

UTILIS VENTURES

SECURITY TOKEN OFFERING 2020
WHITEPAPER

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Abstract

The UVS1 token is a security token issued by Utilis Ventures LTD. It will serve as a participatory instrument in an emerging market fund for the duration of 370 days from the close of the issue. Each token will be redeemable at the end of the time frame for projected 08% interest of its issue value i.e

\$5,000 (token purchase) x1.08 (interest offered)

= \$5,400 (redeemed)

Token	UVS1
Token type `	ERC20
Date of offering	February 2020
Price	\$1 per token
Minimum Purchase	5,000 tokens
Accepted currencies	ETH, DAI
Offering Cap	\$2,500,000
Individual Cap	\$500,000
Rights to Token Holder	8% interest p.a redeemable after 370 days No dividends or voting rights granted
Offer Location	www.utilis.ventures
Secondary trading	Encouraged. However, individuals should be mindful of the securities regulations of their jurisdictions

Utilis Ventures Executive Summary

[Utilis Ventures](#) was founded out of a need to fill a gap in the financial services industry in Sub Saharan Africa that cuts across to other developing regions. A problem so great that even in Uganda the most entrepreneurial nation in the world, the lack of access to affordable and quality financial services is chief among the reasons less than half of the businesses started do not see their second birthday and less than twenty percent of SME's stay operational for 5 years or more. This prompted Abraham Banaddawa to investigate why. From desktop research and classes on finance and global markets to interviews with bankers, regulators and politicians one thing became clear the system was working fine, it just wasn't working for everyone, in fact, it was working very well for a few.

The Challenge then was how do we build effective, affordable, profitable, and dependable financial services for the 365-445 million MSMEs in emerging markets as well as the 1.7 Billion unbanked and underserved individuals around the globe (**World Bank estimates**) without trying to reinvent the wheel. The proposed solution is to use distributed ledger technology to greatly increase efficiency and reduce costs while creating an inclusive marketplace where non-traditional investments, assets and business models can have their risk quantified and be presented to the global market of investors large and small in an easier to consume package.

The next step on our journey as Utilis Ventures is to prove the viability of blockchain as a stable and trusted channel through which investments can be made into emerging markets. To that end, we have decided to carry out a Security Token Offering linked to an emerging market investment fund in Uganda (to be more specific, a commodities trading fund).

Introduction.

Global finance and international investing through the financial markets is a multi-layered web of complex regulatory processes and fees, that is nonetheless still vulnerable to criminal activity while excluding many of the global population in favour of a few elite. Furthermore the big ratings and financial institutions all but control the flow of investments into the developing world slowing down the pace of development while siloing profits and furthering the income inequality ravaging the globe today.

Decentralized finance or De-Fi is a disruptive approach to global finance and financial markets that aims to improve access to capital, speed of transactions and reduce the cost of operations by using technologies such as Distributed Ledgers(blockchain) and their inherent trust and transparency architecture to cut out unnecessary intermediaries.

Using decentralized finance to open up investing in Africa will give control and profits back to the market participants, and there will be more opportunities available to more people. The benefits are incalculable and will cut across all economic sectors from governments and multinational businesses to entrepreneurs and SMEs.

Project Description

This project seeks to demonstrate the viability of decentralized financial solutions in Africa by offering what is in its simplest form an investment vehicle into the Ugandan commodities markets.

In order to achieve this Utilis Ventures has undertaken the identification of viable, active, low-risk commodities to invest in as well as undertaken the process of designing a secure and inclusive STO so as to enable investors from all over the world to participate in this industry advancing process. The success of this STO will prove to both the entrenched old guard of the current financial regime as well as hesitant governments that De-Fi solutions are valuable in the context of financial processes that they are familiar with.

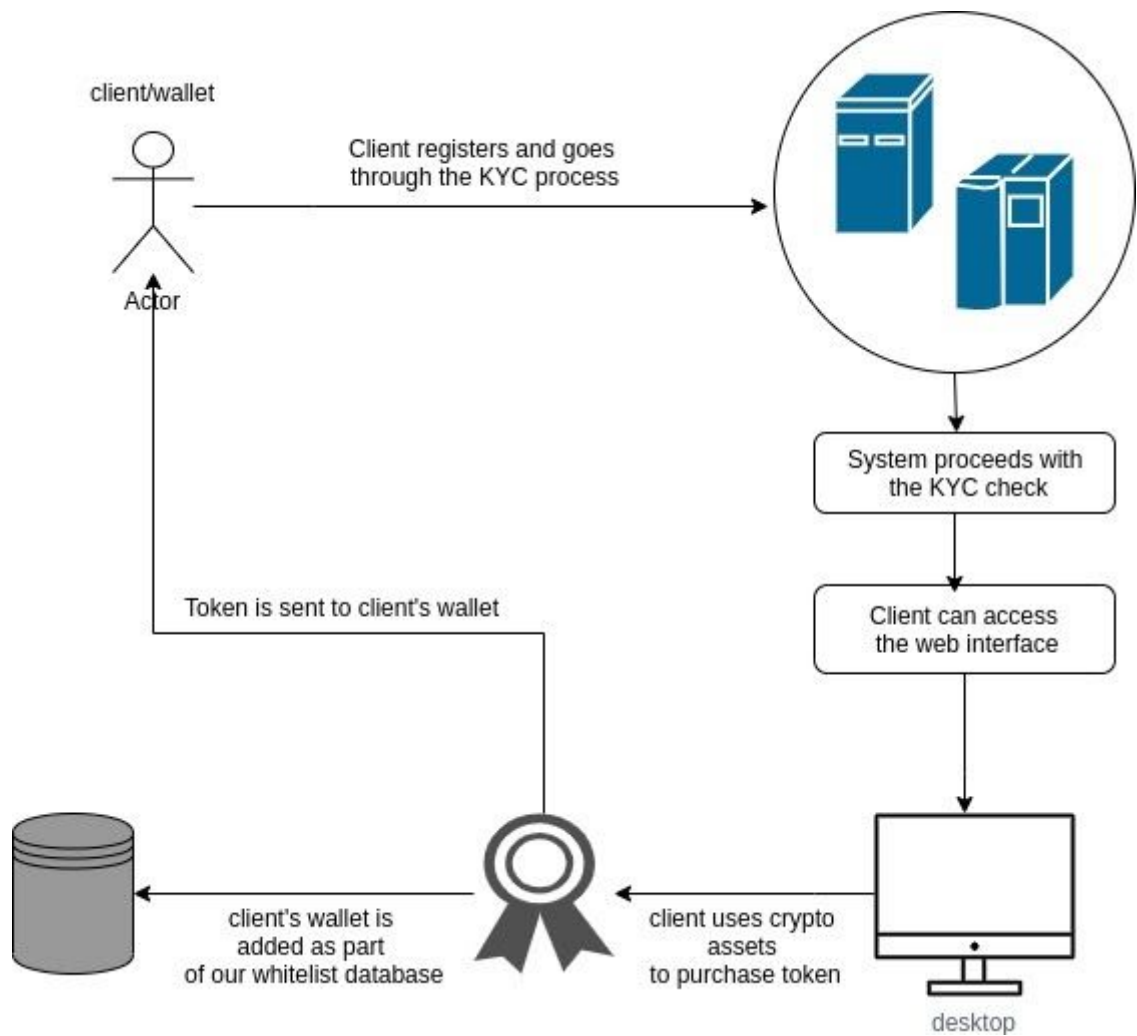
The Utilis Ventures token will have some unique attributes not common to many security tokens; it will have a predetermined value at which Utilis Ventures will be willing to buy it back from token holders after a year making it similar to traditional debt instruments. However in the secondary market, it will be subject to the various cryptomarket forces; supply/demand, liquidity, and global and systemic attitudes. The result is a kind of predictable crypto asset with a projected upper and lower limit but still party to decentralised trading.

Token Issue & Tokenomics

The STO will be based on an audited smart contract generating the requisite tokens (UVS1). Purchases will be made in crypto-assets, either ETH or the Dai Stable Coin. Our Token will rely on the widely used Ethereum Network and the ERC-20 standard protocol, the most established blockchain-based smart contract technology to date. The use of ERC20 in the creation of digital tokens is tried and tested in many STOs. The tokens will be secured by the smart contract and users will need an Ethereum compatible wallet to HODL the tokens.

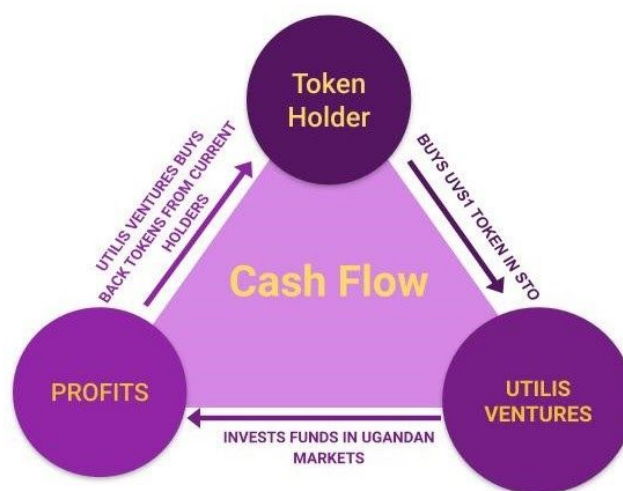
2,500,000 UVS1 (Utilis Ventures Security 1) ERC20 tokens will be created using the Ethereum blockchain and its smart contracts. Each UVS1 token will be offered at \$1 each in its equivalent in ETH or DAI. the minimum purchase amount during the offering will be 5,000 UVS1 Tokens = \$5,000. The maximum purchase amount will be 500,000 UVS1 = \$500,000. All purchases during the offering must be in multiples of 5000. After the offering is completed the UVS1 token can be traded similarly to many other crypto assets. This secondary trading will follow the norms of other assets such as bonds on the secondary market or any cryptocurrency. At the end of the tenure (approx 370 days), Utilis Ventures will initiate a call to redeem the tokens at 1.08x value. After the redemption, all tokens will be “burned”

As our ambition is to make all the benefits of the blockchain accessible to the public, we are designing a visually, intuitive and user-friendly interface for purchasers to access our offer. Information will be presented and organized in a straightforward manner. From the purchaser’s perspective, the Token offering should hold as follows:



A UVS1/DAI pair and UVS1/ETH pair shall be created on the AirSwap platform to facilitate the purchase of tokens. AirSwap is a decentralized, peer-to-peer trading network powered by Ethereum. Traders can buy and sell Ethereum tokens instantly or over-the-counter easily, securely, and without any trading fees.

The Offering will run for 28 days from 1st to 28th February 2020. At the close of the offerings, the funds raised by the sale of UVS1 tokens will be converted to fiat and transferred to a Utilis Ventures LTD investment account from which a series of investments will be made to yield a projected 18.6% pre-tax ROI. After all necessary taxes and cost are paid Utilis Ventures will initiate the buyback period (valid for 45 days) wherein it will purchase all outstanding UVS1 tokens from the public and or secondary market at the stated 1.08x value.



Note on secondary trading: In secondary markets, investors exchange with each other rather than with the issuing entity similar to the OTC (over the counter) trading of bonds and other assets in the secondary global markets. The UVS1 tokens can be traded anywhere that a buyer and seller can strike a deal. Unlike traditionally traded stocks and bonds, there's no central place or exchange for bond trading and better still no need for various intermediaries resulting in lower transaction costs. Through a series of independent yet interconnected trades, the secondary market drives the price of securities toward their actual value.

In as much as secondary trading can occur anywhere between two agreeable parties whose wallets support Ethereum tokens, Utilis Ventures will host a trading portal powered by AirSwap on their website (www.utilis.ventures) to easily facilitate

secondary trading and serve as a preferred destination for buyers and sellers of our token at no extra charge.



Utilis Ventures retains the right to participate in secondary market trading of the UVS1 token

Any applicants to the STO, either in a primary issuance or in the secondary market, will be subject to all applicable KYC/AML policies that may be in place at the time of the purchase, being subject to periodic assessment and routines in this regard. Failure to comply with the KYC/AML procedures and routines applicable to the purchase of Tokens shall prevent the purchase of the Tokens or the imposition of sanctions on purchasers, including the freezing of funds, mandatory cancellation or redemption of Tokens through our smart contract or any other measure that the Issuer may deem appropriate to meet the applicable regulatory requirements.

Technical Architecture

DETAILS OF THE TECHNICAL ARCHITECTURE AND OTHER BUSINESS INFRASTRUCTURE WILL BE SUBSEQUENTLY RELEASED THROUGH OUR OFFICIAL SOCIAL MEDIA CHANNELS ([TWITTER](#), [FACEBOOK](#) [LINKEDIN](#)) AND OUR OFFICIAL [WEBSITE](#).

EXPECTED RELEASE OF TECHNICAL ARCHITECTURE: JAN 1ST

EXPECTED RELEASE OF PROSPECTUS: JAN 20TH

Background

Emerging markets and Africa

Globally, developed markets particularly in North America and Europe, have been slowing down leading to increased interest in overseas markets and growth of investment in emerging and developing economies which are experiencing increased growth. And as the premier emerging markets of Asia and South America mature focus is being drawn to Africa as the last frontier. The fourth industrial revolution offers African economies a unique opportunity to leverage emerging technologies to accelerate their growth and establish themselves internationally as new centres for industry research and business.

Uganda

Uganda is located in East Africa bordered by Kenya, South Sudan, the DRC, Rwanda and Tanzania. It sits mostly on a plateau in the rift valley between 4°N and 2°S and is the source of the Nile river with fertile soils and warm equatorial climate. Uganda has a population of roughly 41.5 million with more than 60% of the population under the age of 35 years.

The major economic activity is agriculture employing almost 70 percent of the working population with the chief export being coffee, but there is growth in the petroleum, manufacturing and services industries. With a GDP of \$30.37 billion and a growth rate of 5.4%, there is a steady increase in the middle classes. According to data from the World Bank the Ugandan diaspora has routinely sent home more than \$1.2 billion dollars per year for the past three years, while UNCTAD statistics show that FDI flows to Uganda accounted for USD 1.3 billion in 2018 an increase from USD 803 million in 2017.

The financial services industry in Uganda has grown over the last 20 years and is dominated by Commercial banks(23), and Insurance Companies (29). It also has 5 Microfinance deposit-taking institutions, 4 Credit Institutions. Uganda also boasts a

robust mobile money industry with many payment gateway services providers, agency banking services and, 252 registered forex bureaux.

There is currently no government regulation on Blockchain in Uganda however one is under development. In the meantime, the various regulatory bodies have urged caution when entering or interacting with the technology. At the same time, there has been growth in the use of and experimentation with distributed ledger technology especially in the field of exchanges and merchant services with companies like Binusu and Binance already active in the country and others expected to enter the Ugandan market over the next several months. Blockchain use cases are also being explored in banking, shipping and logistics, tracking of medicines and other precious cargo, identity verification and agriculture amongst other industries. Blockchain adoption is not limited to the private sector as can be seen in public-private partnerships such as the Government of Uganda -Crypto Savannah proof of concept currently being undertaken to develop a registry for Titles of land ownership on a blockchain as well as its use by NGOs to streamline relief efforts with internally displaced peoples and refugees.

In our opinion, the lack of regulation combined with pro blockchain sentiment by industry leaders and the young and tech-forward population makes Uganda an ideal proving ground for the benefits of blockchain and other 4IR tech solutions in Sub-Saharan Africa.

What is Ethereum and why did we choose to build on it?

Ethereum is a global, open-source platform for decentralized applications.

On Ethereum, you can write code that controls digital value, runs exactly as programmed, and is accessible anywhere in the world this means that as a startup we had the opportunity to build a lean, agile and cost-effective STO that is globally inclusive. Ethereum is one of the biggest proponents of decentralized finance and its platform speaks to that. If you would like to know more about Ethereum you can visit their website [here](#) and this is a link to there [whitepaper](#)

What is AirSwap and why are we using it?

AirSwap is a decentralized peer-to-peer ecosystem built for the trade of tokens on the Ethereum blockchain. With its scalability and ability to integrate with many wallets and ease of use due to its various features that make peer to peer trading a more familiar experience, we feel confident that it is a great tool for us to provide a smooth and easy user experience for novice participants and cryptocurrency enthusiasts alike. For more information about AirSwap [here](#) are their website and their [whitepaper](#)

Disclaimer and legal disclosures for investment recommendations

Origin of the publication.

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With Respect to Ownership

At maturity possession of the Utilis Ventures Security token entitles the holder to an 08% increase of the tokens face value when redeemed at maturity: i.e each \$1 token will be redeemable for \$1.08 at maturity. Maturity of the token is expected at 370 days from the close of the STO. Ownership and/or possession of this specific Utilis Ventures Security token does not imbue, transfer or beholden any rights to shares, dividends or votes in Utilis Ventures or any of its associates to the token holder.

With Respect to Privacy.

It is the policy of Utilis Ventures that any and all information gathered from individuals for the sake of engaging in the Token sales event will be regarded with the strictest confidentiality and safeguarded with respect to the governing laws of the jurisdictions of the participants. This information shall not be shared, sold, or redistributed except when deemed proper or necessary under applicable law.

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