

Whitepaper



Crypto Mark

"Let's make the Mark great again!"

Beta

Version: 0.9

Status: Draft

Date: 15/12/2017

Inhalt

- Executive Summary 3
- Background..... 4
- Technology 5
 - Key details: 5
- Building trust in the Crypto Mark – building value for the Crypto mark..... 6
 - Distribution and promotion of the Crypto Mark..... 6
 - Exchange listings 7
 - Creating use cases to add value to the Crypto Mark 7
 - Blockchain based business models add value to the Crypto Mark 8
 - Example of a planned blockchain based business model – crypto shares..... 9
 - Further examples of a planned blockchain based business models 11
- Roadmap 12
- Resources: 13
 - Offical webpage and forum 14
 - Facebook 14
 - Twitter 14
 - Telegram Group..... 14
 - Etherdelta.com 14

Executive Summary

The German Mark („DM“) used to be known as a currency of strength and stability, which was used not only in Germany but also in many other areas of the world. However, the financial crisis in 2008/09 and the following Euro crisis have resulted in a significant loss of trust in the Mark's predecessor, the Euro.

The Crypto Mark is a cryptocurrency, which is based on the Ethereum platform and ERC-20 compliant. It is set to guarantee the stability of its value over time. Specifically, it comes with a non-alterable total supply of 82m units, which is less than 1 Crypto Mark per German inhabitant. It is forgery proof, allows for quasi anonymous peer-to-peer payments and is not influenced by Governments, Central Banks or private individuals.

Our target is to create a transaction currency which is accepted worldwide – not only in Germany.

To achieve this target, we are educating people worldwide about the Crypto Mark by distributing it freely to those people, who support our development. Overall, 85% of all Crypto Mark will be given away to the people via airdrop and bounty campaigns. However, the Crypto Mark is only freely distributed to people who truly help us building our community and thus to increase the value of the Crypto Mark.

Secondly, we will list the Crypto Mark on a number of cryptocurrency exchanges. This is mainly to ensure that potential shop owners, who would like to accept the Crypto Mark, have an opportunity to reconvert the incoming Crypto Mark into fiat currencies at a reliable price.

Thirdly, we will develop use-cases for the Crypto Mark. In the beginning, this might involve shops accepting only a certain part of a purchase in Crypto Mark, but once the value of the Crypto Mark becomes more visible via exchange listings, we expect shops to move to a full acceptance of Crypto Mark. We will support shops with marketing support such as a listing on our webpage etc.

Finally, we are planning to create tangible value for holders of the Crypto Mark. We are considering several blockchain based business models, which will charge a small percentage of transaction value for each transaction. This money – cryptocurrencies like Ether – will then be transferred to a smart contract, only dedicated to holding the asset for Crypto Mark holders. Crypto Mark holders then have the opportunity to convert their Crypto Mark into the underlying crypto currency at their fractional portion of the net asset value. Given that the net asset value of the Crypto Mark can only increase over time, this is however not expected to be widely used.

Background

The German Mark („DM“) used to be known as currency of strength and stability, which was used not only in Germany but also in many other areas of the world. Countries which were not blessed with their own stable currency used the Mark as well, either as a secondary (unofficial) currency or as local governments pegged their own currency to the Mark (e.g. in Bosnia-Herzegovina). The main reason for the strength of the Mark was mainly the independence of the German Central Bank (“Bundesbank”), which had only one main target: Keeping inflation at a low level. Despite attempts in its early days of the German Government to influence it, the Bundesbank always kept its independence and controlled inflation mainly by managing the monetary supply.

The financial crisis in 2008/2009 and the Euro crisis which followed it have shown however that the Euro, which succeeded the Mark in 2001 as the official currency in Germany and most other EU countries, is not blessed with an equally independent Central Bank. Instead, the European Central Bank broke its own rules during the Euro crisis by starting the printing press and buying national debt of the Euro Zone government with it.

The Crypto Mark is designed as a Crypto Currency, which guarantees the stability of its value over time. Specifically, it comes with a non-alterable total supply of 82m units, which is less than 1 Crypto Mark per German inhabitant. It is forgery proof, allows for quasi anonymous payments peer-to-peer and is not influenced by Governments, Central Banks or private individuals.

While it is a private initiative it is none-the-less our goal for the Crypto Mark to become a widely accepted transaction currency – not only in Germany.

Technology

The Crypto Mark has been designed as an ERC-20 compliant token, which is based on the Ethereum blockchain.

Key details:

Technology: Ethereum ERC-20 Token

Ethereum address: 0x254e9BB84C9118D1501f0b7c45AAD6038b765735

Code: CTM

Digits: 18

Total supply: 82m coins (fixed)

We have chosen the Ethereum as a platform, as it is a quick and proven solution, which minimizes technological risk and time-to-market. Also, it is able to address a broad user base, is compatible with existing multi-token wallets and comes with an automatic access to trading platform such as etherdelta.com.

Another big advantage is that the Ethereum platform allows for the implementation of smart contracts, in which the Crypto Mark can be used as a utility token.

The main disadvantage on the other hand is that transactions between users always require the user to own and spend Ether.

Future technological development

Going forward we are considering to move the Crypto Mark to a different platform. Specifically, IOTA and the tangle technology are from our current perspective a promising technology, which might be the future for the Crypto Mark.

The main advantages of IOTA are its scalability and the possibility to do transaction at zero costs. However, as of today IOTA has not yet implemented the ability to host smart contracts. Therefore an implementation on IOTA is not possible as of today.

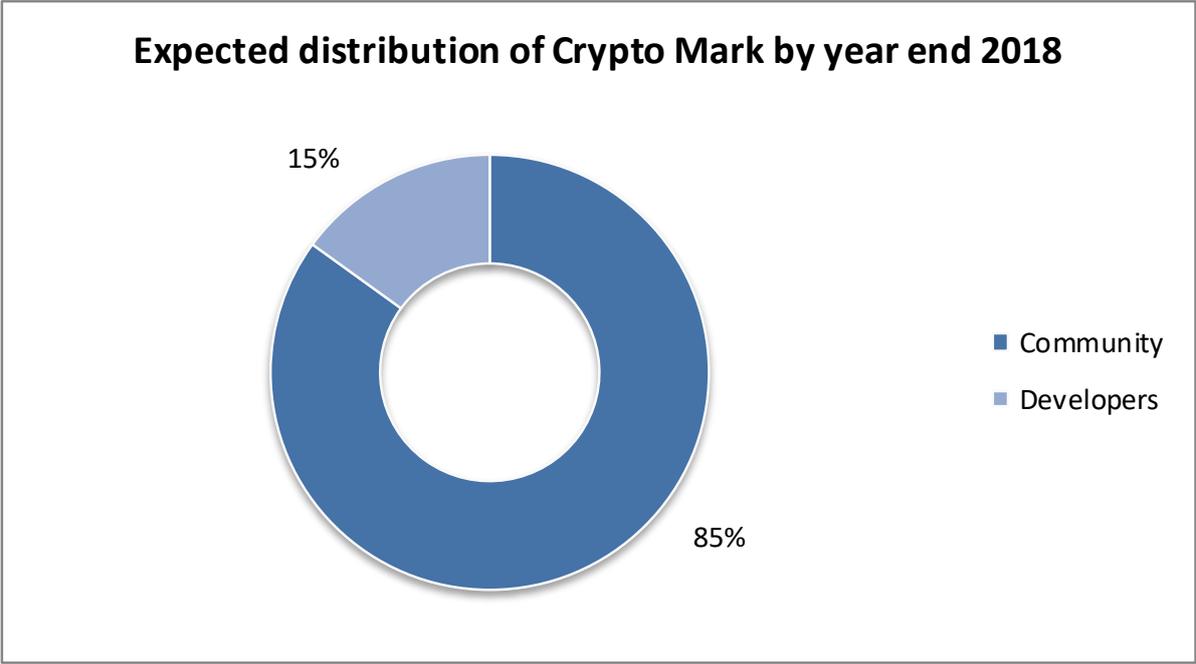
We will in any case not force anybody into the new Crypto Mark once and if it should be created in the future. In such a scenario, we would most likely offer existing holders a swap into the new Mark.

Building trust in the Crypto Mark – building value for the Crypto mark

The value of any currency – being it a crypto currency or a traditional fiat currency - is based on its acceptance as a valuable asset by many people. We are therefore actively working on building a community of Crypto Mark users and on providing as many use cases for the Crypto Mark as possible. Finally, we are working on specific blockchain-based services, which will generate income and thus a tangible asset value for the Crypto Mark and its holders.

Distribution and promotion of the Crypto Mark

We are actively engaged in building a community. We are educating people worldwide about the Crypto Mark by distributing it freely to those people, which support our development. Overall, 85% of all Crypto Mark will be given away to the people via airdrop and bounty campaigns.



Following some initial distribution rounds in 2017, we will distribute Crypto Mark in 52 regular weekly distribution rounds during 2018. Distribution will be limited to users actively engaging in the community building and will be related to changing weekly tasks. Besides performance related distribution, which might for example be linked to the number of high quality contributions in social media etc. we will also distribute Crypto Mark based on the current holdings of each user.

Additionally, we will pay out larger amounts of Crypto Marks to users that provide especially high value services to Crypto Mark. As examples this might be programming, design work or acting as a moderator for the community.

Exchange listings

Being listed on cryptocurrency exchanges is an important prerequisite for shops to accept the Crypto Mark. This is due to the fact that most shops source their goods and services in fiat currencies. They thus need a way to at least partially exchange the Crypto Mark they receive in their shops into fiat currencies again.

Additionally, a reliable market price will need to be a basis for calculation of their prices in Crypto Mark. Therefore, Crypto Mark needs to be tradable on cryptocurrency exchanges.

As of today the Crypto Mark is tradable on Etherdelta.com – though without an official listing. We have applied for an official listing, with the process not yet finished.

Additional exchanges will follow, although we believe that if the Crypto Mark were to be listed on more than 2-3 exchanges in the beginning, it would limit liquidity on the exchanges. This is in our view thus not our preferred option.

Creating use cases to add value to the Crypto Mark

An integral part of our strategy to create value for the Crypto Mark is to push for use cases. We believe that if the Crypto Mark can be used for buying goods and services, it will automatically appreciate in value.

Initially, shops will be hesitating to accept Crypto Mark as they do not have a clear and reliable perspective how to and to what price to convert the Crypto Mark they receive into fiat currencies.

An ideal starting point is however the partial acceptance of Crypto Mark. As an example, shop owners can sell 15 Euro vouchers to their customers for a price of 1 Crypto Mark per 1 Euro. These vouchers are however only valid for purchases of more than 100 Euro, meaning that users will be able to get products worth 100 Euro for 85 Euro and 15 Crypto Mark. Even if there would be no possibility for the shop owner to convert the Crypto Mark back into Euro, it would most likely still be acceptable for him given the promotional effect.

Once a reliable price has been found on exchanges, shop owners will increasingly accept full Crypto Mark payments, with the price most likely tied to the normal fiat currency price multiplied by the exchange rate of the Crypto Mark.

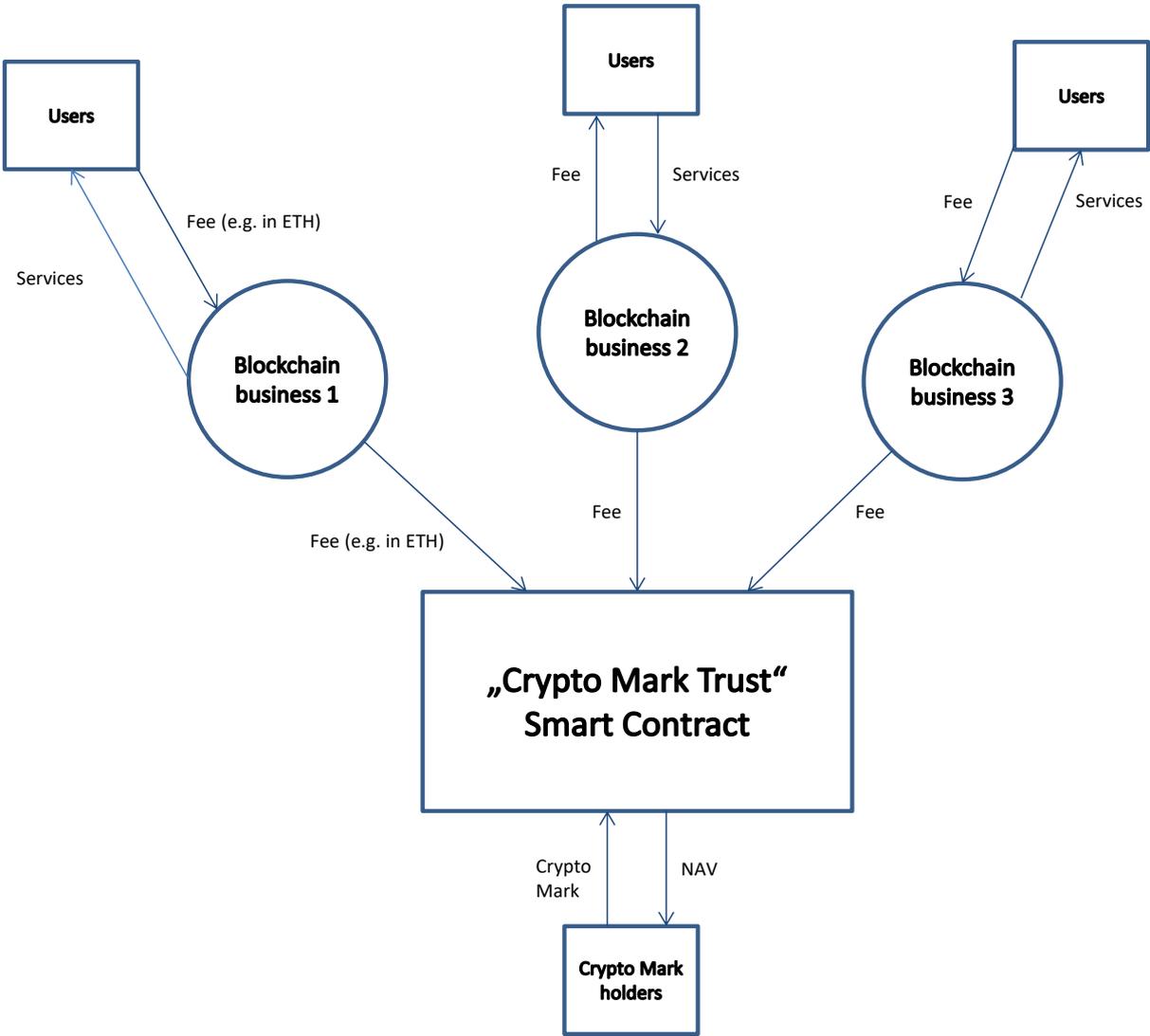
To increase the adoption rate of shops accepting Crypto Mark we will actively promote this to shop owners and support those by providing marketing (emails to our community, listing of shops accepting Crypto Mark, Crypto Mark design-work which can be integrated in their online or physical stores) and technical support.

Blockchain based business models add value to the Crypto Mark

Finally, we are planning to create tangible value for holders of the Crypto Mark. We are considering several blockchain based business models, which will charge a small percentage of transaction value for each transaction. This money – cryptocurrencies like Ether – will then be transferred to a smart contract, which acts similar as a trust, only dedicated to holding the assets for Crypto Mark holders.

Crypto Mark holders have at any time the opportunity to convert their Crypto Mark into the underlying asset at their fractional portion of the net asset value. Given that the net asset value of the Crypto Mark can only increase over time, this is however not expected to be widely used. The value assigned to the Crypto Mark at exchanges should theoretically at each time surpass its NAV.

Schematic overview of the “Crypto Mark Trust” smart contract



In the following section we show a few ideas of blockchain based business models, which could create tangible value for the Crypto Mark. This list is not complete and just a snapshot of our current considerations:

Example of a planned blockchain based business model – crypto shares

Shares that are tradable as tokens on cryptocurrency exchanges such as setherdelta.com would be a great feature, as it would allow people around the world to invest in shares without having to leave the cryptocurrency environment.

This would for example allow automated savings plans for an investment in shares paying in cryptocurrencies such as ether.

However, before an investor would buy a virtual crypto share he would have to be certain that the token moves in value in line with the underlying shares.

One possibility would be to engage a trustee, which issues virtual crypto shares with the promise to refund the current market value of the shares at any time against fiat or crypto currency.

The big problem with such a solution is however a significant regulatory and counterparty risk. If the government, in which the trustee is situated, should at any time in the future forbid the business of the trustee, the money invested in the crypto shares might be lost.

We solve the problem with a smart contract based solution, which combines long and short bets on shares and indices.

Functionality

For the investor interested in buying shares, “long tokens” will be issued in relation to the value (e.g. in Ether) he invests. The money will however stay in the smart contract (without any crypto shares being issued) in the smart contract, until another investor is willing to bet on declining share prices. This short investor will also need to pay a margin into the account. Once the two amounts match short and long crypto shares will be issued to the long and the short investor.

With the shares moving up or down the total amount won or lost will be a zero sum game. If the margin payment of the short seller is used however, the coin’s functionality ends. Long investors can exchange their crypto shares back into the net asset value, while the money of the short seller is lost.

Long and short investors can pay cryptocurrency into the smart contract. Once per day after market closing the two sides will be matched and coins will be issued accordingly. If money from one side remains unmatched this will remain in the smart contract and will be matched according to the order it was paid in later. It can however also be redeemed at any time.

Example for a crypto shares coin the DOW Jones index:

Current standing of the Dow Jones Industrial Average; 24,600

Required Investment for a long investor: $DJIA / 10000 = 2,46$ ETH

Required Investment for a short investor: $(40,000 - DJIA) / 10000 = 1,54$ ETH

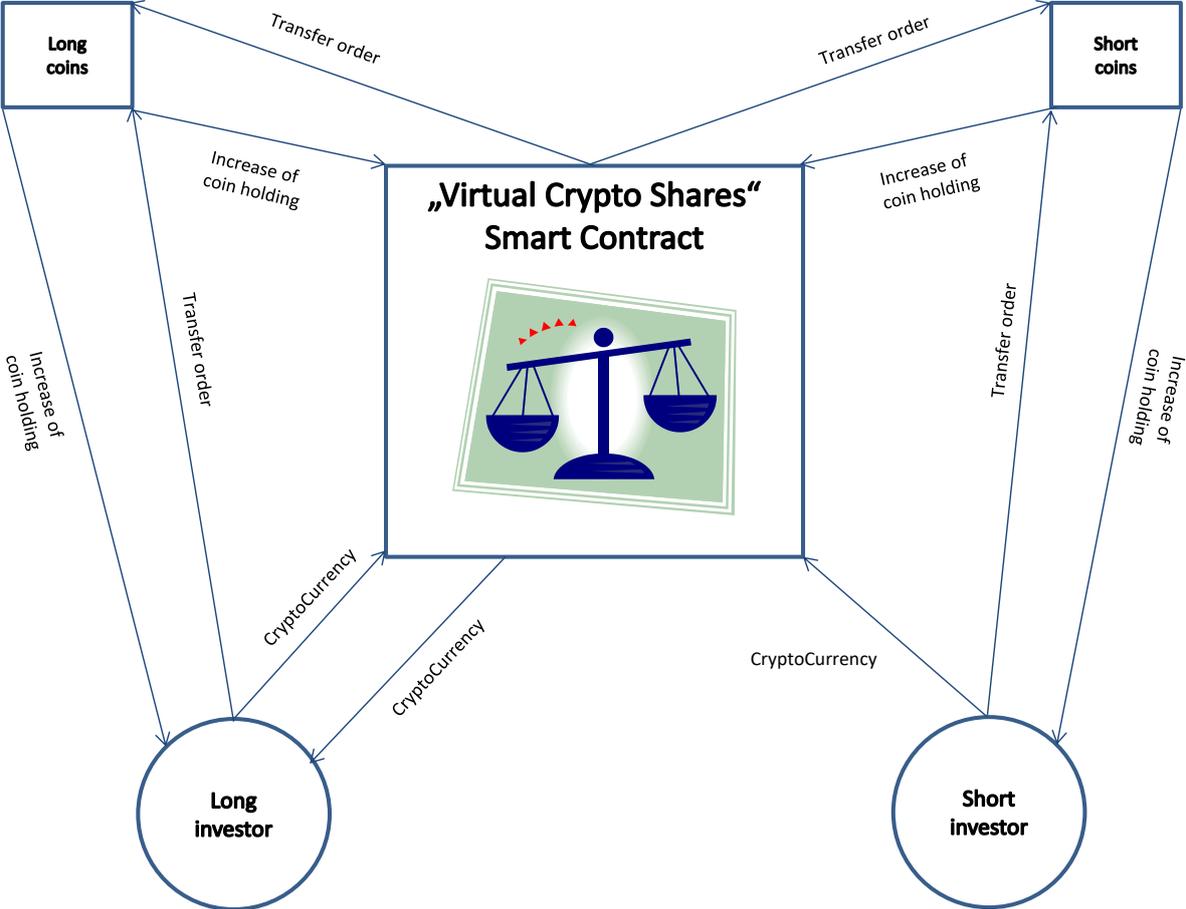
Long investors invest 3 ETH into the smart contract

Short investors invest 1.54 ETH

Accordingly, 1 Long and 1 Short DJIA coin will be issued. 0.54 ETH will remain as a balance of the long investor in the smart contract and will be automatically matched once additional Short investors pay in money.

Investors can at any time claim repayment on their crypto shares. They therefore have to call the repayment function of the smart contract. If there is a waiting list for new investment the coins will be paid back the same day. If there is already too little supply on that side, investors will have to enter a waiting list, until further demand for their side arises.

Schematic overview of the virtual crypto shares



Problems

Investors are not able to invest or redeem their holdings at any given time. However, given that coins are tradable, e.g. on etherdelta.com or on our trading platform, this should not result in significant problems. If an investor for example starts to sell his coins on an exchange as there is no liquidity to return the money in the smart contract, this would result in falling prices for the coins on the exchange. This would however open up arbitrage opportunity as arbitrageurs could buy the short coin cheaply and hedge this position in the real world market by buying the shares (and hedging them into cryptocurrency).

Business model for Crypto Mark

With every transaction a fee of e.g. 0.3% will be charged and automatically transferred to the Crypto Mark Trust smart contract.

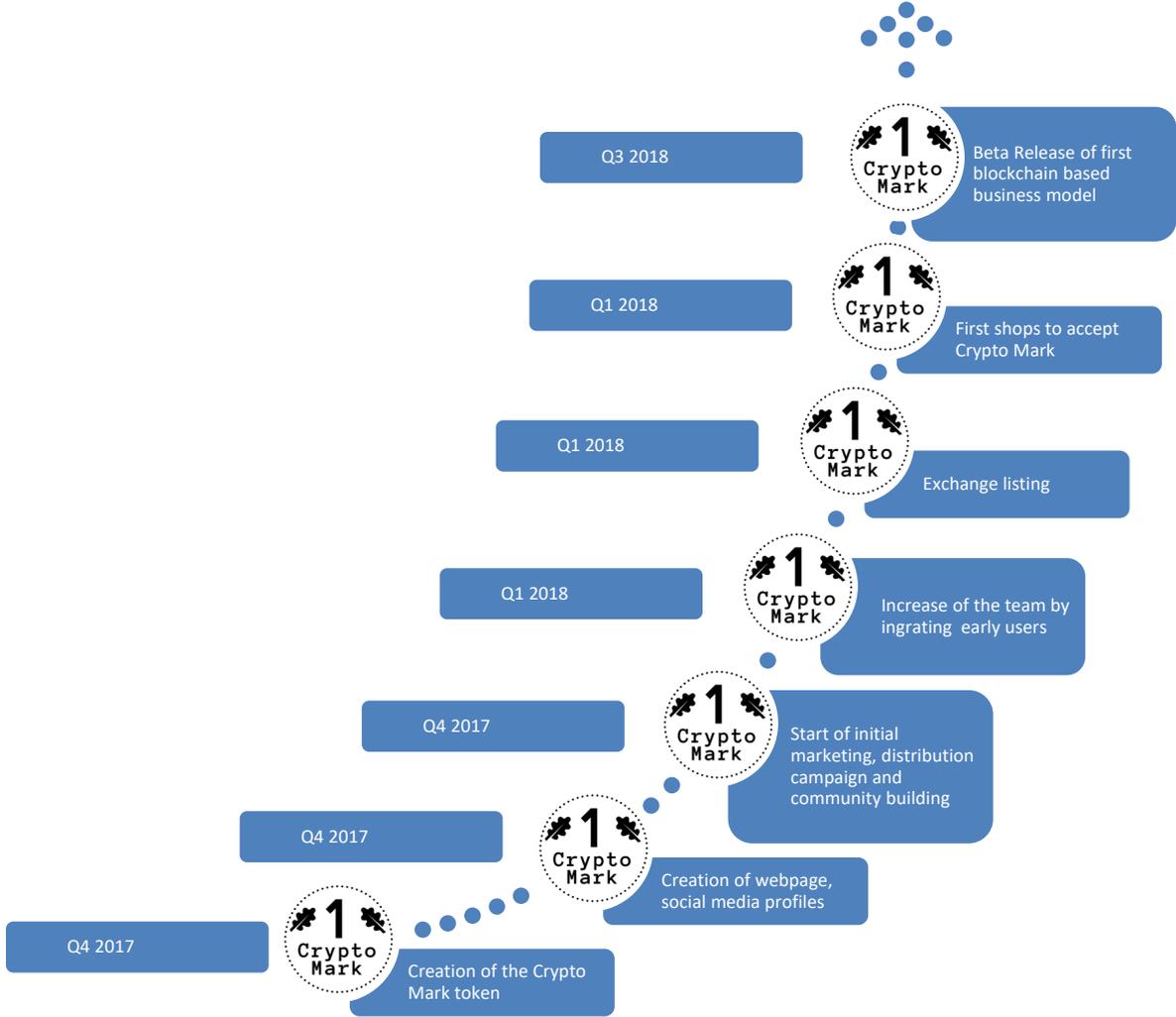
Further examples of a planned blockchain based business models

Further business models, which could be developed in order to support the underlying asset value of the Crypto Mark include e.g.

- A decentralised trading platform to trade the above mentioned crypto shares
- A decentralised, encrypted identity platform
- Gaming and betting applications

None of these applications are currently in development and represent not more than possibilities, which could be developed to support the net asset value of the Crypto Mark.

Roadmap



Team

Crypto Mark has been developed by a team of IT, Finance and E-commerce professionals, which does however value its anonymity. Also, we believe that it would be wrong to focus only on the original development team as our team is increasingly also integrating our users and supporters.

Resources:

Official webpage and forum

<http://www.crypto-mark.com/>

Facebook

<https://www.facebook.com/Cryptomark-854134328085643/>

Twitter

https://twitter.com/Crypto_Mark2017

Telegram Group

https://t.me/joinchat/G084ARJ_50mVCuSi-f0R-w

Etherdelta.com

<https://etherdelta.com/#0x254e9bb84c9118d1501f0b7c45aad6038b765735-ETH>