Osom Product Lightpaper

Designed by Polybius

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Intro



polybius

Polybius is a financial company, founded and publicly funded in 2017 in Tallinn, Estonia. Throughout the following year, Polybius' team has expanded to Belgium, headquartering in the capital of the European Union – Brussels. During the period, the team has been designing and developing the strategy and the main product – the Osom app.

Osom is designed to be a universal, currency-agnostic and legally regulated finance management tool for first European, and then global markets with more than two bank accounts per capita. As that appears to be the case in many regions of Europe, with new financial products seeing growing demand, it is expected that the product and services of will gain the popularity required for further advancement throughout the EU.

The core pillars of the project are regulations and technology, which allow the planned product to be compatible with other market participants and potential customers. The backbone of planned services is the Payment Services Directive 2, issued by the European Central Bank, as well as growing demand for aggregation services and increased integration of new payments mechanisms. Growing smartphone adoption across the EU provides the required infrastructure for Osom app to operate.

The team behind the project involves individuals with high expertise in finance, digital innovation, product development and marketing, coming from companies such as Credit Suisse, Solvay, Pipedrive and L'Oreal.

This lightpaper will cover the pillars that base the foundation, provide product specifications, outline the project roadmap and note the licenses required for operations.

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Osom App



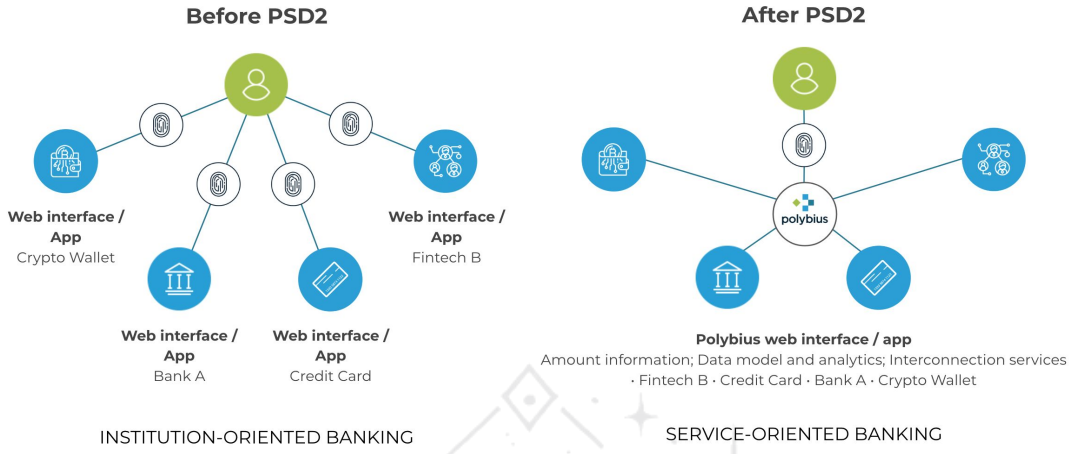
Osom – is a brand-new tool for managing personal finances, that comes straight out of the latest European regulations and some clever innovations around user experience. Using the emerging technologies as well as research, Osom aims to offer refined money-management opportunities to its European customers.

Among the top planned features of Osom are: currency-agnostic aggregation of debit and credit balances, integration of both classical and modern financial assets across banks, crypto wallets and exchanges, per-transaction spending/saving analysis and some other, more traditional products. Aggregation of financial information within a single dashboard is only the first step in the list of planned value-adding features. One of the main goals is to help people not just navigate through finances, but to stay in full control over the personal financial liquidity, leveraging on the finest offers the EU market has to offer.

The product will stay in the development stage until 2019, when it is planned to go live and onboard its first customers. Closed alpha test has been initiated on December 1 2018. During this phase, feedback from the pre-selected batch of users will be collected and implemented in the development plan. Among the primary markets for the service are Belgium, Netherlands, Germany and France, with more EU countries to follow in 2020.

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Regulations



In 2015, the European Commission has proposed a new set of regulatory standards *(2015/2366)* for the EU financial markets, aiming to diversify the instability risks among the market participants. In January 2018, PSD2 has entered force, requiring European banks to issue APIs which would allow account data collection by third-party financial services upon user request. This creates a legal environment for three new types of financial services providers:

- Account Information Service Providers or AISPs (i.e. Polybius)
- Payment Initiation Service Providers or PISPs (i.e. PayPal)
- Account Servicing Payments Services Providers or ASPSPs (i.e. HSBC)

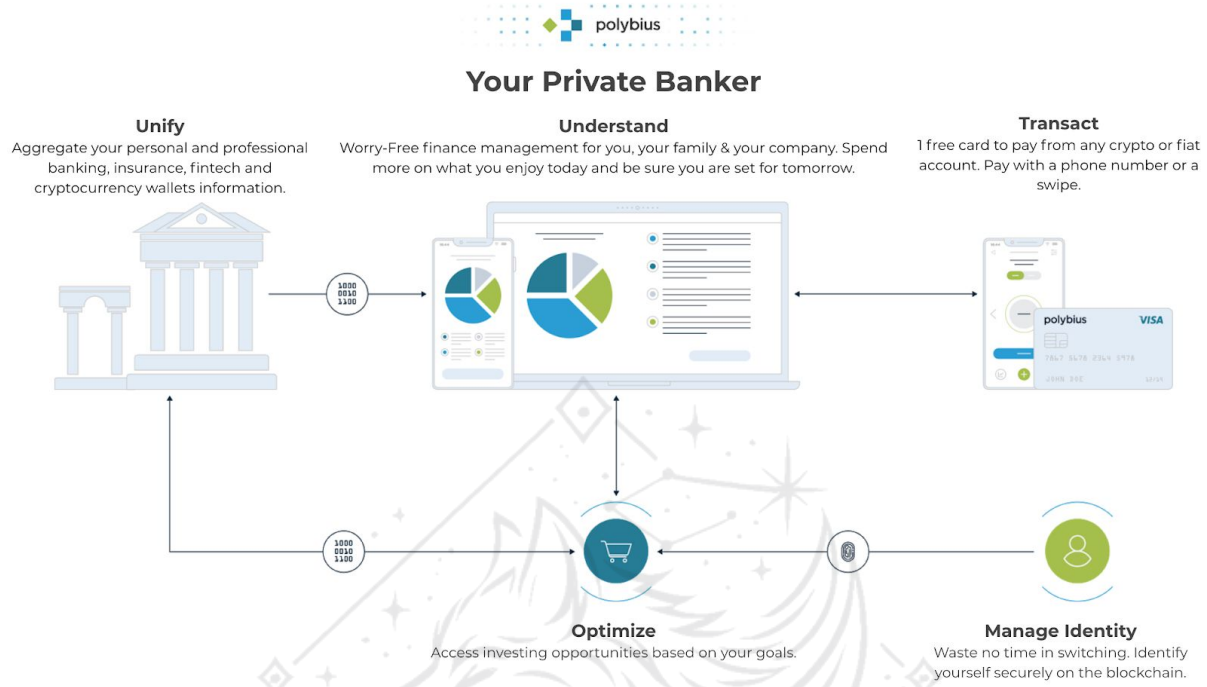
The aim of Polybius' product is to act as AISP, providing a full overview and control over funds that are located within the regulated financial entities like banks.



In 2016, the Market Infrastructure Board (the MIB) has proposed a draft for updating the transaction settlement across the Eurozone. Two years later, the system is entering the operations phase, offering euro users a more sophisticated money remittance service. The new system – TARGET Instant Payment Settlement, or TIPS, will allow EU banking customers to send and receive funds to their accounts instantly.

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Technology



Osom, the main Polybius' product, will operate on the principle of acquiring, aggregating and sorting information from a variety of vendors in a single interface. To collect information, users will need to establish either direct or API-based connections to the services of their choice.

Product development will be iteration-based, starting with aggregation of cryptocurrency-related services and tools, and then spreading onto banks and other payment institutions within the EU. Integration of other centralized financial service providers, such as credit and insurance agencies, will need to be based on intercorporate agreements, arranged after acquiring the Payments Institution License throughout 2019 and 2020.

Enabling access to and control over such services as cryptocurrency wallets will not require any specific or yet underdeveloped technologies or procedures, as most of the information is accessible through public blockchain addresses (read-only) and private keys. Cryptocurrency exchange user accounts are accessible via API keys provided by the service providers upon user's consent.

Osom will offer its services via desktop progressive web apps as well as mobile apps.

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Roadmap

Target Market in 3 years: All Eurozone countries, Eurozone residents customers only.

2018

Phase 1

- Brussels HQ established
- Core team onboarded
- New website and product design
- Platform development
- Application for token wallet license in Estonia
- Application for PSD2 license in Belgium

2019

Phase 2

- Set up marketing efforts
- Polybius platform closed testing
- Launch of platform open testing
- Launch of account aggregation functionality (Belgium)
- Integration of token wallet from Polybius Wallet into the interface

Phase 3

- Market launch of payment initiation functionality (Belgium)

2020

Phase 4

- Other functionalities subject to obtaining necessary licenses or partnerships: insurance brokerage, investment advice (Belgium)
- Market expansion (France, Netherlands)

Phase 5

- Other functionalities subject to obtaining necessary licenses or partnerships: wealth management, brokerage account (Belgium)
- Market expansion (Estonia, Germany, Italy, Luxembourg, Spain, UK)

2021

Phase 6

- Further market expansion (rest of the EU)

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Market



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Licenses

Token Wallet License

As indicated above, the Polybius group will be offering a Cryptographic token wallet service. This will be done through a dedicated company, Polybius Wallet OÜ, which was incorporated in Estonia in October 2018.

Against this background, Polybius is in the process of applying for a license as a token wallet operator with the Estonian regulator. Estonia is, at the time of writing, the only EU Member State to have introduced a licensing system covering such activities. The country is at the forefront of innovation, and has in many ways anticipated the entry into effect of the EU's Fifth Anti-Money Laundering Directive ("AMLD5"). This piece of legislation brings token exchanges and token wallet services such as Polybius' own service within the scope of EU AML rules. We will therefore be AMLD5 Compliant and subject to the Estonian regulator's strict conditions on AML, security of wallets, Know-Your-Customer ("KYC") obligations etc.

As soon as Polybius obtains regulatory approval from the Estonian regulator (expected in Q4 2018), it will launch its token wallet solution. Subsequently, once Polybius obtains its separate Belgian PSD2 license (expected Q2 2019), it will integrate this feature in its upcoming financial management app, alongside users' traditional payments accounts.

Payments Institution License

The abovementioned payments services which Polybius intends to offer are regulated under PSD2. Our Belgian arm - Polybius Fintech Sprl - is currently seeking a license as an authorised Payments Institution with the National Bank of Belgium ("NBB").

Concretely, PSD2 allows authorised Payments Institutions to obtain access to banks' infrastructure and customer data so as to encourage competition and innovation in payments services. As a prerequisite to obtaining a license, aspiring Payments Institutions first need to demonstrate to regulators that they comply with strict conditions relating to their internal governance arrangements, IT security systems, handling of personal data AML, business continuity and disaster recovery setups etc.

Once Polybius obtains approval from the NBB (expected Q2 2019), we will roll out our product and service offerings in Belgium, before moving on to neighbouring France and Netherlands at the end of 2019 / beginning of 2020. Our license will be EU-wide and passported into other EU Member States.

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