



## White Paper 2.0

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## LEGAL DISCLAIMER

The White Paper presents Freight Coin, Freight Coin Exchange, technology and business model powered by TKM (The Token) to potential TKM holders in connection with the ICO. The information set forth below may not be exhaustive and does not imply any elements of a contractual relationship. Its sole purpose is to provide relevant and reasonable information to potential token holders in order for them to determine whether to undertake a thorough analysis of the company with the intent of acquiring TKM Tokens. All relevant legal information is contained in the Token Purchase Terms and the Token Purchase Agreement.

Certain statements, estimates and financial information contained herein constitute forward-looking statements or information. Such forward-looking statements or information concern known and unknown risks and uncertainties, which may cause actual events or results to differ materially from the estimates or the results implied or expressed in such forward-looking statements.

This English-language White Paper is the primary official source of information about the TKM token. The information contained herein may be translated into other languages from time to time or may be used in the course of written or verbal communications with existing and prospective community members, partners, etc. In the course of a translation or communication like this, some of the information contained in this paper may be lost, corrupted or misrepresented. The accuracy of such alternative communications cannot be guaranteed. In the event of any conflicts or inconsistencies between such translations and communications and this official English-language White Paper, the provisions of the original English-language document shall prevail



## ABSTRACT

The import and export industry stands at the edge of a new era:

*“Business @ the Speed of Thought”- Bill Gates*

Re-imagine a transactional system transforming from analog to digital leveraging blockchain technology. The €10.9 trillion euros freight industry yearns from the business process efficiencies and financial savings institutionalized for our cryptocurrency: TKM.

The Freight Coin Foundation (FCF) authorizes a total supply of 1 trillion TKM balancing the requirements of the the €10.9 trillion euros freight industry by avoiding the scarcity flaw of Bitcoin rendering it useless for enterprise transactions. FCF's constitution models an equilibrium benchmark price marker currently hovering around €0.210 per TKM representing land, sea, air and rail transportation. FCF will never authorize to issue more coins if there is no trade finance demand as it may disrupt the price equilibrium everyone desires. To incentivize early adopters, FCF will only release 100 billion TKM (10% of total supply) for the PreSale and ICO at an offering price of €0.001 per TKM with stage bonuses ranging from 100% decreasing to 15% as TKM supply sells out. The circulating supply gives TKM holders a purchasing power of €100 million euros (market cap at the offering price).

TKM polishes the age-old friction between Buyers, Sellers and Traders (collectively Participants) providing payment liquidity and security in an easy to use platform without the unnecessary middlemen. It strips away banking red tape and costs that plagues all participants.

TKM fortifies the primary principle of the Letter of Credit system solves: counterparty payment default risk. Additionally we pair it with the advance features with cryptocurrency's extensible, bulletproof, trustless technology.

The philosophy underlying TKM links its price discovery to tangible assets and services performed in freight. This unique design provides



## ABSTRACT

an objective, neutral foundation and counterbalances price volatility derived from diverse indirectly-correlated sources: the cargo in shipment (commodities) and the vessel carrying the cargo, paired with hedging positions. We are standardizing the denomination of freight via TKM (ton-kilometer), for freight rates to be quoted and traded uniformly similar to any other commodity.

To attain maximal transaction liquidity, we establish a vibrant trading ecosystem with our own decentralized exchange: Freight Coin Exchange (FCX). It offers an array of meta-instruments, including a hedge facility and the capability for FCX to host ‘fractional’ vessel co-ownership.

Initially, we target traders, brokers, and vessel operators and owners in Eastern Asia – the fastest-growing region accounting for 75% of intercountry global trade jumpstarting our adoption with participants desiring for change on how they can extract arbitrage profit discrepancies in space, time, and form.

When you purchase TKM, you are liberating global trade from the stranglehold of restrictions imposed by incumbent financial institutions and archaic limitations of fiat currency. Whereas Bitcoin is designed for consumer transactions, Freight Coin’s blueprint specializes on enterprise transactions craving lightspeed, trustless, low cost, scalable and practical utility not available with other coins. If you are a current businessman, or future entrepreneur: you are essentially self insuring yourself with instant access to crowdfunded capital for your business: available for you anytime, anywhere.



## ICO DETAILS



## ICO DETAILS

### Terms for Pre Sale and ICO

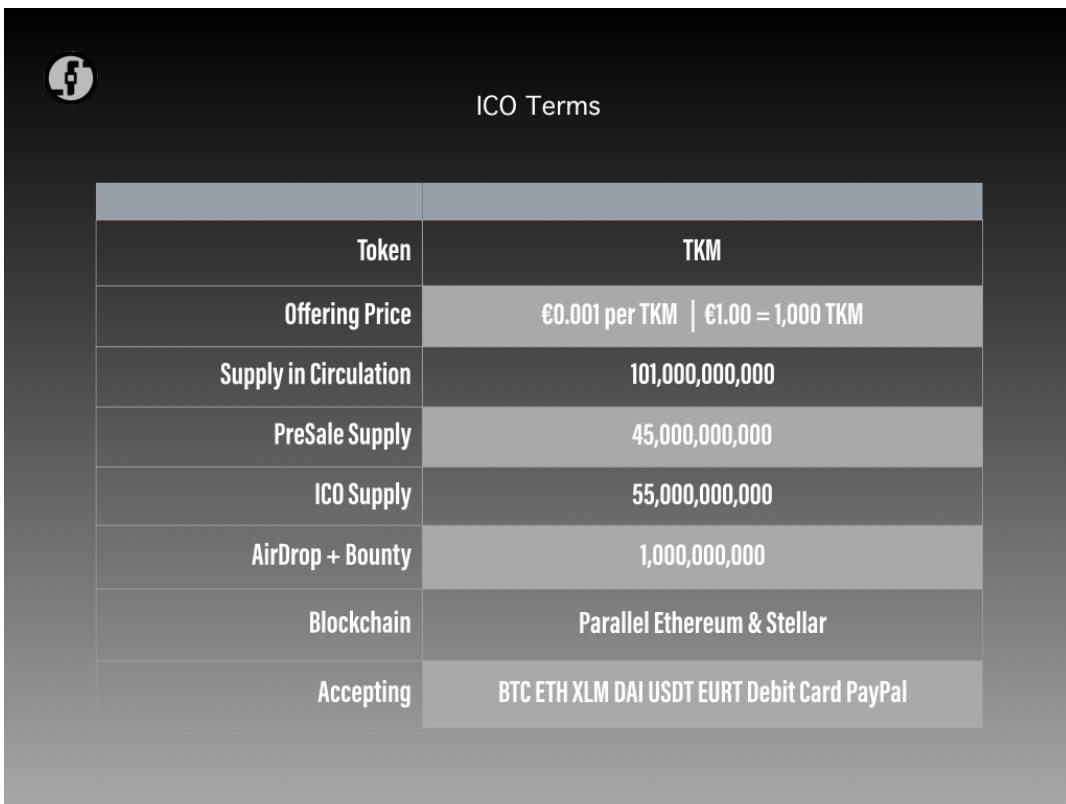
TKM is a parallel paired ERC-20 standard-based Ethereum token / Stellar Consensus Protocol. EVN tokens grant their holders the right to participate in FCX activities

TKM is offered for purchase with a 30 day window, starting on March 15th, 2018 and ending on April 14th, 2018.

TKM PreSale and ICO is conducted by Freight Coin Exchange (FCX) on behalf of the Freight Coin Foundation (FCF)

The ICO is open to the global public. Restrictions apply for residents of certain countries

TKM not purchased during the ICO shall not be activated for current circulation. Example (if only 50 Billion TKM is purchased that will be the only circulating but not burned.)



ICO Terms

Token	TKM
Offering Price	€0.001 per TKM   €1.00 = 1,000 TKM
Supply in Circulation	101,000,000,000
PreSale Supply	45,000,000,000
ICO Supply	55,000,000,000
AirDrop + Bounty	1,000,000,000
Blockchain	Parallel Ethereum & Stellar
Accepting	BTC ETH XLM DAI USDT EURT Debit Card PayPal



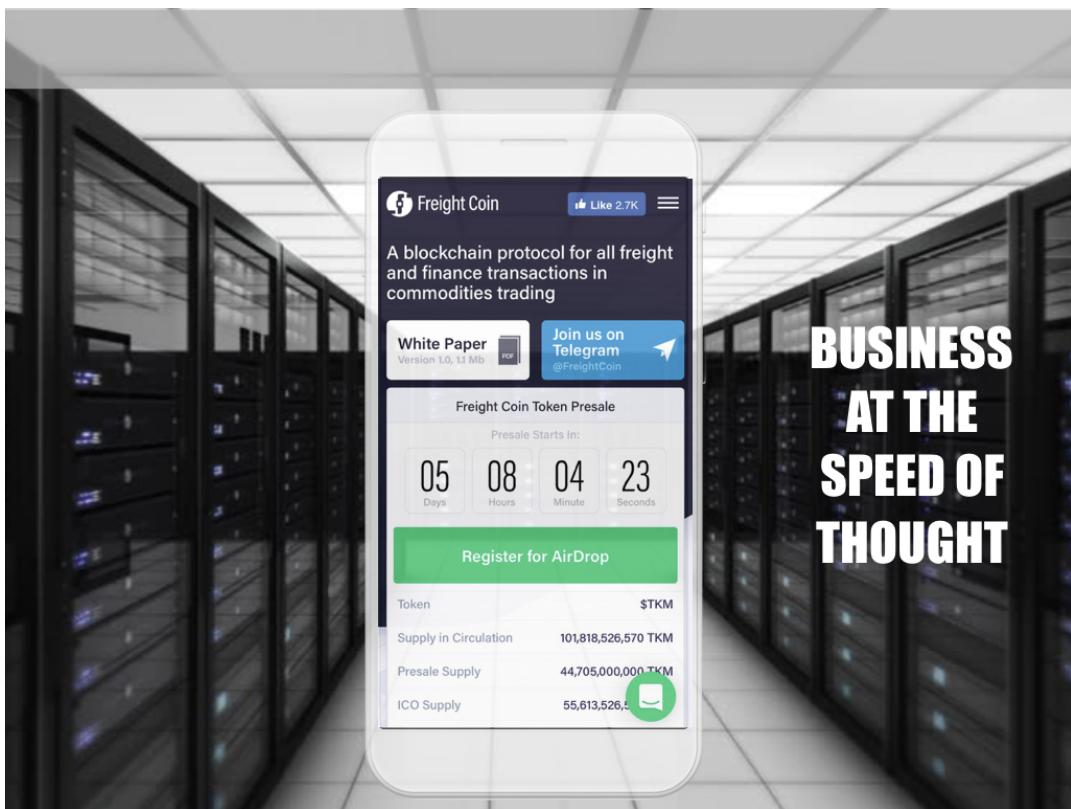
## ICO DETAILS

### How to Participate

At the moment, there are only two methods available to participate:

Telegram bot <https://t.me/FreightCoinBot>

Freight Coin website <https://www.freight-coin.com>



You sign up with the Whitelist the Know Your Customer (KYC) process and verify your identity and place of residence and citizenship. Once you pass the KYC process successfully, you can purchase TKM from 1 February from 0:00:01 UTC until 28 February at 23:59:59 UTC.

### Payment

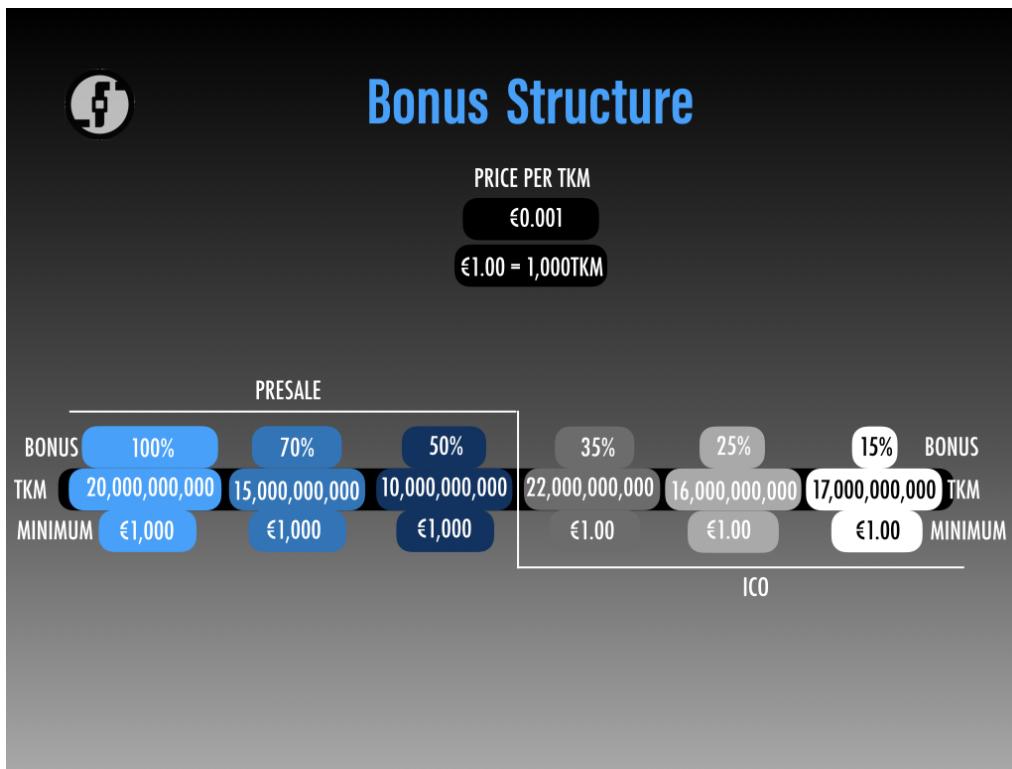
- You can purchase TKM with:
  - ❖ Accepted Cryptocurrency – ETH, BTC, XLM
- Wallets:



- Only Ethereum addresses in which you own your private keys. It must be the address you registered during the Whitelist registration process.
- We do not accept purchases from Coinbase, Kraken, Shapeshift or from any other exchange-based wallet, and we will neither be able to transfer the TKM to you nor reverse the transaction.



## ICO DETAILS



## Restrictions for Participants

- TKM functions as a liquidity mechanism: it needs freedom of movement and distributed ownership across all participants to accomplish this optimal state. At the current regulatory atmosphere, we are only allowing participation from companies or individuals who:
  - do not hold a US passport
  - are not in possession of a US “Green Card”
  - have no residence in the United States
  - are not citizens of: USA, Philippines, China, Afghanistan, Iran, Liberia, North Korea, Palestine, Panama, Sudan, Syria, American Samoa, US Virgin Islands, Guam, Puerto Rico. further updates are announced in our official website: [freight-coin.com](http://freight-coin.com)
- We aim to lift these restrictions at the appropriate time.



## ICO DETAILS

### Token

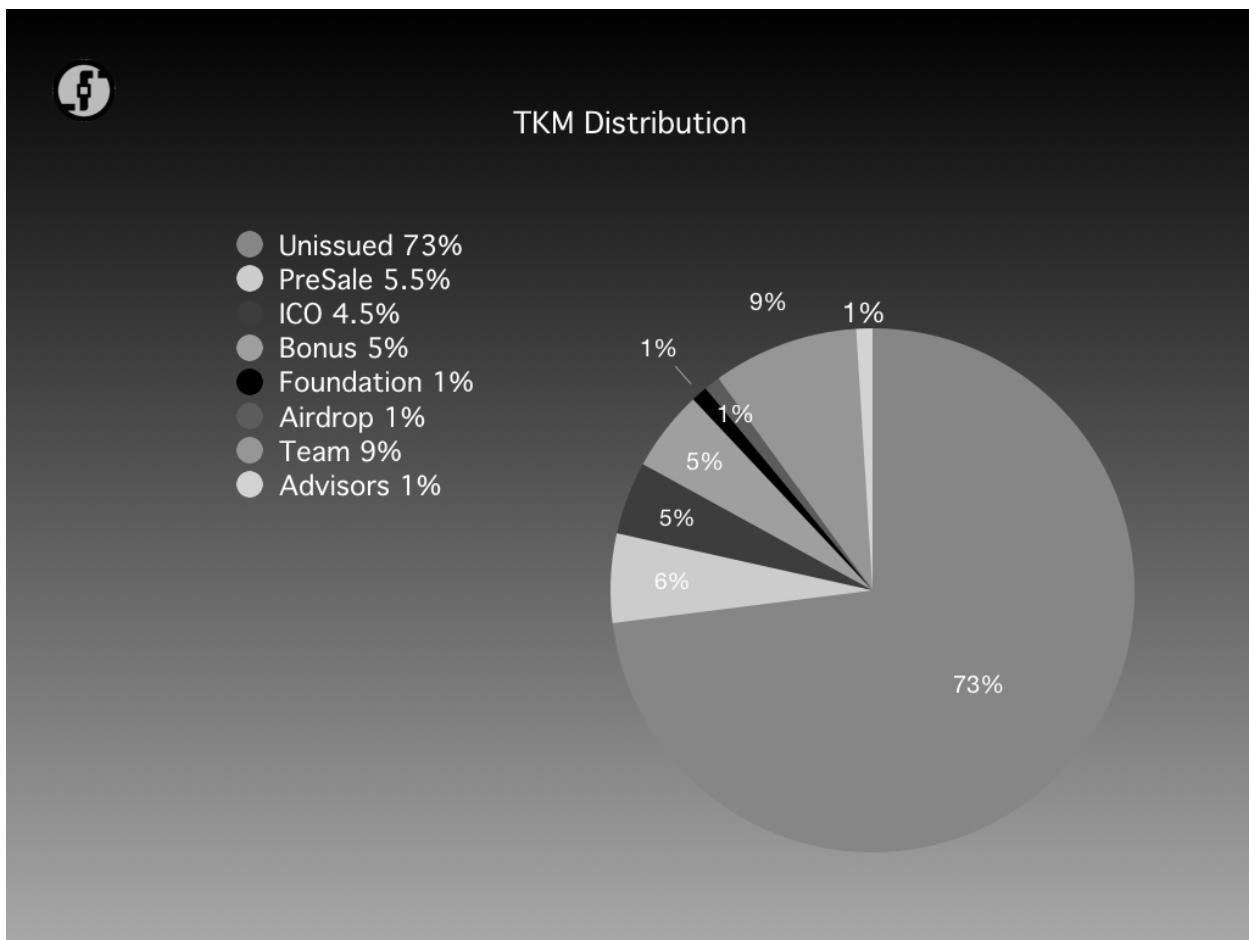
- TKM is a parallel paired ERC-20 standard-based Ethereum token / Stellar Consensus Protocol. TKM grant their holders the right to participate in the FCX ecosystem

The final allocation is illustrated below:

- 88% TKM holders
  - 5% PreSale
  - 5% ICO
  - 5% presale/ico bonus *is only activated if claimed and held for 365 days by bonus participants otherwise it remains locked/unissued*
  - 73% locked and unissued *until price equilibrium moves near target of €0.210 per TKM*
- 1% bounty/airdrop program
  - 0.10% presale/ico bounty
  - 0.90% locked and unissued *until price equilibrium moves near target of €0.210 per TKM*
- 1% FCF - locked and unissued *until price equilibrium moves near target of €0.210 per TKM*
- 9% team incentive- locked/unissued *3 to 30 year time vesting / performance milestone combo until price equilibrium moves near target of €0.210 per TKM*
- 1% advisors - *1 to 10 year time vesting*
  - 0.10% allocated
  - 0.90% locked and unissued *no more advisors until price equilibrium*



## ICO DETAILS



- Ownership of TKM does not constitute ownership of FCX. FCX is simply a service provider facilitating the trading of TKM amongst participants similar to a Foreign Exchange Broker.



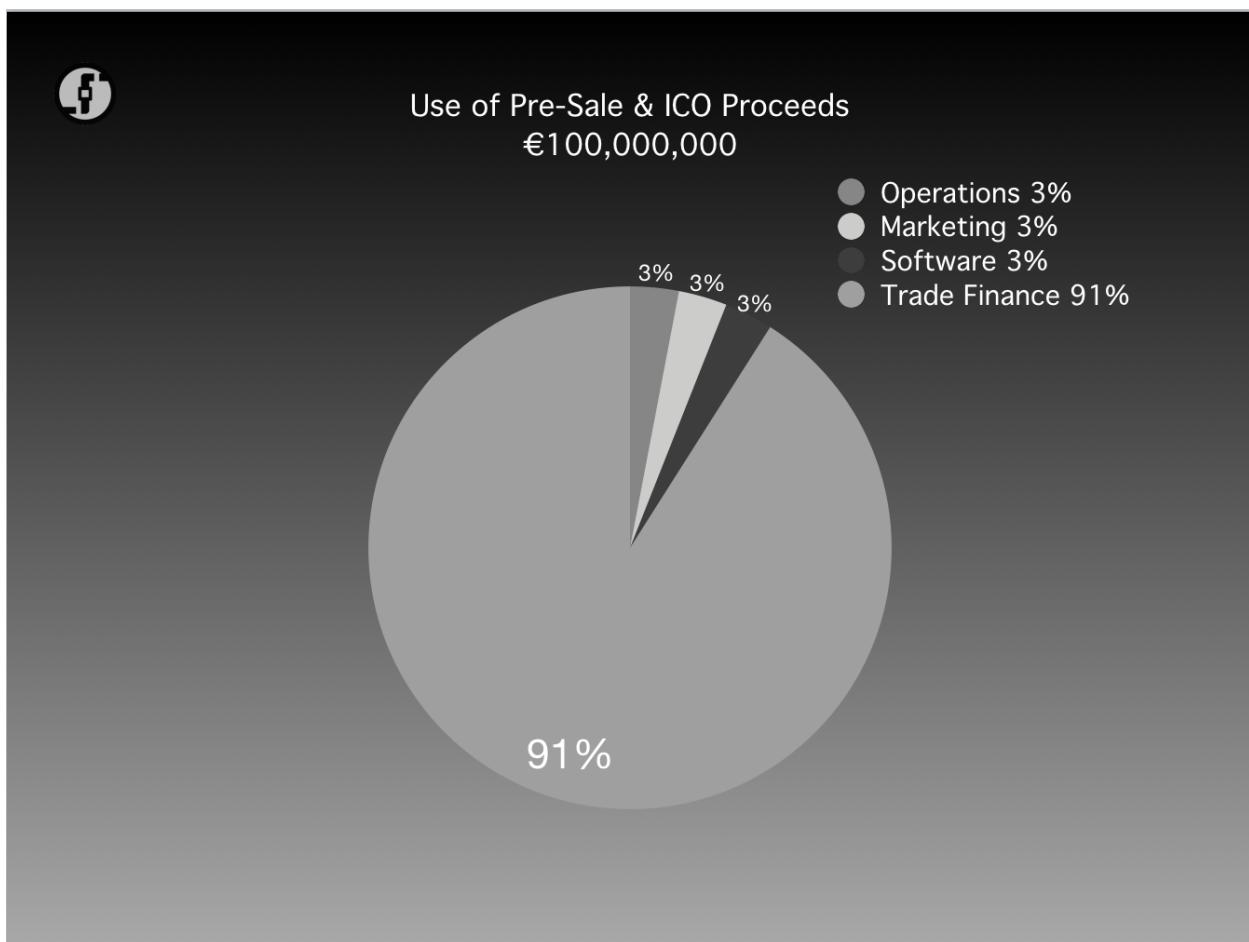
## ICO DETAILS

### Use of Proceeds from PreSale and ICO

91% of the core PreSale and ICO funds are locked and unusable as it is a backup for Trade Finance Collateral of participants.

9% of the PreSale and ICO funds are used for Operation, Marketing and Software of FCX as an advanced loan provided by FCF. As FCX is a wholly owned standalone for profit business wholly owned by FCF. It generate profits on its own and render itself self sustaining. This 9% will eventually be returned to FCF in the form of earnings derived from the fees it charges from FCX transactions.

After FCX fully repays back the 9% loaned for its operational, marketing and software budget. 100% of the PreSale and ICO proceeds will be complete again with FCF locked and unusable but only as Trade Finance Collateral.





## ICO DETAILS

## Roadmap

Roadmap	
Freight Coin Founded	SEP 2017
White Paper 1.0	OCT 2017
FreightCoinBot 1.0	NOV 2017
Founding Team	DEC 2017
Website 1.0	JAN 2018
Website 2.0	FEB 2018
Telegram ICO Bot 1.0	MAR 2018
	APR 2018
	MAY 2018
	JUN 2018
	AUG 2018
	OCT 2018
	DEC 2018

TKM WhiteList &amp; PreSale

TKM ICO

First TKM Financed Cargo from SG to PH

FCX Freight Coin Exchange (Telegram)  
FCX Freight Coin Exchange (WhatsApp)

FCX Freight Hedge Indices

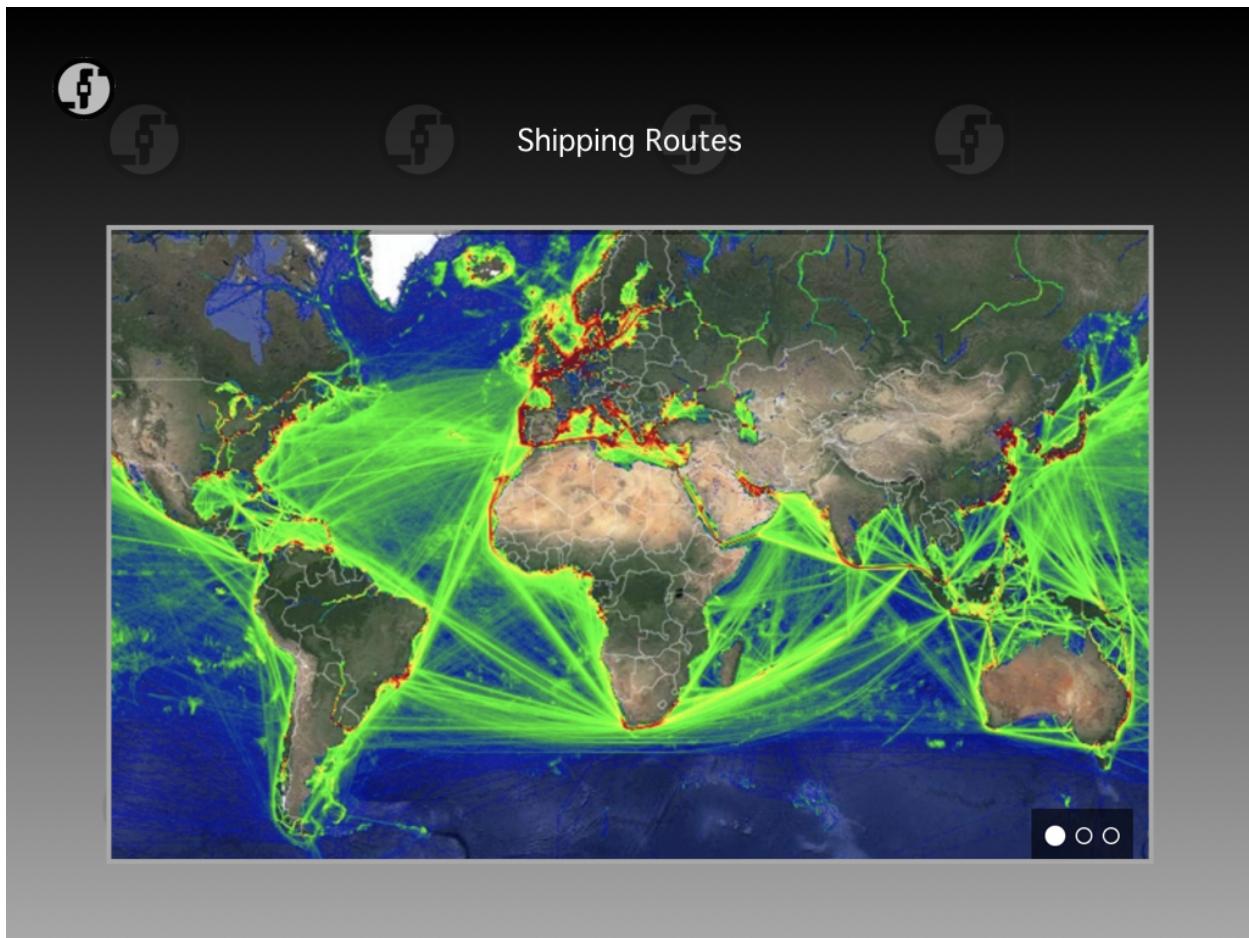
FCX Logistics Platform

FCX Foreign Exchange

€1 Billion Daily Turnover



## GLOBAL FREIGHT MARKET





## GLOBAL FREIGHT MARKET

### Trade Finance Market

The Letter of Credit is the primary instrument used in the Asia-Pacific region for the import and export sector. Its average value is US\$653,000 and is used to pay for 68 percent of imports and 75 percent of exports.



**Letter of Credit under the Microscope**

*By Phillip R. Silitchanu  
Principal, Lightship Strategies Consulting*

A letter of credit is a document issued by a bank at the importer's (or buyer's) request in favor of the seller.

The buyer requests their local issuing bank to issue a credit document, which is then sent either by post or by electronic confirmation) to the advising / confirming bank in the seller's country. The confirming bank then informs the seller of the goods that a letter of credit has been confirmed—but the funds are not disbursed to the seller just yet; the seller must first ship the goods, with all the necessary documentation (i.e. a bill of lading).

A copy of the bill of lading is then submitted to the advising bank, which is then sent to the issuing bank, while the goods are in transit. Once the goods are received in the buyer's country, the buyer transfers funds to the issuing bank, who then delivers the bill of lading document to the buyer, who can then take possession of the goods.

Despite these complex safeguards, problems can (and do) arise; a buyer requesting a letter of credit may encounter a number of problems. There is the risk that the buyer's bank will execute payment when presented with documents which are incorrect or not specified in the letter of credit (i.e., an incorrect or defective bill of lading); or worse: the buyer's bank is presented with the correct documents, but because of their own error refuse to execute payment.

More common, however, is that all the parties involved (the seller, the buyer, the issuing bank, the advising bank, the freight forwarder, stevedore or another party) all fall into disagreement, resulting in gridlock, with the goods sitting idle, and none of the parties being paid.

[freight.coin.com](http://freight.coin.com)      [t.me/FreightCoin](https://t.me/FreightCoin)

Freight Coin provides the ecosystem expelling the complexity, cost and time required for traders, especially small and medium-scale businesses obtaining Letters of Credit, and builds its presence in the sector capitalising on this highly liquid element of commerce.



## GLOBAL FREIGHT MARKET

### Trade Finance Market

Our assessment shows the FCX makes irrelevant the limitations detrimentally affecting the ability of financial institutions to provide trade finance.

FCX eases existing:

Costs and complexity of compliance (e.g. a company's requirement to meet any bank's obligations relating to anti-money laundering (AML) and 'know your customer' (KYC)).

Regulatory obstacles (e.g. failure to meet liquidity requirements of international banking regulations, such as those set by Basel III).

Arduous lending parameters (e.g. a failure to meet financial ratios, cash metrics, and years-in-business criteria).

Traders have long been frustrated by these limitations and the associated cost of compliance. This has created a pent-up demand for a new, secure financial solution.

Traders want to obtain trade finance without wasting time and money on cumbersome paperwork and facing uncertainty and rejection from banks. They want a service that can operate for them at a fraction of the cost and at unprecedented speed, and convenience at their beckon call.

Adopting TKM as a standard of GFM addresses major concerns that have been hampering the development and expansion of trade.

A Letter of Credit is a peer-to-peer trust mechanism. Buyers and Sellers have to trust one another that each will perform their respective responsibilities within the Letter.

Concurrent payment and delivery of goods is impossible when trading countries of origin and destination are different. In simpler phrasing, the transfer of goods cannot be concluded with a handshake.

As any freight operator testifies, the lower the trust, the higher the costs (uncertainty premium).



## GLOBAL FREIGHT MARKET

### Trade Finance Market

The Freight Coin solution is designed to negate flaws of the Letter of Credit. Freight Coin provide this once-marginalized community of participants with access to crowdfunded finance and logistics. FCX allow them to enter as participant, be managers of logistic assets in the network.



### Freight Coin . . .

- Bridges the gap between Buyer and Seller
- Eliminates financing via Letter of Credit
- Eliminates paperwork
- Accelerates and reduces costly red-tape
- Offers value-add cheaper insurance products based on ML data sets
- Enables hedging of freight price risk



## GLOBAL FREIGHT MARKET

### Trade Finance Market

#### Faster, Better Dispute Resolution

Of primary concern to all parties is performance delivery. Key difficulties that arise in shipping every day include:

1. Discrepancies between the products reportedly loaded and those unloaded. In such case the Letter of Credit is a cumbersome instrument used to prevent such outcomes.
2. When the value of the cargo increases or decreases by the time of delivery.
3. One or more parties intentionally defaults, either on delivery or payment.

Resolution – amicable or otherwise – can take days because the industry continues to exist with faxed or hand-delivered documentations. Freight Coin's chat platform allows counterparties to confirm quantity and quality specifications stated in the contract and resolve any disputes within minutes.

- **Offers** settlement of freight/trade transactions in real-time
- **Removes** the need for the costly, laborious and slow services of financial institutions
- **Provides** an alternative source for trade finance through tokenization; and
- **Delivers** direct access to trade finance

Participants interests converge over Trade Finance and Safeguarding their borrowed funds from counterparty default risk. Buyers need cumbersome Letters of Credit to finance the transaction because Sellers fear they may not get paid in a timely manner, if at all. It is an antiquated, largely chaotic system of the analog age in which banks inflict premium charges.

Banking red tape is throttling the global economy.

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## GLOBAL FREIGHT MARKET

### Freight Market



## FCX:

- **Connects** Buyers, Sellers and Traders in a frictionless and scalable architecture using TKM as a price marker for all freight and trade finance commodity transactions
- **Creates** Freight Coin Exchange FCX where Participants posts deals to obtain Trade Finance, book capacity to lock in freight prices and protect profit margins via hedging of cargo price and freight rate volatility risk.
- **Enables** long-term booking of freight contracts to maximize the prospect of ships sailing port to port always; and
- **Provides** shipowners the ability to finance purchases of new vessels through vessel tokenization

## Booming Sea Freight Markets of Asia

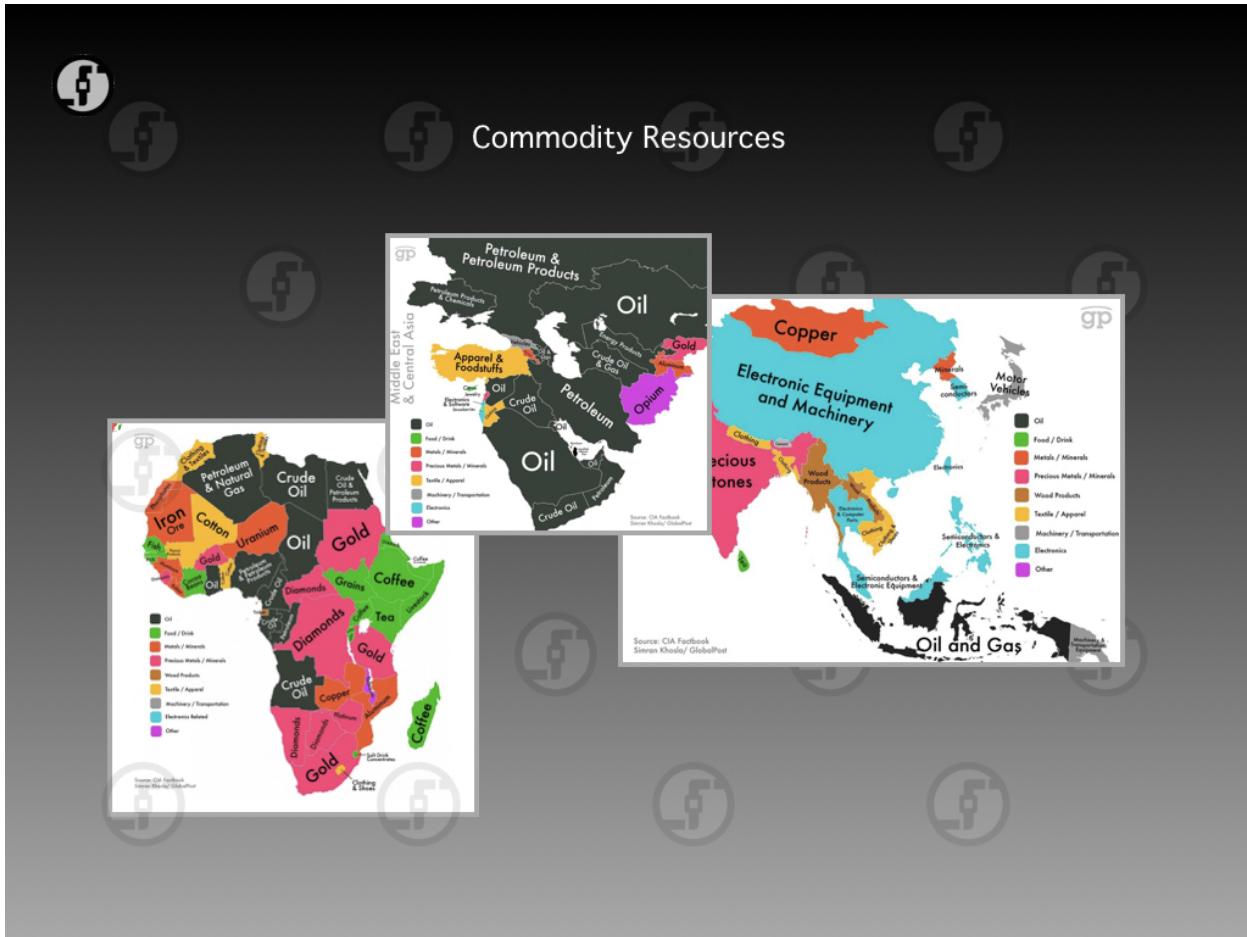
Freight Coin focuses its initial strategic engagements in the Asia-Pacific region, which offers both short-term gains and long-term growth.

The addressable market for global freight is valued at €10.9 trillion. Within this, the tanker freight sector that includes crude oil, refined products, and chemicals has an addressable size of €2.9 trillion.



## GLOBAL FREIGHT MARKET

### Freight Market



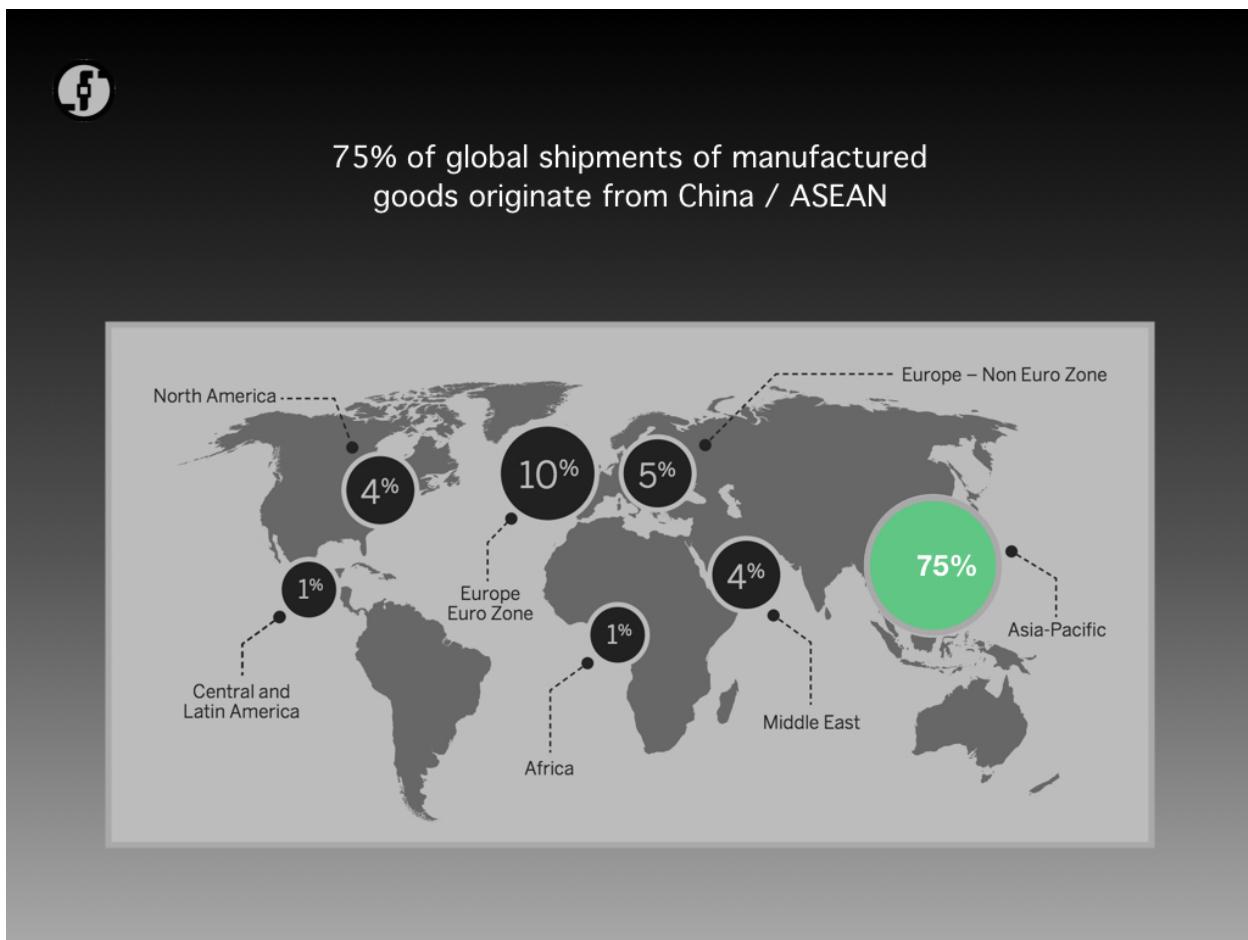
- Small-scale commodity producers are a high-value community in this ecosystem yet are underserved by large financial institutions, who are unwilling or cautious about issuing them Letters of Credit. Many of these traders operate from South-East and North Asia. Their lanes within Asia, as well as North America and Europe, represent the best prospects for growth in the next five years.
- Freight Coin strategically engages with this community, capitalising on these prospective growth trends and supported in the short-term by current trade volumes



## GLOBAL FREIGHT MARKET

### Freight Market

Today, 75 percent of global shipments of manufactured goods originate from China and its Asian neighbours, predominately the countries of ASEAN (Association of SouthEast Asian Nations). Seven out of the world's top 10 ports are in China, and East Asia has 14 of the global economy's 20 busiest port.





## GLOBAL FREIGHT MARKET

### Freight Hedging Market

- **Provides** an instrument for market participants to hedge freight rate risk
- **Secures** cargo capacity by pre-selling long-term charter freight contracts at a discount; and
- **Enables** sellers and buyers to safeguard against performance defaults of their cargo



## FREIGHT COIN [\$TKM]



## FREIGHT COIN [\$TKM]

### Our Vision

- What does the Logo stand for?
  - It is a circuit board that moves digital value
  - It represents a cargo pallet moving on a road
- $L = (FC)^2$ 
  - **Liquidity = Freight x Coin**
- Liquidity is the the cost of transaction from buying and selling at a rapid pace as the Bid/Ask spread difference.
- What's the root problem we are solving? Instant Access to Capital > Liquidity >
- Enterprise Level

	Banks	Freight Coin Exchange
Lengthy Application requirement due to Credit History, Company Financials 3 year history	90 days minimum	Instant
Minimum monthly maintaining balance requirements	Varies by bank	None
Approval required to increase funding limit	30 day review	None
Censorable Usage	Yes	None
Requires an L/C	Yes	None
Requires Cash Collateral	Yes	None - only a performance deposit if required by Buyers & Sellers
Cost of Doing Business	L/C / Bank Charges / Interest Payments	FCX transaction fees
Cost	12.5 basis point to 2000 basis points 0.125% to 2.00%	1 basis point floor 0.01%



## FREIGHT COIN [\$TKM]

### Our Vision

because we did not have a choice back then. It is a flawed system susceptible to Political Risk.

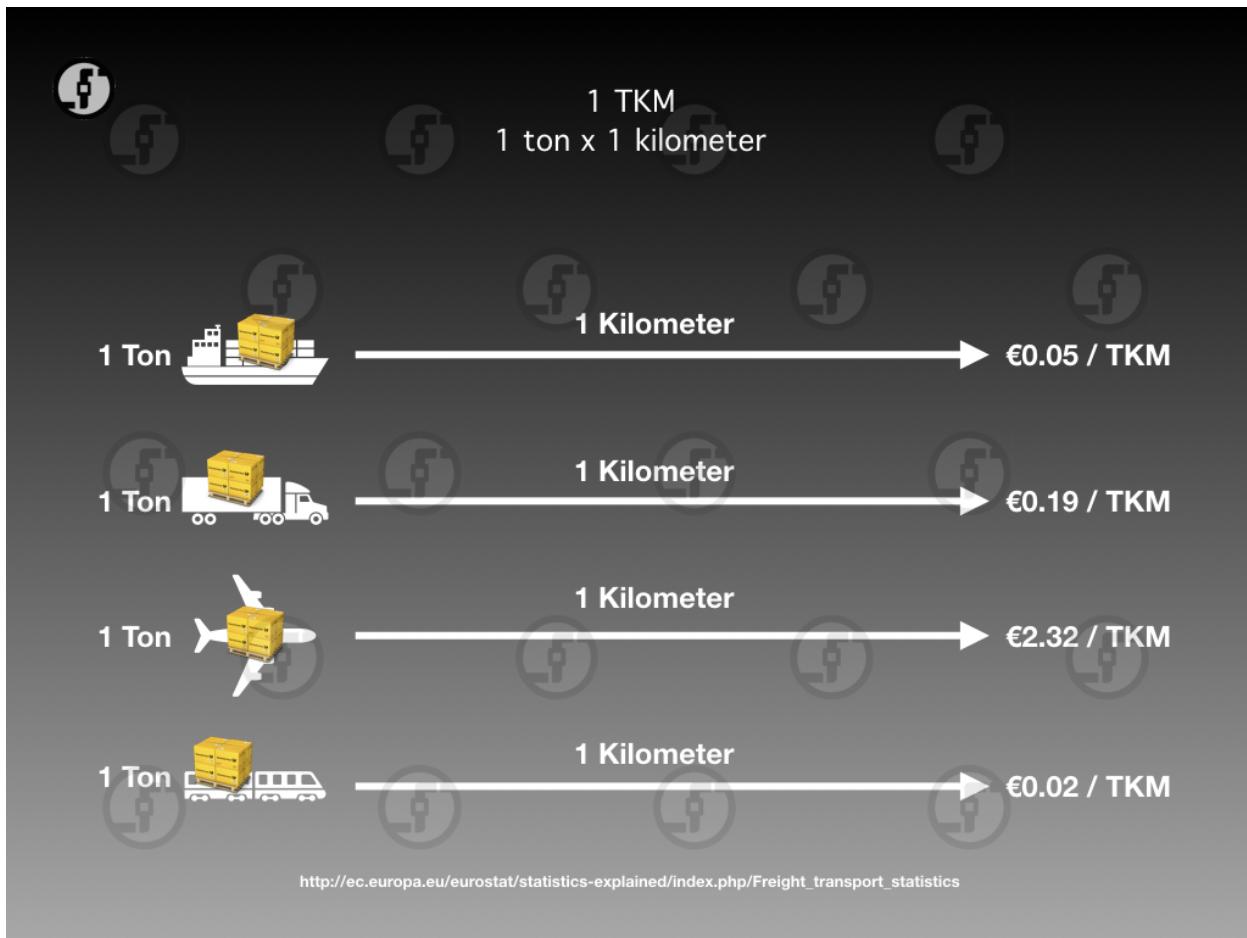
Henceforth we present TKM:

- 1. Censor Free
- 2. Political Drama Free
- 3. Exchange Rate Free
- 4. Seizure Free
- 5. Will never depreciate below the value of what it costs to ship 1 TKM
- 6. Portable
- 7. CounterParty Default Risk Free



## FREIGHT COIN [\$TKM]

### Unique Pricing Mechanism



### TKM – Token to Meet Existing Standard

Freight Coin chose TKM as its trading symbol to acknowledge the existing standard within the shipping industry. Standardization of freight denomination must take place for rates to be quoted uniformly, much like crude oil is denominated in US dollars per barrel, or electricity in kWh.

Freight Coin has adopted the ton-kilometre (TKM) denomination as the metric commonly used by transportation statistic authorities.

A ton-kilometer, abbreviated as TKM, is a unit of measure of freight transport that represents the transport of one ton of goods (including packaging and tare weights of intermodal transport units) by a given



## **FREIGHT COIN [\$TKM]**

### Unique Pricing Mechanism

transport mode (road, rail, air, sea, inland waterways, pipeline etc.) over a distance of one kilometer.

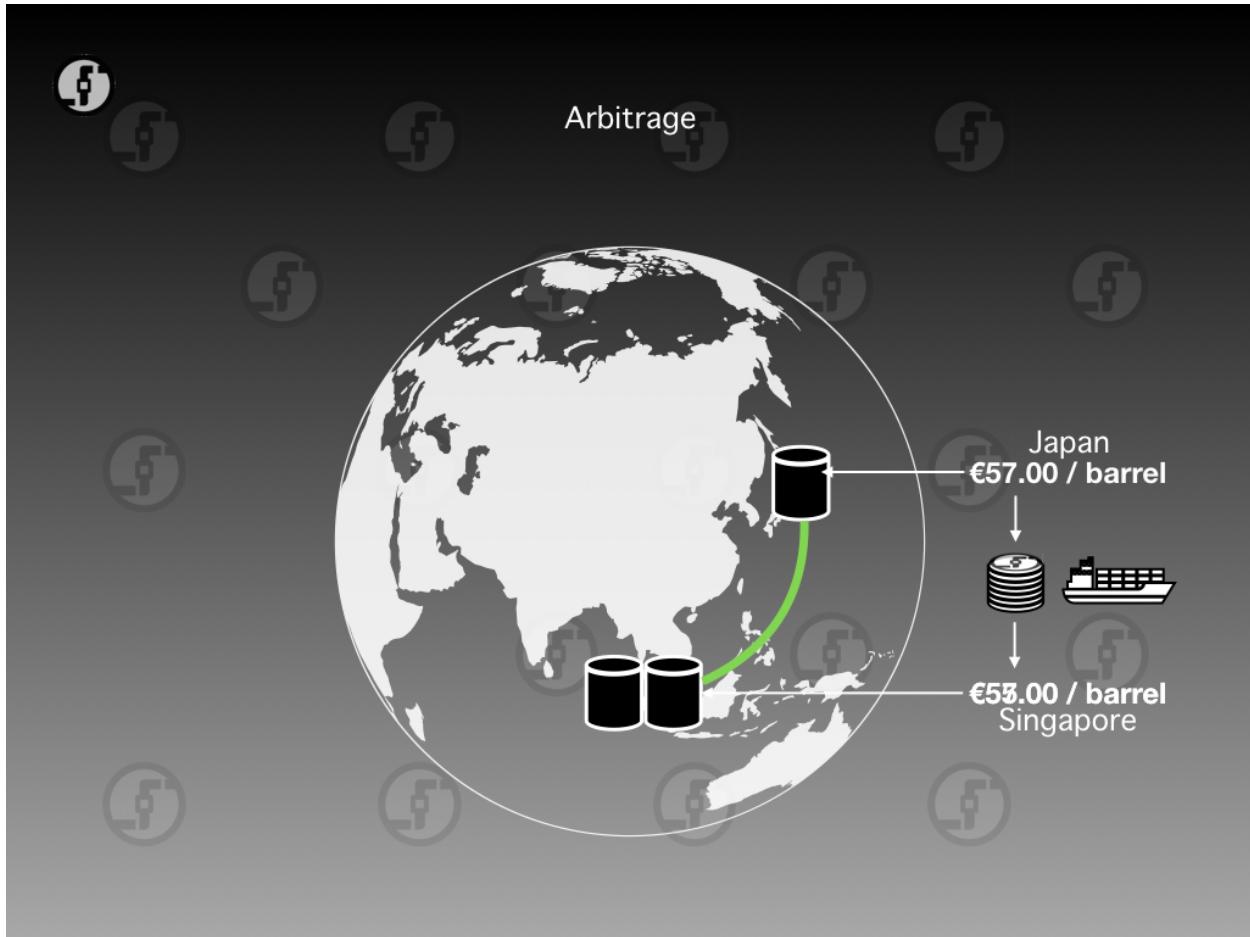
### **How Freight Coin Improves Global Trade Liquidity?**

Arbitrage: to explain the revolutionary impact of Freight Coin with its TKM token and Freight Coin Exchange (FCX), it is essential to articulate the analogue system currently existing and often relies on a fax machine. This vital sector of the global economy is ready for modernisation, using technology to reduce costs and accelerate the pace of trade and consistent cash flow.



## FREIGHT COIN [\$TKM]

### Unique Pricing Mechanism



Why is there a need for a Trader? What is the function of a Trader?

A Trader exists to bring balance into a commodity where it is in high supply in a certain area and transport it to a location where it is in high demand motivated by a profit differential from the two different markets. In this premise, therefore, Freight cost is the price differential from these 2 prices. Freight arbitrages these market imbalance and bring stability to prices. This is the function of a Trader. Underlying Freight Coin FCX is the concept of arbitrage to bring prices to equilibrium and reduce transaction costs for maximum liquidity.



## FREIGHT COIN [\$TKM]

### Unique Pricing Mechanism

Comparison between the two figures below illustrate how the unique approach being taken by Freight Coin simplifies the industry to create value for all players.

#### TKM – The Utility Token

TKM is a utility token used within the Freight Coin ecosystem. It is the medium of exchange on the Freight Coin Exchange. It is a standard currency that enables industry players to conduct real-time transactions for the first time, bypassing the costly, old-school banking processes that have failed to keep pace with the needs of the global economy.

It is called TKM after the measure against which Freight Coin is based – ton-per-kilometre. This is the metric commonly used in global shipping, and therefore must be implemented to underpin the Freight Coin solution. (*A more in-depth explanation of TKM is included later in this document*).

TKM can be used across a wide range of assets and services in the commodities trade.

The facets provided by TKM are

- a.) access to the FCX and
- b.) ability to use it to pay for freight to parties that are willing to accept payments in TKM similar to a prepaid card with a predetermined value.

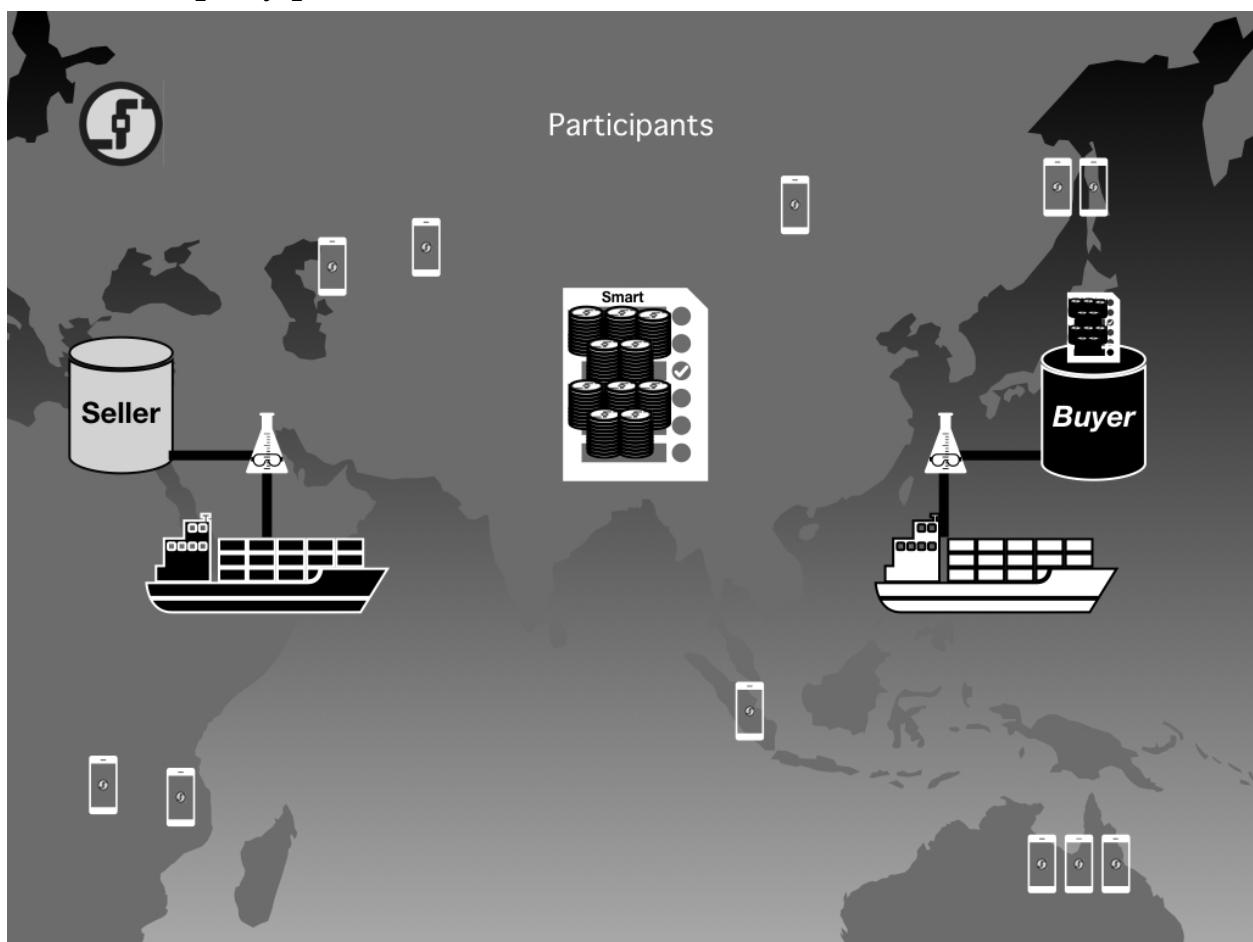


## FREIGHT COIN [\$TKM] Operating Mainframe

### Components of a Commodity Trade

In the financing of shipments of commodities, the graphic below describes the mechanism of how trading and shipping operates. The key components that are being modernised with Freight Coin are:

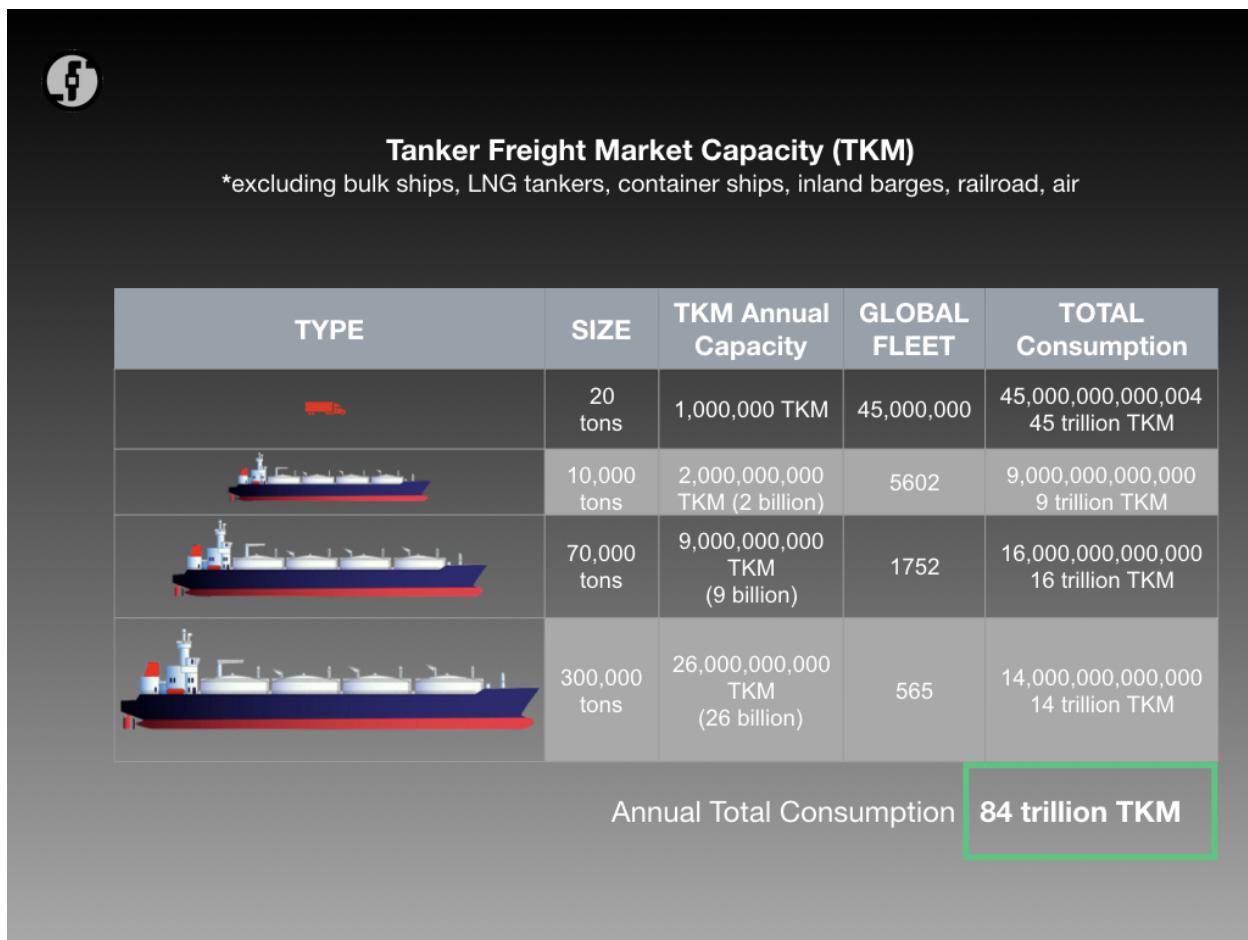
- Bank Facility
- Capital Sourcing
- Foreign currency exchange
- Customs Duties Taxes
- Escrow
- Instantaneous Real time Payments after job completion of 3rd party providers





## FREIGHT COIN [\$TKM]

### Scalability



There are 2 separate but directly related market components we are initially focusing on:

- Transportation of Fuel and Financing of the cargo
- Transportation of PetroChemical and Financing of the cargo
- General Freight Marketplace with a unified pricing mechanism for hedging purposes can be used as PrePaid Freight as a secured form of payment
- Booking of General Freight via Trucks

Any of these markets can self sustain on its own without needing to rely on any market dominance in any category.



## FREIGHT COIN [\$TKM]

### Scalability



The global ocean going oil tanker fleet size is less than 10,000 in count but move 50% of the fuel needs of every country especially South East Asia where almost 100% is imported. As the world population expands and energy demand increases, the importance of this logistic network will be ever more important as the complexity exponentiates.



## FREIGHT COIN [\$TKM]

### Adoption Cycle

Freight Coin designed its system to benefit multiple players within the global freight ecosystem. It is essential for each party in the process to gain the benefits from the blockchain revolution, creating greater efficiencies, service and payment guarantees, and providing a trusted platform on which to seek new opportunities.

- Shipping companies
- Oil tanker owners
- Commodity trading companies
- Small trading firms
- Individual independent traders
- Financial hedgers; and
- Any multinational importing and exporting company needing to manage freight rate risk



**FREIGHT COIN EXCHANGE  
(FCX)**



## FREIGHT COIN EXCHANGE (FCX)

### TKM Holders

A decentralized exchange platform. TKM (coins) and contracts will be hosted on multiple blockchains for diversification. The multiple system redundancies and hedging the survivorship risk of these companies. This dispel fears of Freight Coin being reliant on a singular point in its system.

#### TKM Primary Exchange

- FCX
- XLM = Stellar Blockchain Supply
- ETH = Ethereum Blockchain Supply
- 

#### Third Party Exchanges & Platforms

- Bancor
- Radar Relay
- Binance DEX
- EtherDelta
- IDEX
- Kyber
- Kucoin



## FREIGHT COIN EXCHANGE (FCX)

### Traders

		USD	1.0000	1 TKM
TKM		TKMUSD	1236	1
BITCOIN	\$8,217	USDBTC	0.00011000	0.000000142
ETHER	\$695	USDETH	0.00143885	0.000001900
STELLAR LUMENS	\$0.31	USDXLM	3.2258	0.004600
<b>Shipping</b>		TC	1	TKM
Singapore	Japan	SGJP	TC4	2,739
Dubai	Japan	DBJP	TC5	6,489
South Korea	Singapore	SKSG	TC11	2,513
North America	Amsterdam	NASG	TC14	5,080
<b>Crude Oil</b>		USD		TKM
WTI	bbl	WTIUSD	62.00	50,180
Brent	bbl	BRNTUSD	66.00	53,417
Dtd Brent	bbl	DBNTUSD	67.00	54,226
Dubai	bbl	DUBUSD	60.00	48,561
<b>Products</b>		USD		TKM
Ron92	Mogas bbl	MGSUSD	70.00	56,654
SG	Kerosene bbl	KRSUSD	71.00	57,464
GasOil	500ppm bbl	AD0500USD	72.00	58,273
GasOil	18ppm bbl	AD010USD	73.00	59,083
Sing180	MT	F0180USD	219.00	177,248
Sing380	MT	F0380USD	216.00	174,820
		USD	1.0000	1 TKM
AFGHANISTAN	Afghani	USDAFN	69.54	0.085918
ÅLAND ISLANDS	Euro	USDEUR	0.8094	0.001000
ALBANIA	Lek	USDALL	106.20	0.131216
ALGERIA	Algerian Dinar	USDDZD	113.94	0.140784
AMERICAN SAMOA	US Dollar	USDUSD	1.0000	0.001236

It is important for a trader to have access to transparent and lightning fast prices at his fingertips for instant execution. FCX, centralizes all price feeds of Cryptocurrencies, Commodities, and Fiat Currencies and Freight Rate market into mobile and desktop platforms. All of FCX listed instruments can be quoted in any denomination the users wishes. As fiat currencies wane into the sunset, we shall slowly deprecate. But until that happens, we are making all currencies available in Physical and Digital form.



## FREIGHT COIN EXCHANGE (FCX)

### Shipbrokers

The fabric that holds together all parties involved in the Transportation of Commodities operational aspect of chartering a tanker is the Shipbroker. He handles the main contract of affreightment, negotiates the rates between the counterparties, refers the customs brokers, inspection services and a myriad of other ancillary services unbeknown to the counterparties. Sometimes even going as far as troubleshooting in unforeseen instances. The wealth of instant knowledge a shipbroker holds is conveniently valuable to all parties. And yet, our shipbrokers are inundated with menial tasks of paperwork and administrative overhead as oppose to managing the relationship of the in field transaction.

FCX lifts this burden away from our Shipbrokers allowing them to do their delegated task as expediently as possible. We have contract protocols, document management protocols allowing Shipbrokers to integrate their operation in the FCX ecosystem.



## FREIGHT COIN EXCHANGE (FCX)

### Shipowners

A granular TKM denominated hedging facility, ability to have a fractional ownership of oil tankers and the remittance of crew payments are facets of the shipping sector that are prime for improvement. They are important facets of Freight Coin's vision for improving the industry across all its transportation sectors – sea, air, rail, pipeline, waterways.

#### Innovation No.1: Freight Rate Hedging

- Shippers seeking to hedge against a freight price hike must find a counterparty willing to underwrite a customized and illiquid contract – and with that comes process delays and a premium price.
- The only recourse a shipper has is to get out of their position – surprising to those outside the industry – is to sell it back to the same underwriter. Usually, that only happens at a huge, arguably unreasonable discount.
- Freight Coin can neutralize this exposure. It offers a Freight Rate Indices to secure future profits with available liquidity based on the shipper's desired prevailing market prices.
- This is an example of what might happen:
  - A chocolate manufacturing firm needs to lock in its profit margin for the next 12 months and a major component of its cost is freight charges to export 12,000 tons (1,000 tons/month) of product. The firm decides to hedge any rise in charges, and it purchases a freight rate index for the entire tonnage. It costs €3/TKM for each of the different shipping routes it uses.
- During the 2nd month after purchasing the index, the freight charge increases 50 per cent to €4.50/ TKM. Since it purchased the index, the firm is protected and it will now sell part of the index corresponding to 1,000 tons for the month's shipment. It will receive €4.5/TKM and use the proceeds to pay the shipping firm at the actual price level of €4.5/TKM.



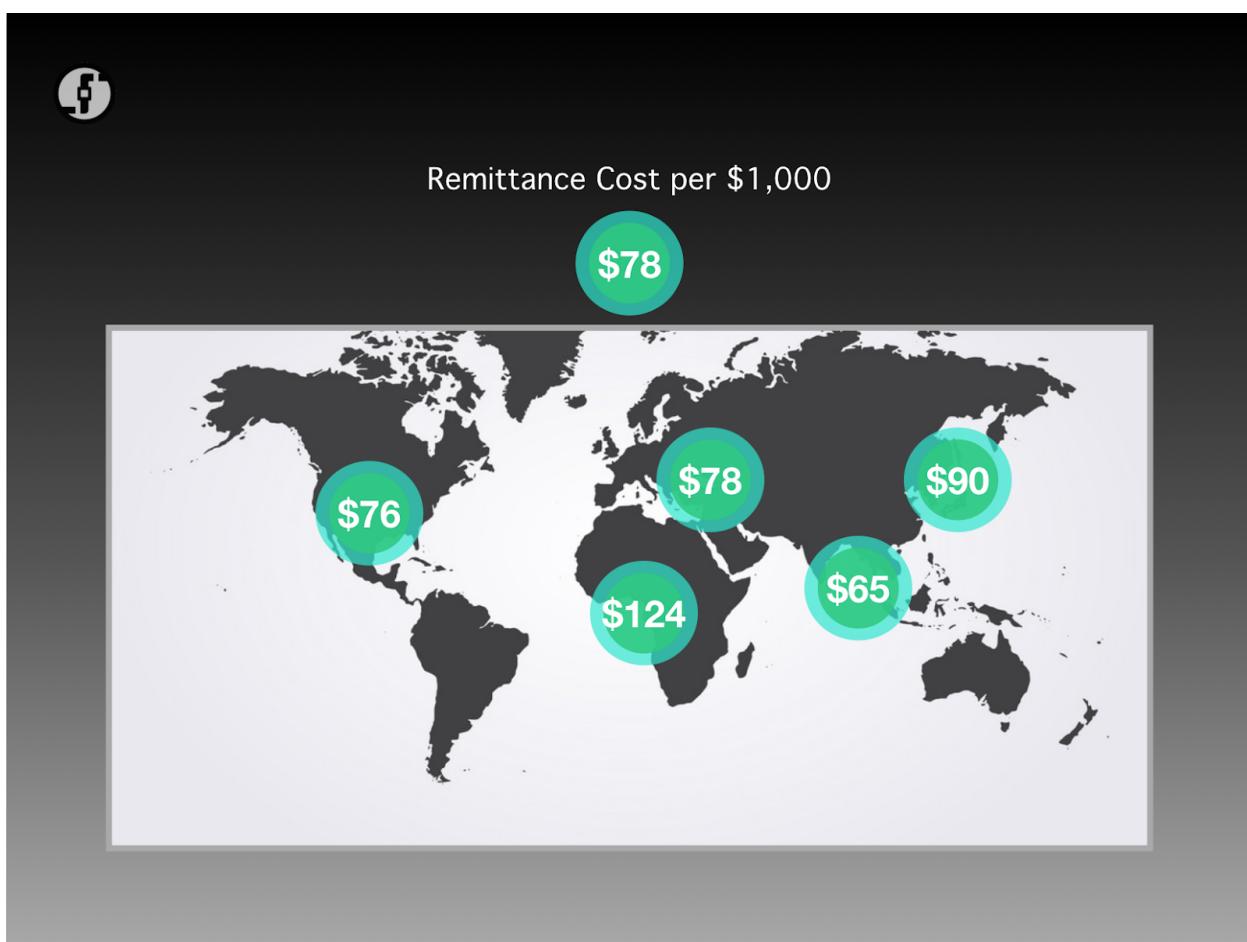
## FREIGHT COIN EXCHANGE (FCX)

### Sailors

#### Innovation No.2: Pay Remittance

The Philippines, India, Pakistan, Bangladesh sailors account for 60 per cent of the global sailor manpower. Each month, they remit back to their families approximately \$3 billion, most of it in its entirety. They are currently being charged up to 10 per cent in exchange rate and delivery fees. Using a Freight Coin wallet, sailors can get paid in TKM and, using local remittance companies that will partner with FCX, the sailors are able to send their money home at ZERO cost.

This is an untapped source of liquidity of Forex Reserves valuable to Importers who are in dire need of USD. True to our mission, we innovate Financial Engineering to unlock unutilized liquidity.





## TRADE FINANCE



## TRADE FINANCE

### TKM Holders

How can TKM holders benefit from the FCX ecosystem?

The primary component needed in business to conclude a transaction is money. Traders need to pay their suppliers to pay for their commodity they purchased. TKM holders gets alerts from the FreightCoinBot of pending deals from Host Traders seeking for CoTraders to participate in their deals. It is up to the TKM holders which deals they are allocating their TKM for the yield acceptable to their risk reward appetite. FCX imposes a 10% maximum allocation per deal for diversification of exposure from a black swan event.

In the interest of not having ample time to proactively manage streaming dealflows, TKM holder can choose an auto allocation mode randomly allocating 10% to various deal flow spanning for time horizon, geographical filters, commodity type, etc. This is a self directed system with the aid of proper risk management in place to avoid the unintended consequence probability of a risk of ruin present in a single absolute event.

We are illustrating an interactive slider for each parameter restrictions to illustrate a general ROI on a per trade basis as each deal is significantly distinct from one another. The per transaction yield ranges anywhere from 5 basis points (5/100 of 1%) per day up to 100 basis points (100/100 of 1%) per day depending on the dealflow. FCX aims to save Traders from using traditional bank financing, and TKM holders from leaving their cash in their banks with very low yields. Our objective is reaching a balance between these extremes by implementing an auction based marketplace to reach an equilibrium yield per deal basis.

TKM is designed as an instrument used to earn more TKM as profit from purchasing commodities at Price A and selling it to a buyer at Price B at a higher price (minus Transportation Cost, Miscellaneous Cost).



## TRADE FINANCE

### Traders

How can Traders benefit from the FCX ecosystem?

A Traders role is to purchase commodities where it is in excess supply, transport it to a location where it commands a higher price after transportation costs and finance costs. The remainder the Trader keeps as his profit for the effort of bringing balance into the marketplace. Now only if the trader has access to unlimited finance and transportation, the Trader can do this over and over again. The problem is the bank is only willing to lend him so much no matter how flawless his credit and business transaction history is.

Enter FCX Trade Finance as the solution for this dilemma. Traders don't need to manage banking relationships and stalled with a ceiling limit for expansion. Deals offered by Traders for participation by TKM holders benefit from on-demand availability optimizing finance costs calculated only for the duration of the deal. All parties benefit from this arrangement as TKM holders maximize their yield exposure to all available deals. The compounding effect from a daily yield significantly enhances risk adjusted returns in addition to portfolio diversification across all deals essentially making the entire portfolio essentially risk free. FCX risk management protocols enable this desirable scenario.



## HEDGING MARKET

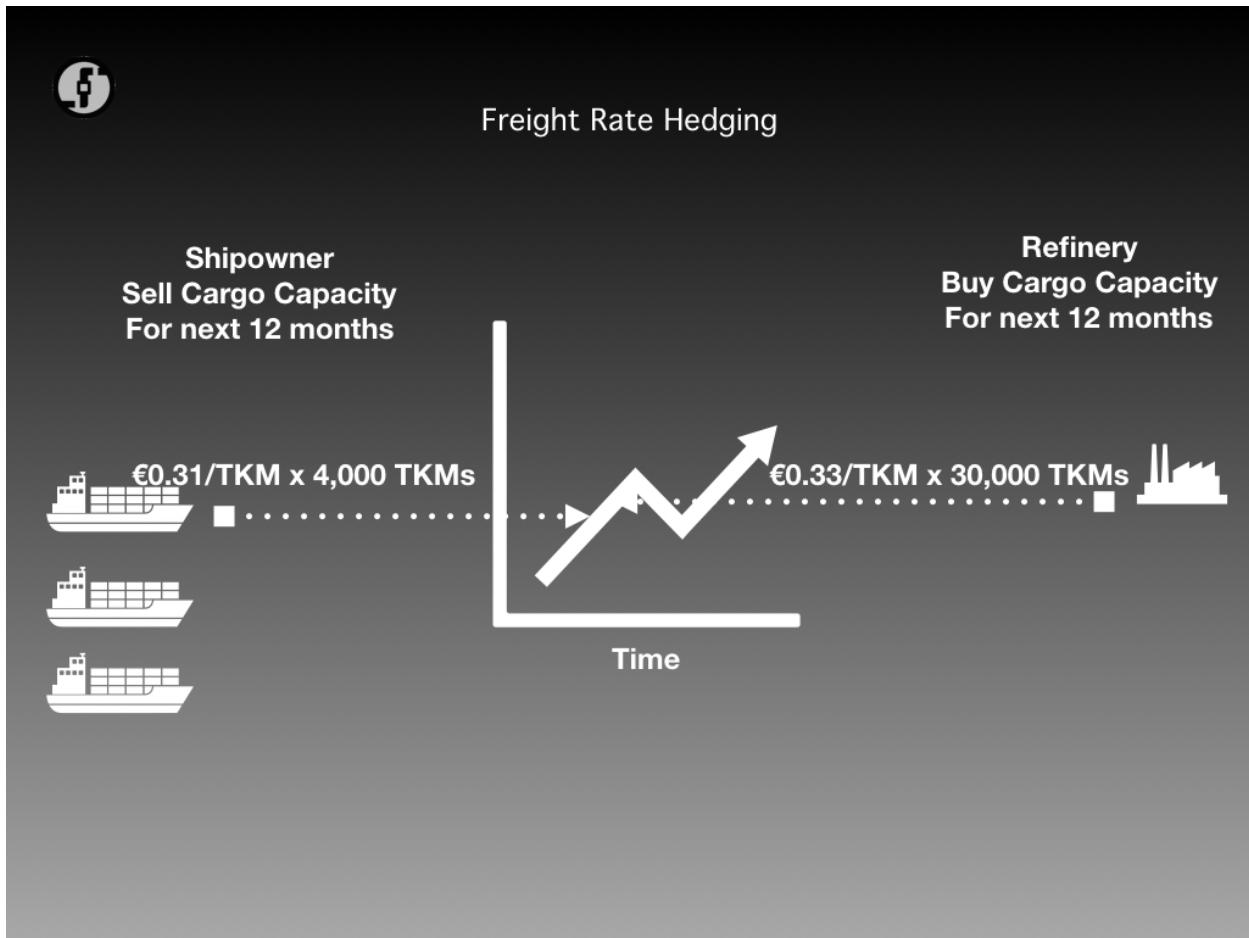


## HEDGING MARKET



Hedging is a sophisticated strategy implemented by risk managers to isolate their position exposure to the primary objective of their business. What can a participant hedge? Practically anything under the sun but we focus on commodities and currencies as this is the space we are in. Different participants have different objectives whether its to lock in a freight rate, or anticipate a freight rate rise due to a special event profiting via speculation.

For the purpose of our discussion we shall focus on hedging Freight Rate risk. We have two counter participants trading with one another but have a totally different objective and different industry.



## HEDGING MARKET

Who are the Sellers of Capacity?

An owner of an oil tanker has an asset to sell by virtue of purchasing a Vessel: Capacity to carry cargo. It is in his business objective to make sure that his Vessel is fully booked for its lifetime to cover his cost of ownership. Owner of capacity **SELLS** TKM into the Market Price of €0.31 / TKM therefore owing the responsibility to carry cargo at a 4,000 TKM in tonnage and distance or a combination of both totalling the same amount for the next 12 months. Although the Shipowner did not directly engage in a contractual agreement with any one counterparty directly chartering his Vessel, that isn't necessary as of yet as his main objective is to lockin the current freight rates. The shipowner is now protected from Freight Rate



fluctuations as any Market price differential is now recovered financially similar to a Contracts for Difference derivative.

## HEDGING MARKET

### Who are the Buyers of Capacity?

On the other side of the trade, we have counterparties seeking to reserve shipping cargo capacity to make sure their products will be delivered to their intended destinations at a desired price yielding a profitable income for their organization. In this case, an oil refinery who delivers gasoline to its gas stations **BUYS** 30,000 TKM at a market price of €0.33 / TKM to lock-in these rates at the exact tonnage and kilometer distance. Now it doesn't have to worry about prices escalating and causing a loss for their fuel deliveries if they did not reserve and bought this capacity.



## TECHNOLOGY



## TECHNOLOGY

### Parallel Blockchain

Stellar + Ethereum

	Bitcoin	Ethereum	Stellar
Average Transaction Confirmation Time	1 hour	15 minutes	3 to 5 seconds
Average Transaction Fees	18.75	1.13	0.00000003
Transactions Per Second	3	7	3,000
Consensus Mechanism	Proof of Work	Proof of Work	Stellar Consensus Protocol

- Transaction Capacity Per Second
  - No limit
  - Transactions per Second up to 30,000 per node
  - IBM Hosted Nodes
  - Freight Coin Hosted Nodes



## TECHNOLOGY

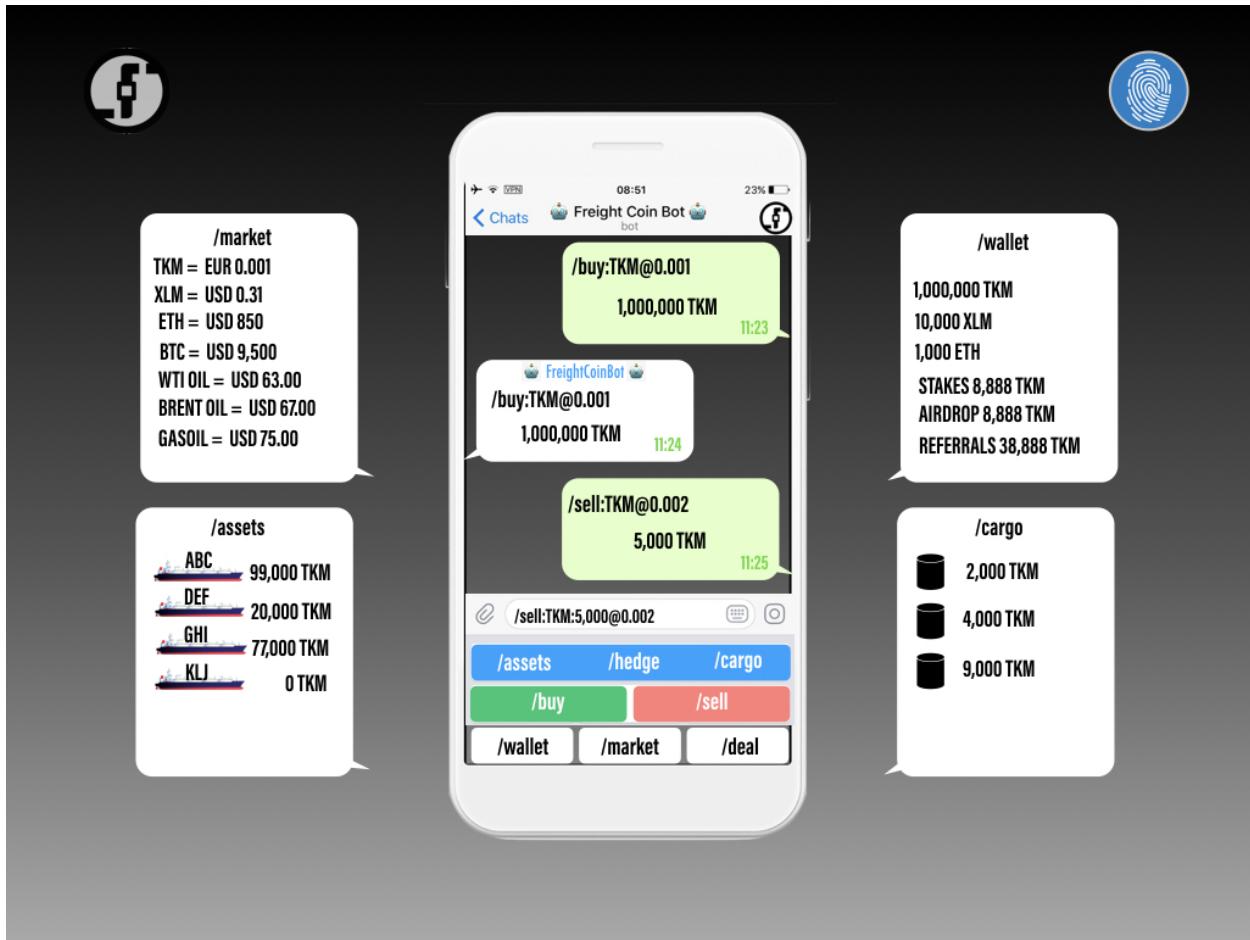
### Platform Agnostic Chat AI backend API

- We are launching a multi platform front end for a broad array of users to achieve our ultimate objective: Liquidity. Adopting our backend design with an agile architecture allows for this type of adaptability. We are aware for the majority of our users, Freight Coin is a secondary thought, but we need to be in their eyeball zone in case an opportunity and seize their participation. We focus on these two platforms as they have the 3 primary components passing the following prerequisites: speed, mass adoption, stickiness, open source or extensibility.
  - Telegram
    - 250 million users
    - Cryptocurrency audience
  - WhatsApp
    - 900 million users
    - Broad based audience



## TECHNOLOGY

### Trading Engine



Centralized + Decentralized OrderBook



## TECHNOLOGY

### Data Gathering Artificial Intelligence & Machine Learning

We are creating a value added service for our Participants from data gathering protocols within FCX and 3rd party data vendors such as:

- Planet Labs
- AIS Marine Traffic
- ImportGenius

We expect to launch a 1.0 service in Q4 and we shall discuss further details upon release date.



## TECHNOLOGY

### Smart Contract

- Design - Contract Vault / Chainlink
- Testing - Zeppelin
- Security Auditing - Validity Labs

An FCX smart contract consists of the following:

- Tokenized Asset Protocol
- Tokenized Contract Protocol
- Tokenized Risk Management Instrument Protocol
- Service Provider Protocol; and
- Document Management Protocol

Protocols are open for Third Party Developers to build various freight-related protocols for risk management, real-time satellite location tracking, vessel management, compliance, purchase and sale smart contracts, asset fractional co-ownership. All and any additional services can be paid using TKM.



## TECHNOLOGY

### Multi Signature Wallet

- Wallet
- FCX Wallet
- Telegram Wallet
- Web Wallet
- Decentralize Wallet
- Paper Wallet





## ORGANIZATIONAL STRUCTURE



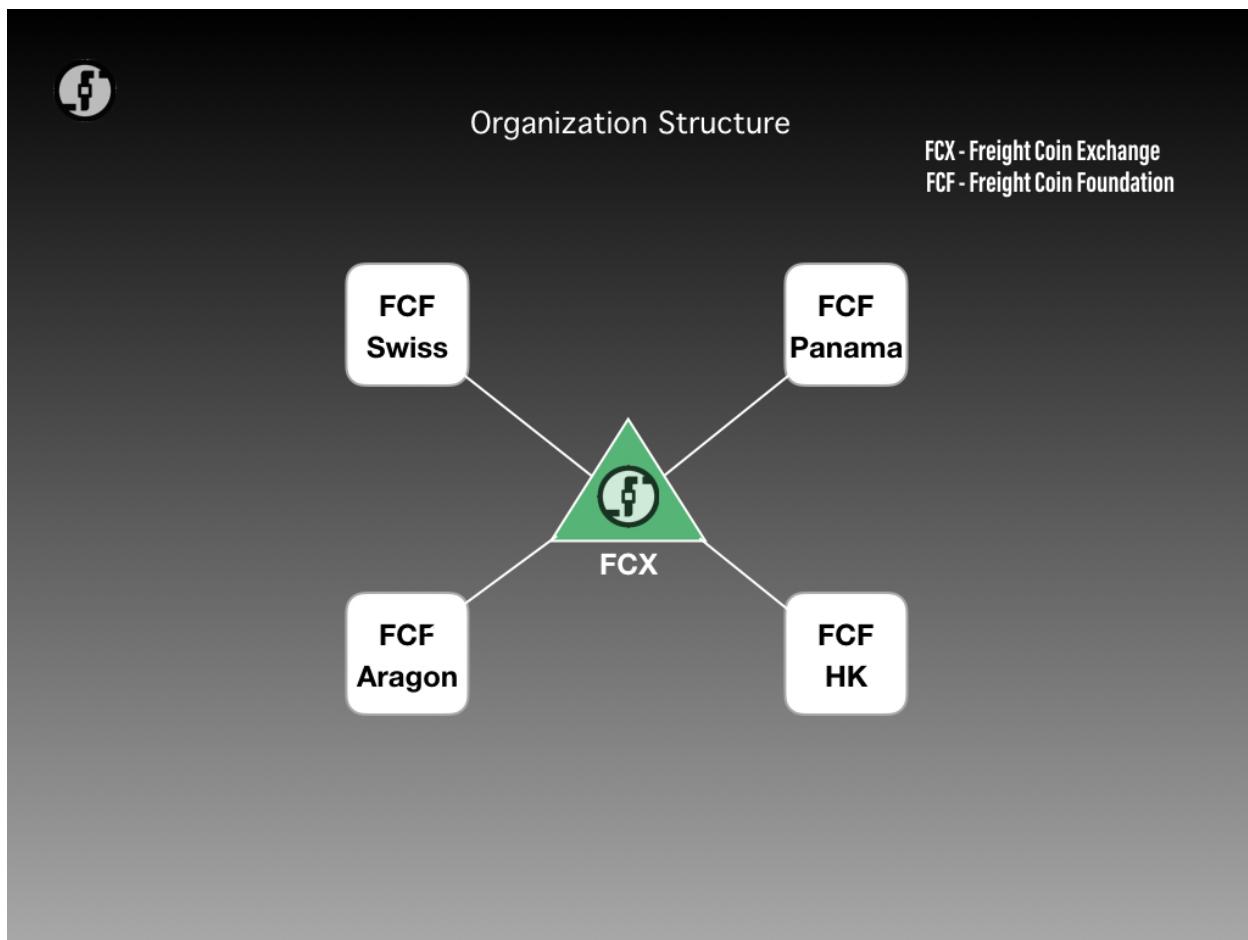
## ORGANIZATIONAL STRUCTURE

### Multi-jurisdiction Foundation

- Switzerland
- Aragon
- Hong Kong
- Panama

### Office Locations

- Zug, Switzerland - Global Headquarters
- Valletta, Malta - Registered Office
- London, UK - Trade Shipping Center
- Singapore - Trade Shipping Center
- Manila, Philippines - Seafarer Center & BPO Center





## ORGANIZATIONAL STRUCTURE

### Founder



**Marc Ortaliz**  
CEO & Founder

Marc is an entrepreneur since 2002. His experience spans financial market trading in commodities, bonds, equities, currencies and transportation of commodities such as crude oil, copper ore, chromite ore in emerging and developed markets alike.

He launched Ortaliz Fund Management, LLC to partner with Cross Fund Management LLC, Bradford Cross to incubate, develop, manage quantitative Hedge Fund strategies one of which is the \$2M MetaFund, LLC - a data driven custom meta instrument index strategy.

Continuing his entrepreneurial pursuits in commodity transportation, he engages Crude Oil Tankers in 2006 chartering oil tankers for diesel fuel from Singapore to the Philippines with an average cargo value of \$10M. In 2011, he capitalizes on the Eagle Ford oil shale revolution in Texas, USA, securing \$2.5M annualized transportation contract from Trafigura concluding in 2017 when the oil pipelines are fully operational.

Marc studied International Finance at Virginia Tech from 1997-2001.



## ORGANIZATIONAL STRUCTURE

### Advisors

#### **Manish Singh**

Chief Investment Officer Crossbridge Capital

#### **Arnab Chaudhuri**

Founder of Legal and Smart Contract Software Solution Provider

#### **James Francis Jr**

Founder of Ship Brokering Company

#### **Loo San Yeo**

Founder of Oil Trading Company

#### **Nasser Hernaez**

Founder of Downstream Petroleum Distribution Company

#### **Philip Chee**

Founder of Oil Trading Company

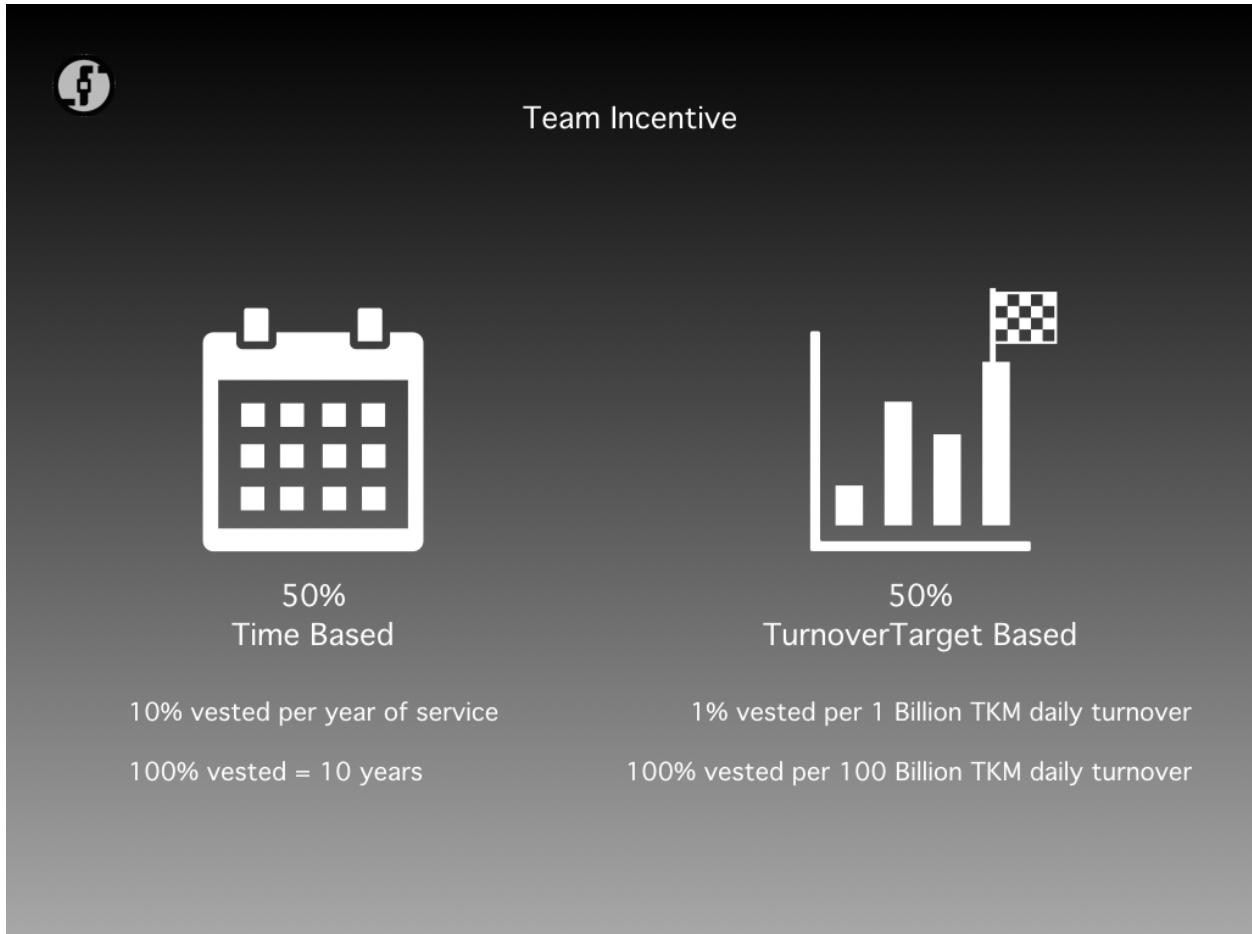
#### **Reazelle Del Rosario**

Founder of Various Commodity and Freight Trading Companies



## ORGANIZATIONAL STRUCTURE

### Incentives Structure





## ORGANIZATIONAL STRUCTURE

### Vesting Schedule



	Time Based	Milestone Based
CEO	30 years	1% per 1 Billion TKM daily Turnover
CTO	10 years	1% per 1 Billion TKM daily Turnover
COO	10 years	1% per 1 Billion TKM daily Turnover
CPO	3 years	1% per 1 Billion TKM daily Turnover
CFO	3 years	1% per 1 Billion TKM daily Turnover
CHRO	3 years	1% per 1 Billion TKM daily Turnover
Future Employees	3 years	1% per 1 Billion TKM daily Turnover
Advisors	3 years	None



## GLOSSARY



## GLOSSARY

### Frequently Used Terms

The language of sea transportation can be confusing to those outside the sector. For purpose of clarification a list of common terms has been supplied, relating to this document and the wider sector.

<b>Bill of Lading (B/L)</b>	A document issued by a shipowner to a shipper. It serves three (3) purposes: <ol style="list-style-type: none"><li>1. As a receipt for the goods contains the description and quantity of the goods as well as any applicable notations, i.e. condition of the goods when received by the ship</li><li>2. Evidence of the contract of carriage contains the terms and conditions of the contract or where the contract is represented by a Charterer</li><li>3. Document of title. The "to order" Bill of Lading is used by a third party to take delivery of the goods from a ship</li></ol>
<b>Buyer</b>	The importer or person who brings in cargo (merchandise, commodities etc.) from a foreign country for use, sale, processing, or re-export. In the Freight Coin Exchange (FCX), the Buyer is the party who will require staking for his trade transactions and pay the Coin Holders once the cargo has been unloaded at the port of destination
<b>Captain</b>	Person in command of the ship and one of those individuals who may be designated by the Buyer to "Accept" to attest to the status of the cargo
<b>CIF</b>	Cost Insurance and Freight. The Seller (Exporter) of the cargo will assume the cost of the goods and responsibility in arranging and



paying for the cost of marine insurance and all transportation (freight) charges all the way to the port of destination. The insurance of the cargo will cover the period of carriage involved in the contract of sale

<b>Cargo</b>	Represents the freight or the goods loaded onto a ship
<b>Cargo Insurance</b>	Under the FCX, this denotes the amount of insurance paid for the Cargo on-board a ship
<b>Cargo Insurance Protocol</b>	This is a protocol triggered in the FCX after the Charter Vessel terms have been established and accepted by parties designated by the Buyer. The Buyer will request for a quote and once they trigger "Accept", the insurance cover is issued.
<b>Charterer</b>	Person or company who hires a ship from a shipowner for a period of time, or who reserves the entire cargo space of a ship for the carriage of goods from a port or ports of loading to a port or ports of discharge.
<b>Coin Holders</b>	These are the holders of TKM (tokens) who are allowed to use their tokens in the FCX to do any of the following: <ol style="list-style-type: none"><li>1. Stake their participation in the trade finance transaction offered by a Buyer in exchange for rewards/share in the earnings</li><li>2. Obtain fractional ownership in a vessel, thus partaking in its earnings net of costs such as fuel, maintenance, docking fees etc.</li><li>3. Purchase freight rate indices to hedge the cost of their contractual obligations with clients</li></ol>
<b>Contract of Affreightment</b>	An agreement by a shipowner to provide cargo space on a vessel at a specified time and for a specified price to accommodate a Buyer or a Seller



<b>Consignee</b>	A person or company to whom commodities are shipped. Coin holders who stake their coins and participate in a trade transaction also become consignees. However, upon return of their stake by the Buyer, will automatically give up such right back to the latter
<b>Consignor</b>	See Shipper
<b>Duration of the Stake</b>	Represents the period by which the Buyer or Host Trader would need to use the TKM (coins) staked in their shipment of goods
<b>Dry dock</b>	A narrow basin or vessel that can be flooded to allow a load to be floated in, then drained to allow that load to come to rest on a dry platform. Dry docks are used for the construction, maintenance, and repair of ships, boats, and other watercraft
<b>Expiration</b>	This represents the number of hours given to coin holders to stake their participation in the trade transaction of a Buyer
<b>Inelasticity</b>	Regardless of the change in the price of a good or service, the demand for such a good or service remains unaffected
<b>Freight Coin Exchange</b>	Also known as FCX - a wholly-owned subsidiary of the Freight Coin Foundation which runs the daily operational activities of the TKM trading platforms
<b>Freight Coin Foundation</b>	(see Freight Coin Foundation Section)
<b>Freight Rate Indices</b>	These are the freight contracts that are purchased by Market Participants with TKMs in order to hedge freight price risk
<b>FOB</b>	Free On Board: The Seller is responsible for delivering the goods to the port of loading agreed in the contract and for loading them on to the ship nominated by the Buyer, as well as



preparing all the necessary export documentation. The risk of loss or damage to the goods would then pass from the Seller to the Buyer when the goods are on board the vessel at the port of loading

<b>Host Trader</b>	This refers to the person who is arranging
<b>ICO</b>	Initial Coin Offering - similar to that of an IPO or Initial Public Offering but instead of offering shares of stock to participate in the ownership of a firm, it provides tokens to partake
<b>Inspector</b>	Refers to the SGS (see <i>below</i> ) loading or discharging inspector. They will certify that the cargo is in good condition prior to leaving the port of origin and during the unloading of the cargo at the port of destination
<b>Inspection Certificate</b>	A document certified by the SGS Inspector that the cargo was in good condition at the time of inspection
<b>KT, Kilo or metric ton</b>	1,000 Kilos or 2,204.6 pounds
<b>Laycan</b>	Laydays/Cancelling (date): Range of dates within the hire contract of the ship must start. This represents the timeframe during which a shipowner must tender notice of readiness to the charterer that the ship has arrived at the port of loading and is ready for cargo loading. There are two dates provided (i.e. laydays Dec. 23 cancelling Dec. 26) which when abbreviate in @laycan is "Dec. 23/Dec. 26". This means the charterer is not obligated to commence loading of cargo until the first of these dates if the ship arrives earlier. The charterer then has the option of cancelling the charter if the ship arrives after the second of the dates



<b>L/C (Letter of Credit)</b>	A document, issued by a bank (also known as the Issuing Bank) per instructions by the Buyer, authorizing the Seller to draw a specified sum of money under specified terms, which in most cases is under the receipt by the bank of certain documents within a given timeframe
<b>Letter of Indemnity</b>	The Shipper will issue the letter undertaking to compensate the Shipowner for the costs and consequences of carrying out the instructions, especially if turns out that the Buyer is not entitled to take delivery of the cargo
<b>Marine Insurance</b>	This insurance covers the owner of the cargo (consignee) of loss or damage of goods at sea due to fire, shipwreck, etc. It would exclude losses that can be recovered from the carrier
<b>Market Participants</b>	This not only relates to coin holders but to those initial users who benefit from the vision of having Freight Coin - shipowners, independent traders, small trading firms, shipping companies, brokers and agents, commodity trading firms, financial hedgers and anyone needing to manage their freight rate risk. Lastly, individuals seeking to diversity into a stable coin with actual earnings stream
<b>1 Nautical Mile</b>	1.82 kilometer
<b>Notice of Readiness</b>	This is a notice to the charterer, shipper, receiver or other person as may be required that the vessel has arrived at the specified destination and is ready for the loading of cargo
<b>Port of Destination</b>	Also known as the Port of Discharge, at which the cargo is unloaded and eventually released to the Buyer upon presentation of the proper documents
<b>Port of Origin</b>	This is the port at which the cargo/goods is



	received by the ship from the Shipper
<b>Return Offer</b>	This represents the rewards/earnings a Host Trader is willing to give to coin holders in exchange for participating in the Stake Offering for a given duration
<b>Stake</b>	This represents the amount of tokens that a coin holder will participate in a stake offering provided by a Host Trader
<b>Stake Offering</b>	An offer by a Host Trader who needs tokens from coin holders to finance purchase of goods
<b>Smart Contract</b>	Smart Contract Protocol
<b>Seller</b>	See Shipper
<b>SGS</b>	SGS (formerly Société Générale de Surveillance) is a multinational company headquartered in Geneva, Switzerland, that provides inspection, verification, testing and certification services
<b>Shipper</b>	Person or company (usually the supplier or owner of the commodities being shipped) who enters into a contract with a shipowner for the carriage of goods. Also called the Consignor
<b>Ship Broker</b>	The party that negotiates the terms for the charter of a ship on behalf of a charterer or ship owner. They can also act as a sale and purchase broker, negotiating on behalf of a buyer or seller of a ship; or a ship agent or a loading broker responsible for procuring cargo to the ships for its owners
<b>Ship Manager or Ship Agent</b>	Person who looks after the interests of a ship, her master and crew while she is in port. His duties include the arranging of pilotage, towage and a berth for the ship, the signing of bills of lading and the collection of freight. The agent is paid a fee, agreed in advance with the shipowner.



<b>Shipowner</b>	Person who owns a ship or a part of it. They equip and fit out a ship and provide her with the necessary provisions and crew to operate.
<b>TKM</b>	The token / currency of Freight Coin / Ton Kilometer



## REFERENCES

- Business @ Speed of Thought" - Bill Gates  
[https://en.wikipedia.org/wiki/Business\\_@\\_the\\_Speed\\_of\\_Thought](https://en.wikipedia.org/wiki/Business_@_the_Speed_of_Thought)



## FAQ

1	<b>What is Freight Coin?</b>	Freight Coin is a vertically integrated Exchange for Trade Finance and Hedging of Freight Rates.
2	<b>The trade finance approach of banks seems to be working well. What are you trying to improve?</b>	Freight Coin offers an alternative to the traditional method of trade finance. Through its use of smart contracts it a) eliminates the need (and cost) to provide a Letter of Credit; b) marginalized market participants can now gain access to crowdfunding finance and logistics as an option to Bank financing; c) allows companies to interact and deal directly with one another without the need for a third party while saving time, money and increasing efficiency in the entire freight trade ecosystem; d) enables transaction settlement is done within minutes instead of days.
3	<b>What is a Smart Contract?</b>	It is a computer protocol that is programmed to directly control the transfer of digital currencies or assets between parties under a set of pre-agreed rules, conditions and penalties. Similar to a traditional contract except that it will digitally allow and enforce the performance of a credible transactions without the need for third parties. All of these contracts will be stored in the blockchain so they are secured, trackable and irreversible



4	<b>Is this just another cryptocurrency?</b>	No it is quite different. If you compared Freight Coin to any of the top 10 cryptocurrencies traded today, there is no underlying real asset or transaction that is behind supporting any of them. In the case of our TKM, the intrinsic value is gleaned from the actual trade financing provided to traders/buyers by interested TKM holders. Secondly, other than the potential appreciation of the value of TKM, holders can earn stake rewards (fees) that will be shared/offered by the Host Trader in trade finance transactions
5	<b>Who would be the preliminary users of Freight Coin (FC)?</b>	The preliminary users of FC would be Oil Tanker owners, Independent Traders, Small Trading Firms, Shipping Companies, Commodity Trading firms, Financial Hedgers, any company that needs to manage their freight rate risk, speculators or anyone seeking to diversify in a stable coin with the potential to earn fees.
7	<b>How will you compete with the cryptocurrencies built by major shipping companies?</b>	We are not in competition with the shipping industry. Shipping lines may come out with their own individual tokens or currencies but likely it will be limited to making payments for contracts carried on respective shipping vessels. Freight Coin will be totally neutral irrespective of the shipping line. Aside from that Freight Coin's TKM, will be applicable not only for freight contracts but for trade financing of commodities and in hedging freight price risk for any and all parties. It will also provide the opportunity for TKM holders to earn fees from community funding trade



		transactions with Host Traders.
	<b>Will I be able to purchase and trade TKM on other exchanges?</b>	TKM can be purchased in the Telegram chat (as an embedded app) and on our main WebApp. TKM will be tradable on various platforms such as RadarRelay, Bancor, Binance DEX, our Web Platform and within Telegram with our own FreightCoinBot
	<b>How do you intend on getting anyone to start using Freight Coin?</b>	We already have a maiden transaction planned immediately after the ICO for the shipment of oil, in which TKM will be used as the currency.
	<b>How will the tokens (TKM) be distributed?</b>	They will be distributed in the following manner: a) 8% to be sold during the Pre-sale; b) 7% during the ICO; c) 9% reserved for the Founders and the Freight Coin team subject to a vesting schedule; d) 2% reserved for Airdrop and Advisors; e) 1% for Foundation administrative expenses; and f) 73% to be sold over a period of time as the TKM price gravitates towards market equilibrium.
	<b>How will the proceeds of the Pre-Sales and ICO be channeled?</b>	The majority of the proceeds (91%) will be allocated towards trade finance (to be used for TKM conversion into fiat while the trading activity on the platform is gaining critical mass). The remaining 9% will be allocated equally for Marketing, Operations and Software development. <b>Please note that once the Freight Coin Exchange starts to make money, it will return this amount to the Foundation.</b>



	<b>What is the role of the Freight Coin Foundation?</b>	It is a non-profit organization that looks after the Freight Coin protocol development, ecosystem and economy around TKM. While its primary role is to oversee the continuous growth and development of the TKM Protocols for its wholly owned subsidiary, FCX, it will also: i) run the TKM token Presale and ICO; b) act as the Treasurer of TKM; c) administer and distribute TKM to coin holders; d) commission 3rd party providers to build software & blockchain solutions.
	<b>What is the role of the Freight Coin Exchange (FCX)?</b>	FCX will run all operational activities. <b>on the trading platforms as a broker/dealer.</b> It will earn revenues from transaction fees derived from all trading activity from its platforms.
	<b>How will the assets of the Foundation be managed?</b>	The management of the assets will be diversified in the following manner 20% gold, 40% Top 5 fiat (USD, EUR, CHF, JPY, RMB), 40% Top 5 cryptocurrencies (BTC, ETH, MNR, XLM, TKM, USD Tether & Euro Tether).
	<b>I had placed my reservation on the Whitelist but would like to increase the amount to be reserved. How do I go about doing that?</b>	Simply go through the process you performed earlier indicating the new value you wish to reserve. The initial reservation will be ignored and your latest reservation value will be used.
	<b>How can Freight Coin help commodity traders?</b>	There have been occasions wherein a liquidity squeeze within financial markets limits the availability of short term funds. This in turn causes banks to be reluctant to lend money within interbank markets and this has a detrimental impact to commodity traders.



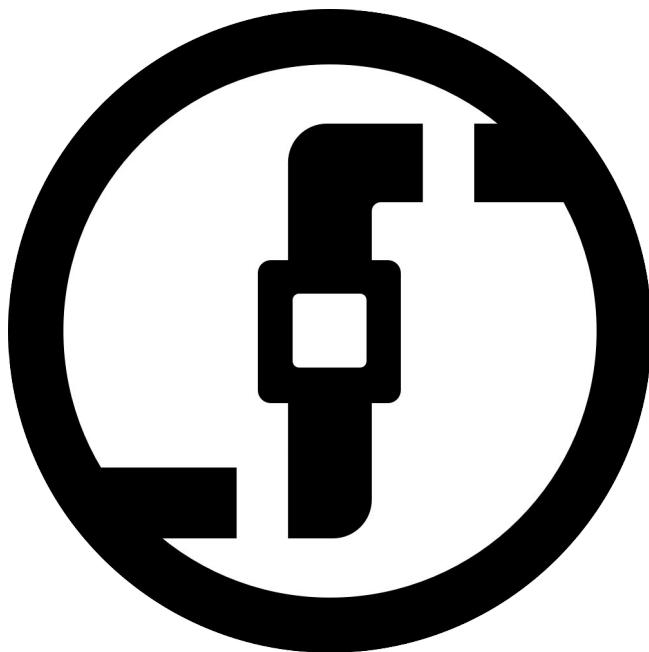
		Freight Coin is an alternative provider of liquidity. It can provide instant access to funds to its diversified base of TKM holders.
	<b>Why did Freight Coin settle on a supply of One (1) Trillion TKM?</b>	Keep in mind that an oil tanker filled with 500,000 barrels of oil is already worth €30 Million and we are only starting out with an ICO to raise € 100 Million (100 billion TKM). Our initial objective was to start with the Asian market covering oil shipments started into our system. Our total TKM supply, while relatively small, is conservative especially when compared versus the annual volume of tankers. Simply multiplying the combined tonnage by the total kilometres travelled by global fleet of oil tankers, they already consume a capacity of 39 Trillion TKM. Consider further that the oil market is not as large versus petroleum products and we have yet to consider other commodity staples such as coffee, rice, corn, wheat, soybeans, steel, copper, and sugar.
	<b>Will more tokens ever be made?</b>	No, the total supply of TKM is capped at 1,000,000,000,000 (1 Trillion). We are initially releasing only 15% of the total circulation. However, as the turnover in TKM reaches critical mass, additional TKM will be released into the market.
	<b>If the total supply of TKM is relatively small versus the amount of all the transactions in the</b>	Yes that is a valid point but we have to consider that our TKM design utility has never been done. If we release everything and there is no demand, we will end up destroying the market. We



	<b>commodities market of US\$ 13 Trillion, why not issue the entire supply immediately?</b>	want to ensure there is a balance of not having too much supply where it could dilute the value of TKM versus not having ample supply where it could renders the ecosystem useless. That is why we will introduce more TKM from total supply as the business grows and as TKM becomes an enterprise currency.
	<b>But wouldn't that be good for all TKM holders if there is scarcity as the price of TKM will appreciate?</b>	Yes it would but remember, we cannot simply let the price of TKM to skyrocket above its real world utility otherwise no one would be able to use it for the trade finance purposes it was intended for. At the same time, we want to make sure that there are enough TKM circulating and numerous market players participating in order to sustain liquidity.
	<b>Would it not be cheaper to purchase TKM after the ICO?</b>	As in most ICO's initial holders would tend to "flip" and sell the tokens immediately once they are tradable on an exchange. As such, prospective buyers may find "bargains" as people try to make a quick buck at any price.
		But with our TKM, we believe you should treat this as a "longer term" play for the following reasons:
		a. Coin holders will continue to receive a daily airdrop (ranging from 20-100% of their holdings depending on which stage they entered in the Presale/ICO) over a period of year provided they do not sell it.
		b. Our TKM will be collateralized by the fiat contributions up to 91% of the ICO proceeds (after deducting 9% for



		Marketing, Operations and Software Development) kept in a segregated account solely to back all trade finance transactions. That ensures TKM has "asset backing" for trade finance purposes.
		c. TKM holders have the opportunity to participate as co-owners of trade shipments through staking of their TKM and earn fees offered by Host Traders.
	<b>What will happen to unsold TKM?</b>	It will remain unissued. Issuance is only reciprocated by purchases and will only be released if there is demand or until the price reaches €0.20 per TKM which is the target equilibrium price



*A Smooth Sea Has Never Made A Skillful Sailor*