



Ecosystem Whitepaper

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Prospective acquirers of KTC or BIBO tokens should carefully consider and evaluate all risks and uncertainties associated with the cryptocurrencies, Kitcoin Ecosystem and their respective businesses and operations as well as the KTC or BIBO tokens. Familiarize yourself with all the information set out in this Whitepaper, Risk Notice and the T&C prior to any purchase of KTC or BIBO tokens. Ensure that you are aware of all of the would be risks prior to obtaining KTC or BIBO.

The Risk Statement details all potential risks that you should consider. We recommend that you seek out independent financial advice before engaging in any sort of business endeavour.

## 02

## Introduction

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Blockchain technology and cryptoassets (often also referred to as “cryptocurrencies” ) have sparked controversy and arouse great aspirations alike. Around the globe large enterprises, investors, financial institutions, a plethora of start-ups and even governments are looking into the new technology to solve a great variety of

problems reaching from data security and privacy to food safety and environmental protection. Against the backdrop of a looming global trade war and a deteriorating international environment, many place great hopes on decentralized economies, enabled by blockchain, to seamlessly connect consumers around the globe and allow companies to conduct international trade business without currency risk.

In a recent speech, China's president Xi Jinping endorsed blockchain technology publicly as key technology of the 21st century that has the potential to “substantially reshape the global economic structure<sup>[1]</sup>” His remarks underscore the importance the Chinese government attaches to blockchain technology and its applications. Around the same time China Central Television (CCTV), the country's primary state broadcaster, has said the economic value of blockchain is “10 times more than that of the internet<sup>[2]</sup>” This illustrates the great aspirations and also economic possibilities of blockchain technology.

Cryptoassets are an entirely new class of digital assets that was originally enabled by blockchain technology. Cryptoassets are virtual by nature, they are not physical and cannot be touched, but they can carry immense value. Bitcoin, the first ever created cryptoasset is now

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<sup>1</sup>Cp. Coindesk 05/30/2018: <https://www.coindesk.com/chinas-xi-endorses-blockchain-breakthrough-economic-reform/> (retrieved on 09/26/2018)

<sup>2</sup>Cp. Coindesk 06/04/2018: <https://www.coindesk.com/china-state-tv-blockchain-is-10-times-more-valuable-than-the-internet/> (retrieved on 09/26/2018)

referred to by many as “digital gold” and increased 20-fold in price in 2017 alone. Since its creation in 2009, the Bitcoin price rose from below one cent to almost 20,000 US-dollars, a 2,000,000 times or 200,000,000% increase in price within a period of only 8 years. This is certainly one of the biggest price surges ever witnessed in human history, and at the same time this asset was freely available basically to anyone with an internet connection. The original intention of the Bitcoin creator(s) has been to revolutionize online payments and enable peer-to-peer international value transfer. This was due to the immense problems of the payment industry, which suffers from a variety of shortcomings.

## 2.1 International Payments & Value Transfer

To date, the dominant payment method for international online as well as offline consumer purchases has been payment cards (credit cards, debit cards, prepaid cards, etc.). The problem is that payment cards were developed in the 1950’ s, before the existence of personal computers and the internet, not to mention smart phones. They were originally designed for offline transactions, where the customer approved a transaction by manually signing a receipt. Payment cards were not designed to deal with our modern, fast-paced, global economy. Their popularity is mostly due to a lack of acceptable alternatives for electronic payments. Payment card usage perpetuates an anachronistic system, which suffers heavily from infrastructural inefficiencies.

The structure of the payment cards' ecosystem is very complex and consists of multiple participants: Credit Card Associations (Visa, MasterCard, AmEx), Issuing Banks, Acquiring Banks, Processors and Payment Gateways, to name a few. The market is oligopolistic and the incumbent players each control their networks, dictating the rules and the costs. This centralistic structure leads to great inefficiencies. Similar to many other centralized systems, the intermediaries in the payment ecosystem use their power to increase the spread between the value they extract and the value they add. The merchants that depend on card acceptance for their existence have to comply with an endless list of rules dictated by the owners of these networks. Moreover, they are also subject to a complex fee structure that ranges from 3%-15% of their gross receipts (depending on the settings), while also being exposed to the risks associated with fraudulent activity and chargebacks.

The introduction of Bitcoin, originally designed as an electronic cash system in 2009, was the first step towards a modern online payment solution. The purpose of Bitcoin was to address trust issues and to optimize security, but at the expense of scalability, speed, and cost. As a result, Bitcoin in its current state is unable to offer flexible processing solutions for most of the current online billing methodologies. None of the cryptocurrencies that were introduced over the past few years has provided a comprehensive payment solution that is able to scale and allows a broader mass of people to utilize cryptocurrencies as a means of payment. Cryptocurrencies are currently far



too underdeveloped to compete at scale with payment cards, they suffer from poor acceptance by merchants mostly due to their complexity of usage and they do not support transactions that are more sophisticated than a simple ‘push’ transaction.

There is a real need for a payment infrastructure that is built to serve merchants, not exploit them. An ecosystem that is built from the ground up for the digital era, an ecosystem that is as scalable, flexible and accessible as payment cards, but without their inherent flaws and disadvantages. Blockchain technology offers a great opportunity to create such a system for the benefit of merchants and consumers alike.

## 2.2 From Bitcoin to Kitcoin: Ushering Into a New Era of Global Currency

Currently, there are large barriers to entering into the cryptocurrency space. The process of buying or selling crypto assets - and then trying to cash them out into fiat currency - is not a simple one. In fact, the act of trading and investing in cryptocurrencies still requires a certain degree of technical knowledge. The crypto space poses a variety of risks in regards to the management of private keys and seeds, which can be easily misplaced, lost or stolen. Moreover, the countless KYC processes and account setups required by the exchanges create even more entry barriers. There is also the possibility of financial losses related to market volatility and crypto asset devaluation.

Kitcoin aims to address all these limitations. We have a team of some of the best and brightest minds in cryptocurrency and software development. We understand the issues and have the means to solve them. We plan to create a platform that allows the user to add their bank account information into Kitcoin, allowing the purchase of crypto assets solely from the Monarch platform. Within the Kitcoin ecosystem, users would be able to buy or sell cryptoassets, then transfer the fiat back into their bank account. Moreover, we plan to create a password generation tool that will provide electronic storage of users' private keys and passwords to all their crypto and non-crypto sites or services.

Starting with the rise of Bitcoin, the world witnessed the beginning of a new era, the era of cryptoassets. Bitcoin had the first mover advantage, but it has failed to keep pace with the technological advancement of the space. Bitcoin is not ready for mass adoption by millions of users, its acceptance by merchants is declining and transaction fees are too high. New and technologically superior cryptocurrencies will eventually surpass Bitcoin in adoption and value. Kitcoin and its surrounding ecosystem is in the pole position to overtake Bitcoin in the short- to middle term due to its core strengths: a vast existing user base, technological innovation, an experienced Fortune 500 team, merchant adoption, superior tokenomics and its comprehensive ecosystem providing a value transfer and payment platform for consumers, enterprises and merchants.

## 2.3 The Kitcoin Ecosystem

In this section we will give an outline of the comprehensive Kitcoin ecosystem, the first of its kind to address all current difficulties with cryptocurrency payments. This will be achieved by connecting thus far separate entities to one single ecosystem and thereby enable seamless payment flows and interchange between crypto and fiat currencies. The ecosystem consists out of three major parts: Kitcoin as a payment and value transfer unit, the Bibo exchange for seamless exchange between crypto and fiat currencies with the Bibo token as platform token and a cryptocurrency wallet connected with bank accounts, merchant plugins and cold storage ability. These three parts combined together will lead to a revolution in crypto payment processing, merchant adoption and crypto-fiat exchange.

**Kitcoin**, a cryptocurrency based on its own newly developed next generation blockchain, will serve as payment solution of the future. It's superior blockchain technology, driven by a newly-developed consensus mechanism, will enable it to scale to millions of transactions per second. This will make Kitcoin the preferred choice for merchant adoption and consumer payments. However, the value of Kitcoin will not only be driven by adoption, it will also be backed by a physical asset that has been acknowledged as store of value and form of payment during the longest time of human history: Gold. Kitcoin will use 10% of the transaction fees to purchase gold assets, ensuring that one day, Kitcoins will become a fully gold-backed asset. This system will help to combat price volatility and give the coin a tangible value.

The **Bibo exchange** will allow the users of the Kitcoin ecosystem to truly treasure their assets. Moreover, it will serve and facilitate the on-boarding of new users into the ecosystem, by incentivizing trade on the exchange and offer user-friendly and convenient exchange of Kitcoins into fiat as well as various cryptocurrencies. Bibo will serve as crucial link between the world of digital assets and the traditional fiat-based economy. The Kitcoin merchant plugins will utilize Bibo's infrastructure for convenient crypto-fiat exchange, thereby enabling merchants to accept Kitcoin without taking any volatility risk. Moreover, Bibo as a next generation crypto exchange will possess advanced features such as AI-driven security and asset management systems (Bibo AI), a connected marketplace for products directly purchasable with cryptocurrency (Bibo Shop), a research centre focusing on technological research to enhance the Kitcoin ecosystem (Bibo Lab) and an asset management tool for the platform token (Bibo Treasure Box). Additionally, a connected OTC platform will enable direct p2p exchange of cryptocurrencies and local fiat currency.

While Bibo will be the key infrastructure to link the digital and the real economy, the Kitcoin Wallet will be the key interface for users, the “window into the world of digital assets” and a tool to manage their digital assets and online payments. The wallet will be equipped with advanced functionalities that go far beyond current existing wallet's features. It will more resemble the Chinese Wechat or Alipay wallets, giving users advanced abilities to manage subscriptions, utility bill payments, investments, portfolio management and many more.

However, it will eventually be far superior to these current existing mobile wallets as international payments and free currency exchange will be possible and the digital assets can be stored in the wallet itself instead of a third party (such as a bank). This way Kitcoin users always keep full control over their own assets.

### 03 Kitcoin: The Next Generation Digital Payment Network

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We plan to integrate a recurring payments tool that will allow users to monitor, start, and stop all subscription services to places like Netflix, mortgage companies, utility bills, car payments, Amazon etc. All of this is made possible with a simple swipe of our mobile app. Kitcoin will use 10% of the transaction fees to purchase gold assets, ensuring that one day, with proper adoption, Kitcoins will become a fully gold-backed asset. This system will help to combat price volatility and give the coin a tangible value backed by a physical asset that has been acknowledged as store of value and form of payment during the longest time of human history.

The philosophy of Kitcoin is: build, deliver, earn. Kitcoin has never done and will never do an ICO to finance its business operations; instead we believe that true long-term success will come from delivering a superior solution. Contrary to “money can solve everything” , an approach that seems to drive many projects in the crypto space, we believe in

“superior solutions drive success” . Thus, Kitcoin is offering an extremely useful and free Minimum Viable Product (MVP) at the start of this endeavor. The MVP will be launched on both the Apple and the Android app store and will consist of a mobile app that will allow cold storage of BTC, KTC and all ERC-20 Tokens. Using an easy to understand interface, the user will eventually be able to control their everyday bills, services, subscriptions, passwords and trade crypto assets from a few swipes on their screen. Kitcoin will bring cryptocurrency to the masses.

### 3.1 Payment Market Comparison

Retailers and service providers are struggling with inefficient and costly payment mechanisms, which have not kept pace with the evolution of global commerce. Nothing – credit cards, alternative payments, virtual coins, or blockchain technology – has yet adapted to today’ s various processing needs in order to provide an optimized solution for payment processing.

There are several types of payment cards that are managed by and run on specific networks like Visa, MasterCard, and American Express (AmEx). These include multiple card types such as credit, debit, pre-paid, and charge cards. Payment gateways like PayPal or Stripe and e-wallet systems such as Apple Wallet and Google Wallet are developed around payment cards. Payment cards accommodate over 77% of global commerce. Of over 257 billion cards transactions worldwide, Visa cards alone generated 54% worldwide in 2016.

Every card swipe or tap triggers a complex process, as payment data is generated and sent through an intricate network of stakeholders, each of which charges a fee for pushing the transaction through. These include:



**Card networks**, which act as a central point that facilitates transactions between users and acquiring entities, while establishing the protocol that other parties engaged in card processing are required to follow. They also set interchange fees (paid to the issuer), ensure compliance with the rules and regulations they set, and resolve disputes with network members.



**Acquiring banks** provide merchants with access to systems required to accept card payments. They provide access to payment terminals, processing services, and a bank account into which settled funds can be deposited.



**Issuing banks** (which have issued the customers' debit or credit cards) - may either hold the deposits or extend the credit associated with the account that the card is tied to.



**Processors** provide different levels of back-office support and securely transfer payment data.



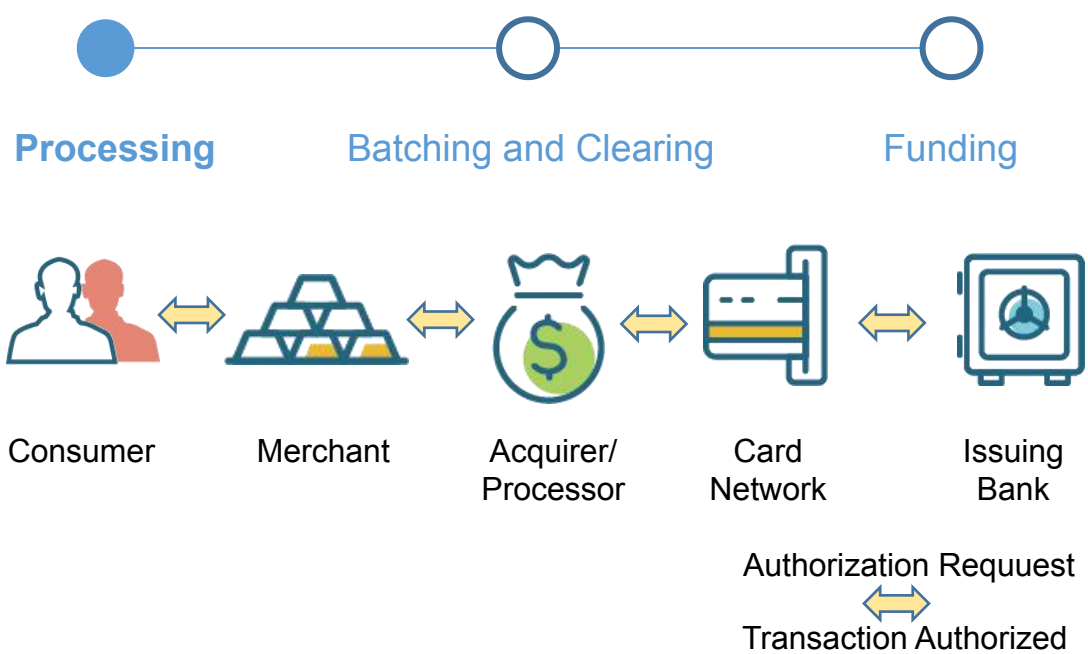
**Payment Gateways** work in the same way, acting as payment terminals and frontend processors. Services such as Stripe serve as a portal connecting e-Commerce merchants and acquirers. Furthermore, payment gateways can benefit merchants by offering them additional services like analytics and reporting.





**MSPs** (Merchant Service Providers) and ISOs are intermediaries that sell payment processing services to merchants, on behalf of acquirers and processors.

Credit card processing happens in three stages. Each of them involves all players outlined above. Let's take a closer look at the payment card ecosystem through an example of a 100 USD purchase made by a customer.

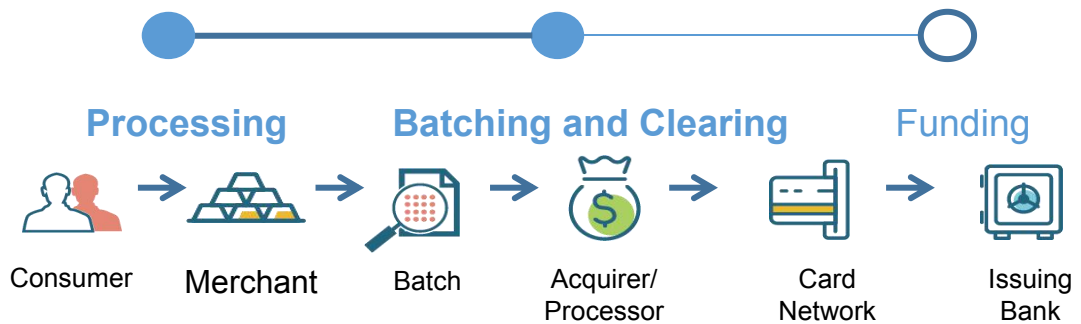


Here is how this system works in practice. A buyer wants to make a 100 USD purchase. To begin the transaction, the consumer runs the credit card through the credit card reader. The payment terminal reads the card and passes the data to the acquiring bank, which requests the credit card network's authorization. In turn, the card network communicates with the card issuing bank to ascertain that there are enough funds available to cover the amount of the transaction. It also investigates that the card isn't stolen and that there aren't any red flags to hinder the payment.

As soon as the issuing bank confirms the transaction, it shares an authorization code with the card network, which

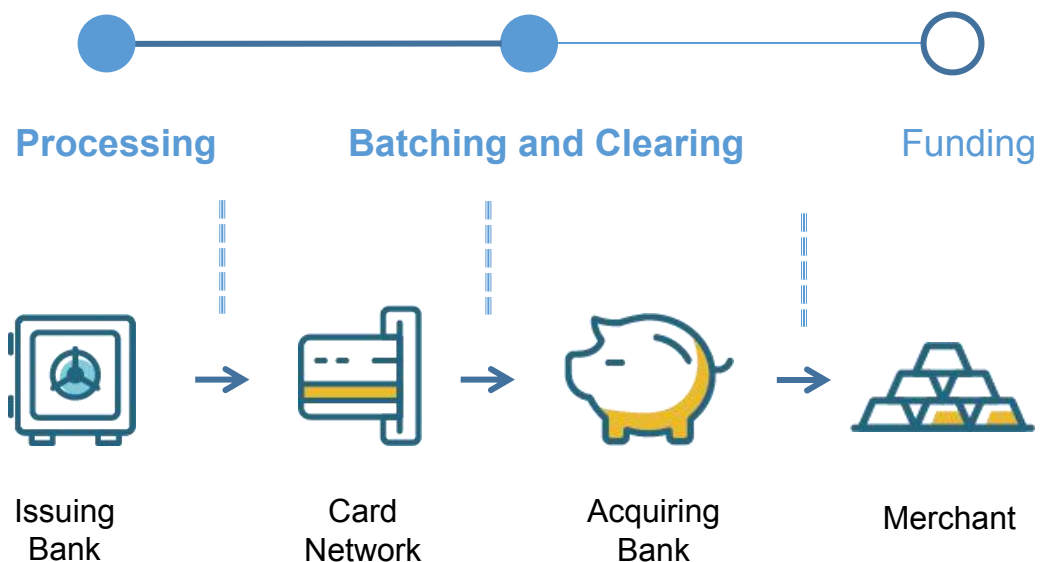


passes it on to the acquiring bank. After the acquirer sends the code back to the merchant, authorization is complete. All this takes place in seconds, leaving the customer with an impression of a finalized transaction. For other parties, however, things aren't as fast.



While the transaction may be over from the customer's standing point, given that she's already out of the store with her purchase, a lot more is going on behind the scenes. The merchant has not received the money for the purchase yet. For that to happen, all the individual transactions of the day must be grouped into a batch and cleared.

When the day ends, the batch containing all the day's transactions is passed to the acquirer. When the acquirer receives the batch, it requests payments on behalf of the merchant by sharing the day's transaction history with the relevant card networks. The transactions are divided up by issuer and fund requests are sent to the relevant banks.



Money starts to change hands after the issuing bank receives a request for funds. The requested amount is then passed to the acquiring bank through the card network, after deducting an interchange fee. There's another fee, taken by the card network (an assessment fee). The remaining funds are passed to the acquirer. Lastly, the acquirer subtracts a 'Markup fee'. The remainder is then deposited in the merchant's account. This process can take days and sometimes even weeks to complete. Accepting payment cards comes with a price and merchants are subject to a complex fee structure. There are nearly 300 different fees but they can be broadly divided into 3 categories: Transaction fees, flat fees and incidental fees.

Looking at the 100 USD transaction, here are the fees collected by various parties before the funds reach the merchant's account:

Fee		Example	Fee of 100 USD transaction
Interchange Fees	The issuing bank charges the Interchange Fee which is usually a percent of the sale amount+ a fixed transaction fee	2.25%+0.1USD	\$2.25+\$0.1+\$2.35
Assessment Fee	The credit card network collects their assessment fee, which is also a percent of the sale+fixed transaction fee	0.2%+0.02USD	\$0.2+\$0.02+\$0.22
Markup Fees	The payment processor, Gateway and merchant bank take their share as well. Some of it may be nominated as a percent of the transaction, some of it as a flat fee and some may be a combination of both	0.27%+0.11usd	\$0.27+\$0.11+\$0.38
Toal		2.27%+0.23USD	&2.27+\$0.23+\$2.95

To keep things simple, we did not take into account indirect fees such as monthly fees, account maintenance fees, incidental fees etc. Nonetheless, these fees may be substantial. The merchant in our example pays a total of 2.95% of its gross earnings to all the parties involved in processing the payment. This may not seem too painful at first glance but remember this 2.95% is from the gross revenue. Consider our merchant has a net profit margin of 7.5%, such that from every 100 USD of sales it takes home 7.5 USD. Suddenly the payment industry's 2.95 USD chunk of the sales becomes 40% of profits!

Additionally to fees, there are several risks and fraud attempts merchants have to deal with when accepting cards. This is especially true for online platforms which usually facilitate so-called “card-not-present” (CNT) transactions. These transactions are highly vulnerable to fraud, from which merchants and payment facilitators are not protected. A 2017 Javelin Strategy and Research study found that, in the US, CNP fraud losses rose 40% from 2015 to 2016. Losses are expected to rise even more: a Juniper Research study found that, over the next five years, retailers are on track to lose 71 billion USD in CNP fraud losses globally.

Another significant risk for merchants are chargebacks. When a cardholder disputes a charge with their bank (the issuing bank), banks usually reverse the payment and refund the cardholder (chargeback). Payment facilitators recover the chargeback funds from the acquiring bank of the merchants who generated them, and the acquirer recovers them from the merchant. Since chargebacks may

be received weeks or even months after the original transaction took place, it is sometimes difficult to recover the funds from the merchant. Card networks (Visa, MasterCard, etc.) set standards for chargeback ratios. For example, Visa does not allow merchants to exceed a threshold of 1% chargebacks out of all transactions in any given month. Exceeding this threshold will result in fines. To minimize chargeback risks, merchants may deploy various tools and tactics, some offered by payment processors or other 3rd parties. While these may help reduce chargebacks, they come with the inevitable cost of lost sales for false-positive errors.

Payment card processing is an elementary requirement for merchants. However, due to the centralized structure of the payment processing ecosystem, merchants are subject to inefficiencies, exorbitant fees and substantial risks.

Bitcoin and blockchain were originally hailed as solutions for many problems of the traditional payment market. Blockchain does indeed have the ability to provide a decentralized trustless infrastructure ideal for secure payments, preventing fraud and without expensive chargebacks. However, the up to date most important cryptocurrency in terms of adoption, Bitcoin, has failed to live up to the promise made by its creator(s). Bitcoin and all other existing cryptocurrency payment solutions are not only too slow, they also expose merchants to new risks such as price volatility or hacks. Moreover, they are also inconvenient and difficult to use for average users as well as merchants. A comparison of cryptocurrency payment projects with Kitcoin shows how many issues are still not addressed by the industry:

	Kitcoin	PayPal/ venmo	UTRUST	REQUEST NETWORK
Recurring Payment	✓	✓	✗	✓
Instant Transactions	✓	✓	✓	✗
Cryptocurrency Compatible	✓	✗	✓	✓
Low Exchange Fees	✓	n/a	✓	✗
Accepts FIAT	✓	✓	✓	✗
Low Seller Fees	✓	✗	✓	✗
Subscription Management	✓	✗	✗	✗
Hot & Cold Wallets	✓	✗	✗	✗
P2P Exchange	✓	✗	✗	✗
Easy Registration	✓	✗	✗	✗
Merchant Plugins	✓	✓	✗	✗
Interface for Finances	✓	✓	✗	✓
Tax Reconcile Forms	✓	✓	✗	✓
Silver Backing	✓	✗	✗	✗
Dividend Structure	✓	✗	✗	✗
Exchange Connection	✓	✗	✗	✗
Wallet Username	✓	✗	✗	✗
Password and Portfolio Management	✓	✗	✗	✓

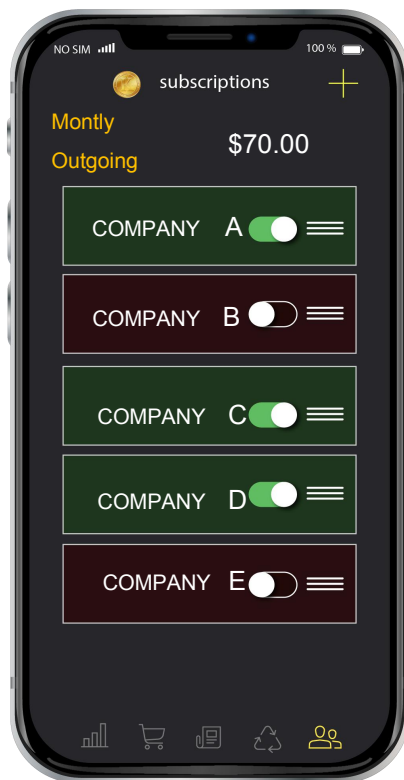
## 3.2 Kitcoin Features

### 3.2.1 Auto-payments and Subscription Management

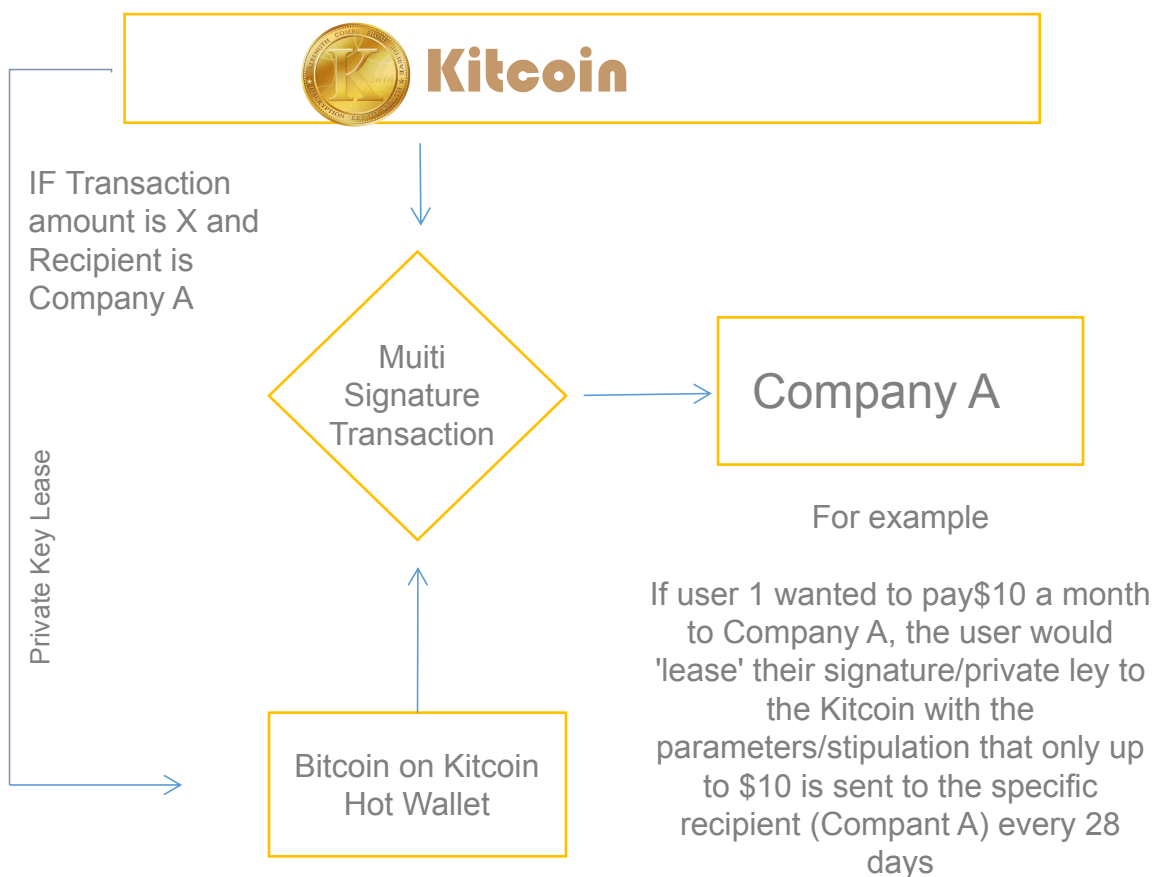
The Problem: Auto-payment and Subscription

Management services can be difficult to manage.

Consumers get billed for renewals due to conditions buried in fine print with legalities that are difficult for the average consumer to understand. If they're not careful, consumers may spend money for years on a service before realizing that it is no longer utilized. In some instances, customers who are incapacitated will continue to be billed for subscription services which can lead to a huge financial detriment. If a consumer wants to discontinue a service, they often have to follow a cumbersome process that involves remembering long-forgotten login credentials. It is a frustrating experience, particularly since each service requires independent and unique registrations and procedures.



Solution: With the Kitcoin Wallet application, management of subscription based services can be done from one platform. We aim to provide an app for both iOS and Android systems.





The Kitcoin Wallet allows users to make recurring and subscription based cryptocurrency payments. The patent pending process uses multi signature wallets to securely send recurring cryptocurrency payments. The user and Kitcoin both have half of a private key. The user may then lease the private key to Kitcoin under 3 stipulations of transactions. The 3 parameters are recipient, amount, and frequency of the transaction. For example, if a user wanted to send Netflix \$10 a month in Bitcoin, the user would lease their half of the private key to Kitcoin to generate a transaction on their behalf after checking the 3 parameters. The smart contract would check for the recipient (Netflix), amount (\$10), Frequency since last transaction (Every 30 days or the first of every month). If all 3 stipulations are met, Kitcoin will transfer funds out of the user's wallet on their behalf. Any service, recurring payment, or subscription can be turned on or off (canceled) with a press of a button.

### 3.2.2 Password Management

The Problem: Password Management is difficult when the average adult has 27 unique online logins. The amount of unique passwords a user has is almost always lower than the amount of discreet logins they have. This is due to people using the same password multiple times, or a variation of a commonly used password. This helps explain why 37% of people forget a password at least once a week. Furthermore, the number of online accounts people have to manage is only going to continue to increase.

Solution: Kitcoin will require you to write down or store a 12 word seed which allows the user to recover his/her password vault on a new device. (In later development phases the need to write down the seed will not be necessary. We will allow backup recovery using the encrypted meta data using a Kitcoin private sidechain). When registering for new services, Kitcoin automatically generates a random password using the maximum number of available characters specific to the service you are registering for. This process occurs when a user signs up for a new service through the Kitcoin app. Additionally, it cryptographically stores this password in our Password Vault on the blockchain. The passwords are always editable and recoverable through your 12 word seed. Secure storage of both passwords and 2 factor authenticator keys are crucial for every cryptocurrency investor. The “Password Vault” facilitates the secure local storage of all your sensitive information.

### 3.2.3 Subscription-Based Crypto Payments

The Problem: Subscription Based Crypto Payments are currently unavailable as the software does not exist yet. Some merchants provide the ability to pay for goods and/or services in cryptocurrency, as one time payments. The goods or services are typically priced in a pegged fiat amount, and the appropriate amount of cryptocurrency is sent from the buyer at the time of transaction. The merchant’s cryptocurrency is then susceptible to volatility since it was based on the market value at the time of payment.



Solution: Kitcoin helps alleviate this issue. First, there is the ability to send and request payments on a scheduled basis using cryptocurrency. Kitcoin will allow a user to initiate a new “stream” to another user in the system, using just their username or the email they used to register with Kitcoin. Using this information, they may select the frequency for which they will be requesting payment (e.g. daily, weekly, monthly). After the request is sent, the receiving user will find the request in his or her Kitcoin app. The user will then authorize the scheduled payment by pressing “Authorize” . Payments will be sent until the selected service is shut off in the list of services or the funds are exhausted from the user’ s hot wallet.

#### 3.2.4 Multi-Currency Support

The Problem: Multi-Currency support for both merchants and consumers is rising in popularity as several Fortune 500 companies have decided to support the adoption of cryptocurrencies. The advent of cryptocurrencies has required many enthusiasts in the space to constantly shift between different currencies (fiat & cryptocurrencies included) in order to pay for services. Additionally, merchants have limited themselves by not giving customers the flexibility to pay in other cryptocurrencies. The volatility of cryptocurrencies has held merchants back from accepting these alternative forms of payment as well.

Solution: Kitcoin is combating some of the volatility of cryptocurrencies by allowing merchants to accept multiple currencies while receiving payments in whichever

currency they desire (fiat included). Customers are able to pay for their favorite services using any currency the Kitcoin ecosystem supports. Initially this will be Bitcoin, Ethereum, Kitcoin, Bibo token and all ERC-20 tokens with many more to be supported in the future. Kitcoin will leverage its own ecosystem exchange, Bibo, to provide the liquidity in the ecosystem. This will give Kitcoin unique features and liquidity advantages over other providers who have to rely on 3rd parties.

Example: A customer wants to pay for Netflix using Bitcoin, but Netflix does not accept Bitcoin. Using the Kitcoin ecosystem, Netflix could choose to accept this customer's payment, and receive it in fiat (such as USD, etc) instead of Bitcoin. Netflix could also choose to keep the payment in BTC but would be susceptible to the volatility of cryptocurrency and would have to make this decision internally.

### 3.2.5 Identity Management

he Problem: Registration of multiple services is repetitive and time consuming. Additionally, centrally storing this information poses a huge security threat. During 2017, one of the largest security breaches in history exposed over 140 million Americans, compromising their social security numbers, birth dates, addresses, and credit card information. Many service providers ask for the same basic information that can be used to register for future accounts. Additionally, the cost of data acquisition for some

accounts such as financial institutions is quite high. In 2017, firms deployed an average of 307 employees to process KYC information.

**Solution:** Initially, Kitcoin will use familiar solutions to create an easy registration process. Similar to logging in with Facebook, Kitcoin will create a process that allows a user to easily sign up for new services, permitting only the data points the requesting company requires. In the future, Kitcoin will look to partner with identity verification blockchain solutions such as Ink Protocol, Bloom, Verime, Civic and/or SelfKey, who decentralize sensitive information related to identity and credit worthiness. Registration processes such as these will save time for the consumer, money for the service providers, while also providing security advantages for all involved parties.

### 3.2.6 Financial Analytics & Tax Forms

**The Problem:** Financial analytics & tax forms can be difficult to reconcile, especially for cryptocurrency. More and more people are making payments in alternatives to fiat currencies. Blockchain technology has promoted increased transparency by making all transactions public on a shared ledger. One would think it would be easier than ever to provide users with the best analytics engines and tax reconciliation products. However, with payments being processed from so many different places and no current solution for managing subscriptions via cryptocurrency, there remain very few options available.

Solution: Kitcoin allows you to effortlessly manage your finances and taxes in one place. Kitcoin additionally shows you how money is being spent and allows users to import all their trades from partnered and 3rd party exchanges to create a tax report. Blockchain technology allows for such processes to happen automatically and in real time.

Additionally, immutability of the public ledger also creates the ability to conduct easier audits. When registering for a new service, users will permit certain pieces of data to be obtained by the merchant.

For example: email, password, first name, last name, and address. With a unique login and password combination for each service, subscription management can get hectic.

### 3.3 Real World Use Cases

In 2018, IT security experts recommend having a unique password for each and every account created, showing the need for a password manager. Every service will save the users payment information further increasing potential security risk exposure. However, managing all the user's services is an arduous process. By shifting to an all-inclusive, subscription-based payment processor, we can now enhance security, improve management of services, speed up the process of KYC registration, provide merchants additional payment options, and enable customers greater flexibility; all in a decentralized high-performance open network.

### Problems:

- Unique/Common Logins
- Password Management
- Service/Payment Management of multiple Services
- Security of Funds/Payment
- Registration of multiple Services
- Merchants unable to accept multiple currencies/Customers unable to pay in multiple currencies
- Ease of use

### Security:

Password management has been an issue since the conception of online databasing and active directories. The number of logins the average internet user has to remember is staggering. A poll in 2016 by Intel Security determined the average adult has 27 unique logins, and unless the user is stricken by paranoia or considered a qualified IT Security Expert, they probably use the same password for a few of them. Having the same password for multiple services can create a huge security risk for any consumer. Even if the user has variants of a password (example: khaleesi1, khaleesi!, khaleesi\$...) among several platforms, it may open the doors for potential hackers. If given a good enough starting point, modern computing and algorithms can brute force most passwords.

Time and time again we see negligence and IT protocols being overlooked for convenience. This is not only true for

average consumers, but can be an embarrassing truth for many IT “professionals” in charge of these active directories and password databases. These security breaches can lead to catastrophic events, like the revelation of classified information, trade secrets, and identity theft. In 2017, a security breach on a credit reporting agency exposed 145.5 million people to potential identity theft.

Kitcoin mitigates these security issues utilizing a number of solutions as outlined under [2.2](#).

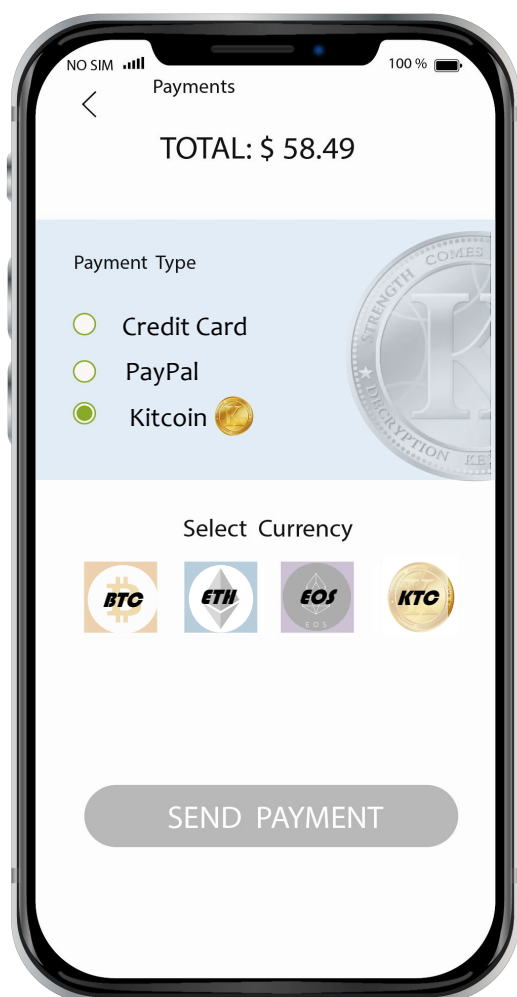
### 3.4 Merchant Plugins

Online businesses rely on Content Management Systems (CMS) solutions to operate an online storefront. Over 50% of all websites on the internet use a CMS, with the current market leader for online content management holding over 60% market share. 30% of all websites on the internet use WordPress as a Content Management System. The top payment gateways for WordPress managed websites such as Authorize.net, Stripe, Paypal and QuickPay all fail to accept cryptocurrencies.

The Kitcoin Merchant Plug-in will allow merchants to accept cryptocurrency, facilitate customer response, and manage subscription tiers on their websites. Users will have a seamless user experience that drives sales for the merchant, whether that be for a one-time purchase,

payment plan, or subscriptions. The Kitcoin Merchant Plug-in will handle all user payment options using supported cryptocurrency or fiat. Kitcoin will charge merchants a flat 2% fee to use the merchant plugin.

With the Kitcoin Merchant Plug-in, merchants will have access to a completely integrated framework for the front end of their websites, which will open them up to new customers. Additionally, merchants will have access to a full suite of services related to business and customer logistics. The Kitcoin ecosystem will host its own exchange (see section 3) as a means to transfer funds between cryptocurrencies listed on the Kitcoin Wallet.

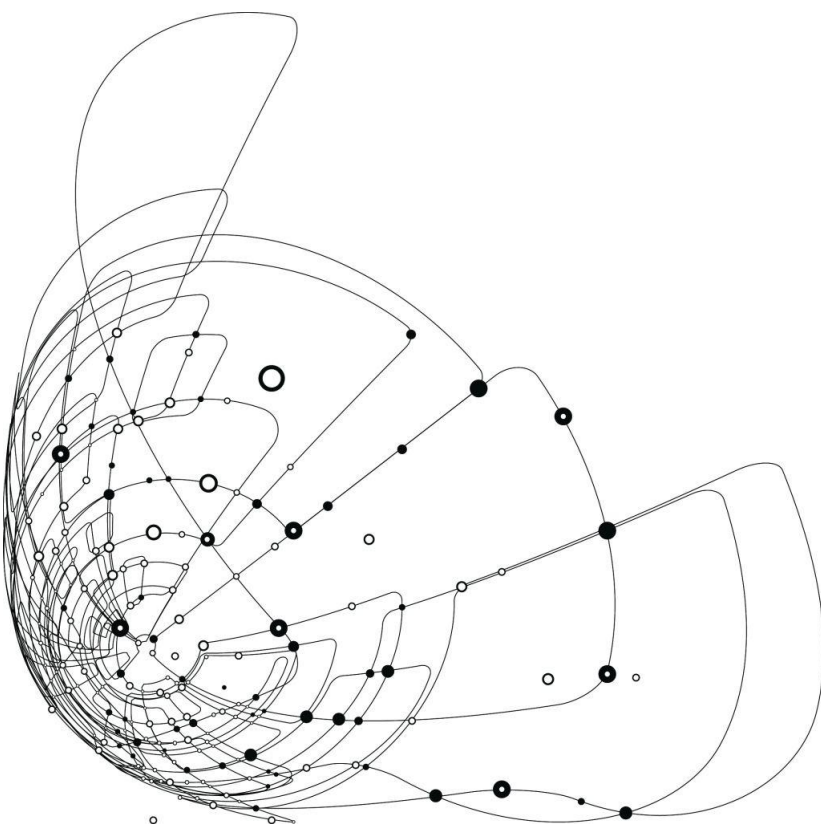




### 3.5 Minimum Viable Product

In order to achieve our goal in revolutionizing the payment industry, we knew it would be important to launch a usable product from the start. So, we designed a mobile app that functions as a cold storage wallet.

The Kitcoin mobile app, which will be available for free in iOS and Android app stores (providing the approval of the app by Apple) and desktop, allows users to store their Kitcoin, Bibo tokens, Bitcoin, Ethereum, & all ERC20 tokens. It will also display news, keep track of all user' s assets, and allow users to send and receive payments. App updates will commence immediately after the Token Sale, beginning with price alerts and custom notifications.





In order to not have to rely on third party platforms, which poses significant security risks and service limitations to an ecosystem, Kitcoin decided to develop its own digital asset exchange, the Bibo Exchange. The Bibo exchange will serve as key infrastructure to link the traditional economy and the cryptocurrency world. This platform is a necessity, not only for Kitcoin's adoption, but the widespread adoption of cryptocurrencies in general.

Bibo Exchange is a proprietary cryptocurrency exchange and asset management platform launched by Kitcoin Foundation that will serve as an exchange, trading platform and asset management platform within the Kitcoin ecosystem. This platform is fortified by cutting-edge artificial intelligence (AI) technologies, which provides an actively protected and ultra-liquid cryptocurrency trading market, full-fledged quantitative trading capabilities, and a rich set of tools and products to meet a wide spectrum of investment strategies from all types of investors.

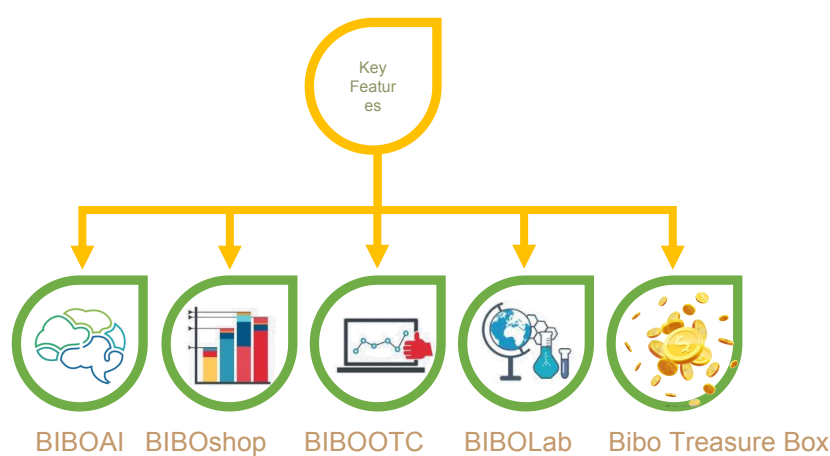
### 4.1 Next Generation Digital Assets Exchange

In the past few years, we have witnessed the blossom of blockchain projects and a variety of associated tokens being exchanged on a variety of cryptocurrency exchanges. A significant concern of cryptocurrency exchanges is platform security, where there are numerous major incidents reported by large cryptocurrency

exchanges involving account hacking and/or theft of funds. Bibo Exchange believes that platform security is the top priority of our service, and that the liquidity of token exchanges is the center of blockchain ecosystems and thus reliability and financial functionalities of exchange services are vital to sustaining the blockchain community. At Bibo, we embrace the cutting-edge artificial intelligence (AI) technologies and apply them to facilitate the security and reliability of our next generation exchange.

Bibo Exchange integrates AI into every aspect of the exchange design. Proprietary machine learning algorithms are implemented to perform outlier detection in users' transaction data stream to detect suspicious trading patterns for individual users. In addition, our algorithms oversee the entire exchange platform and verify if the distribution of trading orders from all users is normal, or has deviated from the expected norm. This ensures that the safety of the asset will receive maximum protection, including in a worst-case scenario where user accounts are compromised by hackers. AI technology is also used to enforce the reliability and scalability of Bibo, where the size of the server cluster is adaptively changed to fit the future trading volume predictive by data-driven machine learning models. Bibo is also equipped with a powerful market making agent based on a suite of deep reinforcement learning algorithms to maximize liquidity and fairness of trading.

A few key Technical Features of BIBO Exchange Include:



While maximized security and reliability as the foundation of Bibo Exchange, the platform also offers a variety of financial features for advanced and professional traders, through the optimized design for high-frequency trading. Moreover, Bibo plans to go beyond traditional exchanges’ scope of business and plans to link its own marketplace to the exchange, allowing people to directly purchase products with cryptocurrencies listed on Bibo. This option will give Bibo another powerful use case and will help to increase user demand. Details on Bibo’ s revolutionary features will be outlined in the following.

4.1.1 Bibo AI

Bibo’ s secured artificial intelligent system analyses massive user trading behaviour data and performs recommendations on our asset management products, thanks to Bibo AI, our large-scale machine intelligence engine.

Bibo AI is incorporated into all aspects of Bibo Exchange, governing the platform security through monitoring mass behaviour, detecting malicious transactions to secure customers’ funds, enhancing availability and scalability of server infrastructure.

Bibo AI engine uses large-scale historical data generated in OceanEx to identify predictive models, and use the predictive models to predict future unknown data.

Technically, Bibo AI is based on the cutting edge machine learning paradigm: large-scale deep reinforcement learning (similar architecture as AlphaGo), which provides extraordinary learning capability and learns by interacting with Bibo Exchange. Bibo AI is different from most AI systems nowadays in that:

I. Whereas most state-of-the-art AI systems are purely data driven, Bibo AI operates based on a “hybrid model” that makes decisions by combining human knowledge and evidence from data.

II. Bibo AI accumulates its learning capability over time, through our lifelong learning techniques. Patterns learned in previous learning tasks will be transferred to new task domains, just like human learning, connecting new concepts to learned concepts.

#### 4.1.2 Bibo Shop

The Bibo Shop is a new service that enables merchants to accept multiple cryptocurrencies directly into a user-controlled wallet. Our mission at Coinbase is to create an open financial system, so we’ ve designed this solution to serve merchants worldwide. Unlike previous merchant products we’ ve offered, Coinbase Commerce is not a hosted service, so merchants have full control of their own digital currency.

Bibo Shop is planned to be built as decentralized market place based on smart contracts and without middlemen, allowing users to trade directly peer-to-peer. This way the Bibo Shop will fuel demand for and adoption of cryptocurrencies as payment method in the online shopping industry.

#### 4.1.3 Bibo Lab

The Bibo Lab will serve as internal development powerhouse and incubator for promising projects that serve the enhancement of the Kitcoin ecosystem. Top-notch researchers will work hard to deliver superior solutions for today's most pressing issues in the cryptocurrency world. The Bibo Lab will make sure that Bibo always stays cutting edge in the market.

Bibo Lab will cooperate with major universities world-wide to establish research facilities and attract talents. The underlying principles and philosophy of Bibo Lab will be research-driven development of the platform utilising cutting-edge research in cryptography, economics, computer science, blockchain technology and tokenomics.

#### 4.1.4 Bibo Treasure Box

The Bibo Treasure Box will serve as platform-internal asset management tool and centre of the Bibo token usage. Bibo Treasure Box will allow users to lend Bibo tokens to other users and collect interest fees. In later development stages the treasure box will be also used for staking Bibo

tokens to activate advanced features of the platform such as trading plans, bots, algorithms and more. Moreover, Bibo's unique governance system with user voting and profit sharing will be implemented within the treasure box.

#### 4.1.5 Bibo OTC

Bibo OTC will tackle a core issue of the nowadays crypto-market: the custodian problem. Currently major financial institutions are staying away from crypto simply because there are almost no certified custodians for cryptocurrency. However, for large business deals major institutions need to be able to trust certified custodians to hold funds in custody. Bibo wants to become a certified crypto custodian and will strive to closely work with regulators to achieve this goal.

### 4.2 Core Mission and Values

Pledging that the Bibo Exchange will be built as a part of the Kitcoin ecosystem, does not only mean making a stand for their technological advancement but also the long-standing business use cases that will emerge from the utility of Kitcoin. As a core member of the Kitcoin Ecosystem, all Kitcoin Foundation incubated, sponsored, or approved projects will always be favored and will be listed before non-incubated projects. Tokens will also always be able to be traded with a KTC-pairing.

## 4.3 BIBO Token: A Digital Treasure

The Bibo token will serve as platform token of the Bibo Exchange to facilitate exchange, encourage trading, allow user-to-user lending, and enable advanced decentralized governance features.

### 4.3.1 Trade Mining

Bibo Exchange platform rewards Bibo Token (BIBO) to users on a daily basis and acts as a reimbursement for the trading fees incurred. 51% of the total BIBO supply is reserved for mining over a period of estimated 12 months. (see 'Token Metrics' Section)

A dynamically adjusted algorithm sets the daily cap for BIBO available for mining. If the daily cap is reached, the extra trading fee volume will not be reimbursed with BIBO, but benefits an 80% discount for trading fee rate instead. The algorithm will be implemented to calculate the cap for the next day according to today's cap and today's mining volume:

Tomorrow's Cap = Today's Cap + ( Today's Mining Volume - Today's Cap ) \* 50%

An Example Case: if a user trades for an amount of \$5,000 worth of fees on day 1 with a 4,000 BIBO daily cap, and suppose that the avg. market price is \$0.5 per BIBO, then the user will be rewarded with 4,000 BIBO (derived from \$2,000 fees) end of day; for the trading fees above the cap(=\$3,000 fees), a cash discount of 80% will be given. And tomorrow's cap will be:  $4,000 + (10,000 - 4,000) * 50\% = 7,000$  BIBO

Daily rewards will be calculated hourly. BIBO will be sent out end-of-day. Bibo.gold reserves the rights to alter or discontinue the mining program as affected by market status.

#### 4.3.2 Lending

The BIBO token will be used for lending on the Bibo exchange platform. Bibo can be lent to other users for daily interest, thereby expanding the scope and possibilities of traders on the Bibo platform.

#### 4.3.3 Governance

Bibo aims at evolving itself to a community-driven platform, where centralized infrastructure and decentralized governance could organically interact with each other. The construction of Bibo Community is basically derived from the idea of the bicameralism design in modern democracy implementations. The “Senate” consists of a fixed number of Nodes, who are responsible for processing routine affairs and providing professional opinions towards asset listing and platform policies; the “House of Representatives” consists of all Community members (literally all BIBO Holders), who maintain the rights to vote for proposals made by the Nodes to come in effective.

The Nodes are selected from all of the Community members, in accordance with their avg. token balance, participation activity, influence and Community election if needed. The Nodes enjoy more privileges in specific aspects, but need to keep serving the Community right within their functions and powers under highly strict qualification standards.



## Winning Pairs Dividends Scheme

The Bibo Community is endowed with the rights to vote for listing new trading pairs, and then receive dividends generated from the winning pairs.

The crypto asset reviewing and listing process always involves severe conflicts of interests within the traditional crypto exchange model. Bibo Exchange is working on a mechanism where the community is incentivized to nominate, review and select new trading pairs in the exchange. For every voting interval (typically on a weekly basis), the Nodes are asked to nominate projects with due diligence reports to the community.

Bibo is obliged to filter (if needed) the given projects and reports, processing them into the Community voting segment. The Community makes the final decision to list up to one trading pair by staking their BIBO as a weight into the voting pools.

In order to build a sustainable and quality-based listing process, Community members and the Nodes who have nominated or voted for the winning project, are collectively entitled to receive a distribution of fee revenue collected from that particular trading pair (10 % for the Nodes and 10% for Community Voters) according to the amount of BIBO tokens staked in proportion to the voting pool of the particular project.

For the Community Voting, the BIBO voted would be staked into the pair for one month if this pair wins (if the pair fails, the BIBO returns back to the account immediately). This is called a ‘Community Stake Pool’ , and the dividend (10% of fee revenue) is distributed according to the Pool weight. After the first one-month ‘initial stake stage’ , the Pool will be rebalanced every month. In the rebalance, users could choose to retrieve the BIBO staked, or do nothing to stay still, or stake extra BIBO into the Pool to increase his weight.

For the Node Nominating, Nodes needs to stake BIBO equal to 25% of the balance of ‘the smallest node’ . (because every month we calculate the BIBO balance and refresh the Node list, there’ ll be an initial balance start of the month). If the specific pair wins, these BIBO tokens would be staked for one month into the ‘Node Pool’ for this pair. 10% of fee revenue of this pair will be distributed to the Node Pool proportionally to the stake amount. After the first one month ‘initial stake stage’ , the Pool will be rebalanced every month, very similar to the Community Pool. If a Node loses its ‘Node status’ , his stake in the Node Pool will be returned immediately.

#### 4.3.4 BIBO Token Metrics and Funds Usage

The total supply of BIBO is set at 10,000,000,000.

- 51% Community Paybacks
- 23% Community Fund
- 12% Founding Team - Vested for 2 years (25% release after 6 months)
- 9% Security Reserve
- 5% Early Private Sales

The community fund will be used for community development, periodic user incentive plans and additional risk reserves.

## 05 How to get KTC & BIBO

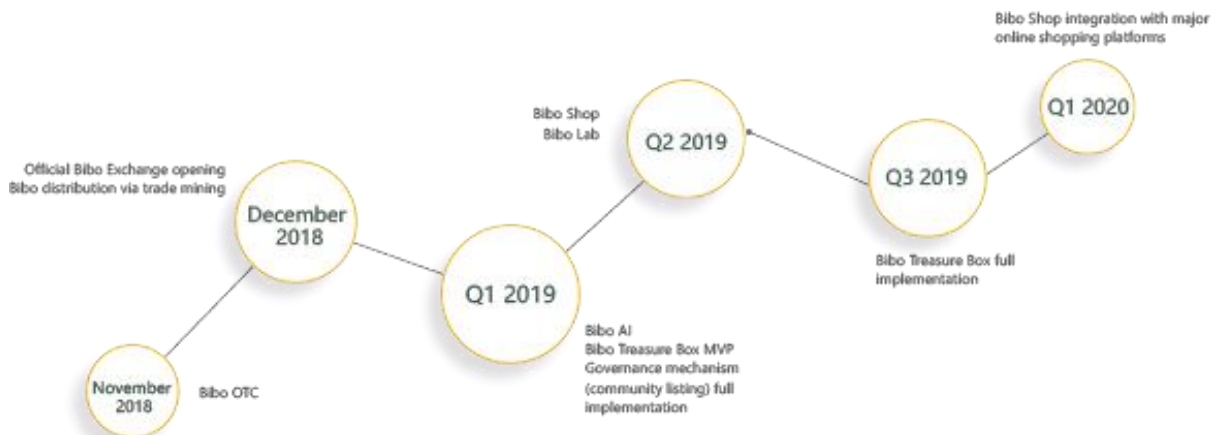
KTC and BIBO, the two ecosystem-internal currencies may be purchased directly on Bibo Exchange, “mined” through trading on Bibo Exchange or airdropped and given to community members as rewards for supporting the ecosystem. There has never been and will never be an ICO for either of these cryptocurrencies.

## 06 Roadmaps

### 6.1 Kitcoin Roadmap



## 6.2 BIBO Roadmap



## 07 Team



Liqing Wang  
Global CEO

*Liqing Wang is a well-known investor and entrepreneur in the digital economy, the founder of the world's next generation digital asset KITCOIN, KITCOIN global president;*

*currently president of the Digital Currency Bank; the CEO of KITCOIN, and the current global CEO of Dongjia Chain.*

*Since 2009, he has built a business team with more than 600,000 entrepreneurs in more than 50 countries around the world. He is a global leader in the new digital economy.*

*In 2018, he invested in Quanmin Dongjia, a microfinancing company, combining online and offline, physical and virtual world, to bring blockchain economy to the masses.*



Martin Bettzüge  
CTO

*A results-driven, customer-focused, articulate and analytical Senior Software Engineer who is able to think "out of the box." Particularly strong in design and integration problem-solving skills as well as an expert in Java, C#, .NET, and T-SQL with database analysis and design. Skilled in developing business plans and architectural systems research. Graduated from renown German Humboldt University in Berlin. Blockchain developer since 2017, worked for several blockchain-related projects.*



Thomas Lampert  
CMO

*Tom is a marketing and sales expert at China Telecom Europe. He assists European MNCs expand into China and Asia Pacific. Provides locally-based, one-stop-shop, turnkey solutions for everything from China domestic and international data circuits to IDC services, network management, equipment management, system integration, and much more. With 12 years of involvement with China, his job is to remove the difficulties of dealing with China, and to provide your business with the resources it needs to succeed in the region.*



Ahmed Kabir  
Chief System  
Architect

*Ahmed is a Java Script engineer and blockchain revolution enthusiast who uses holistic thinking and attention to detail to create extraordinary and maintainable solutions. He currently focuses mainly on Ethereum based blockchain applications (Dapps). Ahmed is proficient in both frontend and backend web programming languages, and has implemented applications with the following technologies: MERN Stack (MongoDB, ExpressJS, ReactJS, NodeJS), Solidity, web3, truffle, and MetaMask (for Dapps).*



Tobias Wendt  
Lead Developer

*Tobias is an innovative game programmer with over 8 years of experience in the gaming industry. Besides being a creative programmer, he is also an excellent organizer. He helped to launch a popular online gaming forum in 2014 that subsequently grew to a daily userbase of more than one hundred thousand users. Tobias worked for 2 of the world's biggest gaming companies, Ubisoft and EA in a team that developed top-10 products for three years in a row. He has considerable expertise in all areas of game programming, including development, coding, and troubleshooting.*





M.H. Ridoy  
Head of Business  
Development

*MH Ridoy is the co-founder of Anything.com.bd, a popular Bangladesh online shop with own retail stores and a quickly growing customer base. To ensure quick and smooth delivery, he also founded his own delivery service company named Royal Express Logistics, which was chosen by seedstars as one of the most promising startups from Bangladesh. He discovered his love for technology and coding early on, thus he decided to study software engineering and is now venturing in the new field of blockchain technology. His vision is to combine new technologies in established businesses to accelerate the growth.*

***Kitcoin***