



S  FIN

INTERNATIONAL FIAT PLATFORM FOR P2P  
LOANS BASED ON BLOCKCHAIN

[SOFIN.IO](https://sofin.io)

# SOFIN.IO P2P LOANS

<b>INTRODUCTION</b>	<b>3</b>	<b>PRETGE/TGE</b>	<b>26</b>
Brief description of the project	3	Token distribution pattern	26
Why is the P2P-lending marketplace growing?	4	How can you get tokens?	29
Why have we chosen P2P-lending?	6	What's the money going to do?	29
 <b>SOFIN PLATFORM</b>	 <b>8</b>	 <b>LEGAL ASPECTS</b>	 <b>31</b>
What is our aim?	8	Legal aspects of the SOFIN token	32
A more profitable analogy of bank deposits	9	Electronic loan Agreement	33
What are the purposes of a loan?	10	Prerequisites	34
Differences from Competitors	12	What's already there?	36
Service Mechanics	13	Plan for a year	37
Scoring and Verification	15	 <b>TEAM</b>	 <b>39</b>
Guarantee Fund	17	 <b>ADVISERS</b>	 <b>41</b>
Loan Repayment	19		
 <b>SOFIN TOKEN</b>	 <b>21</b>		
About token	21		
Using tokens in the system	22		
Why do we need blockchain?	23		
What is the benefit of SOFIN tokens?	23		
Why will we benefit from the growth of the SOFIN and why will it grow in the long run?	24		
Referral System	25		

# Brief description of the project

**SOFIN** (social financial network) – P2P-lending online service.

**It is a marketplace platform which brings together creditors and borrowers:**

- **Creditor** – private individuals, banks, microfinance organizations and funds;
- **Borrowers** – private individuals, individual entrepreneurs and organizations.

Loans are issued in the fiat currency of the country where the borrower resides. This allows the currency to be exchanged through the SOFIN token if the creditor and the borrower are from different countries.

What we have achieved so far:

- A fully developed financial model;
- A package of legal documents to issue loans is established;
- The design of the interface is elaborated;
- App domain logic is implemented on 45%.

Establishment of beta-version of the service – December, 2017.

Using TGE (token generation event), the project will leverage the tools to produce the final release of the platform and extend the territories beyond Russia.

# Why is the P2P-lending market growing?

Growth prospects of this segment have already been confirmed in European countries and the USA. The world volume of the P2P-lending market exceeded \$50 billion in 2015 and, according to Morgan Stanley, will reach \$300 billion in 2020 (Figure 1).

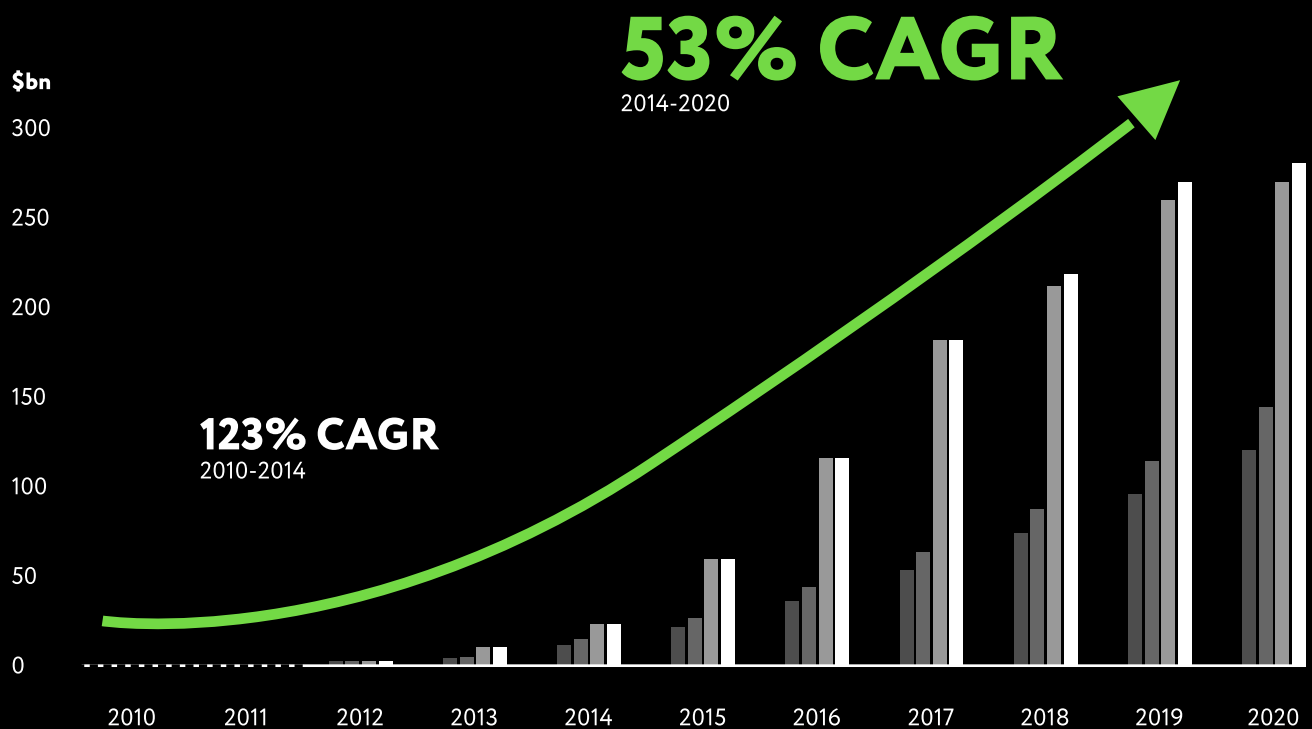


Figure 1. According to Morgan Stanley

■ USA   ■ United Kingdom   ■ China   ■ Australia

Such a high potential is possible due to the low start point. In the USA the size of p2p-lending market was less than 1% by 2015, and the volume growth was enormous: 123% of the year.

The benefits of direct lending are obvious:

- Rates are lower;
- Credit approval speed is higher;
- In the open marketplace creditors and borrowers are more transparent and easier to negotiate.

In the countries where more than 3 billion people live, credit rates reach 20-30% of annual and more. According to World Bank data, over 2 billion people do not actually have access to bank services.

In Africa, for example, banks are regarded as a service for privileged persons, and the fee for Western Union remittances from Europe to Africa reaches 20% for a remittance.

In Russia there were still only 2 companies – [Vdolg.ru](http://Vdolg.ru) and [Fingooroo](http://Fingooroo). However, the situation is now changing dramatically.

Over the past 3 years, microloans have increased by 72%. It is a completely new and free niche for consumer loans and small businesses loans.

Data for the 4th quarter of 2016 are very optimistic:

- In the segments «investments» and «private individuals lending into business projects» indicators grew by 51% over the previous quarter;
- The number of transactions in these 2 segments increased by 64%;
- The P2P-lending segment in the 4th quarter increased by over 50% in one quarter.

In addition, the current state of the bank system in Russia makes it possible to predict a fast and steady growth of the P2P-lending industry. As a result of frequent revocation of licenses, banks have been eroded and will be recovered for more than a year.

Therefore, the P2P will now attract investors who have kept money in banks and had a passive income.

The risks of storing funds on deposits have grown significantly and have been associated with the risks of P2P investment. But a slightly higher risk in the P2P segment is more than a higher yield!

In 2016, the Central Bank estimated the P2P market capacity of about 1.5-2 billion rubles, noting that there were all signs for a significant growth in the next 2 or 3 years.

## Why have we chosen P2P-lending?

We have professionally engaged in microloans since 2011. The first project «Expressmoney» was launched offline and comprised 12 locations of issuance by the end of 2011.

Having gained the experience of creation and development of «Expressmoney», we have learned that a microfinance industry was emerged in Russia. The rate of requisition processing is the main advantage of microfinance organizations over banks.

In 2014, private loans began to be provided to PB and LLC. Another component of this is the attraction of investors (Creditors) as the amount of loans has increased significantly. These activities (in addition to the already gained bank experience since 2001) and to see a huge market for small business loans.

It is gratifying to note that there were no defaults in all cases. There were two cases of delay, but together with the borrower, we closed both loans.

At present, our private portfolio of microloans exceeds 100 \$ million (over \$1.5 million). Moreover, demand is far greater than the supply.

It was at the time of the shortage of funds to provide loans that the idea of a P2P platform emerged, and the technical partner, represented by the Elonsoft company, joined the project.



## **A P2P platform creation began in August 2016.**

During the research and immersion in the project, it has become necessary to bring together all of our best practices in microfinance, the development of Internet projects, and to apply this experience in the online IFI services. This is how the online «loan Club» ([www.clubzaimov.ru](http://www.clubzaimov.ru)) was created.

In it, we used the skills of offline work and microfinance to integrate various scoring/payment services online. A high quality product has been achieved that shows good financial results. Importantly, with a high degree of verification, we were able to achieve an outstanding debt level below the average one in a short time!

We also see a great demand for loans from the public. We want to expand the scope of loans (for the purchase of auto, real estate, etc.), but there are two difficulties:

- Lack of funding;
- Legislative restrictions on IFI's amounts and deadlines.

These problems are addressed by the P2P mechanics.



**Our aim is to provide affordable  
funding for the necessary period of  
time for all segments of the public.**

# What is our aim?

We believe that every person in any country should be able to obtain money in order to improve the quality of his/her life. And on the terms that a person chooses, the SOFIN aim is to remove barriers and borders, to give the access to financial resources to the people of less developed countries.

We will address the daily needs of ordinary people and entrepreneurs, opening up decentralized access to finance on terms convenient to the both parties, not to the bank or any other mediator.

A lot of challenges facing society are being solved like that:

- The population consumes what it needs;
- Trade and manufacture turnover grows;
- New jobs are created.

In Russia and many other countries, banks rarely lend to small and medium-sized businesses.

Banks are a pawn shop towards small and medium-sized businesses, i.e. loans are given only if there is a bail that exceeds the body of a loan. The number of bails is strictly limited: in general, real estate or securities are accepted at the exchanges.

Therefore, HCMs are willing to take loans in accordance with the rates higher than the bank ones instead of the possibility of receiving money.

In Russia, in the lending market, HCMs are claiming rates about 19% annual, but give 90% of the loans to large companies only. As a result, rates from 20 to 35% of annual in rubles have emerged in the P2P lending market, and there is an excess of unmet demand by the investors and borrowers.



In the USA, the average P2P-lending rate is 15% annual in USD. Bank rates are approximately 4-9%, but with the fee of 10-11%.

The flexibility of the SOFIN system will adapt to any market in any country and normalize rates all over the world.

## A more profitable analogy of bank deposits

At the same time, SOFIN solves the second aim as well. Many people, especially in European countries, are looking for ways to save and multiply their savings.

Obviously, bank deposit is the least risky opportunity. But it hardly pays any income. Sometimes a deposit does not even yield zero profitability (the money is deposited), but a negative one (money is simply depreciated).

**We will deal with the aim of investment profitability for Creditors by moving their investment to other corners of the world through the SOFIN platform.**

# What are the purposes of a loan?

For any purpose to improve the quality of life.  
The most popular loans are:



Education



Paycheck



Car purchasing



Mortgage loan



Medicine



Consumer credit



Business setting  
up loan, etc

Each potential borrower must undergo a verification procedure based on the methodology we have developed and already tested and which is successful in our [online-IFI](#).

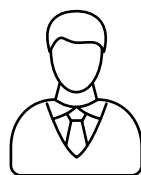
After verification, the borrower will be awarded a credit rating on the basis of which the prospective creditor will decide to grant the loan. In every country, our local representative connects the local sources of scoring (analogous to NBCH, FSI, RPF, FSSP, etc.) for the most accurate risk assessment – more in section [Scoring](#).

**Our level of pre-judicial settlement of is 17%. This is a very high rate of the microcredit market.**



**Check**

Passport  
IIAN  
TI N  
Scoring



**Verification**

Card verification  
Credit history  
Full verification



**Ranking**

Borrower's  
reliability



**Flow**

All documents  
are generated  
automatically  
  
Documents have  
mandatory legal  
force

# Differences from Competitors

All competitors can be divided into two categories:

- Traditional P2P Lending (Lending Club, Zopa, bezbanka.ru, etc.)
- Loans in cryptocurrency (Everex, POLONIEX, Btcjam, etc.)

**Our transaction storage system is more open than the first category.** You can remember at least a scandal with Lending Club when the turnover of the company was artificially overstated.

SOFIN transactions are stored in a decentralized storage facility based on blockchain. There is also a powerful bonus model based on the private SOFIN token (more in the Smart Contract Structure section).

**We benefit from the second category with the legal purity and transparency of each transaction.** The loan is given in the fiat currency of the Borrower's country according to the law. So the Creditor has a clear, legitimate reason to repay his loan.

In addition, we differ from both options with the existence of our own guarantee fund, which reduces the risks of Creditors (more in the Guarantee Fund section).

We give loans to both individuals and small and medium-sized businesses. For businessmen it can be both a business development loan and the one to start a new one. The main thing is to make the project viable.

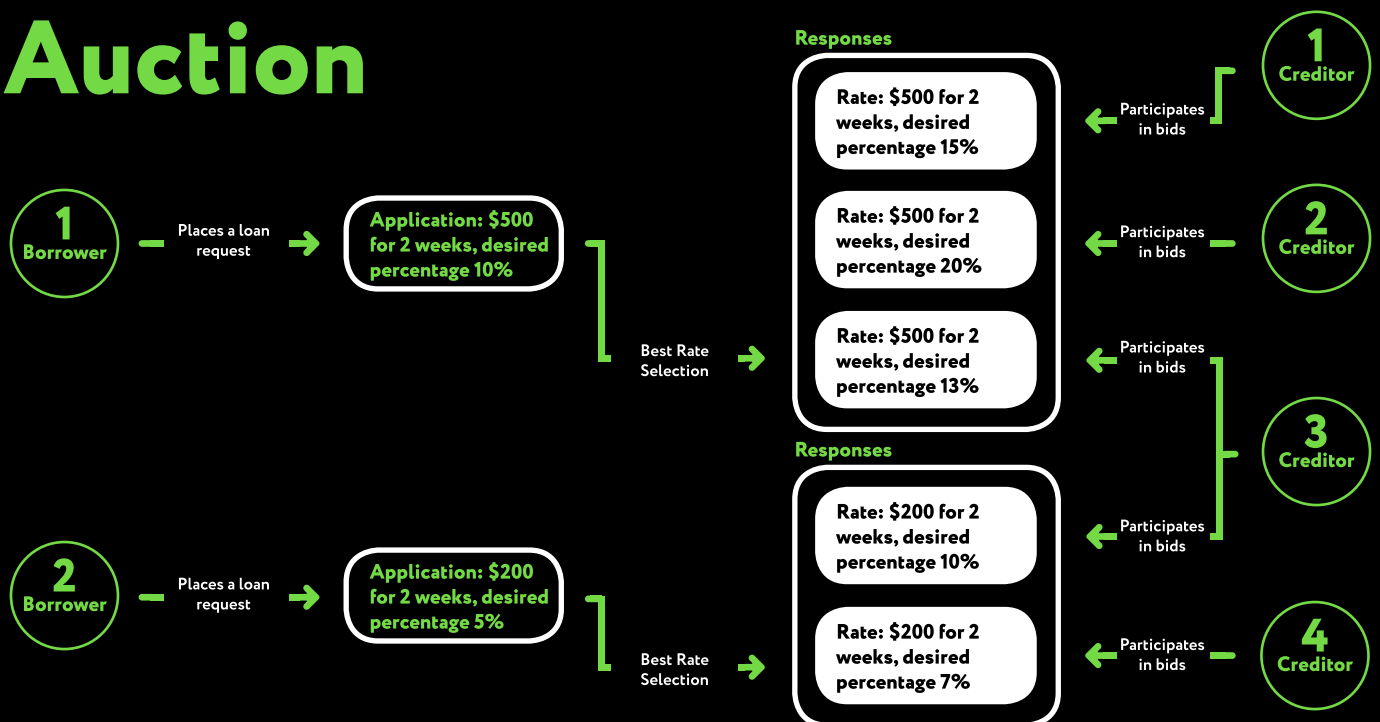
The risk assessment methodology, including the startups, has already been tested in practice. For the startups it will also be a plus if the Borrower has already proven its reliability by taking and returning consumer loans. His ranking and history of consumer loans will be available to the system, and the chances of getting credit for business will grow significantly.

# Service Mechanics

Loans are issued in the fiat currency of the borrower's country of residence. Creditors compete in tender mode (auction) offering their terms.

The Creditor decides: how much money and what percentage to offer. The Borrower chooses the conditions that are profitable for him.

## Auction



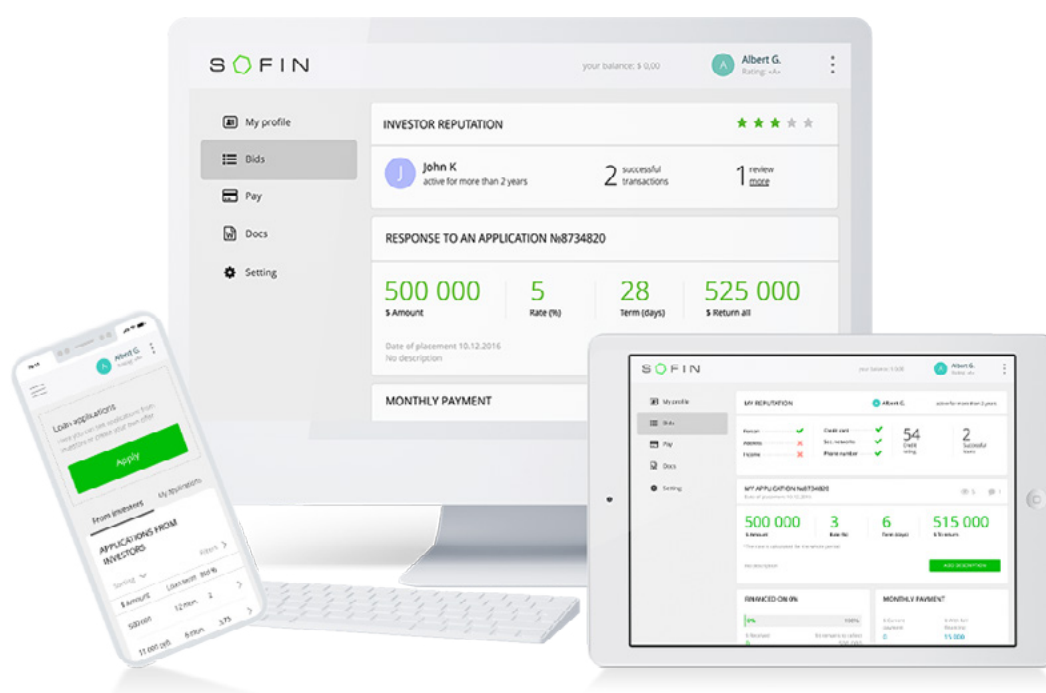


Any Creditor can issue a loan under any conditions. Any Borrower may request a loan under any conditions. Therefore, market competition dictates fair conditions for the global economy, without international borders and barriers.

5% of each transaction is retained by the platform - this income will be reinvested in the company's development. The SOFIN Company does not accept credit risks. All loans are issued from the funds of the Creditors.

The service will provide scoring of the Borrowers, collecting arrears and convenient payment of loans. When a loan is issued, all legal transactions take place in the automatic mode in the customer's account. The legal purity of the transaction is guaranteed by the platform.

To minimize risks, it is possible to finance one loan by several Creditors. So the Borrower can get the amount, and the loan payments will be automatically distributed by the entire Creditor pool.



# Scoring and Verification

Since 2011, our work has significantly reduced ending risks. The “portrait” of the client, both the individual and the entrepreneur, was fully used during the work; the loan stop factors are identified.

## **Verification proceed in accordance with the following parameters:**

- Verifying the validity of a citizen’s passport;
- Verifying the Borrower in the data bank of the Executive Productions;
- Verifying the Borrower for bankruptcy;
- Verifying convictions and trials currently in progress;
- Verifying the Borrower in the database of terrorists and extremists;
- Verifying the credit rating of the Borrower in the credit ratings bureau. Only bank and microfinance organizations have access to credit ratings under the law. Our access will be proceeded in the IFI’s partner;
- Verifying the IP address of the Borrower;
- Verifying in social networks (more than 10 parameters per network);
- Verifying the employer organization for existence at TIN \ PSRN \ Name;
- Verifying the location of the Borrower on cellular data;
- Verifying the Borrower’s payments (telephone, utility payments, etc.);
- Verifying the contact information of the Borrower.

In every country, we will integrate the local verification services (about how to connect new countries in the [Road Map](#) section).

Based on the analysis of the obtained data, the credit rating will be determined. Of course, even the most perfect scoring can be fooled, so we’ll offer to everyone

to go through the phone verification with our experts, or maybe a video call, or even a face-to-face meeting. Only those who have received a telephone verification will have the highest ranking.

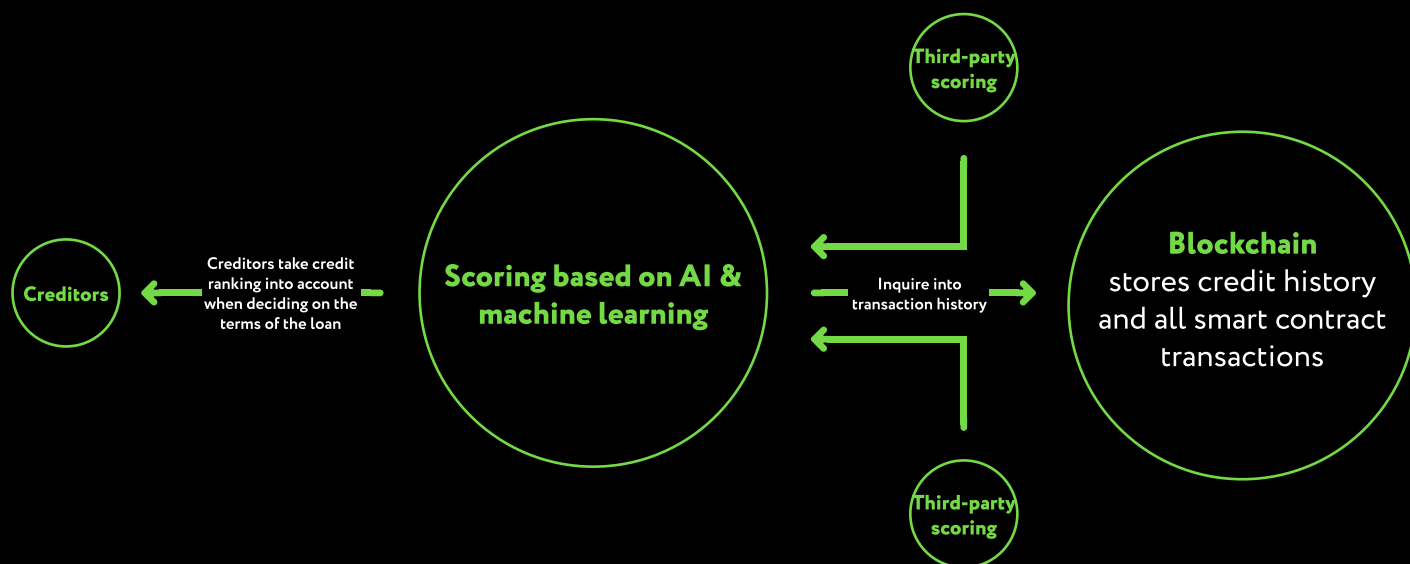
The ranking of the customer will mostly be influenced by the system ratings (payback, completeness and frequency of interest payment) and feedback about the customer.

**According to the NBCH statistics, the level of financial literacy of the population in different countries are vary a lot.** In Russia, it's very low. 57 % of the population cannot calculate elementary percentages of the sum.

It is also the same in Asia and Africa (where our service is primarily focused on). That is why the project will be as simple and straightforward as possible for the user. When getting a loan, all payments will be clearly described, and there will be no hidden fee or co-payments.

For example:

- The paycheck loan is always limited to 30 days, and always without bail (the rate is determined by the market);
- The mortgage always has a deposit and an advance of 20% (the rate and the term are determined by the market based on demand and supply).



# Guarantee Fund

To encourage the operation of the service and to attract potential Creditors, the Guarantee Fund will be established on the website. Its aim is to cover the losses of Creditors in case of default of the Borrower.

The Fund's services are available to both Borrowers and Creditors. Any of them may request a guarantee (surety) on the loan. However, this will be available for the Borrowers with high credit ranking and full verification.

There are three levels of guarantee:

- The first guarantee level is 100% of the loan amount. The system reimburses 100% of the loan amount within 7 days of the date on which the Creditor's claim has been received;
- The second guarantee level is 75% of the loan amount. The system reimburses 75% of the loan amount within 14 days of the date on which the Creditor's claim has been received;
- The third guarantee level 50% of the loan amount. The system reimburses 50% of the loan amount within 30 days of the date on which the Creditor's claim has been received.

The cost of the Guarantee Fund service will vary from 5% to 10% (one-time payment) from individuals and from 2% to 5% from entrepreneur.

In case if the Creditor is ready to accept the surety in the SOFIN cryptocurrency, the level of his guarantee increases by 10%

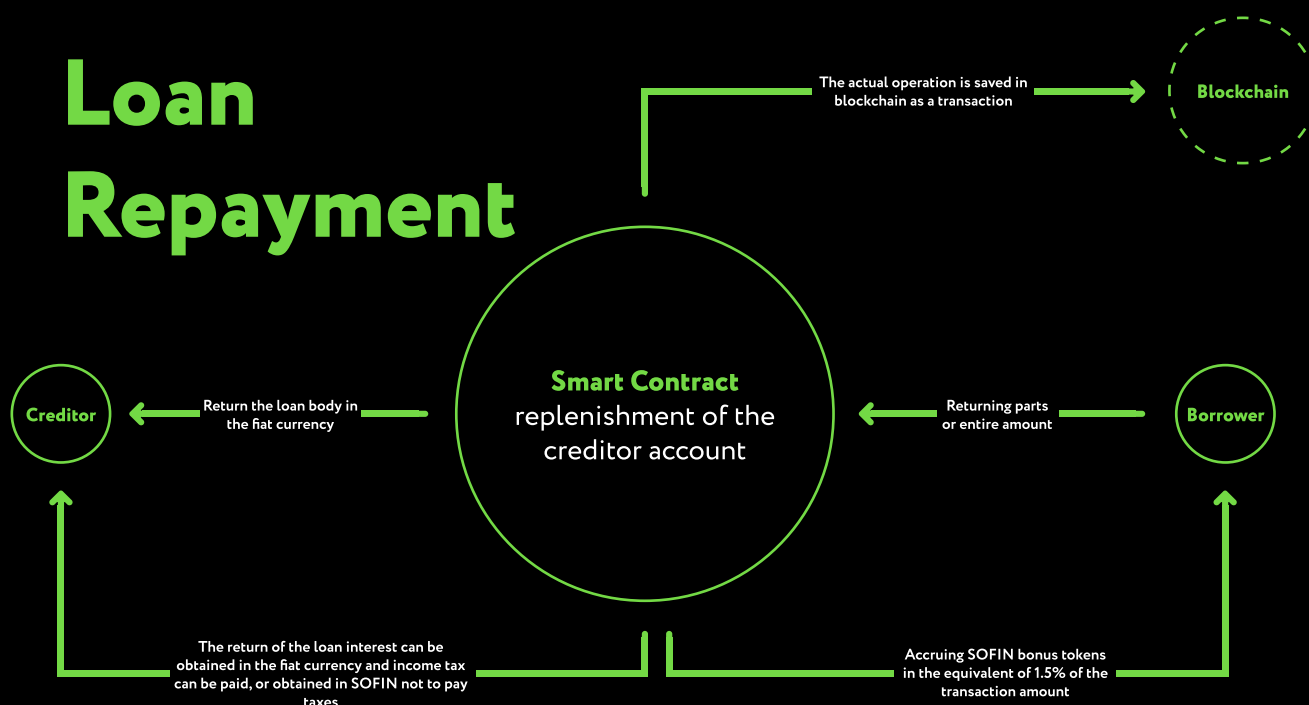
Guarantee Level	Fiat Currency Level	SOFIN Guarantee
First	100%	100% + part of percent, but not more than 10% of the loan body
Second	75%	85%
Third	50%	60%

The SOFIN rate will be fixed on the date of the guarantee.

**IMPORTANT!** All guarantee obligations are in strict compliance with the law. In this case, the platform's surety is the entity.



# Loan Repayment



The conditions of the loan repayment and the payment of interest are clearly set out in the loan contract between the Creditor and the Borrower. As a rule, the repayment proceeds as scheduled.

The Borrower will receive automatic notification that a certain amount must be paid on a certain date. A certain amount can be automatically flushed from the Borrower's card. If the repayment successfully proceeded, the money will be paid into the Creditor's wallet.

If a delay emerges, the system will automatically notify both sides of the transaction. For the first three days, there will be an automatic reminder to the Borrower of the need to repay the bail. The system will recalculate payments depending on the imposed penalties. If the payment has not been effected in this timeframe, the following is possible:

## 1. The Borrower contacted the Creditor, a negotiated agreement was reached on the date of repayment or extension.

By main parameters, the system will prepare an additional agreement to the loan contract. An additional agreement will be prepared according to the standard variable parameters (rate, term, amount), if the changes are not

standard, customers can turn to platform lawyers for assistance. In this case, the legal counsel service is to be paid.

If, in the process of negotiation between the Creditor and the Borrower, it was not possible to reach a compromise on the issue of repayment, the following is possible.

## **2. The Borrower's not contacted, he has gone.**

In the Creditor's account, it is possible to refer cases to A.P.Y. (by clicking the "Send to A.P.Y." button), all information is automatically referred to A.P.Y which the system works with. On the 30th day of bail, the system will invite the Creditor to collect a package of documents for the judicial settlement. The Creditor will only have to print and sent it to the court. Then, after getting the execution file, send it to the bailiffs.

If the creditor wants to work on its own to repay the bail, he may not use the services described before.

The rate of pre-trial repayment of the bail is more than 83% (higher than the average one) due to the used verification system. The verification system used in our IFI, will be used on the platform as well.

# About token

The system uses the Ethereum ERC 20 platform. The SOFIN token performs many functions on the system. Encouragement of participants in a transaction to increase the number and quality of transactions in the system. The more turnover of issued loans is in the system, the higher the cost of the token, since the entire fee will be taken in SOFIN – they will be automatically bought out from the exchanges to repay the fee. The history of all transactions will be stored in blockchain. Up to 20% of the loan will be available to be given in the SOFIN tokens. SOFIN will also be an intermediary between the exchanging of one fiat currency to another. Let's look at all of these features in detail.

# Using tokens in the system

How will the token be used in the system? The creditor (or a pool of creditors in one transaction) and the borrower shall use the same fiat currency. The creditor will be able to exchange one fiat currency to another using our tokens in the system.

The entire loan amount is issued in fiat. If a part of the loan is in cryptocurrency, the system automatically converts the loan to the fiat currency of the borrower.

The borrower pays a percentage to the system before receiving credit (up to 5% of the amount in the SOFIN tokens that will be automatically purchased from the exchanges). This is the main income of the service: these funds are used to pay the bonuses and cashback in SOFIN (1.5% to the borrower and 1.5% to the creditor), and 1% of the tokens will be burnt.

Then the borrower returns the funds. The creditor will have a choice: get the entire income in fiat or take a part of it with tokens.

Also a part of the loan amount (1.5% to the creditor and 1.5% to the borrower) will return with tokens as cashback.

# Why do we need blockchain?

- Transparency of all transactions performed on the platform. All system reporting can be verified;
- Automation of processes through smart contracts;
- It becomes convenient to work with cryptocurrencies on Ethereum ERC 20;
- Integration with other projects on blockchain (registers, scoring, statistical services);
- Reliability and fault tolerance.

# What is the benefit of SOFIN tokens?

- Part of the loan (up to 20%) can be issued with the SOFIN tokens that the system will automatically buy at a profitable rate and transfer to fiat for the borrower. The integration of other cryptocurrencies with the possibility of issuing loans up to 100% will be pursued;
- Tokens can be used as an intermediate link in exchange of one fiat currency to another to issue loans in the currency of the borrower;
- Large token holders will be flagged as trusted members of the system. They will have more profitable loan terms (if necessary). Such holders will receive a bonus: a two-fold fee of the system to make a loan for their tokens. The system will provide a guarantee for such borrowers and, in case of default,



cover the loan instantaneously from its money, in the future by covering the delay by buying the mortgage tokens from the borrower. These borrowers will thus have the highest ranking in the system and, as a result, will be able to attract funds on the most profitable terms, as the investor will ask for a minimum low rate of risk at almost zero.

- Token holders will receive some advantages over the system's common users (external differences in the service interface, more profitable bonus terms, etc.);
- Tokens can be bought/sold on the exchanges. A direct correlation between the volume of exchange transactions and the token rate, as the entire fee is paid for with SOFIN, automatically repurchased from the exchanges when the loan is pursued.

## **Why will we benefit from the growth of the SOFIN and why will it grow in the long run?**

- The P2P system will receive the fee (up to 5%) in the SOFIN tokens, which will be automatically purchased from the exchange on each loan;
- The greater the turnover of the P2P service, the more the tokens on the system will be required by the fee, and the more active the buy-out of the exchange tokens. With the direct correlation of these volumes, the growth of the service entails the growth in the rate;
- Our team has a direct interest in rate growth because it will receive additional funding when the \$20 token is achieved by a new wave of token sales through smart contracts;

- Large service members will be more likely to keep tokens in the system without selling them on the exchanges to get additional privileges;
- We will also be the holder of tokens that are interested in investment growth. 9 000 000 tokens will be directed to the initial operation of the system, bounty, founders, escrow, advisors payments (10% of the emission of 90 000 000 SOFIN).

## Referral System

Each user can share a referral link (the "Referrals" section in the personal cabinet is available immediately after registration). For each new participant registered by reference, the user will receive 3% of the amount of tokens purchased on TGE.

Once the platform is launched, a multi-level system will be developed, where the percentage (up to 3% for the entire branch of links) from the fee (5%) will be transferred by tokens on the wallet of those who invited the participants to the loan system. The system pays all of these bonuses out of its income:

- When you register in the project, a bonus of 1 SOFIN is immediately issued;
- When a loan is issued, a bonus is accrued to the creditor, 1.5% of the amount of the loan in SOFIN.

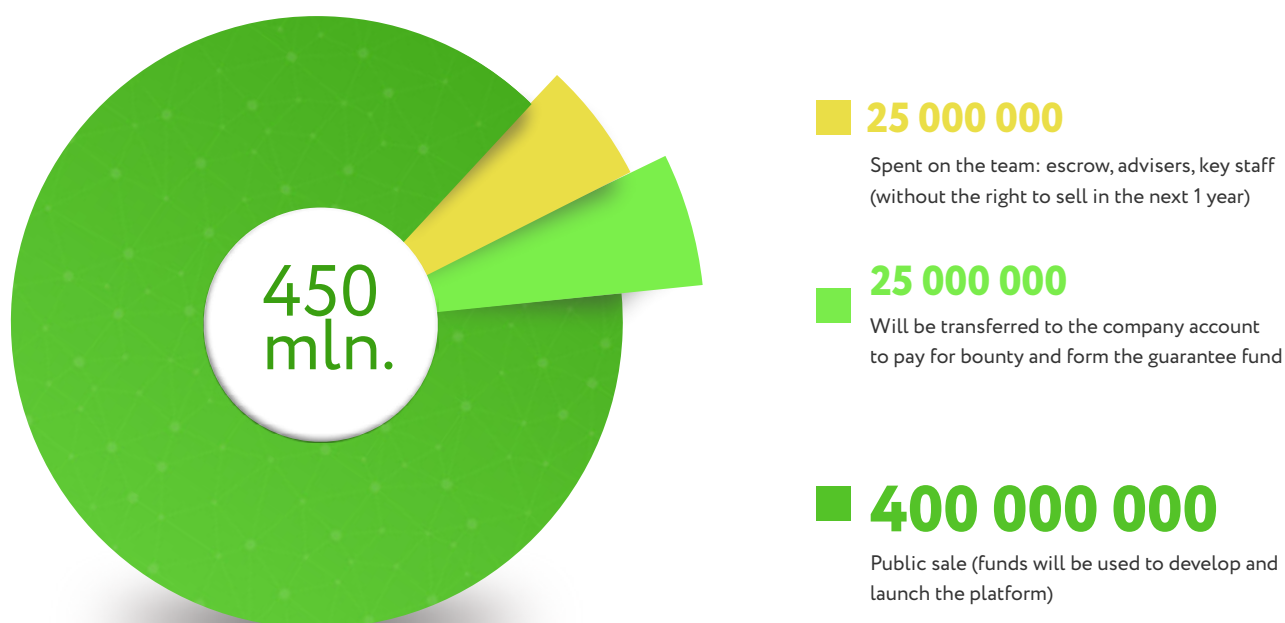
In case of timely repayment, the borrower will be charged 1.5% of the all paid amounts (the body of the loan, interest).

# Token distribution pattern

The name of the SOFIN token is the same as the platform name. 450 000 000 are immediately issued, no more emissions will occur, and tokens will only be burnt (1% of the market-rate loan body). Of these, 400 000 000 tokens will be sold in the preTGE/TGE phases.

The remaining 50 000 000 tokens:

- 25 000 000 tokens are given to the team, escrow, advisors, key employees (without no right of sale in the next 1 year);
- 25 000 000 go to the company's corporate account to operate the system at the initial stage.



The purpose of preTGE is to collect \$350 000. During the preTGE phase, preliminary SOFIN will be implemented and exchanged to the main tokens during the TGE 1-5 phase. They will continue to participate in the P2P system and bargain on the exchanges.

On preTGE it will be able to purchase up to 10 700 000 tokens at different prices depending on the number of already sold coins:

Number of tokens	Price in USD for 1 SOFIN	Amount in USD per phase	Type of phase
700 000	0,5	350 000	Dedicated phase
Up to 10 000 000	0,8	Up to 8 000 000	Bonus phase

A complete buy-out of the dedicated phase tokens means a successful preTGE. the first 700 000 SOFIN of \$0.5 (soft cap – \$100 000), after 10 000 000 SOFIN of \$0.8

### **The TGE phases begin in approximately 1 months after the end of the preTGE.**

In this period of time, we will redesign the product and prepare for TGE.

The purpose of TGE is to collect 9 500 000\$. In TGE it will be possible to purchase up to 400 000 000 tokens at different prices, depending on the number of already sold tokens in TGE:

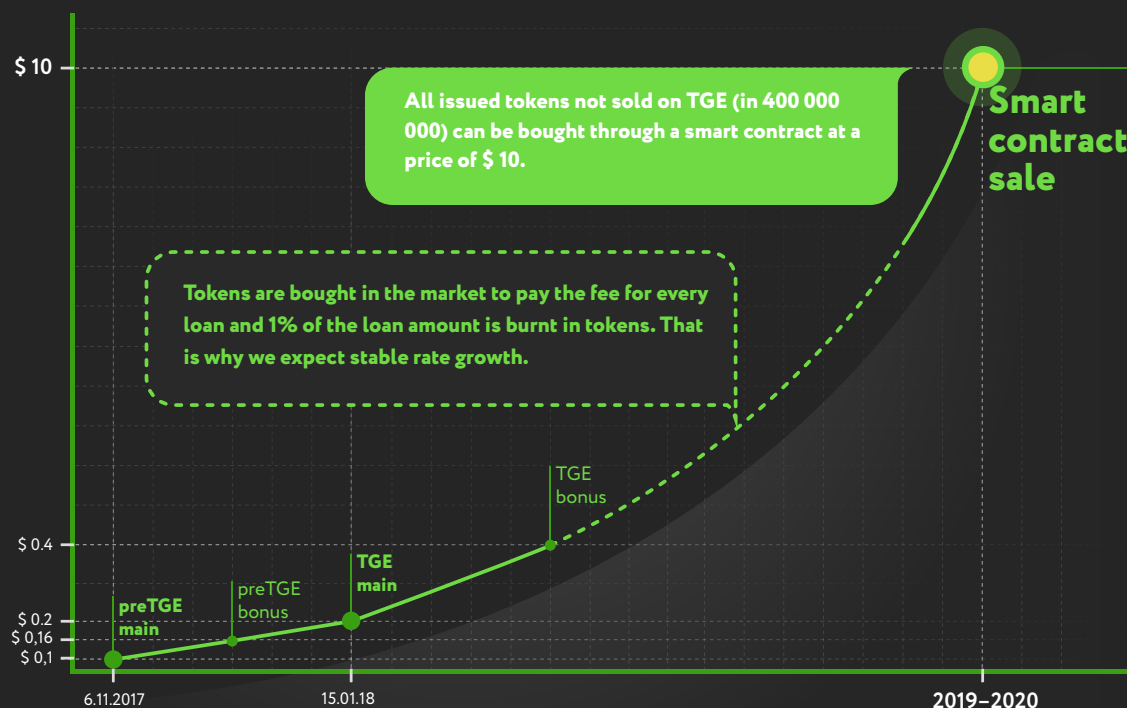
Number of tokens	Price in USD for 1 SOFIN	Amount in USD per phase	Type of phase
47 500 000	0.2	9 500 000	Dedicated phase
Up to 350 000 000	0.4	Up to 140 000 000	Bonus phase

A complete buy-out of the dedicated phase tokens means a successful TGE.

The exact number of tokens that can be purchased on TGE depends on the number of tokens sold in the preTGE phases.

**The unsold tokens in the TGE framework are available to buy through a smart contract at a price of \$10.**

This is the dedicated rate of the token to which our team will aspire by buying tokens from the system to all 100% of the fee of each loan.



When the dedicated rate is achieved, the project will receive additional funding — thanks to a new wave of token sales through smart contracts. This ensures that our team is interested in increasing the token rate and shall have a positive impact on the trust of the SOFIN token holders.

It is worth noting that when the turnover of loans in the system increases, the system itself will need more tokens to liquidate the fee. It entails a more proactive buy-out of tokens from the exchange and, as a result, the growth of the rate. This way a direct correlation between service turnover and token rate are achieved. The issue of the exchange token is scheduled to be issued in one month after the end of the TGE phase.

**When all the dedicated TGE phases are achieved, it is planned to add the exchanger «Fiat->SOFIN, SOFIN->Fiat» on the Web site**, so that the person who has brought dollars in the system, will be able to issue a loan, for example, in rubles. The exchange takes place separately from the loan, i.e. the system does not depend on the exchange rate changes. The exchange rates are set up by a system based on the CB, but with changes in the spread price at its discretion.



# How can you get tokens?

- It is very profitable to buy on preTGE;
- Buy on TGE;
- To receive them as bonuses by issuing loans in the system (1.5% of the loan);
- At the time the loan is returned, the creditor may choose: profit or a part of it in SOFIN or fiat;
- Receive them as cashback from the fee by borrowing from the system (1.5% of the loan);
- Receive them as bonuses, bringing new creditors and borrowers into the system (referral system);
- Participate in the bounty of the company;
- Buy on the exchange after TGE.

# What's the money going to do?

## **PreTGE November, 6 – December, 29 2017**

On the 5th of November, we will send a link to the smart contract, so that the subscribers will be able to buy a limited number of the SOFIN (a link to the group in [Telegram](#)), equal to 200 000 PCs for a price of \$0,095 for PCs

In case of a non-buy-out of tokens, on the 5th of November all unsold tokens

will be publicly sold on preTGE for a price of \$0.1 for SOFIN. The cost of further token price changes at different phases is indicated in the table in the «[Token Distribution Pattern](#)» section.

**The funds received on preTGE will be used as follows:**

- **20k USD:** The founders and developers of the project;
- **10k USD:** Legal advice and registration actions;
- **90k USD:** Prepayment to the TGE partners for international marketing;
- **190k USD:** Payment of publications, translations, conferences, involvement of partners;
- **15k USD:** The first three months (accountant, verifiers, manager) of the P2P Office staff, office organization;
- **25k USD:** MVP (Minimum Viable Product) development platform.

**TGE – January, 15 2018**

The cost of further changing in the price of a token at different stages is indicated in the table in «Token Distribution Pattern» section.

Usage of tokens:

- **90%** token buyers;
- **5%** will remain in the system to operate initially;
- **5%** founders (frozen sales for 1 year).

The proceeds of the TGE will be distributed as follows (in USD):

- **40%** platform development;
- **30%** establishment of the Guarantee Fund and initial loans;
- **20%** promotion and advertisement;
- **5%** the founders;
- **5%** legal support and LCF.

Read more in «[Cashflow](#)».

# Legal Aspects

The basis of our platform is the legal purity of the loan agreements.

We will check the Borrower through scoring and the full verification system (contacting the borrower, the employer, etc.) and the requests for credit histories bureau.

Depending on the received responses, each Borrower is given a certain ranking.

When registering in the service, each user provides a scan of copies of his or her documents (Passport, TIN, IIAN) and passes verification. We will also check the data that was provided to transfer the funds: for example, verify a credit card.

The Creditor will be able to select the Borrower based on the ranking and recommendations of the platform and do so at its own risk.

However, our platform automatically prepares the documents necessary for the legal design of a loan contract based on the legal system of the Borrower's country:

- A loan agreement relevant to all aspects and requirements of the legislation, is created;
- The loan agreement is signed by an electronic signature, which is given to the user when registering on the platform (with the relevant documents — an agreement on the use of an analogous handwritten signature);
- The loan is issued on a previously verified credit card;
- The Borrower returns the loan in his account by charging money from his credit card;
- The loan agreement provides for the possibility of changing the jurisdiction of the dispute to the place of residence of the creditor in order to minimize the legal costs;

- We legally support the creditor in order to recover the loan (in the case of default).

Besides, our platform provides a token-bonding option (cryptocurrency) to ensure that a loan is received. It also undertakes the legal design of the pledge to minimize the Creditor's risks.

The service of the Guarantee Fund will be proposed if necessary. In this case, we will issue the platform's surety agreement.

In case of default, the platform will pay the loan amount (or a part of the loan, depending on the selected Guarantee terms) to the Creditor, and the bail will be collected and reimbursement of the platform will be completed.

## Legal aspects of the SOFIN token

- Token buyers are members of the SOFIN project and are not investors;
- Collecting money for a project is not an investment because a token buyer is a member of a project that will need to attract creditors/borrowers to participate in the project and receive a fee, or use acquired tokens when issuing a loan at the SOFIN site;
- The project does not guarantee the participants' income;
- Tokens are not securities according to the legal acts of all countries over the world;
- The SOFIN token is the utility token. By buying a token, you acquire the access key to the product of the SOFIN platform. The number of acquired tokens depends on the scope of access and work on the SOFIN platform;
- SOFIN holders are not limited to prohibitions on the sale/transfer of tokens to third parties;

- Tokens will be sold on the basis of the offer;
- The SOFIN token does not apply to securities in accordance to Howey Test. There are no dividend payments to token holders. The issuer does not pay interest because it is not a bond. When issuing token, there will be a functioning alpha-version of the system;
- The platform is not a bank or a microfinance organization, does not provide services that can be classified as activities of credit organizations;
- All transactions take place directly between the members of the platform (the Borrower and the Creditor).

## **| Legal Aspects**

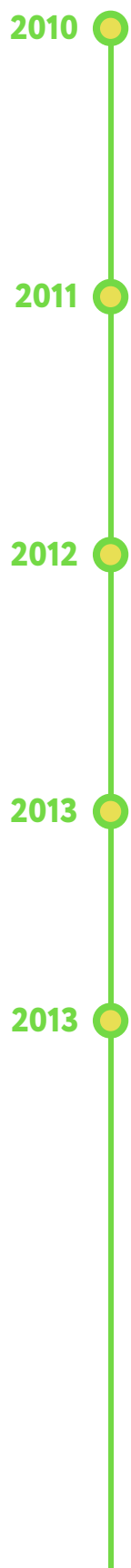
# Electronic loan Agreement

A loan agreement signed by an equivalent handwritten signature has legal force in the RF, USA, EU and other countries and regions of the world. The EHS is generated by the platform by sending the digital code to the mobile phone of the contract party.

All the relationships of the sides on the platform are through the electronic workflow through the preparation of the platform and the signing the relevant documents by the parties:

- Loan agreement;
- Extension of a loan;
- Issuance and withdrawal of bail;
- A surety agreement;
- Assignment of a claim under an obligation arising from a contract.

# Prerequisites

- 
- 2010** ● **Rostov Region Guarantee Fund** — The establishment of the structure under our leadership to enable entrepreneurs to obtain funding, using the fund's surety. In three years, the amount of bail was \$51 million.
- 2011** ● **«ExpressMoney» offline MFO** — The opening of a network of the microloan points where the verification experience of the borrower (private individual), the legal basis and a high-income financial model were obtained. Business was successfully sold.
- 2012** ● **Opening of the Verum Law Firm** — The company provides legal support for construction and investment projects, including foreign investment. The Verum team of seven people forms the legal service of the SOFIN Company.
- 2013** ● **Mining rigs, cryptotrading** — Creation of own mining rigs. Extensive experience in cryptocurrencies trade, investing in cryptoprojects.
- 2013** ● **Opening of the Elonsoft IT Company** — The forming of the team with experience in the developing of international-level internet projects, including the creating of MVP for startups. The company now consists of 16 programmers who will work on the SOFIN platform after TGE.

2014

**Private P2P-lending for entrepreneurs** — Since 2014 and to date, successful experience of connecting people who have money and legal persons who need credit. The interest rate allows each party to earn. To date, there have been no returns. The loan portfolio now exceeds \$1.5 million.

August 2016

**P2P-platform concept** — The idea of creating a marketplace of financial resources on a "single window system" where individuals and companies can get loans from any people, MFOs, banks with a minimum and transparent rate in auction mode.

December 2016

**Launching of the «Loan Club» online MFO ([www.clubzaimov.ru](http://www.clubzaimov.ru))** — Building of loan and verification system for borrowers online. Development of scoring software, integration with credit history systems and online processing. Gain experience of attracting borrowers in the Internet. In this project, we've worked on all the important elements of a future P2P platform, and there are 14 people working in the company.

July 2017  
to date

**Beginning system development** — Defining of financial development model. Design of the technical part of the platform, the interface design, and start of programming business logic.

# What's already there?

- Clearly defined business model;
- Extensive experience in microfinance (since 2011);
- Established verification processes (using scoring models)
- Long-term individual contacts with payment systems (this will reduce the cost of money transactions to a minimum);
- A fully prepared and tested loan and legal mechanism;
- A finished team (more than 40 people) who are already working on the project.
- Partially implemented platform logic. The system will be launched in December

**The financial market in terms of attracting one customer is the most expensive. We're capable of attracting customers with minimal cost.**



# Plan for a year

**November, 6  
2017**

**preTGE** — Leverage of funds to complete the development of the platform, to output the SOFIN token to TGE, adjust white paper and business model based on feedback from participants and cryptocommunity.

**January, 15  
2018**

**TGE** — The fundraising for the platform development, the listing of the exchange token, the establishment of the Guarantee Fund and the international expansion.

**Q1 2018**

**Listing of the exchange token** — The listing of the SOFIN token on the cryptocurrency exchanges for free bidding. Implement a token-support strategy and increase it to \$10. Direct correlation of rate growth with turnover of loans on the platform is achieved through the reverse buy-out of the SOFIN tokens for the transaction bonus payments laid in the platform

**Q1-Q2 2018**

**Launch of the platform and the «Guarantee Fund» option in Russia** — The first issue of loans through the SOFIN platform from the MFOs partners, early followers and own funds. Once the Guarantee Fund has been launched and the risk of repayment has been reduced, it is planned to attract a large number of creditors.

**Q3-Q4 2018**

**Launch of the platform in CIS** — The issuing of loans in Russian-speaking countries, starting with Georgia and Kazakhstan and then in Ukraine and Belarus. In each country where we will issue loans, a local office will be opened to interact with the verification, scoring and credit history systems of the country. This will provide 100% legal purity, which is a distinctive feature of our platform. Besides, local partners are planned to issue loans. The planned figure for 2018 is \$1 million.

**2019**

**Launch one country per quarter** — Big prospect and growing market of P2P-lending are concentrated in the regions: Asia, Africa and Latin America. The first countries outside CIS in which we start lending will be Myanmar and Cambodia.

# Team



### **Tuckov Andrey Viktorovich**

Project Manager (Chief executive officer CEO)

Professional financier with 17 years of experience. Led the units of the leading banks (Raiffeisen, Bank Center-Invest), created the Regional Guarantee Fund ([www.dongarant.ru](http://www.dongarant.ru)), started business of microfinance organizations, including the online one. President of the Board of Directors of the «Loan Club» ([www.clubzaimov.ru](http://www.clubzaimov.ru)). He has got a lot of certificates and awards, including IFC (International Finance Corporation), awarded by Administrations, and others.

#### **Education:**

The Russian full-time distance school for managers and entrepreneurs, specialty - accounting economist. /Diploma with honours/.

Rostov state Economic University "RSUE", specialty - economist. /Diploma with honors/. The governor's program. /Diploma with honours/.



### **Zhugastrov Trofim Aleksandrovich**

Product Director (Chief product officer CPO)

More than 10 years of experience in creating software products. Founder, CEO of Elonsoft, IIDF tracker, formerly Deputy Director of the Southern IT Park (OJSC "Regional Development Corporation")

#### **Education:**

Master of Basic Informatics and information technology. Mechanical and mathematical faculty, SFedU (RGU)



## **Lushpanov Nikita Alekseevich**

Head of research and development department of smart contracts based on blockchain (Chief Blockchain Officer)

Entrepreneur with experience in offline/online business projects. Experience in developing Web projects for more than six years. Mining since 2013, has experience in cryptotrading and investment in cryptocurrency.

### **Education:**

SFedU, Mechanical and mathematical Department, Master of Information technology



## **Slobodin Vitali Sergeevich**

Technical Director (Chief technology officer CTO)

Experience in the development of more than eight years, including fintech (newsquantified.com). Technical Director in Elonsoft, a member of the Google Chrome team, in the past the maintainer of Phantomjs and the developer of "Yandex. Browser".

### **Education:**

Institute of Management, Business and law Information Technology Department Specialty - IT-manager



## **Kruchko Anton Viktorovich**

Chief legal officer CLO

A lawyer with a 16-year-old practice. He was the head of the legal department of the largest building concern. Since 2012, he has been the head of the law firm "VERUM" (verum-law.ru). Provides legal escorts for construction and investment projects, including foreign funds.

### **Education:**

Higher legal RSU. Graduated in 2001.

# Advisers



### **Ivanov Konstantin**

Founder of the world's largest social network for traders [tradingview.com](https://tradingview.com), which works in 16 countries. More than 2 000 000 active traders use the platform every month.

Today, Trading View is the main technical analysis tool for traders in the 12 most popular cryptocurrency: Bitcoin, Ethereum, Bitcoin Cash, Ripple, Litecoin, Ethereum Classic, Dash, Monero, Zcash, Golem, Steem, Gnosis.



### **Alexey Telnov**

Partner at VC arm of one of the largest family offices in Eastern Europe, former investment director at iTech ital (\$100+M AUM), responsible for fintech, blockchain and marketing tech investments (including TradingView, BitFury, Clickky and others). Alexey is also ex Board Observer at [BitFury](https://bitfury.com). Alexey previously worked at BCS Financial Group. Holds M.A. in Finance and Law.



### **Anton Dzyatkovskiy**

Co-founder, Chief Investment Officer of Micromoney. Successful entrepreneur, experienced negotiator, creative marketing expert. Passionate and hardworking leader with 13 years of successful work in various positions in companies engaged in financial technology, retail business and e-commerce. Mr. Dzyatkovsky is experienced in development of financial companies in entirely new markets.



## **Dr. Rupal Agarwal**

Entrepreneur, Strategies Implementation Expert, Retail Management Consultant, Blockchain & AI Enthusiast, ICO Consultant, Founder & CSO Obizcoin, Co-Founder at "Your Retail Coach" one of India's most successful companies in B2C Consulting: [www.yourretailcoach.in](http://www.yourretailcoach.in)

Our services include Standard Operating Procedures (SOP ) Designing, Franchise Consulting, Business Model, Startup Management Consulting.

Member of BNI (Business Networking International)

# Partners



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