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Whitepaper

Proxy—Ethereum for Everyone

We do not offer securities or a collective investment scheme. You are advised to read this document carefully in full, and perform due diligence.

According to the professional opinion of our legal advisors, based on the Howey Test our Proxy Tokens should not be deemed as securities and do not need to be registered as a security.

Abstract

Everyone should have access to the blockchain and cryptocurrencies like Ethereum. The systems in place today are raw, and while that works well for technologically inclined people, it is a barrier to wider adoption.

We believe we can bring crypto to the masses without sacrificing the strength of the blockchain. In our initial phase we look to do this by solving a few key issues:

- Make cold wallets that are easy to store and access.

- Make communication between people easy and accessible.

- Provide security for merchants and customers in transactions and information exchange.

- Make merchants easily discoverable for their goods and services.

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Introduction

Proxy gives people a second factor for authorizing transactions via an NFC card encoded with a wallet's private key. The key is stored

encrypted on the card so only the owner, using the Proxy app, can use the card. Our server DOES NOT store this private key.

Whenever a transaction is initiated on a Proxy enabled wallet, the owner receives a notification and is asked to hold their card up to their phone for authorization. Other users can request funds using only a person's username, making the initiation of the transaction extremely easy.

Users of Proxy are also given an in-app mechanism to message one another. Messages live for an optional maximum of 14 days and can be deleted by the sender. Users can easily send each other coin and negotiate any needed information exchange, all without needing to reveal any information about themselves, and all within the mobile app.

Proxy also provides a "merchant account". Merchants are verified via our system, rated by users, and get a series of template smart contracts they can use to manage the sales of their services or products. As an example, a merchant can use a smart contract built to hold coin until a valid tracking number is issued back to the customer, at which time funds are released. We will also be proving contracts to handle subscription services. This added level of security makes customers more comfortable doing business and makes taking crypto payments turn-key for merchants.

In addition to tools for transactions, merchants get listed in our online mall. This makes it easy for customers to find them and their products/services. Major mobile platforms require restrictions on what services and products can be available, but this is a great way for foreign merchants to reach a wider international audience, and our web version will have fewer restrictions.

Finally, we will be providing simple forms and APIs so existing sites and services can easily integrate our payment platform. This can be as easy as a link on a Facebook page, or as seamless as a PayPal-like form during checkout.

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Opportunity

Fundamentally, there are three broad groups of customers for whom Proxy Card has been built:

- Cryptocurrency holders, who want to spend it globally in the most convenient and efficient manner without risking their security or anonymity.

- Fiat-only customers, who spend in foreign currency and are now facing excessive levels of fees charged by banks.

- Merchants, who want to tap into the growing cryptocurrency markets, access more customers, and setup shop with a turn key solution.

While the funding sources will differ for these customer groups, their use cases largely overlap:

Outbound travel spend

IPK International reported that the world outbound travel market turnover for the year 2016 topped the $2 trillion mark for the first time, which was an increase of around 7 to 8% compared to 2015. The outlook for travel in 2017 is very positive, forecasted to increase in worldwide outbound trips by between 4 and 5%. IPK International sees particularly strong growth for outbound trips from Asia, with a likely rise of 6%.

China's outbound tourism is a massive opportunity. According to the World Travel Monitor, over 70% of cross-border trips are made to Hong Kong and Macau. Chinese outbound trips amounted to around 39 million in 2015, excluding trips to Hong Kong and Macao. For the Chinese traveler holding digital currencies, the Proxy App can be an essential tool.

Inbound remittance (sending money back home)

A remittance is—quite simply—a money transfer made by a foreign worker back to an individual in their home country. However, the typical international money transfer requires loads of communication between the individuals on either end of it. They have to calculate exchange rates, synchronize amounts, collect personal details, agree on a transfer method, and then confirm when the cash has been sent and

received. Worldwide, 230 million people send $500 billion in remittances each year, primarily using firms like Western Union, Moneygram, and RIA.

India, China, and the Philippines are the top three countries that receive the most money via remittances. In terms of continents, Asia is the biggest recipient by far—in 2016, migrants from China and India sent home a staggering $180 billion a year, primarily using firms like Western Union, Moneygram, and RIA.

Cross-border online shopping in foreign currency

According to a report from global consulting firm Accenture and AliResearch (Alibaba Group's research arm), the global B2C cross-border e-commerce market will balloon in size to $1 trillion in 2020 from $230 billion in 2014. In the report, researchers forecast that this increasingly popular form of online shopping—entailing consumers taking to the Internet to buy products directly from overseas retailers—will see compound annual growth of 27.4 percent per year. By 2020, more than 900 million people around the world will be international online shoppers, the report says, with their purchases accounting for nearly 30 percent of all global B2C transactions.
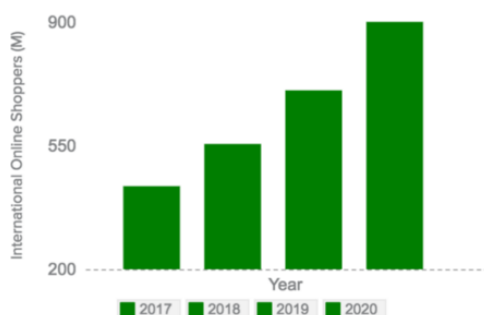
Annual growth for international online shoppers is expected to reach 27.4% each year. This means 900,000,000 potential customers by 2020!

China will become the largest cross-border B2C market by 2020, with the transaction volume of imported goods purchased online reaching $245 billion, according to Accenture-AliResearch. The report predicts over 200 million Chinese consumers will be cross-border shopping by 2020.

Proxy Card can address those markets directly and globally.

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Platform Components

Proxy App

The Proxy App is currently available in the Google Play Store and will be available in the Apple App Store in late March 2018. The apps leverage the NFC capabilities of the device to allow easy second authorization using our cards. For iPhone users, this capability will only be available for iPhone7+ and iOS11+.

Users are able to download the app, register with our services, and optionally purchase a card. We have a variety of styles available, but if the user opts out of the card they can use the biometrics of their mobile device to safeguard their wallets.

When a new Proxy card is ordered, the information is encrypted in our app and sent to our servers where we print the physical card and then mail them to the user. Each order receives two cards: one to carry with you, one to keep in a safe location.

All encrypted key information is immediately removed from our server once the physical card is sent in the mail. It is important to note that the encryption used is tied to the user, so even if someone intercepts the card in the mail it can **NOT** be used by anyone else.

The app allows users to manage their Proxy card, message user to user, and in a near future release register for merchant services. Each wallet/merchant account shows a display of balance, recent transactions, and basic information such as wallet address or QR code. The app also receives push notifications of transfer requests and new messages from other users.

Merchant Services

When ready in Q3, we will include a landing page on our web site where anyone with a merchant account can receive payments. Merchants can use this link so members can enter their username and then authorize payments using their mobile app and Proxy card. The link can take an amount, contract template, and currency (ex: ePRX or eBTC) for the transaction.

Canned smart contracts will be available for merchants to use and link via this simple landing page. No details will be available about products at this initial launch, but with in-app messaging, merchants can easily communicate with their customers and exchange any needed information.

In subsequent quarters, Proxy will expand merchant services to include a few key new features:

- Rating system so customers can rate and comment on the merchant.

- Verification services. Here we will ask the merchant for information (NOT shared with anyone else) to verify they are a real person or company and provide a real service. Merchants will pay an added fee to be verified.

- Store front. Merchants will be able to use either our plug and play payment system inside their existing checkout system or setup shop entirely online with us. This latter method will require that we validate the merchant to block any attempts to sell illegal goods or services.

- Reporting. Merchants will be able to manage their subscribers, customers, and transactions. This area will expand as we grow with added features for marketing etc.

Merchants will have a separate app/web site access for all their merchant needs outside the basic features in the main Proxy app.

APIs

In 2018, we will develop open APIs so other app developers can leverage our system. This will include:

- Authorization API. Users can log in using their username and Proxy NFC Card, making authentication a simple process but also 2-factor.

- Transaction API. Send payment requests to users, or send funds from an authorized card to any other user or merchant. This allows other apps to take in-app payments just like they do now via Apple Pay but using the Proxy system and cryptocurrency instead.

- Messaging API. Send notifications and messages to users on the Proxy network.

Blockchain

All transactions occur directly on the blockchain. Proxy acts as a software layer to make accessing the system easy, but we do not hold funds in a contract of our own. Certain canned contracts will be made available for merchants to leverage, and the code for these contracts will be made available in our GitHub.

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Roadmap

- Q1 2018—Apps released to the public via Apple App Store and Google Play. Cards mailed as accounts are created and a minimum order number is reached.

- Q2 2018—Messaging will expand with Spaces. Spaces allow large group communication so other cryptocurrency-based projects have an easy tool to communicate with their communities and tools to distribute their token (ex: Airdrop).

- Q3 2018—API development begins, as well as the launch of merchant stack including the web and mobile apps. Marketing efforts to acquire additional merchants and users.

- Q4 2018—API opened to third party developers. Marketing continues to spread network and acquire additional users.

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Spending Overview

Here is a quick breakdown of how Proxy's funds will be distributed over our road map period:

- Ongoing development—25%

- Marketing—50%

- Operations (card printing, hosting costs)—15%

- Administrative (lawyers, accountants, general overhead)—10%

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Token Holder Benefits

The Proxy system charges merchants a 1% transaction fee for use of our platform. This fee drops to 0.5% if the transaction makes use of the ePRX token. We also plan revenue streams for advertising inside our Marketplace and Spaces service, which would include ranking in browse results, high search results, and having certain products marquee on our home page.

With such a low fee compared to standard banking fees, especially for certain business that find getting merchant accounts difficult/expensive (ex: adult industry), we believe we will receive fast adoption and even promotion.

The Proxy token (ePRX) has the benefit to users of a lower processing fee on our network. This will drive use of the token over other options, resulting in an increased value over time. ePRX is NOT a security, but a form of payment like Ethereum or Bitcoin.

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Links and Additional Info

- Leadership team: https://blog.proxycard.io/meet-the-team/home

- Website: http://www.proxycard.io