



# tokenbox

## Overview



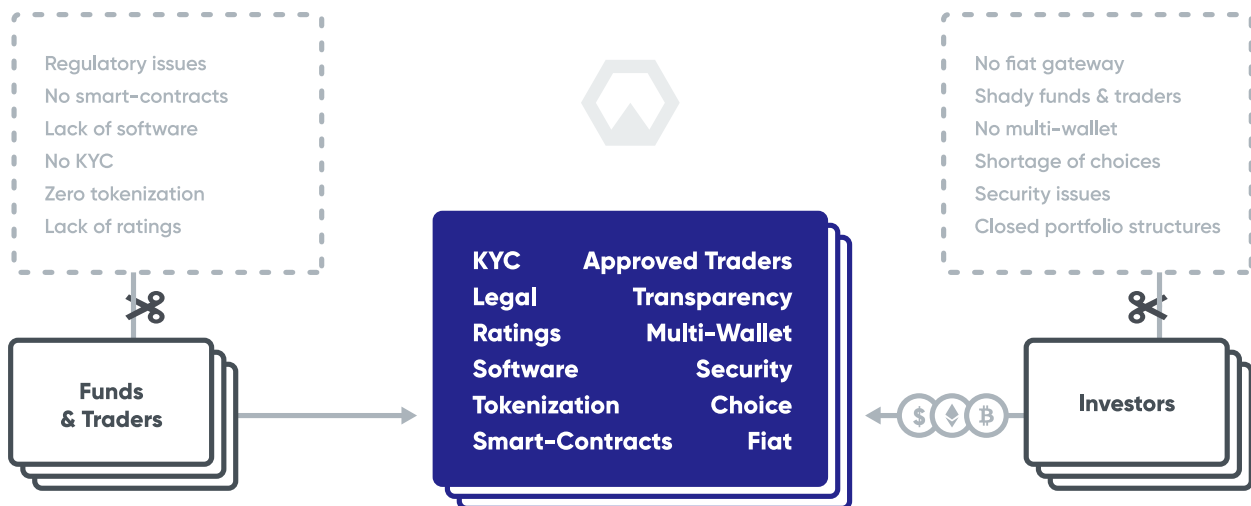
## Tokenbox Overview

### The Ecosystem

Tokenbox is a unique ecosystem that brings together crypto-currency funds under the management of professional portfolio managers and traders on the one hand and investors on the other.

Investors are to be granted access to the best strategies for managing funds on the Crypto market with a high degree of safety in these processes. Portfolio managers and traders, including professional teams, are to receive a ready-made "box" solution for the creation of their own tokenized funds, operating professionally, transparently and within the applicable legal framework. The technical solutions offered by Tokenbox enable the fund management process and its development in an efficient and technologically safe way.

Thus, investors can make their choice between different legal and audited funds, according to the inherent ratio of risk and return.



See Section 7 for an explanation of the planned rollout of Tokenbox functionality and benefits. Not all benefits described below will be available immediately upon launch.

### Tokenbox provides the following benefits to fund managers and traders:

1. Engagement with the Tokenbox site within the relevant legislative infrastructure. Tokenbox is an "umbrella" platform hosting funds and traders in a market place format and providing legal incorporation functionality for the creation of funds to facilitate the issue of their tokens and their trading activities in a legal structure, providing funds and traders with efficiencies to optimise their legal spend.
2. KYC/AML. Tokenbox will perform or arrange for KYC/AML on investors on behalf of funds and traders, as well the deployment and use of the requisite data verification systems.

3. Management of mutual settlements with investors using their own token, on the basis of smart contracts.

A trader decides to launch a fund named "Mark & Robert Coin Fund".  
In this case, a smart-contract is created for their fund, issuing the ERC-20 standard on the Ethereum platform.

Traders have determined that the token should have the ticker "MRCF".  
This token is an analogue of the fund unit, and its value depends on the profitability and dynamics of changes in portfolio valuation, not on the number of investors and the number of tokens which have been purchased. Investors can purchase the MRCF token, store it, transfer it and present it to maturity. Also, tokens can be accessed on organised markets – exchanges.

4. Access to internal and external liquidity. Using internal liquidity facilitates:

- Reduction of transaction costs. If it is necessary to conduct separate operations for the sale and purchase of assets, funds and traders do not need to pay fees for the deposit or withdrawal of funds from the platform's internal accounts to external trading platforms. Also, internal liquidity will be provided with a smaller commission, compared to the commissions charged by third-party services.
- Increase the level of security. The use of internal liquidity minimises the volume of crypto assets that are temporarily controlled by external services (exchanges). The risks of technology crashes and delays in the operation of lock-nets during the transaction period are reduced.

External liquidity is provided through access to organised markets (exchanges) with the use of corporate accounts available as a consequence of the fund incorporation functionality, providing increased transaction limits.

5. Software for investment management.

We can confirm the 360 degree effectiveness of our software products (they are provided optionally depending on the needs of the particular fund or trader):

- A trading terminal that is adapted to the needs of funds and traders using different strategies (portfolio investment, algorithmic trading, arbitrage operations, active intraday trading, etc.);
- Built-in analytical tools (predictive modules, back-testing and forward-testing of parameters of trading strategies, sentiment analysis, etc.);
- Customer Line and Customer Analytics (for example, fund reports, information messages for customers, as well as analysis of the dynamics of incoming and outgoing investments, the regional affiliation of clients, etc.)

The technological infrastructure of the future Tokenbox Platform has already been developed and is being actively used by The Token Fund. It consists of several main modules:

- smart contracts for the tokenization of funds;
- processing of receipts of investments and the payment of funds to investors;
- system for calculation and control of the value of the fund's tokens;
- a parser that controls the volume of crypto assets on the balance sheets and follows their market value;
- Individual profitability calculation system for each fund client;
- a purse for storing ETH and tokens of the ERC-20 standard.

6. Access to the market of ICO-campaigns: centralisation and corporate approach enable the purchase of the project's tokens on beneficial terms (bonuses, discounts and guaranteed purchase). Tokenbox plans to provide tokens with access to the platform and also offers tokenization, processing, escrow, security audit, legalisation services.
7. Marketing support within the overall Tokenbox strategy as well as access to a global investment community with a substantial number of stakeholders.
8. A rating system that entitles investors to make a balanced decision while choosing a particular fund. The rating system allows even a small capitalisation fund to compete with larger participants, having a similar rating. The rating system enables funds to avoid a situation where investors anticipate particular result from a fund which actually contradicts their strategy.

For example, the fund's strategy includes in the portfolio only cryptocurrencies with a total capitalisation exceeding \$ 5 billion. The investor therefore should not expect transactions involving less liquid crypto-assets and, accordingly, riskier investment decisions.

### **What types of funds can be created on the Tokenbox platform?**

As well as Crypto-Currency Funds, the following types of funds can also be created:

- investment funds with active portfolio management (analogue - Mutual fund);
- index funds, including a token traded on the exchange (analogue - ETF);
- funds which follow active trading strategies, including Algotrade, robotised trade.

### **Tokenbox provides the following options for private and institutional investors:**

1. A secure, integrated gateway to the banking system for entry into a decentralised economy utilising fiat<sup>1</sup> currencies and classical payment systems. Inside the platform, investors can exchange fiat currencies for cryptocurrencies and tokens, as well as conduct reverse operations.
2. Multi-currency wallet with the ability to safely store digital assets. The client has the opportunity to create a universal wallet for basic cryptocurrencies and tokens. For the convenience of users, there are two types of wallets for clients:
  - "Lite" wallet: in this version of the wallet, the keys are stored on the platform itself with the user's consent;
  - "Professional" wallet: when utilising this type of wallet, the keys are stored by the user.

Currently, various development teams are working on projects related to advanced decentralised services for exchanging cryptocurrencies and tokens.

In the future such systems will allow the creation of a different ecosystem of trust management which will be able to manage investors' funds without acquiring the right of temporary "possession".

The Tokenbox team monitors the emergence of new technological developments and intends to offer users the most advanced tools.

---

<sup>1</sup> Fiat currencies: USD, EUR, CHY, CHF, etc.

### 3. Multi-level Security System<sup>1</sup>:

- All funds and traders, registering in the system as asset managers, are required to undergo due diligence;
- Best practises in the field of computer security, crypto active storage technologies are applied;
- A regular audit of the security system is conducted with the involvement of industry-leading consultants and experts;
- Fund managers and traders do not acquire the right to "own" the assets of a fund and can only create "light" wallets to access client funds (with the storage of access keys on the platform) for the purposes of settling trades, and all assets managed by the traders are owned by the incorporated fund entity or entities and may be held in safe custody by a third party custodian under the direction of Tokenbox.

### 4. The "rating system" and the "advisory" service that support the investor's decision in selecting the appropriate investment fund on Tokenbox platform.

The main criteria for the rating system:

- profitability of the strategy (retrospective for the selected period, shown at different market phases, etc.);
- risk management (classification of assets, share of capital for the transaction, maximum drawdown for the selected period, etc.);
- a description of the strategy (transparency, credibility, history of strategy implementation).

The "Advisory" service will run iteratively optimised algorithms using investor selected parameters to inform the investor of the optimum criteria for choosing a fund, according to the size of the investment, investment period, experience, risk appetite etc.

The "Advisory" service will run iteratively optimised algorithms using investor selected parameters to inform the investor of the optimum criteria for choosing a fund, according to the size of the investment, investment period, experience, risk appetite etc.

An additional means of protecting the interests of investors will be a built-in risk management system. Tokenbox platform is independent of funds and traders and it is intended that the built-in risk management system will be a pre-trade compliance system which verifies proposed trades against limits pre-specified by the fund and prevents funds or traders from making transactions that contradict the adopted strategy (if such limitations are provided in the framework of the fund's implementation).

Thus, the Fund's investors can be confident that the fund chosen by them follows the adopted strategy that clients consider optimal in the ratio of risks and potential returns.

---

<sup>1</sup> Security is one of the key strategic benefits supported by the Tokenbox team.

5. Convenient, modern and intuitive interface. Tokenbox provides mobile, desktop and web versions for various operating systems.
6. Access to ICO-campaigns for investors. Tokenbox is an open platform and projects conducting ICO/ITO/TGE post the data about the project in order for the platform users to participate.

Investors have the ability to invest in ICO/ITO/TGE as well as to buy coins/tokens of projects, including from reserved volumes (guaranteed acquisition at a convenient time for the investor).

If you are interested in the details of the technical implementation of this project, we suggest that you refer to **Section 5 "Technical description of the platform"**.

In the next section we examine the team's experience and competence to implement a project of the proportions of the Tokenbox Platform.



## LIMITATION OF LIABILITY

### **IT IS RECOMMENDED THAT YOU REFER YOUR QUERIES TO YOUR OWN PROFESSIONAL LEGAL AND FINANCIAL ADVISERS.**

The information set forth above does not imply any contractual relationship and may be incomplete. The information is subject to continual updates and we are not obliged to give you any notice of the fact or content of any changes.

While we make every effort to ensure that all data submitted in the White Paper is accurate and up to date at the point in time that this version has been disseminated, the proposed document is no alternative to consulting an independent 3rd party opinion.

Token Box LLC, its directors, officers, employees and associates do not warrant or assume any legal liability arising out of or related to the accuracy, reliability, or completeness of any material contained herein.

Persons who intend to purchase TBX should seek the advice of independent experts before committing to any action, set out in this White Paper.

You do not have the legal right to participate in Tokenbox digital asset public sale if you are a citizen, a resident of (tax or otherwise), or a green card holder of the United States of America (including Puerto Rico, US Virgin Islands, and any other protectorate of the United States), Singapore, People's Republic of China or other representatives of the United States, Singapore, or the People's Republic of China or any jurisdiction whether the issue of TBX would be illegal or subject to any requirement for registration, licensing or lock-up.

"A representative of the United States, Singapore, People's Republic of China" means – a naturalised person resident in any of those jurisdictions or any institution, organised or registered in accordance with the laws of any of those jurisdictions. US citizens living abroad may also be deemed "US representatives" under certain conditions. According to the laws of the United States citizens of the United States living abroad can also be considered as "US Representatives" under certain conditions.

The regulatory status of tokens and distributed ledger technology is unclear or unsettled in many jurisdictions. It is difficult to predict how or whether regulatory agencies may apply existing regulation with respect to such technology and its applications, including the Tokenbox platform and TBX. It is likewise difficult to predict how or whether legislatures or regulatory agencies may implement changes to law and regulation affecting distributed ledger technology and its applications, including the Tokenbox platform and TBX. Regulatory actions could negatively impact the Tokenbox platform and TBX in various ways, including, for purposes of illustration only, through a determination that the purchase, sale and delivery of TBX constitutes unlawful activity or that TBX is a regulated instrument that requires registration of TBX itself, or the licensing of some or all of the parties involved in the purchase, sale and delivery thereof. The Tokenbox platform may cease operations in a jurisdiction in the event that regulatory actions, or changes to law or regulation, make it illegal to operate in such jurisdiction, or commercially undesirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction.

Because TBX and tokenization of all funds (Fund Tokens) is based on the Ethereum protocol, any malfunction, breakdown or abandonment of the Ethereum protocol may have a material adverse effect on TBX or Fund Tokens. Moreover, advances in cryptography, or technical advances such as the development of quantum computing, could present risks to TBX, Fund Tokens and the Tokenbox platform, including the utility of TBX or Fund Tokens, by rendering ineffective the cryptographic consensus mechanism that underpins the Ethereum protocol.

As with other decentralised cryptographic tokens based on the Ethereum protocol, TBX and Fund Tokens are susceptible to attacks by miners in the course of validating TBX or Fund Token transactions on the Ethereum blockchain, including, but not limited to, double-spend attacks, majority mining power attacks, and selfish-mining attacks. Any successful attacks present a risk to the Tokenbox platform, TBX and the Fund Tokens, including, but not limited to, accurate execution and recording of transactions involving TBX or Fund Tokens.

Hackers or other malicious groups or organisations may attempt to interfere with the Tokenbox platform, TBX or the Fund Tokens 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 Tokenbox platform is based on open-source software, there is a risk that a third party or a member of the Tokenbox team may intentionally or unintentionally introduce weaknesses into the core infrastructure of the Tokenbox platform, which could negatively affect the Tokenbox platform, TBX or the Fund Tokens.





**tokenbox**

[www.tokenbox.io](http://www.tokenbox.io)