



# GATCOIN

The reward market



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## Vision

At GATCOIN we envision a unified world of rewards, where consumers no longer have to join multiple loyalty, rewards and point programs and carry many cards and apps. A future where customer-centric companies will be rewarded with higher consumer engagement, greater brand awareness, and ultimately better business results. Where dead points who benefit no one, are a thing of the past and every promotion, coupon and reward finds a home with the consumer that values it.

**GATCOIN - Simply rewarding.**





## Abstract

Loyalty points, discount codes and store coupons are, for the most part, illiquid. For a variety of reasons, consumers possess a disproportionate amount of coupons for stores they don't visit, products they don't want or loyalty points they do not take products from. Merchants and big chains devote a lot of resources to keep track of loyalty points, and to market their programs. However only a small percentage of these get converted into products people actually buy, resulting in significant wasted resources. Eventually users are paying for points they don't use. GATCOIN is a platform which allows the secure exchange of Merchant Tokens and enables low cost cross-border payments and microtransactions. This will add liquidity to currently unused (and often thrown away) coupons and loyalty points. Being able to exchange these Merchant Tokens creates a situation where they have actual value to someone. And as they have value they are no longer considered spam. Doing this on the blockchain means anyone can see and verify transactions and check the token supply. Blockchains offer the possibility for unique (and uniquely verifiable) items. As they are digital tokens for a multitude of stores, brands and merchants, they can be carried on a smartphone, without the need to carry around coupons or loyalty cards. Having them on a smartphone means a precise geolocation can be used to offer specific airdrops. Further, exchanging and spending Merchant Tokens and performing transactions from a smartphone wallet creates a variety of valuable data. This data can be bundled and sold to merchants and brands, giving them the opportunity to target specific groups of users according to their interests, demographics or location, instead of spamming heterogeneous groups of people all together.

GAT is a new cryptocurrency that will be launched on the Ethereum main network. Each merchant will be able to deploy their own Merchant Tokens, which can be exchanged for other Merchant Tokens through the GAT Exchange, utilizing GAT.



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## Introduction

### The Current Reward Points Ecosystem

The global incentives and rewards industry is estimated to be worth around US\$320 billion in 2017, and is growing at 6% per annum. However, there is a shocking level of under-utilization. Although the average consumer is a member of at least 29 incentive programs, 76% of the consumers simply do not use their shopping incentives<sup>1</sup>. According to the 2016 Bond Loyalty Report, which queried 12,000 Americans and 7,000 Canadians about their 280 loyalty programs across all industries, the percentage of active members was only 50 percent and of these a full one-fifth had never redeemed their rewards. The same report also showed that loyalty rewards members who do not make redemptions were 2.7 times more likely to defect from a program and join another.

The reason we ignore so many incentive programs, is because all programs generally look the same. Each provides, to varying degrees, some form of bonus, some form of discount, or some sort of privileged access. With an average of 29+ programs to track, it is not surprising that we have difficulty utilizing our points.

### The Problem

While some economists may argue that low points utilization is good for the merchant, we think this is terrible. There is no use, in our view, of issuing thousands of points to consumers who routinely ignore them. This creates a bad user experience and is an incredible waste of resources on the merchants end.

Even though discount coupons and loyalty points are powerful tools to trigger purchases, there is a surprising lack of consumer utilization. We believe this is a consequence of the traditionally illiquid and

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<sup>1</sup> Note: Survey results are global and based on more than 30,000 consumers. Source: Code Broker, The Nielsen Company



inflexible nature of retail points and shopping incentives, meaning users aren't easily able to transfer, exchange or sell them to other users. Customers interested in a brand or product don't have easy access to any potential coupons for the product or service they would actually like to buy. Oftentimes these coupons are given in the form of actual paper coupons or store cards to save loyalty points. Both are highly impractical for usage on a daily basis as they all have to be constantly carried around in physical wallets.

Merchants have a hard time retaining customers. Prior to the digital information age, comparing different offers was a lot harder than it is nowadays with online price comparisons and reviews. Today, consumers are much more likely to switch to whichever is the cheapest, or has the highest reviews. Brick-and-mortar merchants (offline stores) face an even tougher challenge without the rich data set of their online competitors to target consumer groups by demographics, spending preferences or geolocation. Brick-and-mortar merchants often send out large quantities of these coupons to users, creating vast amounts of spam without even offering real value to the consumer. To summarize, specifically these categories of merchant rewards have the following problems:

- Loyalty points: not interchangeable between stores or brands.
- Discount coupons: hard to acquire coupons for stores/brands people specific desire; carrying and managing numerous paper coupons is inconvenient.
- Free samples: not specifically for the stores, brands or products consumers desire.

## The Solution

Cryptocurrency markets today give merchants a once-in-a-lifetime opportunity to transform their promotional points into digital tokens. Digital tokens have a market price and hence an immediate discernible value.

The only thing missing is a platform which allows for the secure exchange of Merchant Tokens and which enables low cost cross-border payments and microtransactions. This will add liquidity to currently unused (and often discarded) coupons and loyalty points. Being able to exchange these Merchant Tokens creates a situation where they have tangible value to everyone and are therefore not considered spam. Doing this on the blockchain means anyone can see and verify transactions and check the token supply. Blockchains offer the possibility for unique (and uniquely verifiable) items. As they are digital tokens for a multitude of stores, brands and merchants, they can be stored on a smartphone, without the need to carry around coupons or loyalty cards. Having them on your smartphone means your geolocation can be used to offer you specific airdrops. Moreover, exchanging and spending Merchant Tokens and performing transactions from your smartphone wallet creates a variety of valuable data. This data can be bundled and sold to merchants and brands, which give them the opportunity to target specific groups of users with certain interests, demographics or location, further eliminating spam and offering value to consumers. Integrated price comparison websites for immediate usage with the use of an API are another possibility to buy and sell these tokens on the exchange when needed.

GATCOIN is the first system designed specifically to enable merchants to conveniently issue branded cryptocurrencies to a mass consumer audience. Discount coupons, loyalty points, and gift rewards will be



“tokenized” and air-dropped by geolocation as cryptocurrencies to customers on the GATCOIN blockchain.

The key feature of the GATCOIN system is that branded Merchant Tokens can be freely traded for GAT, a public cryptocurrency like Bitcoin or Ethereum. Customers can now take GAT to any exchange in the world and trade them for real cash. The ability to convert incentive points into real money frees the customer from any single points ecosystem. It also allows consumers to achieve 100% utilization of their disparate incentive points.

## The GAT System

### Introduction

The proposed GAT System provides the solution to the mentioned problems. This chapter will describe the way in which the GAT System is the solution and even adds extra functionality and benefits to its stakeholders. The GAT System is a broader enterprise system through which global merchants may issue their own branded digital tokens that can be used as discounts, gift cards and other promotional offerings. These tokens are called Merchant Tokens. GAT acts as the backbone to the system and is a new ERC20 cryptocurrency that will be launched on the Ethereum main network. Consumers can use their GAT to acquire Merchant Tokens or to convert their Merchant Tokens to GAT on the GAT Exchange. It will be the exclusive currency for the trade of Merchant Tokens and incentivization of its users. We create a distinction between five different types of Merchant Tokens:

1. **Loyalty Reward Points**
2. **Cash Tokens**
3. **Discount Tokens**
4. **Gift Tokens**
5. **Travel Tokens**

These Merchant Tokens are used to buy or redeem real products and services from participating merchants. This will enable merchants to issue these tokens to a mass consumer audience with minimal set-up, allowing them to quickly adopt token usage as part of their overall marketing strategy. The GAT System provides a stable and scalable solution for the controlled distribution of Merchant Tokens and consists of:

- **GAT Wallet:** a mobile token wallet, shopping platform and payment portal
- **GAT Marketplace:** an online marketplace of participating merchant stores where Merchant Tokens can be used for products and services



- **GAT Exchange:** a full feature cryptocurrency exchange where members can trade Merchant Tokens for GAT and trade GAT for other public cryptocurrencies such as Bitcoin and Ethereum
- **GAT Network:** private consortia networks on which Merchant Tokens are circulated
- **A-Drop™ Delivery System:** a patent-pending cryptocurrency delivery system that allows merchants to airdrop tokens to specific groups of consumers by demographic, spending preference, and especially by geolocation (i.e. all users in a certain radius)

## Example Use Cases

### Thomas

Thomas is walking through the city center. His favorite store is one block away. He is not planning to go there, he is just walking around, enjoying the day when his mobile phone shows the notification “Brand A has just airdropped a 30% discount for their new sneaker series into your GAT wallet!” Thomas, a fan of Brand A, and being pretty close to it, he walks to the store and checks out the new collection, which he wasn't aware was out yet! Thomas really likes the black color version and decides to buy it. At the counter he scans the GATCOIN QR code and saves 30% on a great sneaker.

### Jill

Imagine if Jill's favourite airline, LuxAir, issued Loyalty Tokens instead of the usual "air mile points". When Jill buys her plane ticket, the airline issues LuxAir tokens directly to Jill's GAT Wallet. Jill now wants a business-class upgrade. Upgrades are available for LuxAir tokens. She "buys" the upgrade with her accumulated LuxAir tokens. Jill also sees that a boutique hotel, the Red Hotel, is offering discounted rooms for Red Hotel tokens in combination with cash. She does not have Red Hotel tokens, but she has plenty of LuxAir tokens. Jill sells her excess LuxAir tokens on the GAT Exchange for GAT and uses these GAT to “buy” Red Hotel tokens. She then uses her newly acquired Red Hotel tokens to supplement her purchase of discounted rooms at Red Hotel.

The benefits to Jill are obvious. Even though Red Hotel and LuxAir are two separate companies, Jill uses the GAT app to "cash in" her gift from LuxAir to spend with Red Hotel. LuxAir benefits because Jill loves the fact that her LuxAir Tokens can ultimately be converted into anything she wants. She continues to fly with LuxAir as loyalty tokens actually mean something. Finally, Red Hotel benefits because it sells rooms to Jill that would otherwise have remained empty. Red Hotel also acquires Jill as a new customer.







## System objectives

The primary objectives of the GAT System are:

- Sofa-to-Store Marketing:** The GAT System puts power back in the hands of brick-and-mortar retail stores. GATCOIN's A-Drop™ technology allows merchants to send digital tokens to mobile phones by geolocation, demographics, and spending preferences. This is intended to drive real-time foot traffic into stores, at which point, in-store shopper marketing strategies can be used to bring consumers to the “zero-moment-of-truth” (ZMOT)<sup>2</sup> of their purchase decisions.
- Cryptocurrency Exchange for the Masses:** The GAT Exchange will be a full-feature cryptocurrency exchange that is purpose-built for a mass consumer audience. Each holder of Merchant Tokens is a GAT Exchange cryptocurrency exchange account holder. GATCOIN seeks to drive mass consumer awareness and engagement with not just Merchant Tokens and GAT, but with all other cryptocurrencies that may be traded on the GAT Exchange in the future.
- Reputational and Legal Security:** Merchant Tokens are issued in a closed system, and thereby avoid regulatory concerns associated with public offerings, as well as reputational risks associated with launching tokens on public main networks. The GAT System is designed specifically for merchants in order to accelerate mass enterprise adoption of digital tokens.
- Drive Consumer Engagement:** The average consumer is a member of 29 incentive programs. However, 76% of consumers do not use their shopping incentives. This is a significant waste of corporate resources in efforts to activate consumer engagement. By transforming shopping incentives into liquid and tradable digital tokens, merchants can reduce waste and provide consumers greater flexibility with their spending options. For merchants, issuing tokenized shopping incentives significantly enhances engagement, consumer satisfaction, and ultimately drives better business.
- Consumer Data:** Merchants will obtain invaluable data on token circulation, token usage, consumer spending preferences, and customer demographics. Efficient use of this data brings

<sup>2</sup> [Winning the Zero Moment of Truth, Jim Lecinski, 2011](#)



benefits to both merchants and consumers. Merchants can engage directly with a more relevant target audience. Consumers can receive offers that align with their preferences and interests.

- **Eliminating Spam:** By tokenizing shopping incentives that are tradable for GAT, Merchant Tokens will have monetizable value. Whether a consumer “spends” Merchant Tokens to activate incentives or not, Merchant Tokens will always be worth something in the hands of the consumer. This eliminates the “spam” effect of traditional consumer mass marketing, as each Merchant Token can ultimately be traded for GAT. GAT in turn can be traded anywhere in the world for other cryptocurrencies such as Bitcoin or Ethereum.

## Value proposition

The GAT System offers the following benefits to each of its following participants:

### Merchants:

- Micro-target consumers by capturing platform-and-merchant token data and offering coupons or points to those that are truly interested in their brands
- Attract customers to their stores by geolocated A-Drops™

### Users:

- Offering the ability to exchange points between brands and stores adding liquidity and true value to otherwise discarded coupons
- Receiving more relevant promotions
- Being able to monetize their points and coupons which they are not planning on using

### Loyalty reward programs:

- Loyalty points traded to a new user means a new customer acquisition for the company
- Increase the burn rate of the points to get liabilities off the books while getting them to the hands of people that will spend them
- Being able to show customers the value of the points in the form of a token with inherent tradable value

### Brands:

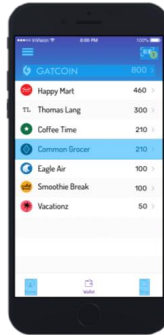
- Target customers based on their social profiles and interests
- The A-Drop™ technology gives merchants the ability to airdrop promotions to new customers, which for instance have held and used the brands’ tokens in the past users and merchants will also be able to use the GAT System without knowing they are using cryptocurrencies. Many use cases



only involve FIAT (traditional government backed currencies like USD, EUR, RMB or HKD) for the end user, offering one of the first cryptocurrency platforms ready for mass adoption.



Have a look at the demo here: [GATCOIN DEMO](#)



## Why Blockchain?

The basic idea behind the GAT System is to provide users the opportunity to trade Merchant Tokens with one another and to exchange them for goods and services from the respective merchants. The systems needs to be able to do this in a frictionless, yet verifiably secure way. As the Merchant Tokens will have real value it is important that it will not be able to copy or double spend them. Another requirement is that Merchant Tokens should have the ability, if the merchant chooses so, to create verifiably unique and rare tokens. Blockchain technology, and its successors, provide the solution to create a system which fulfills these requirements.

People will need to be able to exchange the Merchant Tokens with a common medium of exchange. This medium of exchange is GAT. Besides being able to trade Merchant Tokens into and out of GAT, holding GAT gives users extra functionality like being able to receive special Merchant Tokens or GATCOIN promotions using the A-Drop™ technology. The GAT System also provides merchants value in the form of collected metadata and making these available for them in exchange for GAT, while also doing this in a verifiably secure, frictionless way where it is possible to see the non-reissuable circulating supply of tokens. Users will know they are the true owners of these coins and the only ones able to spend them, when they hold the keys in their wallets. Blockchains, such as Ethereum for GAT and private blockchains for Merchant Tokens, fulfill all these requirements, while also making it possible to create a completely Decentralised Exchange, or DEX, at a later stage.



# GAT and Merchant Tokens

Merchant Tokens may be publicly traded for GAT on the GAT Exchange. The GAT Exchange is the only forum for the trade of Merchant Tokens. The difference between GAT and Merchant Tokens will be explained here.

## Merchant Tokens

Customers can buy or redeem Merchant Tokens for products and services at merchants and stores. They can be acquired by buying them from the GAT Exchange or by having them airdropped to users' wallets. Merchant Tokens may be issued to replace traditional discount coupons, gift vouchers, prepaid cash cards, and loyalty points and can be used as follows:

- Cash Tokens: used as pre-paid cash to buy products and services
- Discount Tokens: used as discounts to subsidise the regular cash price of products and services
- Loyalty Tokens: used to replace loyalty points to redeem rewards
- Gift Tokens: used as gift vouchers to send to friends and family
- Travel Tokens: used as portable currency to spend globally in network merchant stores

They may be freely transferred to other participants on the GAT Network, or they may also be traded for GAT on the GAT Exchange.

### **Merchant Tokens are:**

- Not available during token sale
- Used to redeem rewards, products and services
- Able to be either limited or unlimited in supply and variety, according to the merchants choice
- Issued by participating merchants
- Circulating on private GAT networks
- Not available on the main Ethereum public network
- Storable only in the GAT Wallet
- Exchangeable for GAT on the GAT Exchange
- Will have a certain lifespan to reduce bloat and spam

The GAT System provides a controlled environment and is designed to eliminate perceived risks associated with deployment of digital tokens to a mass consumer audience.

Merchant Tokens are a cryptocurrency use case, lending themselves as an opportunity for mass adoption, as they have these properties:



- **Not Cryptocurrency:** Merchant Tokens in the GAT System are not a traditional cryptocurrency. They are neither a replacement for FIAT currencies, nor are they a competing cryptocurrency. Rather, Merchant Tokens are a consumer marketing tool that aims to enhance the quality of interaction between consumers and the issuing merchant.
- **Controlled Circulation:** Merchant Tokens are issued in a closed network and used only for transactions on merchant stores according to parameters set by merchants. Issuers will always know the location and holder of their Merchant Tokens, allowing merchants to control the impact of their digital tokens on their global brand reputation and customer behaviour.
- **Modifications:** Some properties of Merchant Tokens may be modified at any time according to the requirements of the issuer, such as extending their lifetime or reducing their supply. This allows merchants to quickly change their programs when needed.
- **Clear Value Proposition:** The transaction flow and consumption of Merchant Tokens can be tracked, providing granular data on consumer social networks and consumption patterns. This generates valuable new data for merchants seeking to improve the relevancy of their digital marketing strategies.
- **Technological Flexibility:** Merchant Tokens can circulate on any type of back-end technology, whether a distributed database or a traditional database. This provides maximum flexibility for mainstream corporations in their assessment of the most appropriate technological solution that works best for their organization.

## GAT

GAT forms the backbone of the GAT System. As such GAT can be traded for Merchant Tokens to redeem them for products and services. Whereas Merchant Tokens are created by merchants and run on private blockchains, GAT are ERC20 Ethereum tokens and are:

- Available during token sale
- Limited supply of GAT
- Will circulate on the main Ethereum public network
- Freely transferable and tradable on major exchanges
- Storable in all major client-wallets
- The currency on the platform with which Merchant Tokens can be bought. They do not represent discounts or similar functionality



- May be exchanged for Merchant Tokens on the GAT Exchange
- Used by merchants to pay for services in the GAT system (“Merchant Fees”)
- All FIAT (traditional currencies like USD/HKD/EUR) will be converted to GAT in the GAT System
- Unlimited lifespan
- Required to use any advanced features on the platform
- Giving users a higher chance of getting better deals, if they hold more GAT
- Will be sold on the platform for FIAT currencies

### **The GAT Token Utility**

GAT is at core of the merchant’s reward ecosystem. It is necessary to obtain GAT in order to obtain access to the services on the GAT ecosystem. For merchants, it serves as a payment mechanism. For users, it serves as a way to unlock special discounts and to exchange Merchant Tokens. They serve different roles for both these parties and hence offer different utility to them.

### **Merchant Services Token Utility**

Besides the free functionality the platform offers, there will be additional/extended services. These services will be exclusively paid for in GAT. Merchants will be given the option to either pay directly with GAT, or to purchase GAT from the platform with FIAT or other major cryptocurrencies such as Ethereum and Bitcoin. Every purchase will be converted into GAT. GAT will be sold on the platform at a slight premium over the market price at no less than 3x the final token sale price, to provide this convenience to the customers. Additionally, the company reserves the right to purchase additional tokens from the exchanges in order to refill or add to its reserves, from which it sells these tokens on the platform.

Some services which merchants can pay for have a duration, or take a certain amount of time to deliver. Some examples are in-app advertisements (i.e. a two week advertisement), A-Drops™ (one week airdrop to people in a certain radius) and Merchant Token shelf life (i.e. two months shelf life). As these services are paid for in GAT, the vision is for these coins (the “Merchant Fee”) to be sent to a smart contract. The smart contract will then pay the GATCOIN company periodically (hourly/daily) and so the unspent GAT will effectively remain locked up in escrow until the service has been provided. This means that with increasing numbers of merchants and campaigns an increasing amount of GAT will be locked up at any given time. In the event that a merchant decides to cancel the A-Drops™ before the contract expires, the remaining GAT are sent back as refunds.

Some of the planned services for merchants, to be paid in GAT, are:



- **Geo-Targeted A-Drop™ and In-App Advertisements:** Merchants can airdrop Merchant Tokens to target users based on specific locations and demographics. Costs of these services increase as each of the following are increased. Merchants will be able to choose:
  - The time frame the airdrop will last
  - The number of users to reach
  - The radius of the airdrop
- **Metadata Monetization:** Users will be able to choose their favorite brands and categories, in order to get relevant tokens/discounts. Also, we will be keeping track of loyalty points per brand based on each user's utilization of a specific brand's discounts. Clients will be able to subscribe to these data feeds by paying a monthly subscription fee in GAT.
- **Merchant Token Creation and Shelf life:** Over time, as the platform grows in usage, we expect millions of tokens to be created on our network. As many of these tokens have a temporary nature (e.g. discounts), a majority of these will no longer be relevant or in use. In order to avoid spam, each token will be destroyed after its initial expiration date set during creation. It is free for merchants to create Merchant Tokens, however in order to extend the lifetime of a Merchant Token, the merchants will need to pay fees in GAT upfront, or before the expiration date in order to extend the token's shelf life.
- **Merchant Acquisition:** New merchants will be credited with a small amount of GAT to incentivise usage and facilitate onboarding. This will be enough to pay for some basic services. This gives the merchants the ability to test some of the additional services and options on the GAT network for free. These GAT will be allocated from the "User and merchant acquisition pool". When the merchants are satisfied, they can purchase these services from the app by acquiring more GAT.

### User Interaction Token Utility

The basic application will be free to use for all users. However, users will be able to use some of the more advanced features of the app by acquiring additional GAT. Some of these features include:

- **Trading Fees for the GAT Exchange:** Users may want to trade their Merchant Tokens for Merchant Tokens from another brand, store or product. The GAT Exchange gives users the ability to do so. However, they will need to hold GAT in order to pay for the transaction fees. Users can also sell their Merchant Tokens for GAT, when other users want to buy their Merchant Tokens.
- **User Acquisition:** In the bootstrap phase, new users will be credited with free GAT from the "User and merchant acquisition pool". These free GAT will not be transferable outside of the app and serve as a way to introduce new users to the GAT platform and economy.
- **Special A-Drops™:** Merchants and the GATCOIN company will be conducting special airdrops to their users ("Masterdrops" and "Powerdeals", see next chapter) based on the amount of GAT they hold within the app, in combination with some other metrics like platform usage, Merchant





Tokens held and location. Some of these special A-Drops™ may include holiday giveaways of electronic gadgets, special discount tokens etc. In general the more GATCOIN users hold in their wallet, while walking past a store for instance, the higher the chances are of winning these giveaways and the better the deal they will get airdropped.

## Consumer Targeting

One of marketing's most fundamental questions is who to target. GATCOIN answers this question with built-in capabilities that will enable merchants to reach beyond their existing customer base and make offers to users, based on certain demographics like gender or age, interests like football or fashion, user behavior like previously redeemed coupons and most important of all, location. This means merchants will be able to send out offers to people in the immediate surrounding of their shops and easily convert them to customers since all offers are based on personal profile information and interests.

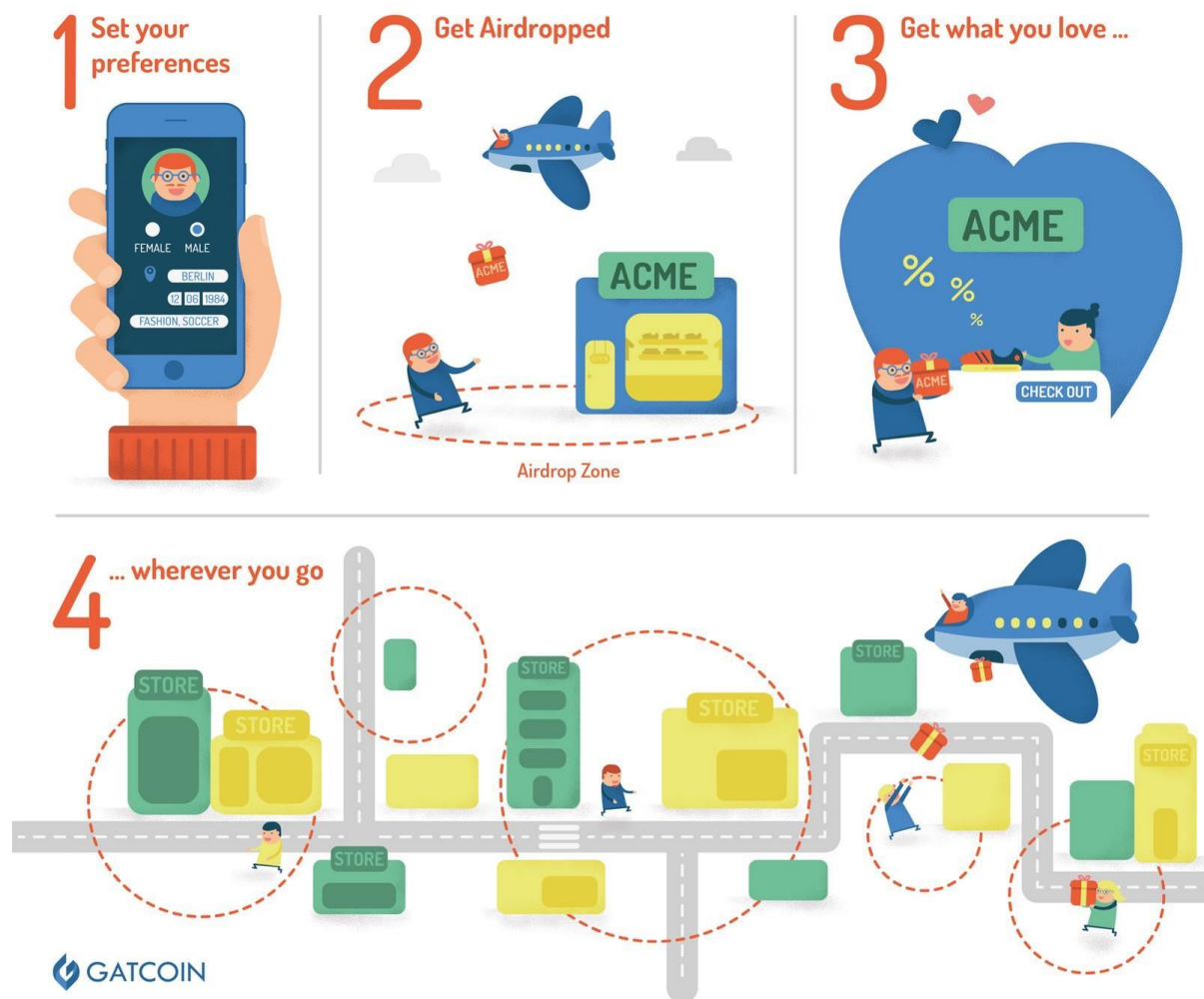


*Merchants can easily set up a targeted A-Drop™*

## Patent-pending A-Drop™ technology

The Targeted A-Drop™ allows brands and merchants to drop special offers and discounts into the wallets of the GATCOIN platform users based on precise geolocation, demographics, and spending preferences. Consumers who are close to one of their favorite stores will be able to get a notification on their mobile phones: "You just got airdropped a special offer for the new season product!"





*GATCOIN's revolutionary A-Drop™ in action*

Merchants will be able to define certain parameters of the airdrops they want to perform. They will be able to set the:

- Radius of the airdrop
- Number of users to reach
- How long the airdrop should last

The basic airdrop will be free to merchants, providing them with a chance to try the service. If they want to extend these options they will be paying more GAT, which will be locked up in the smart contract which periodically makes the GAT payments.

### **The Holy Grail of Marketing**

A-Drop™ can be used to distribute tokens in the perimeters of a store or in a certain area directly to mobile phones. Merchants will be able to add demographics and spending preferences, something that at this point is the holy grail of marketing.



This technology enables merchants to run creative marketing campaigns to drive consumer engagement. For example, merchants may organize entertaining “treasure hunts” to encourage consumers to seek tokens that are distributed in certain areas in order to increase awareness and attract people walking by. All these original ways of interacting with customers intend to drive real-time foot traffic into stores worldwide.

## GAT holder incentives

### **Special A-Drops™ by GATCOIN**

These Special A-Drops™ are rare and special gifts and promotions given by the GATCOIN company. They will be done periodically to a select number of GAT holders. They are not given to the largest GAT holders, but will be airdropped by chance. To increase the user’s chances to receive that special Masterdrop they can hold more GAT in their wallets, be active on the GAT platform (e.g. trade, use Merchant Tokens) and hold GAT coins for a longer period of time. However there are other variables besides the amount of GAT a user holds. For example it would not make sense to airdrop something that is offered only in Tokyo to a big holder of GAT in London. So their geolocation, their interests, preferences and optionally having held a combination of Merchant Tokens also play a role to make sure that any received Special A-Drops™ are relevant and exciting.

### **Special A-Drops™ by Merchants**

The more GAT you hold the better deals you potentially get. But what does that mean? Merchants will have the option to airdrop regular A-Drops™ or to do a Special A-Drops™. A merchant store could for instance have a regular 25% discount airdrop in front of their store, however there are three rare 75% Powerdeal drops which are given out by chance during the duration of the airdrop (e.g. three weeks). The users which have been in front of that store during the duration of that airdrop with the higher GAT balances have a higher chance of receiving this Powerdeal. Another variant that merchants will be able to choose from is one where i.e. the three users with the highest GAT balances that have been near the store during the duration of the airdrop get the Powerdeal. The idea behind this is that users with a high GAT balance in their wallets are more likely to have more spending power and therefore are attractive customers for stores.

If they choose the latter, users who hold more GAT will get a better deal. For example if you live in Singapore and you have very little GAT you might get a 5% discount on that amazing new watch in that hip Singaporean luxury store. If you hold more GAT, you might get a nice 20% discount. And if you hold a lot of GAT and live in Singapore you would get an amazing watch for an amazing price.

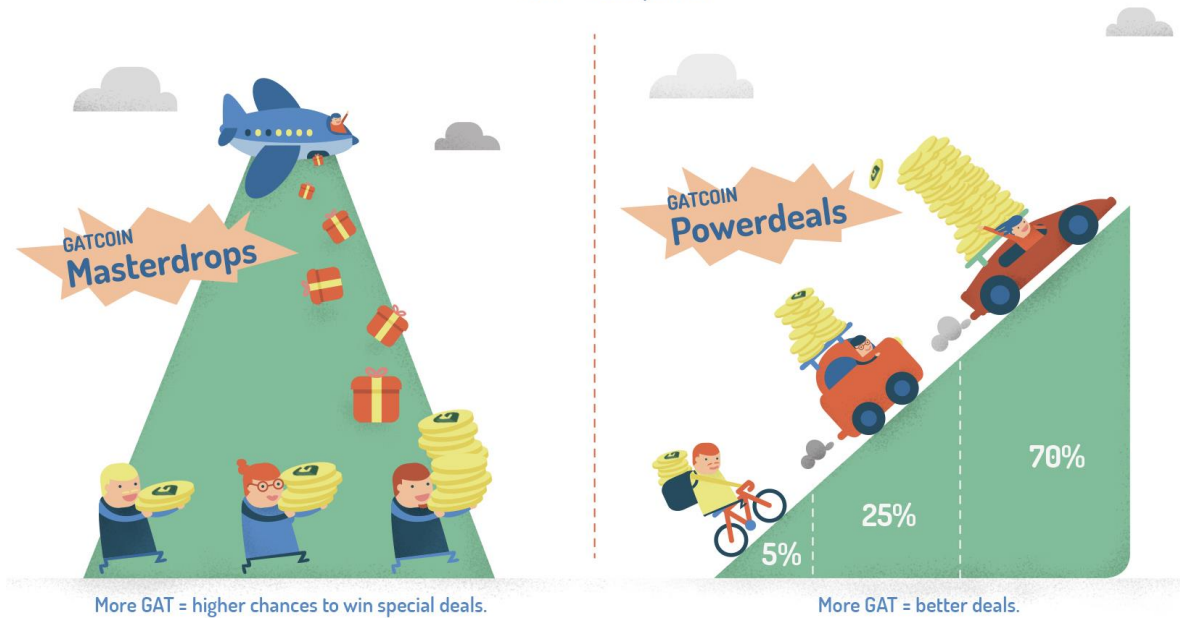
### **Masterdrops and Powerdeals**

Masterdrops and Powerdeals are examples of Special A-Drops™. A Masterdrop is a deal that only very few GAT holders get. A Powerdeal is a deal that everybody gets, who fits the targeting criteria. However, the Powerdeal discount or reward will be better for users with higher GAT holdings.



## GATCOIN holder incentives

GAT = deal power



*GAT holder incentives are based on the patent-pending A-Drop™ technology*

### GATCOIN's patent

With the assistance of GATCOIN's global IP attorneys Baker & McKenzie, GATCOIN successfully filed a provisional application with the US Patent and Trademark Office (USPTO) on 27 September 2017 protecting its proprietary A-Drop™ technology. GATCOIN also filed a PCT international patent application on 29 September 2017 with the Patent Office of the People's Republic of China (SIPO). This is extremely important as GATCOIN will be the only company that is allowed to utilize its proprietary technology to airdrop cryptocurrency by geolocation. The full scope of this technology will be developed by the GATCOIN team to continually enhance the utility of this technology on the GAT System to drive deeper consumer engagement with Merchant Tokens. The inventor of the A-Drop™ technology is Simon Cheong, GATCOIN's founder and CEO.

### Technology

#### **Blockchain Scaling Considerations And Plans**

The GAT System is being built with the vision of onboarding hundreds of thousands of merchants and millions of users. This means that as the network grows, there will potentially be millions of microtransactions on our network. Currently, none of the current decentralised public blockchain solutions have the throughput to allow the platform to scale to that extent.



In order to get around this issue, and as part of our roadmap to produce a fully functional platform, Merchant Tokens will start on a centralized database and will transition to private blockchains, such as R3 Corda/Jupiter in the near future. However, the end goal is to transition to a public blockchain/distributed ledger once there is a solution that supports the scaling requirements. The presented list below contains some of the promising platforms we are keeping a close eye on with the intent to transition our Merchant Tokens (and perhaps even GAT if that is required), once the requirements are met by either of these platforms.

- **Radix DLT:** Built with sharding into the foundations of the protocol, Radix is a horizontal distributed ledger and smart contract platform. The platform has been in development for 5 years and is due for public release in Q2/Q3 2018. They claim to be linearly scalable and achieve speeds greater than 100k+ tps (tx per second) once the network is big enough. This enables platforms that run on Radix to have massive amounts of microtransactions and smart contract operations. Radix also has a very interesting elastic supply model based on quantitative theory of money, which dampens price movements and creates more stable tokens.
- **EOS:** A highly robust and scalable enterprise grade blockchain 3.0 platform which is expected to be ready for a public release in Q2 2018. At the core of it, parallel execution and asynchronous communication are given utmost importance which are very important for supporting microtransactions.
- **Waves:** The main premise of Waves is to allow for easy token creation. With the recent WavesNG upgrade, the network promises 100 tps speed which is only supposed to increase as its full potential is unleashed. Waves solves the problem of creating millions of merchant tokens and we are keeping a keen eye on it to see how it will scale in the future.

The platform we choose will ultimately need to solve core scaling problems such as microtransactions, token creation and shelf life management to avoid spam, guarantee security, offer friendly developer tools and most importantly, be able to scale under heavy loads.

### Creating the Decentralised GAT Exchange

Our end goal is to provide the user with a highly secure and scalable platform to trade their Merchant Tokens. The ideal solution here would be to build a decentralized exchange that can match the scaling demand. From a user standpoint a decentralised exchange provides numerous benefits, but the most important one of these is that users will hold their coins/tokens in their own wallets and do not have to trust a third party. However, decentralized exchanges are still undergoing rapid advancements and building one requires careful planning and time.

As part of our roadmap the GAT Merchant Token exchange will not start out as a decentralized solution, but will be centralized, similar to all of the leading cryptocurrency exchanges today such as Coinbase, Bittrex or Bitstamp. From a development standpoint it makes sense to first build the product and add complexity to it later. Building a centralised solution first, so that the users and merchants can use the products much sooner means GATCOIN can be first to market and create the biggest network effect.

At this moment decentralised exchanges are functional, but not to the levels of reliability and scalability expected by global brands for mass volume retail microtransactions. As soon as the technology matures and has proven to be able to handle thousands of transactions per second, the vision is to build a



decentralised exchange and move the GAT Exchange to this new system. Technologies like the Bitshares DEX, Waves DEX, Komodo, NEXT Asset Exchange and the upcoming Radix DEX prove that the demand to build this type of decentralized system is there and is technically feasible. Currently, there are numerous ways to build a DEX, using colored coins like Waves or with atomic swaps, where Komodo seems to be at the forefront. As technology progresses and the pros and cons of each of these technologies become more apparent, an updated and more in-depth roadmap will be published.

## Go to Market Strategy

### Revenue Model

GATCOIN will earn five major streams of income:

1. Merchant Fees, i.e. fees for issuing various types of Merchant Tokens
2. Brokerage Transaction Fees on the GAT Exchange
3. In-App / Online Advertising Fees
4. FIAT Transaction Processing Fee: In-App / Online FIAT transaction processing fees on the GAT Marketplace
5. Fees for the provision of GATCOIN Analytics

Details about each of the five major stream of income:

#### 1. Merchant Fees

GATCOIN will charge fees for paid distributions of Merchant Tokens to customers on our platform. For example:

- Discount Merchant Tokens (promo points): fees calculated on a sliding scale based on the frequency of distributions and size of the target audience.
- Pre-paid Merchant Tokens (prepaid points): processing fees calculated on the GAT value of Merchant Tokens sold to customers.
- Loyalty Tokens (loyalty points): subscription fees calculated on the number of loyalty members utilizing GATCOIN's loyalty system.

#### 2. Brokerage Transaction Fees

Brokerage fees on the conversion of GAT to FIAT or other publicly tradable cryptocurrencies listed on the GAT Exchange.

#### 3. In-App / Online Advertising Fees

Fees charged for advertisements and promotions on the GAT Wallet and online GAT Marketplace.

#### 4. FIAT Transaction Processing Fees



Processing fees calculated on each FIAT purchase of products and services through the GAT Wallet and GAT Marketplace. GAT will be sold on the platform for a slight premium to market prices. As the GAT inventory gets replenished and potentially added it creates a profit.

### **5. GATCOIN Analytics Fees**

Fees charged to merchants for tailored reports on the effectiveness of their marketing programs on the GAT System.

## **Merchant adoption and anchor client**

GATCOIN is working with COTOCO to deploy digital tokens using the GAT System in 2018 upon completion of milestones. COTOCO is one of Japan's leading social gift voucher distributors.

GAT tokens for COTOCO are planned to cover 21 major international and local brands with a network of over 30,000 retail stores. The brands cover household names in the fast food restaurant, beverage, confectionery, beauty and convenience store businesses.



GATCOIN is also in discussions with a number of other global brands for deployment of Merchant Tokens in their digital marketing strategies. GATCOIN expects to issue announcements of additional GAT merchant participants in the near future.

## **Development Partners**

### **COSS.IO**

The Crypto-One-Stop-Solution COSS provides a payment gateway, an exchange, a merchant list, market cap rankings, a marketplace and an e-wallet. COSS will provide the opportunity to buy into the GATCOIN token-sale through their platform.





### **Dappbase**

Dappbase is a free, operational platform that provides libraries and infrastructure that allows developers to build and promote powerful enterprises and consumer applications that are based on the Ethereum blockchain. The main purpose of the platform is to build high-performance infrastructure and decentralized apps on the Ethereum network. Whether you are creating a decentralized exchange, financial services or running an ICO (initial coin offering), the Dappbase platform provides scalable access to the blockchain infrastructure and accelerates the building process.



### **DistributedLedgers**

Our smart contracts were audited by DistributedLedgers.



### **EnterSoft**

EnterSoft specialises in online security. They have provided GATCOIN the tools and services to make using the platform a fast and secure experience.



### **Segasec**

SegaSec offer Cyber-Intelligence and Anti-Phishing solutions.



### **SelfKey**

SelfKey is a Blockchain based digital identity system that allows individuals and companies to truly own, control and manage their digital identity, and instantly access citizenship and residency by investment, company incorporation, fintech products, token sales, exchanges and much more.



### **Ten8**

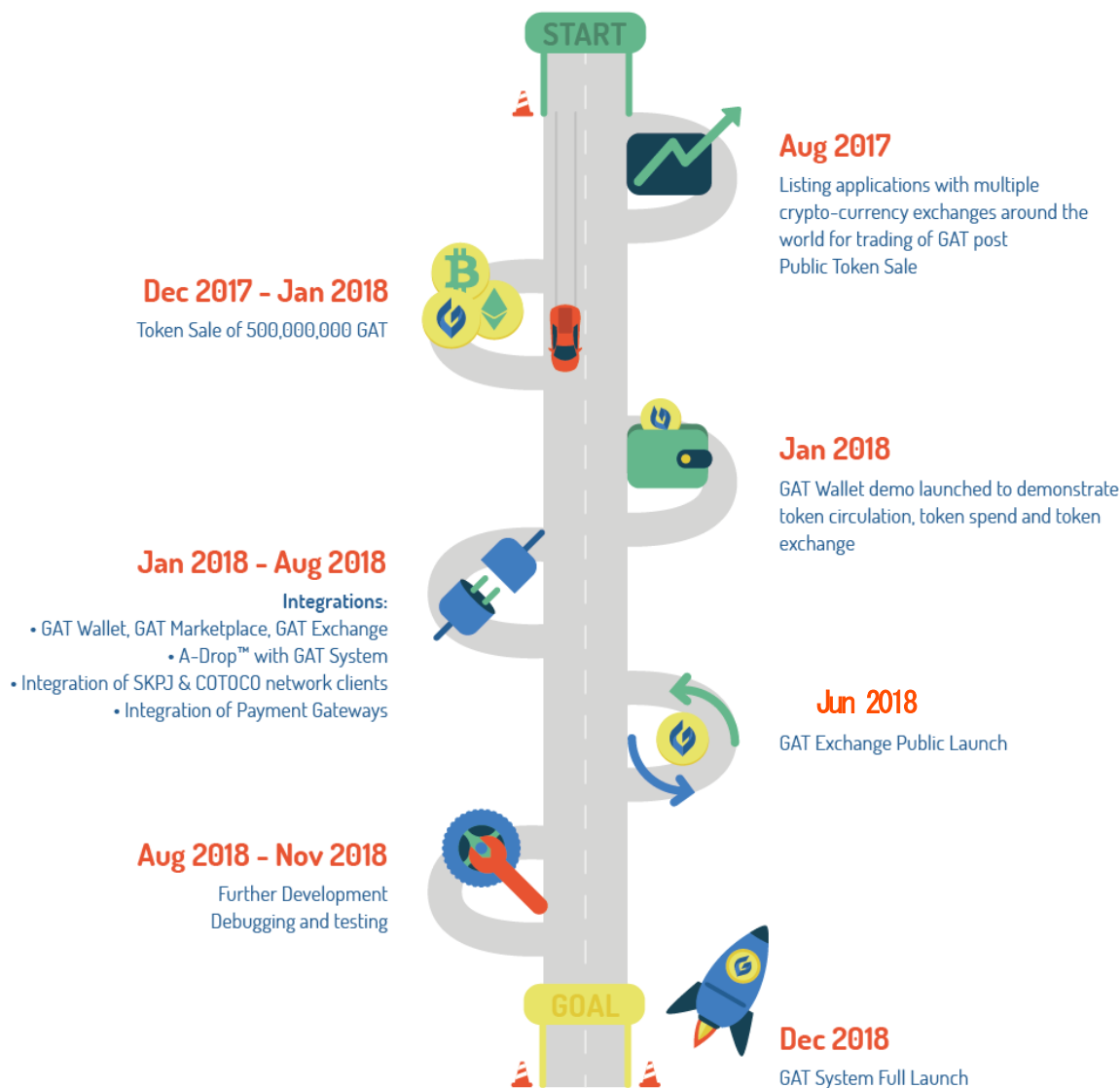
Ten8.io is a one stop shop for crypto startups looking to raise funds via token sales. The full service agency hand picks quality projects and offers 360° packages with consulting, blockchain solutions, token sale management, marketing, community management and PR.





## GATCOIN Roadmap

We have an ambitious and realistic roadmap that is designed to provide value for the GATCOIN community, the GATCOIN company, the GATCOIN users and GATCOIN merchants alike. We have planned important milestones and are looking forward to giving you regular updates of our progress.



*The GATCOIN roadmap from August 2017 until Dec 2018*

## The Team

The concept for the GAT System was formulated a in the beginning of 2017 by Simon Cheong, Founder and CEO of the GATCOIN company. He noticed the huge inefficiencies in the rewards and retail marketing



industry and saw that this sector was ready for disruption. Combined with all the benefits from using a Blockchain technology in combination with private chains for the Merchant Tokens he saw an opportunity for both disrupting the traditional rewards sector and as a consequence getting mass adoption of cryptocurrencies.

GATCOIN is a hand-picked team of highly qualified and dedicated experts, building the Market of Rewards. The team can be easily reached via the company's social channels and communicates transparently about all aspects of the projects.

## Core Team



### **Simon Cheong, Founder & CEO, GATCOIN**

- The GAT System is Simon's brainchild
- Blockchain entrepreneur and former World Bank lawyer
- Ethereum evangelist and former Senior Counsel at the World Bank's International Finance Corporation
- Inventor of GATCOIN's patent-pending A-Drop™ technology



### **James Kong, Dev Engineer, GATCOIN**

- Tech entrepreneur and highly skilled programmer with 15+ years experience
- Co-founded OneCash mobile payments platform (Singapore)
- Founding engineer, Happy Co. mobile inspection software platform (San Francisco)
- Senior Engineer, OneFlare online gig marketplace (now owned by Fairfax)
- Lead Engineer, Sentia Mobile and web development (Kazaa and Airtasker)



### **Karandeep Singh, Dev Engineer, GATCOIN**

- Retail web development and performance optimization
- HTML, CSS, Javascript, PHP, MySQL, Google Apps script, APIs
- Major retail web projects since 2013
- B.Sc Computer Science, Post Grad Diploma Computer Applications





**Stephen Davis, UI/UX Engineer, GATCOIN**

- Designer with experience in product development and application design
- Over 7+ years in industry
- Successfully commercialized a multi platform application
- Leading product direction, implementing and executing the team's vision
- BS with Honors in Product Design from the University of New South Wales and a Masters in Interaction Design from the University of Sydney



**Jordan Yap, Data Scientist, GATCOIN**

- Jordan specialises in deriving insights from a wide variety of data sources and platforms to help businesses implement effective strategies.
- He has worked with clients including Netflix, Westpac, Optus, Telstra, Samsung and many more.
- Jordan graduated from UNSW with a Bachelor of Chemical Engineering (hon) and started working in one of the top labs in Australia before pivoting to data science.



**Tudor Barbulescu, Product Developer, GATCOIN**

- Software developer with 8 years of programming experience
- Graduated from Australian National University with a Bachelor's in IT
- Worked in projects including an interface for performing sound-reactive visual shows in Touch Designer
- Languages and frameworks such as React, Java, Python and Unity
- Cryptocurrency enthusiast and loves to make his UIs look slick



**Sarah Berberich, Web Developer, GATCOIN**

- GATCOIN Web Designer
- Specializes in mass consumer e-commerce and multi-site platforms
- Passionate about the plight of refugees in Asia. Founder of Harbour NGO





**Chris Tong, Digital Marketing Manager**

- Digital and social media marketer for GATCOIN
- 10+ years experience with retail brands in Asia and Australia activating digital marketing strategies
- Founder of a sustainable fashion online community



**Belinda Hau, Strategy & People Operations, GATCOIN**

- 15+ years in strategic HR management and business partnering
- Experienced in organisational design and tailoring practical approaches that build, enable and engage teams of top talent across Asia

## Advisory Team



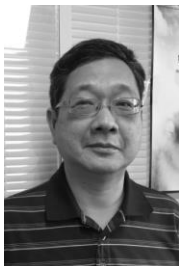
**Ross Stokes**  
Board of  
Advisors



**Behran  
Khorsandian**  
Board of  
Advisors



**Maurits  
Grootveld**  
Board of  
Advisors



**Prof. Wei-  
Tek Tsai**  
Senior  
Executive  
Advisor



**Samson Lee**  
Senior  
Executive  
Advisor



**Yoshimitsu  
Jimmy Homma**  
Senior  
Executive  
Advisor





**Takaya Imai**  
Board of  
Advisors

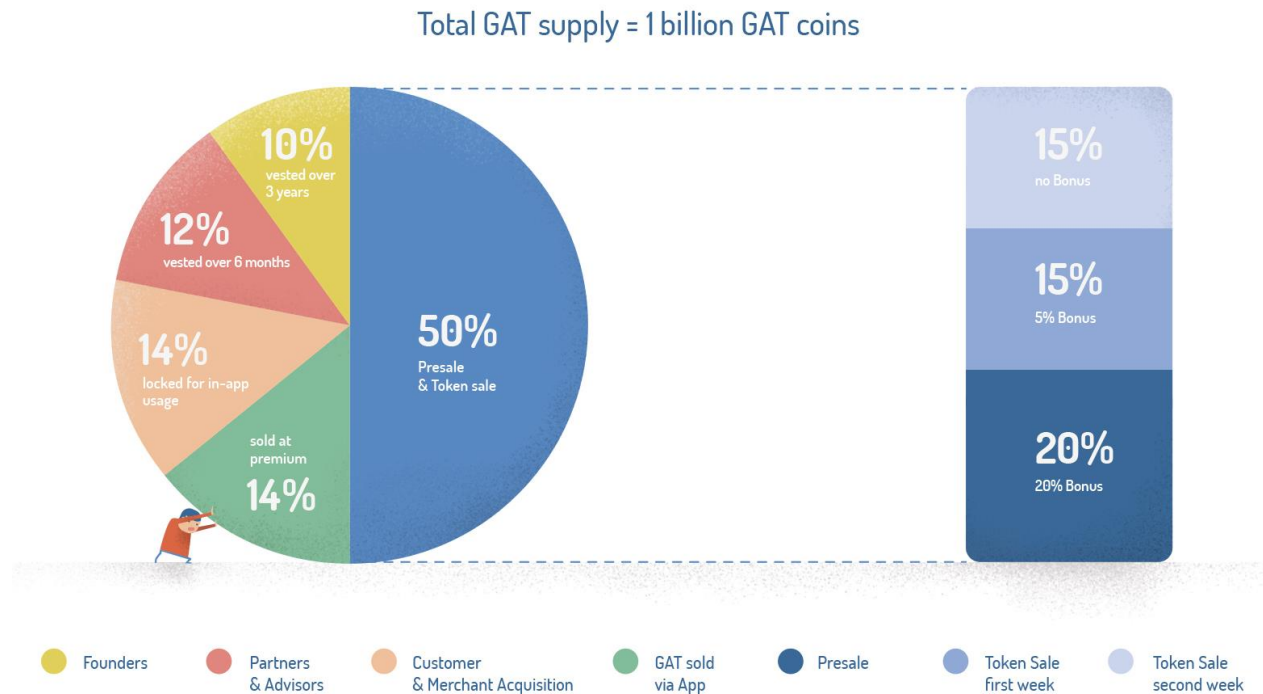
## Location

The GATCOIN team is based in Singapore and Hong Kong.



# Token Sale

## Token Distribution



A fixed supply of 1 billion GAT will be created for operation with the GAT System. Thereafter, no further coins will be created.

Of the total supply of GAT, 10% will be allocated to the GAT Foundation. 12% will be allocated to advisors & partners, 14% will be allocated to customer & merchant acquisition, 14% will be sold through the app and 50% will be sold to the public during the token sale.



## Token Sale Timeline



### Presale:

Dec 17 – Jan 07: **with 20% bonus**  
2 ETH minimum contribution.

### Token Sale 1st week:

Jan 14 – Jan 21: **with 5% bonus**  
0.5 ETH minimum contribution.

### Token Sale 2nd week

Jan 21 – Jan 28: **without bonus**  
0.1 ETH minimum contribution.

### Hard cap

The fundraising goal is US\$14.5m. The token sale will be stopped when the equivalent amount of ETH has been collected.

Any unsold tokens (if the hard cap is not reached) will be redistributed:

- 50% of these tokens will be distributed to presale and tokensale participants via the GAT app, to stimulate usage of the GAT system. The GAT app will be live in late 2018, which effectively locks up 50% of any unsold tokens until that date.
- The remaining 50% of these tokens will be distributed back to the GATCOIN company for incentivizing and onboarding users and merchants to the platform. This will allow GATCOIN to continue its expansion plans in the unlikely case the token sale has not been sold out.



## Use Of Proceeds

### Business Expansion

Proceeds from the token sale will be used for the development of the GAT System as well as the global roll-out of the GATCOIN business. Marketing, sales and technical engineering offices will be established in the following major gateway cities:

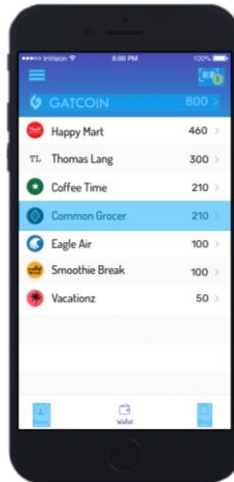


*GATCOIN has chosen an expansion strategy focusing on the major global hubs, starting in Asia due to the excellent contacts and anchor client.*





Have a look at the demo: [GATCOIN DEMO](#)



# Risks

The risks associated with purchasing GAT are numerous and significant. In this section, we highlight some of the major known risks associated with GAT. The list below is not intended to be comprehensive.

## **Immaturity Of The Ethereum Technology**

The Ethereum blockchain is at an early stage of development and it is not fully known whether the Ethereum blockchain will be able to sustain long-term operation of large-scale D-apps such as GAT System. As recently as June 2017, the Ethereum blockchain experienced significant delays in processing block transactions due to extremely high volumes associated with similar token sales around that time. It is not certain whether the Ethereum development community will resolve these technical issues in the future.

## **Unknown Impact Of Proposed Changes To Ethereum**

The Ethereum Foundation has laid out a roadmap for the improvement and development of Ethereum. While some of the future proposals offer promises to known technical issues, it is uncertain when these new improvements will be introduced, and whether they will be successful. In particular, proposals to "shard" the blockchain in order to greatly increase blockchain speeds is, at the time of publication, far from implementation. A proposal to change the mining process from the current Proof-of-Work algorithm to a Proof-of-Stake algorithm will have a yet to be seen impact for the Ethereum network.

## **Prohibitively High Gas Prices For Transactions**

All transactions over the Ethereum blockchain, including the transfer of GAT have a real-world cost in ETH ("Gas"). While at this point in time, Gas prices for basic transactions over the Ethereum network are nominal, there is no certainty that Gas prices will not increase, and thereby make the trading of GAT over the Ethereum network commercially unfeasible. In addition, high volumes could lead to very high Gas prices for processing transactions, which made using the blockchain prohibitively expensive.

## **Ethereum May be Superseded**

While today, in our view, the Ethereum blockchain technology presents the most promising advances in blockchain technology, there is no guarantee that Ethereum will not be supplanted by competing protocols that improve upon the Ethereum technology. The Ethereum technology is open-source, meaning that anyone can copy and disseminate the same code with modifications. It is not known whether the Ethereum platform will become the predominant protocol adopted by global industry. If Ethereum is surpassed or superseded, then this could impact the GAT program as usage and adoption declines.

## **Blockchain Risk**

On the Ethereum blockchain, timing of block production is determined by proof of work so block production can occur at random times. For example, ETH contributed to the GATCOIN token sale smart contract (the "Smart Sales Contract") in the final seconds of a distribution period may not get included for that period. You acknowledge and understand that the Ethereum blockchain may not include your transaction at the time you expect and you may not receive GAT the same day you send ETH. The Ethereum blockchain is prone to periodic congestion during which transactions can be delayed or lost. You acknowledge and understand that Ethereum block producers may not include your transaction when you want or your transaction may not be included at all. Individuals may also intentionally spam the Ethereum network in an attempt to gain an advantage in purchasing cryptographic tokens.

## **Risk Of Theft Or Misuse Of Private Keys**

The control of the GAT source code resides with the GAT Foundation which holds the requisite private keys in cold storage. While all reasonable measures may be implemented to prevent unauthorized use of the private keys, there is no certainty that the private keys will not be subject to theft, fraud or misuse. The unauthorized use of the private keys could result in significant disruption to the GAT, and in a worst-case scenario, cause the GAT to be unusable and therefore worthless.

## **New Technology**

The GAT System and all of the matters set forth in this whitepaper are new and untested. The GAT System might not be capable of completion, implementation or adoption according to the development roadmap laid out in this whitepaper. Even if the GAT System is completed, implemented and adopted, it might not function as intended, and any tokens associated with the GAT System may not have the functionality that is desirable or valuable. Also, technology is changing rapidly, so GAT and any tokens transferable on the GAT System may become outdated.

## **Unknown Merchant Adoption Rates**

The success of the GAT System relies in large part on mass adoption of the GAT System by participating merchants. The developers are in advanced discussions with a number of global merchants for the deployment of the GAT System. It is not known whether any other merchants will adopt the GAT System. Furthermore, there is no guarantee that the merchants we are in advanced discussions with will ultimately deploy the GAT System.



### **Unknown Consumer Adoption Rates**

Mass consumer adoption of blockchain technology has not yet occurred. Only a very small percentage of the consumers of incentive programs are familiar with blockchain technology, let alone Ethereum. Consumers may opt not to use Merchant Tokens which would impact the attractiveness of the GAT System to merchants.

### **Competition**

Utilizing blockchain technology to disrupt the consumer marketing industry has been proposed as one of the earliest use cases for distributed ledger technology. Consequently, as of the time of publication of this Whitepaper, there are a number of other consumer marketing companies that compete directly or indirectly with the GAT System. It is not known which company will prevail in the competition for consumer and merchant adoption. It is also not known how many other blockchain consumer marketing companies will enter the market prior to, or during the token sale.

### **Business Execution Risks**

The implementation of the GAT System roadmap and deployment of its related technological components requires a high degree of professional business and software engineering experience. While the developers have a proven track-record of software engineering and business development, it is not certain whether the developers can fully deliver on the technical milestones set forth in the roadmap.

### **Changes to the GAT System**

The modules for the GAT System are under development and may undergo significant changes over time. Although GATCOIN intends for the GAT System to have the features and specifications set forth in this Whitepaper, GATCOIN may make changes to such features and specifications for any number of reasons.

### **Project Completion**

The development of the GAT System may be abandoned for a number of reasons, including, but not limited to, lack of interest from the public, lack of funding, lack of commercial success or prospects, or departure of key personnel.

### **Ability to Transact or Resell**

You may be unable to sell or otherwise transact in GAT at any time, or for the price you paid. By using the ERC-20 GATCOIN token contract (the "Smart Token Contract") or the Smart Sales Contract (collectively, the "Smart Contracts") or by purchasing GAT, you acknowledge, understand and agree that: (a) GAT may have no value; (b) there is no guarantee or representation of liquidity for GAT; and (c) GATCOIN and its affiliates are not and shall not be responsible for or liable for the market value of GAT, the transferability and/or liquidity of GAT and/or the availability of any market for GAT through third parties or otherwise.

### **Token Security**

GAT may be subject to expropriation and/or theft. Hackers or other malicious groups or organizations may attempt to interfere with the Smart Contracts or GAT in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing. Furthermore, because the Ethereum platform rests on open source software and GAT are based on open source software, there is the risk that Ethereum smart contracts may contain intentional or unintentional bugs or weaknesses which may negatively affect GAT or result in the loss of your GAT, the loss of your ability to access or control your GAT or the loss of ETH in your account. In the event of such a software bug or weakness, there may be no remedy and holders of GAT are not guaranteed any remedy, refund or compensation.

### **Access to Private Keys**

GAT purchased by you may be held by you in your digital wallet or vault, which requires a private key, or a combination of private keys, for access. Accordingly, loss of requisite private key(s) associated with your digital wallet or vault storing GAT will result in loss of such GAT, access to your GAT Token balance and/or any initial balances in blockchains created by third parties. Moreover, any third party that gains access to such private key(s), including by gaining access to login credentials of a hosted wallet or vault service you use, may be able to misappropriate your GAT. GATCOIN is not responsible for any such losses.

### **GAT are Non-Transferable Until Completion of the Token Sale**

You acknowledge and understand that GAT are not transferable until after the end of the GAT sale process.

### **GATCOIN May Modify or Stop the Sale at Any Time**

You acknowledges and understands that GATCOIN may modify the timing, sale price and number of GAT available for sale at any time during the GAT Distribution Period. You further acknowledge and understand that GATCOIN reserves the right to terminate the sale process at any time and withdraw any unsold GAT from the sale process. If the sale process has been stopped prematurely, GAT purchased by you may not be transferable.

### **Exchange and Counterparty Risks**

If you send ETH to the Smart Sales Contract from an exchange or an account that you do not control, pursuant to the Smart Sales Contract, GAT will be allocated to the account that has sent ETH; therefore, you may never receive or be able to recover your GAT. By using the Smart Contracts



and/or by purchasing GAT, you acknowledge and agree that you send ETH to the GAT Token Contract through an exchange account and/or hold GAT on a cryptocurrency exchange or with another third party at your own and sole risk.

### **Uncertain Regulatory Framework**

The regulatory status of cryptographic tokens, digital assets and blockchain technology is unclear or unsettled in many jurisdictions. It is difficult to predict how or whether governmental authorities will regulate such technologies. It is likewise difficult to predict how or whether any governmental authority may make changes to existing laws, regulations and/or rules that will affect cryptographic tokens, digital assets, blockchain technology and its applications. Such changes could negatively impact GAT in various ways, including, for example, through a determination that GAT are regulated financial instruments that require registration. GATCOIN may cease the distribution of GAT, the development of the GAT System or cease operations in a jurisdiction in the event that governmental actions make it unlawful or commercially undesirable to continue to do so.

### **Currency Regulation Risks**

Governments are still grappling with public policy on the regulation of cryptocurrencies as a form of settlement in trade. Governments adverse to the proliferation of the use of cryptocurrencies in local commerce could issue laws and regulations deeming the use of cryptocurrencies a regulated activity. This could result in holders of GAT being unable to use their GAT without further regulatory compliance by GATCOIN.

### **Risk of Government Action**

As noted above, the industry in which the company operates is new, and may be subject to heightened oversight and scrutiny, including investigations or enforcement actions. There can be no assurance that governmental authorities will not examine the operations of GATCOIN and/or pursue enforcement actions against GATCOIN. Such governmental activities may or may not be the result of targeting GATCOIN in particular. All of this may subject GATCOIN to judgments, settlements, fines or penalties, or cause company to restructure its operations and activities or to cease offering certain products or services, all of which could harm GATCOIN's reputation or lead to higher operational costs, which may in turn have a material adverse effect on GAT and/or the development of the GAT System.

### **Risks Associated with Licensing of the GAT Exchange**

Licensing procedures to register a cryptocurrency exchange are complex and subject to stringent qualification requirements. In the event that such license or registration is required, there is no guarantee that the developers will be able to successfully obtain a license to accept customer deposits for use in a global cryptocurrency exchange. The failure by the sponsors to establish a registered GAT Exchange could result in decreased liquidity of GAT as a form of settlement currency within the GAT System.

### **Risks Associated with the Token Sale**

GAT are not investment products. Rather, GAT serve a specific function within the GAT System, which is the means to access Merchant Tokens. Without GAT, the general public may not access the GAT Exchange to acquire Merchant Tokens. There is also no expectation of future profit or gain from the acquisition of GAT. GAT do not represent (i) any equity or other ownership interest in GATCOIN, (ii) any rights to dividends or other distribution rights from GATCOIN or (iii) any voting or other governance rights in GATCOIN. For these and other reasons, we believe the sale of GAT does not constitute a public offering of securities subject to prospectus registration requirements. However, public policy towards token sales is changing, and it is conceivable that regulators may in the future seek to broaden the scope of regulation of token sales. This could make token sales subject to registration requirements in the United States and similar jurisdictions. If the GAT token sale becomes subject to registration requirements, this would delay or potentially postpone the proposed GAT token sale indefinitely.

### **Taxation Risks**

The use of Merchant Tokens as a form of settlement currency may or may not be subject to local income tax, capital gain taxes, VAT or other forms of taxes. This uncertainty in tax legislation may expose merchants and customers alike to unforeseen future tax consequences associated with the use of Merchant Tokens as a settlement currency, and/or the trading of tokens or GAT for capital gains.

### **Capital Control Risks**

Many jurisdictions, such as China impose strict controls on the cross-border flow of capital. Holders of Merchant Tokens and GAT may be subject to these regulations and/or arbitrary enforcement of such regulations at any time. This would make the transfer of GAT out of the local jurisdiction to overseas exchanges an unlawful activity exposing the user of GAT to government fines or other regulatory sanction.

### **CTF and Anti-Money Laundering Regulations**

The United States has issued a series of regulations to combat terrorist financing (CTF) and money-laundering activities. Many other countries have enacted similar legislation to control the flow of capital for such illicit activities. The use of cryptocurrencies by bad actors would breach such regulations. Any illicit use of GAT or Merchant Tokens could seriously impact the global reputation of the GAT System. In such event, it is conceivable that this could trigger scrutiny by CTF and anti-money laundering regulators and potentially cause significant disruption to the distribution and circulation of tokens and GAT in the GAT ecosystem.



# Miscellaneous

## Disclaimer

This whitepaper has been prepared by GAT International Limited (GATCOIN) for the sole purpose of introducing the technical engineering aspects of the GAT System, its associated platform components, and its underlying blockchain protocol Ethereum. This document does not constitute any offer, solicitation, recommendation or invitation for, or in relation to, the securities of any company described herein.

The whitepaper is not an offering document or prospectus, and is not intended to provide the basis of any investment decision or contract. The information presented in this whitepaper is of a technical engineering nature only, and has not been subject to independent audit, verification or analysis by any professional legal, accounting, engineering or financial advisers. The whitepaper does not purport to include information that a buyer of GAT might require to form any investment decision, and, in particular, does not comprehensively address risks of GAT, which are numerous and significant.

GATCOIN (along with its directors, officers and employees), do not assume any liability or responsibility whatsoever for the accuracy or completeness of information contained in this whitepaper, or for correcting any errors herein. Furthermore, should you choose to participate in the initial sale of GAT, GATCOIN does not assume any liability or responsibility whatsoever for any loss of market value of GAT.

The content of this whitepaper is technically challenging and requires a high degree of familiarity with distributed ledger technology in order to comprehend GAT and its associated engineering risks.

Recipients of this document are encouraged to seek external advice, and are solely responsible for making their own assessment of the matters herein, including assessment of risks, and consulting their own technical and professional advisers.

### *Disclaimer "forward looking statements"*

This whitepaper and material uploaded to [www.gatcoin.io](http://www.gatcoin.io) contain statements related to our future business and financial performance and future events or developments involving GATCOIN that may constitute forward-looking statements. These statements may be identified by words such as "expect," "look forward to," "anticipate" "intend," "plan," "believe," "seek," "estimate," "will," "project" or words of similar meaning. We may also make forward-looking statements in other reports, in presentations, in material delivered to shareholders and in press releases. In addition, our representatives may from time to time make oral forward-looking statements. Such statements are based on the current expectations and certain assumptions of GATCOIN's management, of which many are beyond GATCOIN's control. These are subject to a number of risks, uncertainties and factors, including, but not limited to those described in this whitepaper. Should one or more of these risks or uncertainties materialize, or should underlying expectations not occur or assumptions prove incorrect, the actual results, performance or achievements of GATCOIN may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. GATCOIN neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.



## Contact details

For further inquiries on the token sale please join our amazing Telegram community and our other social channels:



Or write an email to: [GATCOIN-team@GATCOIN.io](mailto:GATCOIN-team@GATCOIN.io)

GATCOIN  
5 Tai Mong Tsai Rd  
Sai Kung  
Hong Kong

Thank you.

