



# 7Seconds

Decentralized global credit marketplace  
based on AI scoring

7Seconds is a decentralized global credit marketplace that provides an instant loan selection service and determines an optimal combination of the terms and cost of a loan.

We are the only credit marketplace that has been developed on a blockchain platform that rewards bona fide borrowers and compensates for risks that banks face, as well as featuring a centralized assessment of borrowers that reduces the overall inefficiency of lending.

### **Why do we think this is very important?**

This is very important because today, borrowers pay high rates due to the inefficiency of the banking industry.

- 1.** Upon receiving loan applications from a centralized front (broker, platform, marketplace), banks request information about the borrower from credit bureaus and other sources for credit analysis purposes. **The cost of these multiple requests is included in the borrower's loan costs.**
- 2.** Online credit applications are problematic since assessing the borrower is associated with poor identification, a high level of fraud, and insufficient information to assess credit risks. **Losses due to fraud and poor risk assessment are included in the borrower's loan costs.**
- 3.** A borrower's interest rate is based on the risk of undesired outcomes and possible changes in creditworthiness due to either a partial loss income or an increase in credit burden. **The losses associated with all borrowers' future deterioration of creditworthiness are included in the costs of the loan.**

Thus, when issuing loans at high interest rates, banks force customers to pay for insolvent customers. So the banking system covers its risks and inefficiencies at the expense of good borrowers.

## Our solution

Our technological solution, which is based on a distributed blockchain ledger, solves these three problems and makes rates for bona fide borrowers lower while allowing banks to reduce their risks and increase their efficiency.

- 1.** When 7Seconds receives an application for a loan, it centrally requests information from credit bureaus and other sources of information and enriches the data on the borrower through information about purchases and loyalty programs of connected retailers and providers of medical, tourist, and other services. We conduct our own assessment in order to counter fraud. Our blockchain is designed to guarantee reliable and consistent data for all connected financial institutions, **allowing them to collectively pay less for better information and thus reduce lending rates.**
- 2.** 7Seconds is able to collect better information about the borrower through direct interaction with the applicant and at a lower cost than the system used by banks and other lenders. **The losses associated with fraud and poor risk assessment decrease, which allows lenders to decrease their lending rates.**
- 3.** 7Seconds can regulate risks by limiting a borrower's credit load and rewarding him or her with a bonus for not increasing their debt and timely repaying their loan. The platform for issuing loans, which is based on a smart contract, pays tokens if the loan requirements are met, either to the borrower or to the banks. The blockchain is designed to guarantee reliability and immutability of the contract under the loan agreement. **Thus, a good borrower will receive a rate without additional risks built into it and thereby have lower payments.**

When we implement these 7Seconds agreements, only part of the cost of bad borrowers' risks and uncertainty risks will be distributed between good borrowers and the lender. That will allow banks to increase the effectiveness of their credit products compared to competitors outside the platform, and good borrowers get lower rates than they can get outside the platform. According to our calculations, these are significant amounts. For example, on a five-year loan, a borrower can save up to 10%.

We create the conditions for financial institutions to reduce the interest rate by using a qualitative selection of borrowers and controlling the fulfillment of obligations by using blockchain with safe storage and access to confidential customer information and advanced methods of data processing and scoring based on machine learning.

We expect that the implementation of our technologies will ensure rapid and steady growth of the number of bona fide borrowers.

The 7Seconds platform works on the basis of commission from each transaction, paid through a service that operates in an automatic mode. Each new market to which we expand is able to start making profits quickly because the business model is so easy to use.

Join us!

**Yours faithfully,  
Alexey Chalenko,  
CEO 7seconds**

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# Problems and Solutions for the POS Loan Market in Online Sales

According to eMarketer, by 2019, online retail sales will more than double and reach \$3.578 billion. That accounts for only a small percentage (12.8%) of all purchases in the retail sales space. The volume of purchases paid in installments will also increase offline but especially online.

One of the most powerful drivers of retail growth is lending, and Internet retail is no exception. Lending in e-commerce is growing at a similar or faster pace, depending on the region and the banking regulations. There are many integration technologies and brokerage solutions that allow the borrower to immediately get several offers at the same time. Unlike standard credit technologies, a credit broker or platform offers a more efficient approach due to a "single window" in which the borrower has access to a multitude of offers from credit institutions.

The global problem of the development of online POS crediting is the high level of fraud, expensive and inconvenient identification, and the difficulty of fully evaluating the borrower, which all lead to an increased average interest rate. Good borrowers are forced to pay for the bad ones because of inefficient scoring models and bankers' high costs due to how the transaction works.

And in the case of online competition among several financial institutions, banks are forced to raise their rates due to parallel simultaneous costs for multiple scoring and purchasing information from credit bureaus and data providers.

## **Lending organization is too expensive**

To have a full understanding of the financial discipline and creditworthiness of a borrower, lending organizations must check a borrower's entire credit history and collect other data about the borrower. That takes a lot of time and is expensive, especially when there are several credit bureaus in a country, as there are in Russia, Spain or Brazil.

The data are not always distributed evenly among credit agencies, telecom operators, and social sites. Each of them will inevitably give different credit history reports and information about one person, which forces banks to apply to all suppliers at once so they can cross-reference the results.

There are difficulties due to limitations. For example, the Bureau of Spain does not provide information on overdue payments or defaults, which reduces the number of potential customers.

And if there is a broker or a marketplace between the borrower and the financial institution, each bank connected to the system makes all these requests.

The total income of Experian, Equifax, TransUnion, and FICO in 2016 was approximately \$15 billion. That is money that banks pay for access to credit histories that are necessary for their daily activities. The \$15 billion is ultimately paid by borrowers in the form of possibly inflated loan payments.

In general, the process is designed so consumers pay a huge price for the existence of an imperfect system that creates obstacles for them.

### **Development of competition, destruction of scoring and formation of interest rates on the basis of uncertainty**

With the development of online lending and the spread of credit brokers and marketplaces, there will be a significant increase in the competition among financial institutions for borrowers, and currently, their only criterion for the best candidate is how much the loan will cost them. In this case, scoring models of organizations will be eliminated due to the segregation of customers in accordance to interest rates. A person with a higher credit rating, receiving the best offer, will leave the area of influence of a particular bank, leaving only the candidates that were the worst at the time of the assessment.

- 1.** Due to not getting a good portion of borrowers, scoring models that banks use will be inefficient and lead to losses.
- 2.** There is a high probability that the entity that provided the best offer on the market was wrong with the assessment or did not pursue the goal of effective lending at the time of the decision, which will also lead to losses in the market.

On the 7Seconds platform, determining the interest rate for a specific borrower includes the following:

- 1.** The value of money, taking into account the currency and regional risk. In the competitive financial sector, it is similar for all players.
- 2.** The cost of assessing a borrower's risk. The cost of risk in an efficient competitive market tends to minimize value.

- 3.** The cost of uncertainty. This is the risk of changes in the creditworthiness of the borrower in connection with either the loss of part of the gains or because of an increase in the credit load. This component will soon play a key role both in the competitive struggle and in the value of the rate for borrowers.

7Seconds has found a solution that will reduce the impact of rate uncertainty.

We cannot influence a borrower's partial income loss, but we can limit a borrower's credit load, for example, by rewarding the borrower for not increasing his or her credit load and timely repaying the loan. Thus, a good borrower will receive a rate without including additional risks of uncertainty.

The 7Seconds loan platform suggests signing a smart contract whereby a portion of the risk of uncertainty is securitized into tokens, with the condition that the tokens are paid to borrowers if these requirements are met or otherwise paid to the banks. Thus, with the issuance of loans through 7Seconds, part of the cost of the risk of bad borrowers will be distributed among good borrowers and banks. That will allow banks to increase the effectiveness of credit products compared to competitors that are issuing outside the platform, and good borrowers will get lower rates compared to offers outside the platform.

## **Implementation of blockchain to collect information at loan issuance**

Until recently, there was no alternative for the reliable management of scoring solutions and borrower databases that were suitable for all market participants. A decentralized system protected from unauthorized access can solve the problem, both with conflicting data from various sources and with massive requests from various organizations for a single credit transaction. It is the lack of a single administration center that makes blockchain suitable for carrying out a reliable outsourcing assessment (scoring) using technologies of various financial institutions and the reliable provision of information obtained centrally. In a transaction, the structuring of a separate fee for the risk of uncertainty through a smart contract can help reduce the cost of loans to consumers and increase efficiency for creditors.

# Professional Experience of the 7Seconds Founders and Staff

7Seconds is a working credit marketplace for online POS crediting.

In just a year since the development, testing, and launch of the 7Seconds platform, 7Seconds has been chosen by many international online stores and banks.

The 7Seconds project employs professionals with 20 years experience in banking and investment, more than 20 years in retail, and more than 10 years in data analysis, machine learning, architecture, and IT development.

**7Seconds makes borrowing for online store purchases as simple as clicking the "Buy" button**

On the 7Seconds platform, a potential borrower fills out a short form, which is automatically enriched with data. The form is sent to all 7Seconds financial partners. The client will see the first offer on the loan within 10 seconds. A response with all available terms is returned within one minute. Working with more than 10 partner banks and IFIs (International Financial Institutions) that deal with various risk segments reduces the possibility of rejection, and in the case of several offers, the buyer is given a choice.

E-commerce sites and online retail sites that are connected to the 7Seconds platform receive a significant increase in revenue and average checks. Integration for large stores with various credit programs takes several months, and in the case of small ones, several days. Consulting and technical support on increasing credit sales provides stores with a ready-made solution and create a tangible marketing advantage over direct credit programs with banks.

Banks pay the platform only for loans issued and receive a driver for the development of POS crediting, additional scoring, and more opportunities to be protected against fraud. In addition, the platform provides the most

convenient front office for working with borrowers and interacting with online stores.

**Consumers** get a choice of the most beneficial offer from the set, protection from hidden payments, and opaque credit conditions, and they can pay for their purchases in installments.

## The value proposition

**For Banks**

<b>Advantages</b>	Payment only for credit issued Staying in the market
<b>Possibilities</b>	Fraud control Additional scoring
<b>Experience</b>	A convenient interface

**For Stores**

<b>Advantages</b>	Increases the average check
<b>Possibilities</b>	Simple integration No need to change the procedure
<b>Experience</b>	Flexible settings Quality control

**For the Consumer**

<b>Desires</b>	Being able to choose Not wasting time
<b>Needs</b>	Not overpaying Managing the budget
<b>Fears</b>	Being manipulated about the terms

E-trading platforms of various sizes, online stores and banks in Russia and abroad expressed interest in 7Seconds' service.

Already integrated or in the process of integration (signed agreements are in the "Documents" section of the website 7seconds.io) are:

### Partner stores



### Financial partners



## How do you solve the problem of banks' high interest rates?

- Reduce the number of requests for information from the same source by different creditors.
- Increase the amount of data about borrowers by cutting down the number of requests from traditional services and obtaining information about the borrower's consumer characteristics from loyalty programs and store purchases.

Qualitative scoring based on big data, needlepoint targeting of buyers and product categories for the probability of fraud and social default will facilitate attracting more bona fide borrowers and reducing the number of problem loans, thereby reducing banks' risks, reflected in their interest rates.

- Separate the risk of uncertainty in a separate smart contract.

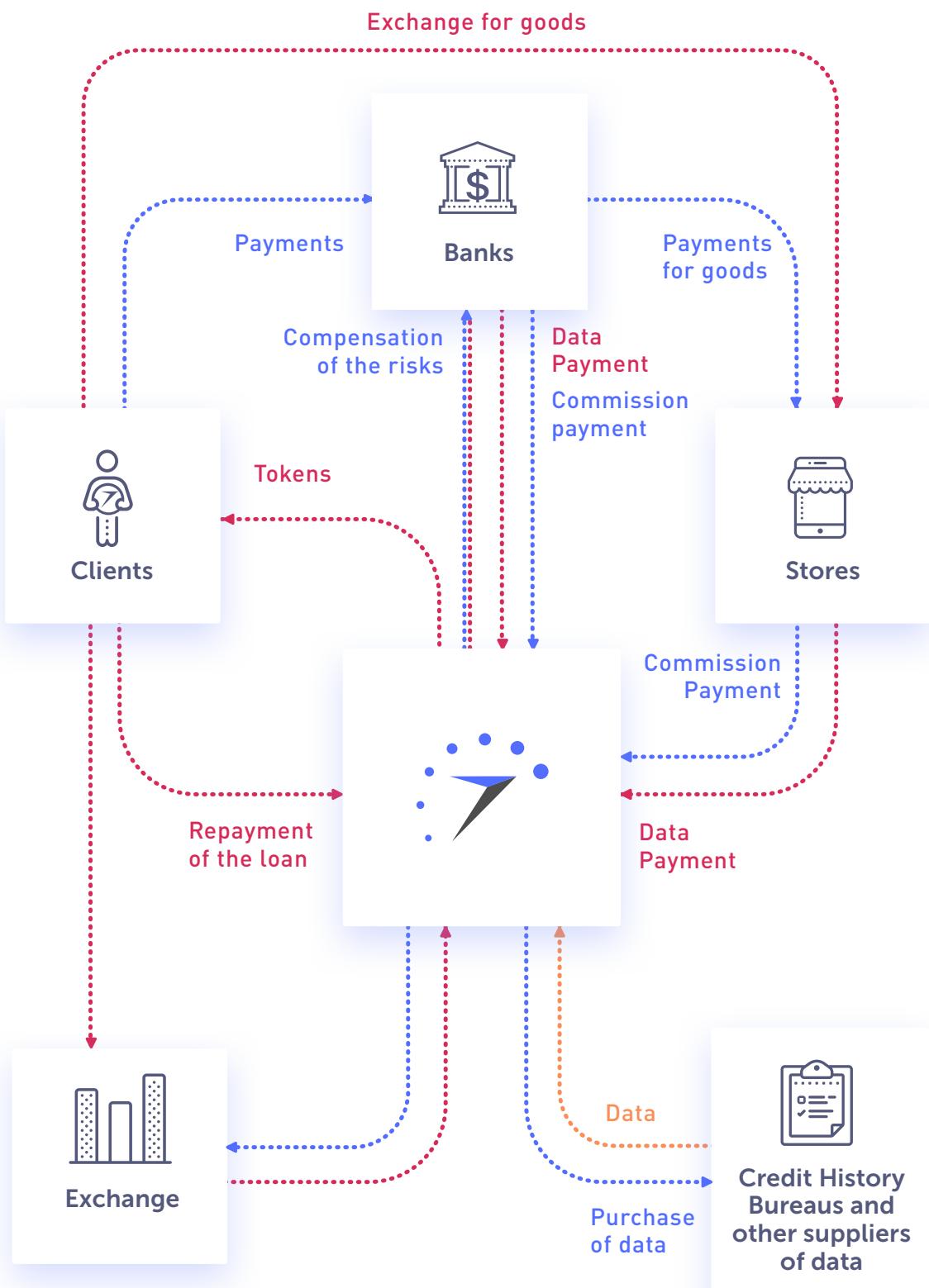
Blockchain technology will help avoid mistakes during the transfer and storage of information regarding the fulfillment of the terms of the contract, especially in long-term loan agreements and in cases of refinancing and changes in the parties to the contract. 7Seconds has modernized the business with the help of blockchain technology to achieve the following:

1. Secure storage and access to confidential information of a credit institution's customers
2. Reliability and consistency of data
3. Guarantee of full transparency, transaction tracking, and authenticity of data, including bank data, credit agreements, payments, and maturities

The main element of the ecosystem will be the CRET token. 7Seconds includes an uncertainty risk management program to ensure bona fide clients and a bank risk compensation program to protect banks from substandard borrowers.

The CRET token will be the main payment unit of the 7Seconds platform for the sale of statistical data and the provision of credit scoring services and fraud monitoring.

# The 7Seconds Platform



## **1. Application**

The client applies for a loan through the 7Seconds platform.

## **2. Checking the borrower**

7Seconds sends out requests and buys information from credit bureaus, mobile operators, and other providers of statistics. It enriches the data through information on purchases and loyalty programs, connected retailers and suppliers, medical, tourist, and other services. It conducts its own assessment to counter fraud, sets up a credit rating, and sends the information to credit and financial partners.

## **3. Acceptance of the borrower**

Each financial institution exposes its credit terms to the client.

## **4. Selection**

The client chooses the best of the approved offers from partner banks.

## **5. The conclusion of a loan agreement**

The client enters into a loan agreement with the selected credit institution on the 7Seconds platform and a 7Seconds smart contract, which is recorded in the distributed ledger. In the client's personal account, the loan parameters are displayed, including the terms, repayment schedule, conditions, and number of CRET tokens reserved.

## **6. Payment for goods**

The credit organization transfers money to the store.

## **7. Transfer of goods**

The store transfers the goods to the customer.

## **8. Commission of the 7Seconds platform**

The store and credit organization transfer the commission to the 7Seconds platform.

## **9. Uncertainty risk management program**

At the time of the execution of the credit obligation, the CRET tokens for the amount indicated in the 7Seconds smart contract are transferred to a user's wallet, which is recorded in the blockchain.

## **10.Risk compensation program**

In case of nonfulfillment of the conditions, the borrower's tokens are transferred to the bank through the risk compensation program, which is also recorded in the ledger through blockchain technology.

In this case, blockchain will accurately classify the borrower. Information about the borrower will be stored reliably, unchanged in the ledger.

## **The client's personal account on the 7Seconds platform**

When applying for a loan on the 7Seconds platform, the borrower provides an e-mail address and a mobile phone number.

The borrower is automatically registered on the platform, gaining access to his or her personal account and token wallet. The e-mail address or phone number is the login to their personal account.

The borrower receives a password by email or text. The account offers the function of repaying the loan with tokens.

## **Purchase of analytical and statistical data**

7Seconds sells data only for CRET tokens. In jurisdictions where trade in cryptocurrencies is banned, the purchase can be made with money from partners of 7Seconds marketing agencies. Marketing agencies, in turn, purchase tokens from their holders and buy data from 7Seconds using the tokens.

## **The data structure in the 7Seconds analytics system**

### **Personal data**

- 1.** Customer demographics
- 2.** Revenues of buyers
- 3.** Structure of purchases (by model and price)
- 4.** Loan payments
- 5.** Data of mobile operators
- 6.** Social networking data
- 7.** Data on bank accounts
- 8.** Data of stores' loyalty programs

- 9.** Credit bureau data
- 10.** Pieces of data from job search sites
- 11.** Pieces of public service data

Data are used in scoring systems, algorithms, and 7Seconds analytics systems that work on the basis of machine learning systems and machine networks.

### **Using tokens in the ecosystem**

- 1.** Uncertainty risk management
- 2.** A bank risk compensation program
- 3.** Repayment of the loan by the borrower
- 4.** Payment of banks' and stores' commissions
- 5.** Payment for analytical and statistical data
- 6.** Transfer to other persons

# Factors Affecting the Value of the Token

1

## Data and scoring

Marketing agencies buy tokens at exchanges in order to pay 7Seconds for the data and scoring. Banks and stores buy data and scoring from marketing agencies.

2

## Loyalty program

Marketing instruments and popularization of the token.

3

## Development and expansion

The changes in the number of clients for the 7Seconds platform.

4

## Data costs

The changes in the number of clients for the 7Seconds platform lead to changes in value and improved scoring.

5

## Temporary reservation of tokens

The users of the platform can spend tokens after fulfilling credit obligations. The average loan duration is one year.

# Market Review

Start-ups for POS crediting become unicorns.

## Klarna

In 2005, three students from Sweden created an online purchase payment system called Klarna. Today, the company has a banking license and works in the United States, the United Kingdom and many European countries. The company has a lot of investors, including Visa, as its strategic partner.



CreditEase is China's largest financial company in the field of consumer lending and small business lending. In 2016, loans were issued worth more than 13 billion yuan. It owns Yirendai, the largest global financial marketplace, whose ADRs are traded on the NASDAQ with an estimate of more than \$2 billion.

## Affirm

The co-founder of PayPal, Max Levchin, launched instant credit service Affirm in 2012. Affirm technology calculates the loan rate for the borrower, relying on databases that include social networks, phone bills, purchases in other stores, and the type of goods.

	Last Valuation, MM USD	Founded	2017 Revenue, MM USD	2017 Debt, MM USD	Number of Merchants	EV Sales
<b>Affirm USA</b>	1 750	2012	525	650	1 200	4,6
<b>Klarna Europe</b>	2 500	2005	543	1 580	89 000	7,5
<b>Divido UK</b>	22	2014	2	-	750	11,0
<b>PPDAI China</b>	2 040	2007	598	780	-	4,7
<b>Welab Hong Kong</b>	1 000	2013	NA	NA	-	-

Every second, there is a buyer somewhere in the world who is interested in the possibility of online POS lending, and every eighth one of those buys goods in installments if the process is not too complex.

In 2019, the global volume of Internet purchases is estimated at \$3.578 trillion, or 12.8% of all sales.

The world market for m-commerce (Internet purchases where the buyer uses a mobile device) is growing 40% per year and by 2019 will amount to \$1.357 trillion.

The market for online POS loans and sales in installments is growing 30% per year. The use of online POS lending for online purchases leads to a sharp increase in the average check.

# Number of Internet Buyers

In 2018, more than half of all Internet users worldwide will make online purchases. That will account for 24.3% of the world's population who are older than 14. That audience is a potential audience for online POS lending.

## Share of Internet buyers among Internet users

Country	2018 Forecast	2019 Forecast
<b>Great Britain</b>	<b>89,4%</b>	<b>89,7%</b>
Japan	83,7%	84,1%
Denmark	84,0%	84,7%
Germany	82,1%	82,4%
Australia	81,0%	81,4%
The Netherlands	80,2%	80,5%
Sweden	79,7%	79,8%
Norway	83,0%	84,5%
USA	79,6%	80,5%
France	72,5%	73,0%
Finland	75,2%	76,7%
Canada	71,3%	72,1%
South Korea	74,5%	77,4%
China	74,7%	75,6%
Spain	65,8%	67,3%
Italy	54,7%	56,0%
Argentina	50,1%	50,3%
<b>Russia</b>	<b>42,7%</b>	<b>42,9%</b>
Brazil	45,4%	46,6%
India	58,0%	64,4%
Mexico	34,9%	35,6%
<b>Indonesia</b>	<b>49,5%</b>	<b>55,5%</b>
The whole world	56,5%	57,6%

## Growth in the number of Internet buyers

<b>Country</b>	<b>2018 Forecast</b>	<b>2019 Forecast</b>
<b>Indonesia</b>	<b>24,9%</b>	<b>22,3%</b>
India	25,7%	24,5%
Mexico	9,5%	8,1%
Brazil	6,6%	5,2%
China	8,2%	7,8%
Argentina	3,2%	2,6%
South Korea	5,3%	4,8%
Spain	4,2%	3,6%
<b>Russia</b>	<b>3,0%</b>	<b>2,8%</b>
Italy	3,8%	2,9%
France	1,9%	1,7%
USA	2,9%	2,0%
Canada	3,0%	2,5%
Norway	3,6%	2,8%
Germany	1,1%	0,9%
Finland	2,9%	2,8%
Netherlands	1,0%	0,8%
<b>Great Britain</b>	<b>1,3%</b>	<b>1,3%</b>
Japan	1,0%	0,9%
Australia	1,9%	1,8%
Denmark	1,4%	1,2%
Switzerland	0,8%	0,7%
<b>The whole world</b>	<b>8,4%</b>	<b>8,1%</b>

# Market Size and Geographical Distribution

The growth of the retail online market is mainly due to countries in the Asia-Pacific region and the United States. There are expert opinions on the growth of Internet purchases in African and Middle Eastern countries, but they are not supported by financial indicators and need additional study.

The European market is close to the maximum saturation. Up to 90% of the entire European Internet audience makes purchases on the Internet and is about to take a step to move from quantitative to qualitative development.

## Volumes of retail Internet trade by country in billion USD

Country	2018 Forecast	2019 Forecast
China (excluding Hong Kong)	1568,4	1973,0
USA	481,94	534,95
<b>United Kingdom</b>	<b>132,28</b>	<b>143,19</b>
Japan	122,46	134,1
Germany	82,58	87,54
France	53,23	56,69
South Korea	50,55	54,14
Canada	39,8	44,98
Brazil	27,13	29,65
Australia	23,94	25,61
<b>Russia</b>	<b>30,39</b>	<b>34,86</b>
Spain	21,73	23,33
India	55,26	68,47
Italy	17,15	18,24
Norway	12,44	13,27
The Netherlands	12,13	13,04
Sweden	12,32	13,23

Denmark	10,46	11,03
Finland	7,84	8,09
Mexico	11,03	13,27
Argentina	10,6	12,38
<b>Indonesia</b>	<b>10,92</b>	<b>13,16</b>

## Internet buyers' preferences

About 50% of buyers decide to use installments at the point of sale.

The main reason for the choice of installments is lack of funds to buy here and now and the convenience of service.

62% of Internet buyers' spending is for the purchase of goods, and 38% is for the purchase of services.

Europe: 56% for goods, 44% for services

North America: 56.7% for goods, 43.3% for services

South America: 54.6% for goods, 45.4% for services

Asia-Pacific: 69.4% for goods, 30.6% for services

Middle East: 50% for goods, 50% for services

## Groups of goods and services for purchase through the Internet (by sales volume)

- airplane tickets and hotel reservations
- complex tourist services ("package" travel)
- insurance
- tickets for events
- media and entertainment (CDs, downloads, and streaming); video (DVD, blu-ray, downloads); hardware and software for games, books, and e-books; applications; subscriptions to newspapers and magazines
- clothing, footwear, lifestyle products (jewelry, watches, fashion accessories), bags, wallets, and suitcases
- household appliances and smartphones

- information technology (computer hardware, software) and musical instruments
- goods for home and garden (furniture, household goods, flowers, plants)

## Demand for online POS crediting

As more purchases are made online, POS lending around the world is growing. The global retail e-commerce market is growing 24.5% each year, and in 2019, it is expected to reach \$3.578 trillion, or 12.8% of all retail sales. The world market for m-commerce (e-commerce in which the buyer uses a mobile device) is growing even faster at 40% per year. In 2019, it is expected to reach \$1.357 trillion.

Against this background, lending at points of online sales is turning into an additional driver of growth.

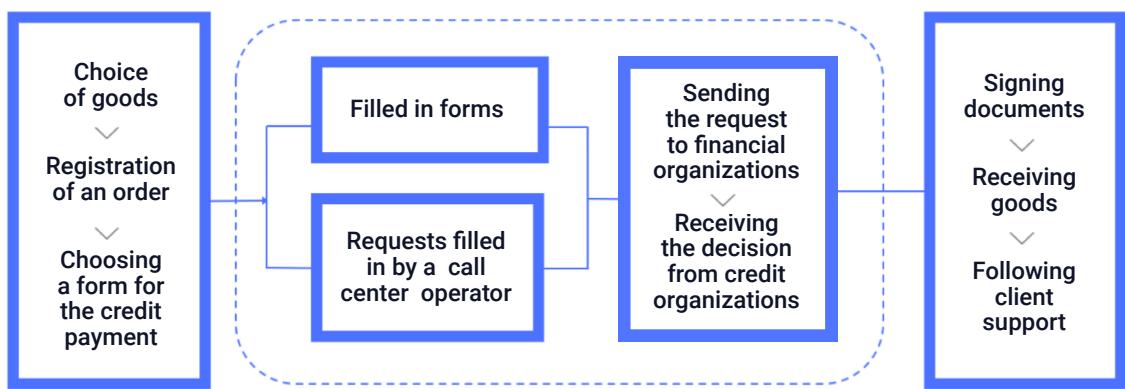
## The volume of loans through credit marketplaces in China, the United States and Europe, in billion USD



## Differences between a credit broker and a credit marketplace

Broker	Marketplace
POS registration	Online registration
Several hours	Several minutes
A long standard form	A short standard form
Manual checking of data	Scoring

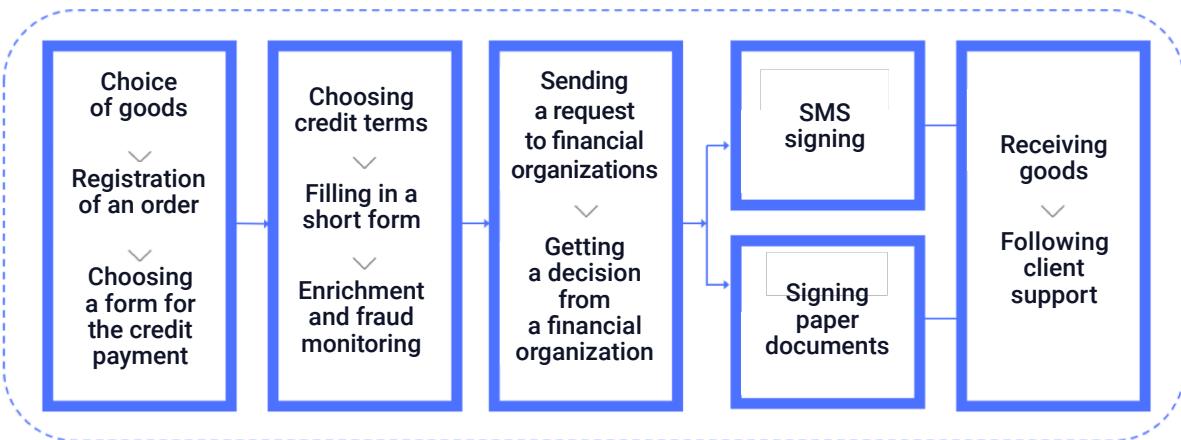
### The area of responsibility for the classic credit broker



The main disadvantages are the following:

- Standard credit programs
- Filling out long forms
- Receiving an answer later outside the place of purchase

## Credit Market's Responsibility Area



Main advantages:

- Calculates the credit program by term and down payment
- The borrower fills out a short questionnaire
- Combines conditions to a single monthly payment format
- Instant response at the point of purchase

	Choosing	Not wasting time	Not overpaying	Managing the budget	Being lied to about the terms
Credit platform	✓	✓	✓	✓	✓
Bank credits	✗	✗	✗	✓	✓
Installments cards	✗	✓	✓	✓	✓
Microfinancial loans	✗	✓	✗	✗	✗
Credit brokers (several banks)	✓	✗	✓	✓	✓

POS lending with services of that kind turns into a powerful driver of retail growth and results in a similar effect, if transferred to e-commerce. But this requires marketers' specialization for the needs of online trading. 7Seconds' mission is to create a multifunctional marketplace for online POS loans and auto loans.

### **The obstacles to competition entering the market**

It's difficult for new competitors to emulate the competencies of 7Seconds.

There is a complexity of developing and integrating online POS solutions for large retailers and banks.

7Seconds already has and uses a ready-made working solution that allows integrating an online store, a bank, and a buyer into one ecosystem. 7Seconds offers a solution that considers all the nuances of modern online trading and online POS crediting.

## **Key Features of 7Seconds**

- Many integration options
- The ability to modify the 7Seconds system according to the needs of the store
- Many financial organizations (if implementing a joint integration project, please check with your 7Seconds client manager or project manager)
- Owns the data enrichment system, which means the client only fills out a minimum number of fields; 7Seconds automatically fills in the remaining information
- Customization of the client's questionnaire according to the store's needs
- Can be used by a store to provide customers with both loans and installments

- Possibility to charge customers an initial payment
- An option to work without integration
- The list of financial organizations and/or products of financial organizations can be adjusted to the needs of each store
- Fine-tuning the range of credit terms available to customers
- Fine-tuning the range of initial payments available to customers
- An option to block customers from choosing the term and initial payment
- An option for 7Seconds to calculate a store discount into the installments, taking into account financial organizations' product characteristics to minimize store losses
- A personal account through which the store can monitor orders placed through 7Seconds as well as independently from credit applications
- Callback notification service
- Open API
- Marketing promotion support
- An owned call center that can return customers to abandoned baskets
- Funds for orders transferred within two days of the date of the loan registration
- An option to send funds to the store prior to receiving funds from a financial institution
- Legal support for the store in implementing lending

## **Options for integration with 7Seconds**

### **Complete online and offline integration**

Suitable for medium and large stores with a heavy flow of customers and developed internal business processes with the main stream of sales through an online site and at points of sale.

Integration on the store's part includes integrating with parts of the site and parts of the back office, as well as training sales staff and working through the 7Seconds personnel office.

### **Full online integration**

Suitable for medium and large stores with a heavy flow of customers and developed internal business processes whose main flow of sales occurs through the online site.

Integration on the store's part includes integrating both the parts of the site and the back office.

### **Full offline integration**

Suitable for medium and large stores with a heavy flow of customers and developed internal business processes whose main flow of sales occurs through points of sale.

Integration on the store's part includes training sales employees to work through the 7Seconds office and integration into the back office.

### **Partial online integration**

Suitable for small and medium stores with a light flow of customers whose main sales flow occurs through points of sale.

Within the framework of this integration with 7Seconds, a joint project for integration is carried out only for stores with a number of unique visitors (from 100,000 per month).

Integration as far as the store is concerned includes integration into part of the site and monitoring information about orders carried out by the 7Seconds personnel office.

### **Partial offline integration**

Suitable for small and medium stores with a light flow of customers whose main sales flow occurs through points of sale.

Integration on the part of the store includes training sales staff and working through the 7Seconds personnel office. Monitoring of information about orders is carried out through 7Seconds.

### **Minimum online integration**

Suitable for small stores with a light flow of customers and the main flow of sales occurring through points of sale.

Within the framework of this integration with 7Seconds, a joint project on integration is not carried out.

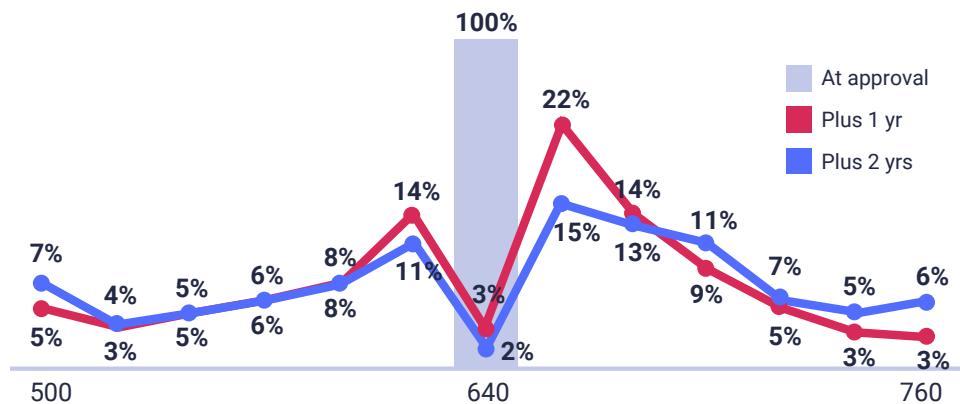
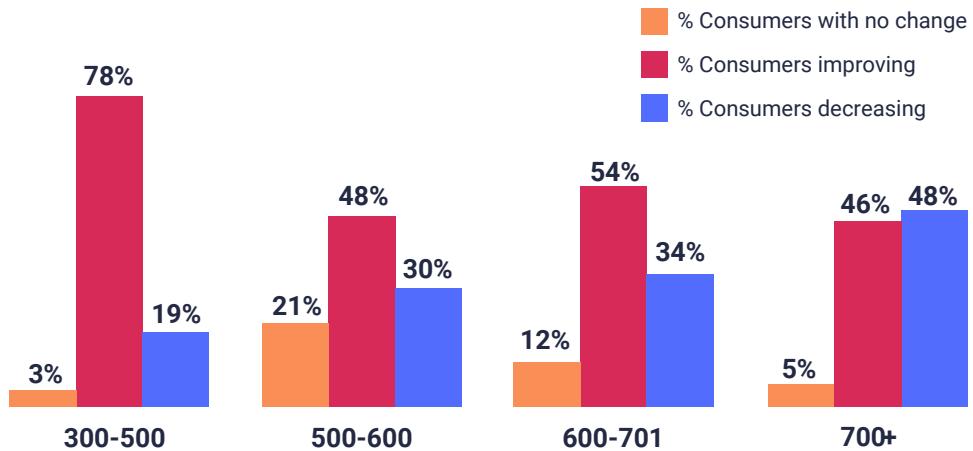
Integration by the store includes installing links to the 7Seconds application on its website (an example link is available in the [D-2549] section, Test references).

Monitoring of information about orders is carried out through the 7Seconds personnel office.

The data are used in scoring systems and algorithms of 7Seconds' analytics, operating on the basis of machine learning systems and neural networks.

# Big Data Analytics Available to Partners of 7Seconds

Many financial institutions still use obsolete credit decision systems. For example, according to a 2017 Experian study, a large number of borrowers had significant changes to their estimated credit rating, which indicates a poor quality of forecast analytics.

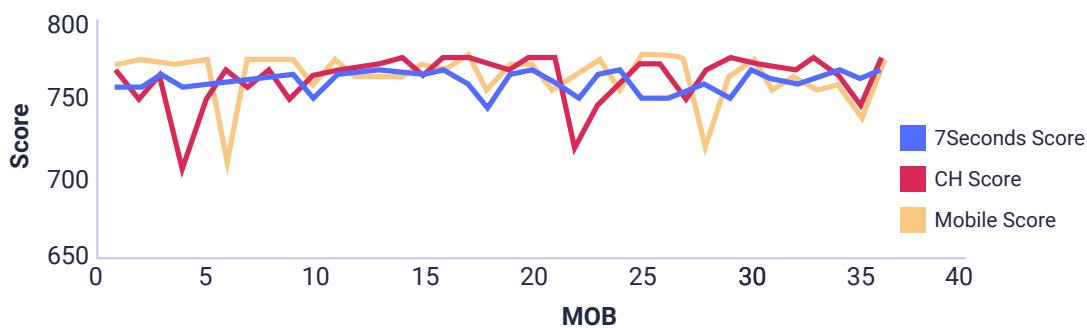


If we carried out an experiment in which we updated the quasi-application score of applicants for the consumer loan portfolio that was built on the data of credit bureaus, and if we did it monthly for several years, we would see that for each applicant, the score fluctuates a great deal.

That means that if the applicant applied for a loan several months before or after the actual date, he or she would otherwise have gone through the process of risk segmentation and could have obtained another product and, in some cases, would get nothing.

Similar effects make scoring, which is based only on credit history data, one-sided and subject to the noticeable influence of noise.

## Score vs. Mobile



Any scoring based on data from a single source (for example, from a BCH or a mobile operator), even complete and qualitative but characterizing the client from a specific side, will not reflect the behavior as a whole, and therefore, scoring based on such data will be prone to noise.

To realize the most complete scoring, it is necessary to have a diversified profile of the client, including data on consumer behavior and purchases. That data is available on the 7Seconds platform..



Since many sources of enriched information about applicants are very expensive, 7Seconds can change the set of sources used for partners.

To build an optimal cost-sharing model, the partner bank provides a list of external information services used, after which 7Seconds uses only those sources that significantly complement the partner's force of separation.

In addition, the set of sources used depends on the type of product and its value. Various levels of the optimal (from an economic point of view) completeness of information correspond to various costs and types of goods.

7Seconds significantly improves predictive power of credit analytics with the help of cutting-edge technologies and access to data on purchases. In addition, the company is working to provide other types of analytical solutions.

<b>For Banks</b>	<b>For Online Stores</b>
Determining the solvency of a client/client group	Profiling the audience
Estimating the probability of default, fraud by customer category/product category/location, etc.	Measuring the conversion of customer flow into checks
Improving decision-making systems	The forecast of commodity circulation on commodity groups
Analysis of the risks of loan portfolios	Estimation of sales potential by commodity groups
Automatic creation of the best offer	Evaluation of the results of credit decisions
Evaluation of the adoption of cross-selling suggestions	

## Platform Security

As a company works with customer information that constitutes commercial and banking secrets, the following mechanisms have been introduced to ensure information security:

- The company's office is in a secure room with several levels of protection.
- The company's servers are located on the provider's virtual machines that feature a high degree of reliability in terms of the time of operation without failures, the degree of safety of the information (backup of both servers and databases), and unauthorized access safety.
- Work with key software systems on these servers occurs through encrypted channels with additional validation of information (reconciliation of hash codes).
- The company has delimited access to information resources. Each employee's account has a minimum access to data and only the information that is required to carry out their duties. Passwords for accounts correspond to complexity requirements to prevent hacking.
- All the company's information is together in a secure network.

- All user actions in key systems are recorded in a log for accounting purposes. A version control system is used for the same purpose.
- Software tools to protect against unauthorized access are regularly updated to maintain their current state in accordance with the changing environment.
- The company's technical management will monitor the site so only licensed software products are used to prevent the introduction of virus programs or other malicious programs into the corporate information system.
- Each employee of the company signs a commitment to commercial secrecy to provide the legal basis for the company's data security.
- The 7Seconds platform is designed with the expectation of a high load.

The main emphasis is on speed performance along with support for smart contracts, predictability, stability, and ease of use.

7Seconds plans to use the most proven scalable technologies with open source and constantly monitor the emergence of alternative methods of implementation.

Because existing blockchain-based platforms such as Ethereum have limitations of transaction throughput capacity (currently limited to tens of transactions per second) and platform and structures are only at the development stage, we are also considering the possibility of developing in the future our own blockchain platform in which the nodes are selected from a conventionally trusted group of those who support the platform.

Using the system of trusted nodes, we implement one of the fastest consensus algorithms from the BFT group (HoneyBadgerBFT, Zyzzyva, and others), which will allow you to execute thousands of transactions per second.

The virtual machine of smart contracts will work on the basis of the consensus algorithm. The status of 7Seconds blockchain will synchronize with the status of the most popular smart contracts ledgers (at minimum ETH) to prove the status and implementation of the transaction (within 7Seconds) using the Ethereum smart contracts (similar to the way BTCTime is doing now or Plasma will do in the future). We will also introduce general optimization methods such as sharding.

# Roadmap



# The Marketplace on the 7Seconds Platform

In 2018, 7Seconds will begin developing an additional functionality for the platform. It is a marketplace for the selection of the most profitable combination of costs and conditions of goods with the subsequent merger of the two functions on the same platform. The choice of goods will be added to the existing choice of loan products. We will be able to offer online stores to sell their products on our platform by integrating through an API developed by our specialists. Thus, members of the 7Seconds ecosystem will have access to all customers who use the 7Seconds platform.

In turn, customers using the services of the 7Seconds platform will be notified of the appearance of new functionalities through the personal cabinet.

## Geographic Expansion

We plan to select cities to start the system based on the population, the level of income of consumers and the concentration level of the market for everyday goods.

## The Structure of the Token

The CRET token, the main component of the 7Seconds ecosystem, is intended to facilitate all types of operations, which makes it an integral part of the ecosystem and the determining factor of its economy.

The balance of the tokens and their transfers will be monitored by 7Seconds. In the event of any force majeure such as a large theft of tokens, a compromise of the contract, or significant changes to Ethereum, 7Seconds may stop the transfer of tokens and issue a new contract with the same token balance as it was on a certain date.

If there are new branches of Ethereum, 7Seconds will issue a statement in a timely manner about which branches it will support.

At the end of the ICO, all participants will receive ERC20-compatible utility tokens based on Ethereum. If 7Seconds launches its own blockchain system or chooses a suitable alternative to its existing ones, a new token will be released on this platform, and ERC20 tokens can be changed to new ones at the rate of 1-to-1.

# Sale of Tokens

## General information

The sale of tokens is carried out in two stages:

### Stage #1: Private sale

Start date: July 3, 2018

End date: September 3, 2018

### Stage #2: Public sale

Start date: September 4, 2018

End date: October 5, 2018

Payment: **BTC, ETH**

Hard Cap: \$45,000,000

Soft Cap: \$3,000,000

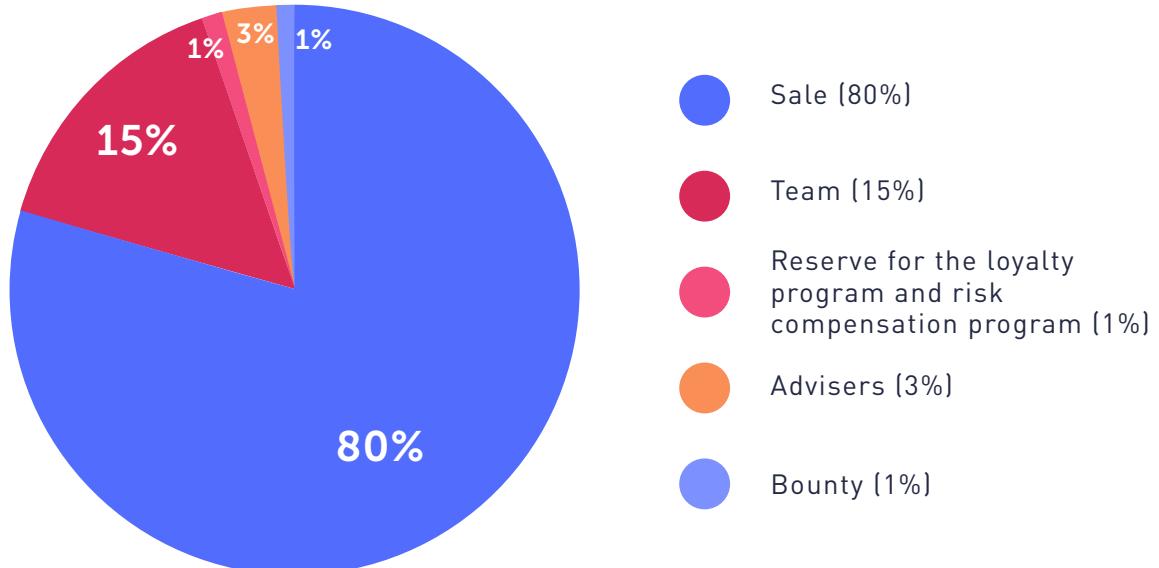
Hard Cap: \$45,000,000

Token Price: 1 CRET = \$0.10

Total Supply (maximum): 645,000,000

- The exact number of generated tokens depends on the amount of money deposited in the ICO process.
- The creation, release, or mining of tokens after the end of the ICO period is not provided.
- Tokens will be allowed to be passed on after the end of the ICO period.
- If the minimum goal is not achieved, the funds will be returned to the participants.
- After reaching the maximum goal, the ICO will be terminated immediately.

# Distribution of Tokens

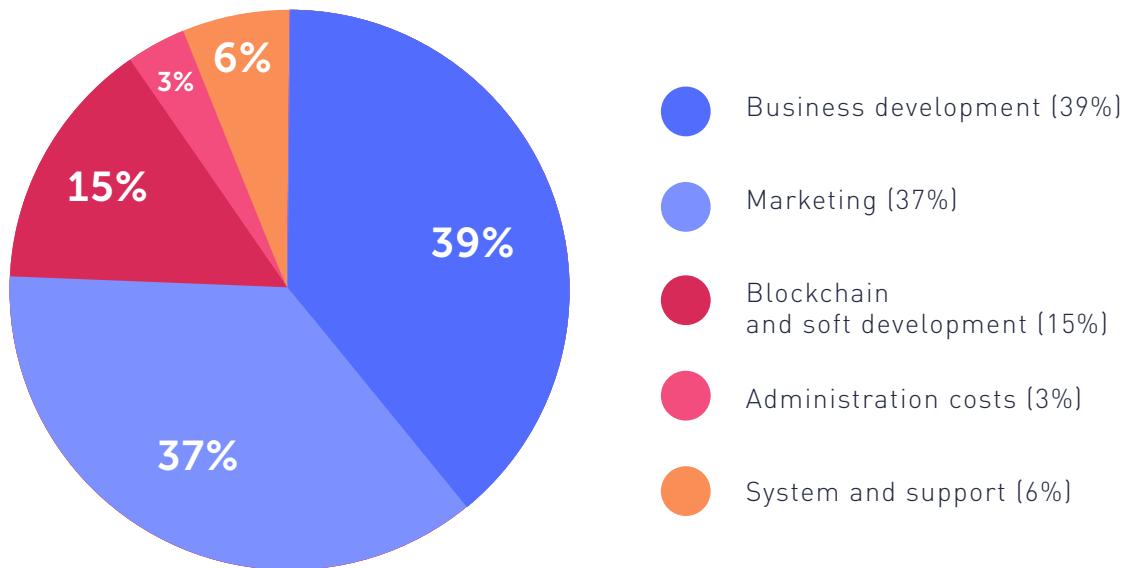


The 7Seconds team's tokens will be blocked for one year with two six-month periods limiting their use.

Tokens of advisers and first supporters will be blocked for six months.

# Distribution of Funds

It is planned that the funds raised during the ICO will be used in accordance with the roadmap.



Our roadmap assumes the development of all functions for the 7Seconds platform, multifunctional applications, interfaces for all ecosystem participants, and powerful marketing support to accelerate the attraction of online stores, credit institutions, and buyers.

## **Blockchain, soft development, and research**

Blockchain, soft development, and research are all relevant costs, including the design and development of smart contracts, cryptographic mechanisms, the 7Seconds marketplace, applications, interfaces, SDK, and so on. They include the creation of a distributed R&D center and an increase in staff from 40 to 200 people.

## **Administration**

Administration includes salaries of all employees, except the research and development team.

## **Strategy and marketing**

Strategy and marketing funds will be used to attract online stores, credit organizations, and consumers in various countries.

## **System and support**

System and support will include all legal costs associated with the expansion of the 7Seconds ecosystem in various countries. It includes financial support of capital requirements by regulators and the minimum necessary to maintain the availability of capital turnover for the service that handles credit payments.

## **Business development**

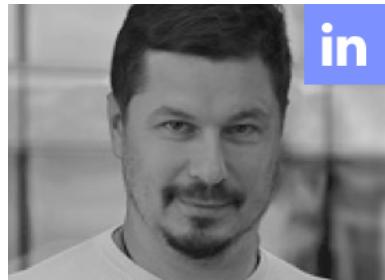
7Seconds will open new branches as planned. The first branches will be in Great Britain, Poland, and Indonesia.

# **The KYC Procedure**

CRET token utilities are not offered or sold and cannot be resold or otherwise transferred by the owners to individuals or legal entities located in or registered in the country or territory where operations with digital tokens are prohibited or in any way restricted by applicable laws or regulations, or become prohibited or restricted after entering into this Agreement ("Prohibited Entities").

We do not allow the participation of Prohibited Entities and reserve the right to refuse or cancel the request for the purchase of CRET tokens at any time at our discretion if the information provided by buyers in the KYC procedure is incomplete, inaccurate, or misleading, or if the buyer enters a group of people for

# The Team



Alexey Chalenko  
CEO / Founder

in

Alexey has more than 20 years experience in banking and investment.  
2014–2016, MDM Bank, Deputy Chairman of the Board, Head of the Commercial Investment Bank.  
2002–2012, Uralsib Financial Corporation, Chief Investments Officer, Head of Russia Asset Management and a private banking player, member of the Board, and Chairman of the Board of the Uralsib Pension fund.



Alexey Chuikin  
Managing Partner,  
responsible for strategy

Alexey is one of the most well-known professionals in Russia in retail and management.  
2014–2016: School of management Skolkovo, Deputy President  
2010–2013: Department for Trade and Services of Moscow Government, Head of the Department  
2009–2010 Detsky Mir, Russia's largest specialized children's goods retailer, CEO  
2007–2008: Evroset, world's largest retail chain in the technology sector, CEO



Dmitriy Sredin  
Managing Partner,  
responsible for strategy

in

2017 – Raiffeisen Bank, Managing Director, Head of Large Corporate Clients Division  
2015–2017: JSC Sberbank of Russia, Senior Managing Director, Head of FMCG and Retail.  
2009–2012: Renaissance Capital, Managing Director, Renaissance Advisers, CEO



Alexander Nesterov  
Business Development  
Director

in

Alexander has plenty of experience in business development and is a founder of several successful international projects. He has worked for LG Electronics, Indesit Company, and Sony Corporation.



**Anastasia Smorodina**  
Director of International Marketing

Anastasia has expertise in implementing marketing strategies for biotech, fintech, mining blockchain, and ICO projects. She also has managerial experience running international ICO marketing and PR teams.



**Alexander Zakharov**  
Commercial Director

Alexander is a specialist in banking and finance products sales.  
2016–2017: Target Asset Management, VP Sales  
2013–2015: Schildershoven Finance, VP Sales  
He was head of the sales departments for Finam, IFC Otkrities, Uralsib Bank, and Alfa Bank.



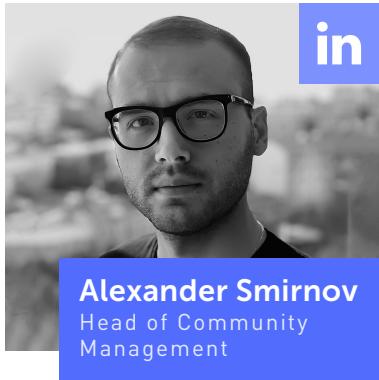
**Sergey Klimov**  
IT Architect

Sergey has great experience in IT development and IT architecture.  
2015–2016: TelePost-Finance (ECOMBANK), CTO  
2012–2015: Nano-Finance, Lead Developer.



**Anastasia Molocke**  
Head of Investor Relations Department

Anastasia has five years of experience in blockchain and cryptocurrency, developing and consulting for blockchain projects. She has excellent experience building partnerships with investors and partners.



Alexander Smirnov  
Head of Community Management

in

Alexander has helped improve customer experience and automated customer services for many ICO projects. He is a blockchain and crypto enthusiast.



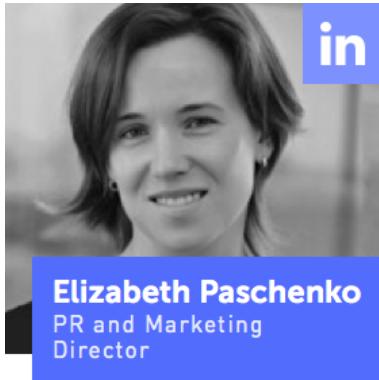
Alexander Kizilov  
Chief Operating Officer

in

Alexander is a long-term professional in investment and commercial banking.

2016–2017: MDM Bank, Executive Director of the Department of Financial Control and Analysis

2012–2016: MDM Bank; Head of the Department of Business Development and Strategy (CIB); Head of the Research Department.



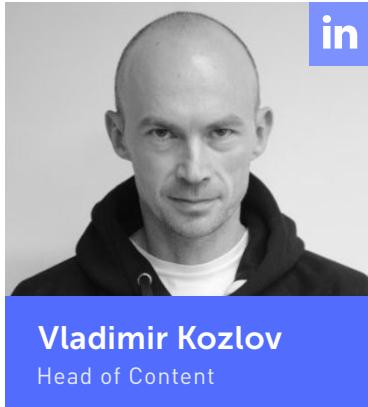
Elizabeth Paschenko  
PR and Marketing Director

in

Elizabeth has more than 10 years experience in PR and Marketing.

2012–2016: International Investment Bank, Deputy Director, PR Department, Head of Press Service

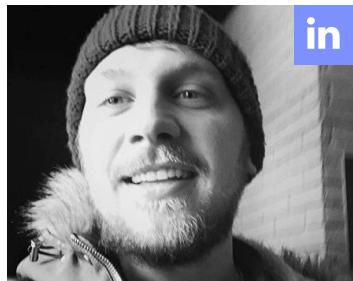
2007–2010: Chief Editor of Corporate Media at VTB Group.



Vladimir Kozlov  
Head of Content

in

Vladimir is an experienced editor and journalist. He has worked on a full-time or freelance basis for BBC, Agence France Presse, The Moscow Times, The Moscow News, Computer Weekly, Institutional Investor, VICE and other media outlets. Recently, he has focused on blockchain and ICO-related content.



**Nikolay Baryshnikov**  
CTO

Nikolai has eight years of experience as software developer and architect. He mainly specializes in highload and blockchain. He developed and launched three software projects and was developer or architect of several blockchain projects.



**Artur Sundetov**  
Blockchain Architect

Artur has developed several major blockchain projects, including crowdsale.network, a platform for supporting startups; interoco-blockchain, an intellectual property protection service, and lototo, a blockchain-based lottery.

# Risk factors and disclaimer

The CRET token is not a security since it does not give any rights to participate in the activities of the legal entity (CRET tokens are not shares and do not entitle participation in the general meeting of shareholders of Global Mark Ltd.), the distribution of dividends, or the payment of any interest. The sale of CRET tokens is final and non-refundable.

CRET tokens cannot be used and cannot perform their functions or have a certain value outside the 7Seconds ecosystem.

The 7Seconds ecosystem unites 7Seconds partners (e.g., commercial banks, investment banks, payment institutions, financial institutions) for the exchange of electronic money, marketing, advertising agencies, and so forth.

Any buyer using the 7Seconds ecosystem can perform the following types of actions with CRET tokens:

- Repay loans (from 7Seconds partners)
- Buy and acquire certain services that handle enrichment of provided data, scoring decisions, and solutions to counteract scoring fraud
- Receive discounts and bonuses from 7Seconds partners

CRET tokens should not be used or purchased for speculative or investment purposes. The purchaser of CRET tokens is aware that national securities laws are not applicable that ensure that investors purchase investments that include the proper provision and disclosure of complete information and are subject to regulatory control over investor protection and regulatory expertise of the above.

CRET tokens do not perform functions, have no functional characteristics, and do not have a certain value outside the 7Seconds ecosystem. In addition, CRET tokens should not be used or purchased for speculative or investment purposes. The buyer of CRET tokens is aware that national securities laws are not applicable that ensure that investors purchase investments that include the proper provision of full information and are subject to regulatory control over investor protection and regulatory expertise of the above.

Anyone who buys a token explicitly acknowledges, agrees, and declares that he or she has carefully studied this whitepaper and fully understands all the risks, costs, and benefits that are, or may be, associated with the purchase of the token and receipt of the token.

# Required Knowledge

The buyer of the CRET token confirms that he or she understands and has significant experience in the field of cryptocurrency, blockchain systems, and services and also fully understands the risks associated with the crowdsale, as well as the mechanism associated with the use of cryptocurrency (including the storage of cryptocurrency).

Global Mark Ltd. is not responsible for the loss of tokens or a situation that makes it impossible to access CRET tokens and that may result from any act or omission of the user or any individual or entity undertaking to purchase CRET tokens, as well as in the case of hacker attacks.

## Risks

The acquisition of tokens and their storage is associated with various risks; in particular, the fact that Global Mark Ltd. may not be able to start its activities and develop its own blockchain system and provide the promised services. Therefore, before purchasing CRET tokens, any user should carefully study and take into account the risks, costs, and benefits associated with the purchase of CRET tokens in the context of the crowdsale and, if necessary, obtain any independent recommendations on this matter.

Any interested person who is unable to accept or understand the risks associated with the operation (including risks associated with not implementing the 7Seconds ecosystem development project) or any other risks specified in the terms and conditions for the sale of CRET tokens should not acquire CRET tokens.

CRET tokens should be provided according to the principles of "as is" and "if available" or "as available" without any express or implied warranties.

Risks mean the risks of any damage or loss, including loss of business or business opportunities; loss of revenue or loss of profits; loss or damage of data, equipment, or software (direct, indirect, punitive, actual, incidental, real damages, punitive damages, etc.) arising from any use or inability to use the 7Seconds ecosystem.

# Important disclaimer

This whitepaper should not be considered and cannot be regarded as an investment proposal. It is not in any way unrelated to and should not be considered as an offer of securities in any jurisdiction. This document does not include or contain any information or guidance that can be considered a recommendation or that can be used as a basis for any investment decision. CRET tokens are functional tokens (utility tokens) that can only be used in the 7Seconds ecosystem and are not intended to be used as an investment.

Global Mark Ltd. cannot be considered a consultant for any legal, fiscal, or financial matters. Any information in this whitepaper is provided for general information purposes only, and Global Mark Ltd. makes no representation as to the accuracy or completeness of this information.

Global Mark Ltd. is not a financial intermediary under the laws of Seychelles. The acquisition of CRET tokens does not give buyers any rights of influence or influence on the organization and management of Global Mark Ltd.

Regulatory bodies carefully study and inspect enterprises and operations related to cryptocurrencies around the world. In this respect, regulatory measures, investigations, or other actions may affect the activities of Global Mark Ltd. and even limit or prevent its development in the future. Any person who assumes the obligation to purchase CRET tokens should be aware of the business model of Global Mark Ltd. This whitepaper can be changed due to new regulatory requirements and compliance requirements of any applicable laws in any jurisdiction. In that case, buyers and anyone who assumes the obligation to acquire CRET tokens recognize and understand that neither Global Mark Ltd. nor any of its affiliates shall be liable for any direct or indirect loss or damage caused by such changes.

Global Mark Ltd. will do everything possible to start its activities and develop the 7Seconds ecosystem. Anyone who undertakes to purchase CRET tokens also acknowledges and understands that Global Mark Ltd. does not provide any guarantees that the company will succeed in achieving its goal.

Any participant of the ICO recognizes and understands that Global Mark Ltd. (including its bodies, employees, agents, and affiliates) shall not be liable for any direct or indirect loss or damage that may arise or result from the inability to use the CRET tokens, except for willful misconduct, misconduct, or gross negligence.

# Representations and Warranties

By participating in the crowdsdale, the buyer agrees with the above provisions, and, in particular, he or she declares and warrants that he or she:

- has carefully read this whitepaper;
- is authorized and has the full right to acquire CRET tokens in accordance with the laws that apply to his or her jurisdiction where he or she resides;
- lives in a jurisdiction that allows Global Mark Ltd. to sell CRET tokens through a crowdsale without requiring any local approvals;
- is acquainted with all relevant rules in the specific jurisdiction in which he or she resides, and that the purchase of cryptographic tokens in this jurisdiction is not prohibited, is not restricted, or does not comply with any additional conditions or requirements;
- will not use crowdsale for any illegal activities, including but not limited to money laundering and terrorist financing;
- has sufficient knowledge of the nature of cryptographic tokens and has considerable experience and functional understanding of the use and complexity of working with cryptographic tokens and currencies, as well as systems and services based on blockchain;
- buys tokens because he or she wants to have access to the 7Seconds ecosystem;
- is not buying CRET tokens for speculative investment or speculative use.

# Applicable law and Arbitration

Any dispute or disagreement arising as a result of or during the sale of the CRET token is handled by the courts of Seychelles, and all relations are governed by the laws of Seychelles.