**Bownce crypto environment, initial understanding, and scope of work**

This document is describing Bownce understanding and requirements for crypto/blockchain based environment, formulate scope of work for a “crypto” partner and deliverables for the initiation phase or work for Bownce crypto-environment design and implementation.

Please see more details about Bownce project, its business model and current state in….

**Initiation phase will aim the following objectives the following objectives:**

* Specification of the Bownce Token Economy based on the initial business requirements and Bownce understanding of the crypto environment required.
* Specification of the Token Smart Contract System.
* Specification of the wallet functionality needed in the Bownce App.
* Definition of the overall system architect in preparation for future enhancements
* The initiation phase will lay the groundwork for further implementation activities and longer-term collaboration

**Bownce Goals**

* Bownce will produce a new generation of sports devices to allow people train their whole body in a smart and easy to use way
  + There will be a varied series of devices: “punching”-ball, skipping rope, dumbbells, and others
  + All devices will be ”instrumented” and will gather data to be processed by specific (also patented) algorithms to provide guidance to the user
  + The devices will allow training at any fitness level and age
* Bownce will provide interesting ways to build and engage the user community
  + Primarily through challenges where users can measure up with others and participate in reward-getting competitions.
  + Bownce will offer curated content and courses for users to improve their technique, fitness, and health
  + User’s activities will be rewarded in various ways thorough the issuance of crypto tokens.
* Create an ecosystem of devices, content, and community to provide a holistic training experience
  + Fit it all together in a seamless way like what Apple has done for apps, music, health, and TV.

**What we expect from a Crypto partner**

* Experience in developing Token economics and Token based ecosystems
* Experience in successful launches of “Crypto-products”
* Experience in design and development of blockchain based industrial applications

**High-level requirements:**

**Use Cases and App Requirements**

* EARN and SPEND logic: how users can earn and spend the Bownce Token
* Wallet functionality to hold the tokens in an easy-to-use way
* Integration with Fiat/Crypto exchange to facilitate on-ramp

**Business Requirements**

* Gas fees must be hidden from the user.
* Transaction fees for Token transfer and, possibly, for cash-in/ cash-out
* Token supply and circulation mechanism to balance adoption and price level
* User Experience: minimize KYC “burden”, hide Gas costs, and hide complex procedures

**Legal and Compliance Requirements**

* Clarify requirements for each jurisdiction in which Bownce intends to be active with their Token system
* Clarify the minimal level of KYC needed for each jurisdiction. Handle underage Users accordingly
* Smart tradeoffs between operations on-chain (decentralized) and operations off-chain (centralized at Bownce)

**Technical Requirements**

* Select a Smart Contract Platform that supports relatively high throughput and low transaction costs

e.g., Ethereum based chains are preliminary considered as not suitable to support a high volume of small transactions. The transaction fees would be prohibitive.

* Alternatives must be assessed to better meet Bownce
* requirements.
* Smart tradeoffs between operations on-chain (decentralized) and operations off-chain (centralized at Bownce)

**Current Bownce Token facts**

**Supply and value**

* Fixed supply
* 200’000’000’000 Token (200 billion)
  + 100 billion: for exchanges (liquidity)
  + 30 billion: company treasury
  + 70 billion: circulation for users
* Token value
  + at launch: 0.05EUR
  + Pre-launch: 0.04 EUR

**Distribution**

* 700 tokens at each device purchase
* Tokens can be used in the Bownce shop
* Later: listing at exchanges

**Simple overview of the envisioned Token Ecosystem**

Diagram

Description automatically generated

**Preliminary timelines and deliverables**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **MVP 1 DACH launch** | **MVP 2** | **MVP 3** | **NFT** |
| **timeline** | **spring 2022** | **summer-autumn 2022** | **2023 onwards** | **spring 2022 (before 1st market launch)** |
| **Scope** | **Cryptocoin publishing**  - network?  - requirements of low processing fees and short processing time  - volumes?  - pricing, free valuation (e.g., only after exchange listing or not?)  **Legislation compliance in following jurisdictions:**  - Germany  - Austria  - Switzerland  **Understand legislation requirements and regulators**  - Age?  - Crypto disclosures, to exchanges/regulators? - KYC/verification engines? (GDPR bownce/or not?)  - legislation compliance – Bownce or KYC providers, other 3rd parties?  **Crypto wallets management**  - Wallet engines, selection process?  - Integration with Bownce app, Bownce online shop (e.g. merchandise)  - Earning-Spending-Transferring coins  - Cash-in/out support with FIAT currencies (CHF, EUR)  - Hidden transaction costs?  **(?) assessment of technical capabilities** to integrate with non-Bownce world, e.g., gaming, other real-world devices with digital; should this be built-in to the original design?  **(?) Listing on crypto exchange(-s)** - MVP 1 or later, should be decomposed further for decision making | **MVP1 jurisdictions for under-age users**  **Other EU jurisdictions than in MVP1**  **Proxy solution with an own Bownce currency aka Flowers/in-game currencies**  **Integration of own currency with Bownce app and online shop**  **Linking under-age accounts to adult accounts for crypto operations** | Large population jurisdictions, first where crypto currencies and operations are legally allowed  - US  - China  - India  - Japan etc. | Brainstorm use-cases and customer value. Preliminary to ensure originality of Bownce devices  Tokenization or physical products for originality confirmation/tracking, activation/deactivation, transfers between users/players (e.g. in gyms) |