for Monetha's development.

**KPMG: Legal and regulatory advisor**

KPMG in Switzerland helps us navigate through Switzerland's legal and regulatory framework. They helped us make the structuring of the coin for the launch of the token sale and coordinate with the regulatory authority.

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