

Bank Society Gold

Whitepaper

Introduction

Bank Society Gold is a new coin derived from **Bank Society Coin** (BSC).

SOCG is our future trading ticker code and **Gold** is our short name.

A lot of hard lessons were learned, which resulted in a much better next generation coin now called **Bank Society Gold (Gold)**.

Previously, **BSC** was taken from inception, forked from a Bitcoin base, but modified for Proof of Stake in 2019.

However, the mistakes experienced at Exchange listing caused **BSC** to be delisted after about 3 months, due to the sheer number of sell orders, directly linked to massive PoS rewards.

Here are the issues that you can see in other PoS Stake stable altcoins and new generation ERC 20 Tokens, that were also in BSC:

- PoS or Proof of Stake rewards were too generous 25% APR, which increased by block height.
- PoW or Proof of Work rewards were also too high.
- 4 Billion money supply.
- Masternode collateral was too low at 10K.

I'll go deeper into Bank Society **Gold** later in this white paper.

Current Trends in Cryptocurrencies

Cryptocurrency are evolving from Proof of Work, where miners used up a lot power to generate new blocks in a Blockchain, this applies to most PoW based Cryptocurrencies. Proof of Stake and even Proof of Coverage are becoming the norm these days. Especially, Proof of Stake and next generation Ethereum for example, where the new Ethereum has a limited number of Validators to stake users coins.

Proof of Stake or PoS is a nice concept, where coin or token holder's can earn additional coins or tokens by staking, but PoS has evolved into different Proof of Stake algorithms.

- Validator based PoS (Ethereum)
 - Validator based staking requires all users to send stake requests to Validators, where the coins or tokens are physically or rather digitally moved from the users wallet to the Validator wallet before staking can begin. Validators with the largest amounts of coins or tokens are more likely to stake the next block. The user gets a staking reward and the Validator takes a commission
- Wallet based PoS

- Wallet based PoS allow individual wallets to stake coins, but a Masternode is selected by a algorithm to verify the Blockchain minted by the staking wallet. The Masternode receives a percentage of the stake rewards.

The Validator implementation really needs powerful hardware to handle the staking of coins and a large investment to the coin/token owner to become a Validator. The issues are still the same, lots of claims of high 25%+ rewards if users send their coins for staking, but how secure are the Validators?

The Masternode implementation requires less hardware, but still requires some investment. The wallet holder has no outlay apart from time, but coins remain in the wallets of the coin owners, I personally feel that wallets should be staking their own coins to be in control. A neat feature of Bank Society Gold to allow staking, whilst the wallet in encrypted

NFT Chaos

NFT's or Non Fungible Tokens have been all the rage these days, in the news all the time about these crazy schemes to create a 1000 different images of a gorilla or some other shape, it's the wild west here, people are paying for rubbish and also losing a lot of money in the process. The NFT Chaos and Smart contract implementations will become more stable and serious with time. Bank Society Gold will implement such technology, but only for serious buy and sell contracts of real items. Virtual items are the rage, but really why should I buy an image of a Gorilla to use on Discord for \$1000 or more?

Why Cryptocurrency?

In case anyone forgets the world is a complex place with events kicking off everywhere, famines, wars, earthquakes revolutions, but there is one thing we have in common, being alive of course and paying for our lifestyle. Our lifestyle, if we are not seriously rich, typically involves a job, mortgage, wife, family and all of those costs involved. The financial system that we live in seems fairly complex if you read the financial news. These days inflation, interest rates are mentioned everywhere, but inflation has been with use for a long time, we just do not realise yet, until times of crisis.

To understand the financial system that we all live and participate in, we much have knowledge of some historical moments that shapes our financial system to fully understand why cryptocurrencies even exist.

Our Financial System

I say our financial system, as all banking systems around the world work together outside any government, but with an agreement to participate with governments. In order to understand the modern financial system, we need to go back thousands of years to see how everything evolved. Significantly Gold and Silver, which are precious metals, were used for thousands of years as a payment and net worth system. However, the banking elite for many centuries tried to take gold away from the financial system by using paper as a form of payment, it was much lighter and people could buy back gold with their paper money. Eventually, during crisis such as the great war and the great depression

printing
quantative
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economies



in the 1930's the use of money, now called easing, was preferred to amount of paper money could be printed in order new money to build back after these massive

events.

The banking elite discovered that if they pinned the currency to the Gold price, when they printed more paper money, it diluted the value of their paper money based on the value of gold. Therefore the gold standard was abandoned in favour of printing paper money, before 1971 bank notes could be exchanged for an equivalent amount of gold. August 15th 1971, finally the gold standard was abandoned, meaning that paper bank note could not be swapped for gold.

This is an important event, as bank notes were previously worth \$35 dollars an ounce of gold, after 1971 the US dollar and all other currencies were worth just pieces of paper, with absolutely no value.

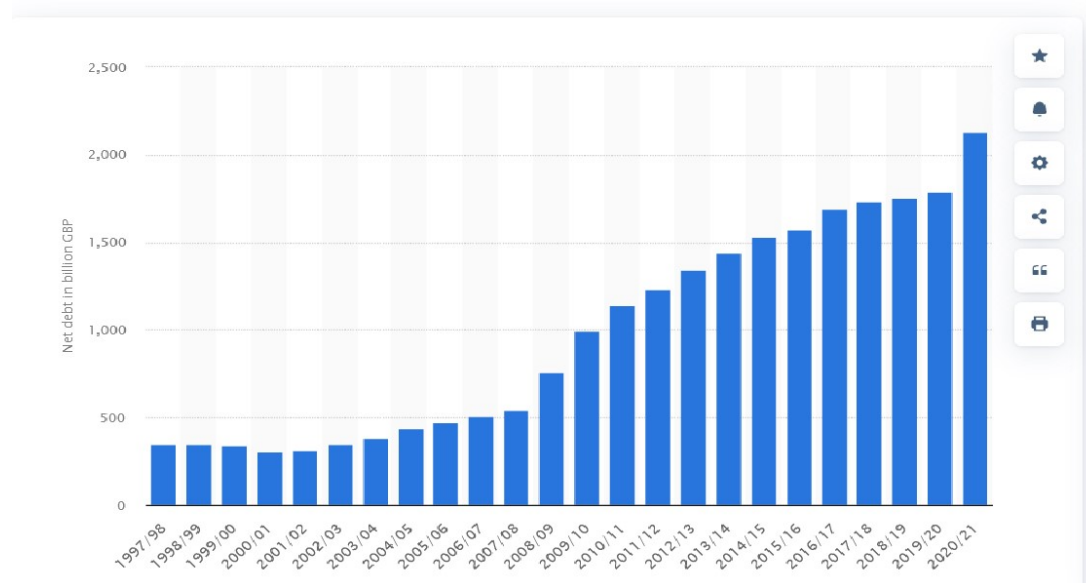
The Federal Reserve, Bank of England, Bank of Europe and all other state banks are now able to print money at will, which causes inflation and erodes away the value of our savings.

2007/2008 the subprime crisis hit the news, bank failures, and massive money printing. The strange thing is that this money printing did not stop and is still continuing in all countries around the world.

2022 now, the money printing continues... but why?

Money Printing or Quantative Easing or QE has been in use before 2008. However, it will be going on forever now, as all governments are more in debt than they ever have been and will need more QE in the future. Looking at total UK government debt, which is now over 2 Trillion GBP, almost 100% of GDP. All other governments are in a similar situation.

(in billion GBP)



Quantative Easing

How does Quantative Easing work?

It's fairly simple, interest rates for savers bank accounts are reduce to encourage "us the people" to spend more on the economy, as money in the bank earns virtually zero returns.

The 'Bank' whichever country buys government or company bonds, thus providing cash or credits to the government and companies that require this support. This implies support for other banks that are not stable.

The Bank of England and others such as the European Bank claim that QE makes everyone wealthier and reduces inflation, but we know that normal people earn zero interest for savings and the act of printing money does cause inflation, reducing the value of ordinary people's savings.

Inflation has arrived after a long time of constant QE, interest rates are increasing for money borrowing, but savers

are left with still virtually no interest on account credits. This state of affairs will never change the banks will just print away our savings value forever.

Nobody is realising this yet, but all banks are heading to a digital credits and removing trusted bank notes which are worth nothing, where limits on bank card POS transactions will increase and nobody will use cash or paper money in the future. QE is already using digital currency, creating digital credits from nowhere to feed an indebted system, as governments will always be in debt, always spending to get the next vote of the people.

How do we break out of this downward spiral?

Cryptocurrency will save us all!!!

Cryptocurrencies are an answer to the banking crisis, but they won't save us from the bank hell, that we all live within, as all cryptocurrencies must be linked in some way to a money system, such as the US Dollar by using an Exchange Trading System ETX.

Crypto does provide a mechanism to exchange value once listed on an exchange, which sets the dollar value of the cryptocurrency. It allows a bartering system, if the coin or token has a monetary value, people will exchange it based on that price for services, goods and even other cryptocurrencies.

Cryptocurrency is still fairly immature with thousands of possible crypto tokens and coins to choose from, where some are now known as stable coins, but may not be stable as we read in the news with Tether and LUNA, claiming to be linked to the US Dollar, which is a crazy idea if you look at Satoshi's white paper:

<https://bitcoin.org/en/bitcoin-paper>

Cryptocurrencies are virtual currencies, with no physical coin or paper notes, but I guess the banks are headed this way anyway. However, cryptocurrency offers a partial freedom from the banking system, which is not serving the people anymore. The millennial concept of work, build save is now gone, only work, build and invest are the only options available to normal people, as the banking system provides zero rewards for storing our perceived wealth in their system.

Exchange Traded Funds

Let's look at Exchange Traded Funds in order to understand how the financial system has derailed the old style financial system. Every cryptocurrencies must be listed as an Exchange Traded Fund, through one or more crypto exchange, which set all cryptocurrencies to a USD price for buyers and sellers, which are typically translated to BTC Satoshi.

The state of Gold and Silver is no longer traded as a commodity, but as exchange traded funds, which means that big banks can set the price of Gold and Silver as they see fit. If you buy a Gold or Silver on an ETX exchange you are basically buying the same as a cryptocurrency, **virtual Gold and Silver**.

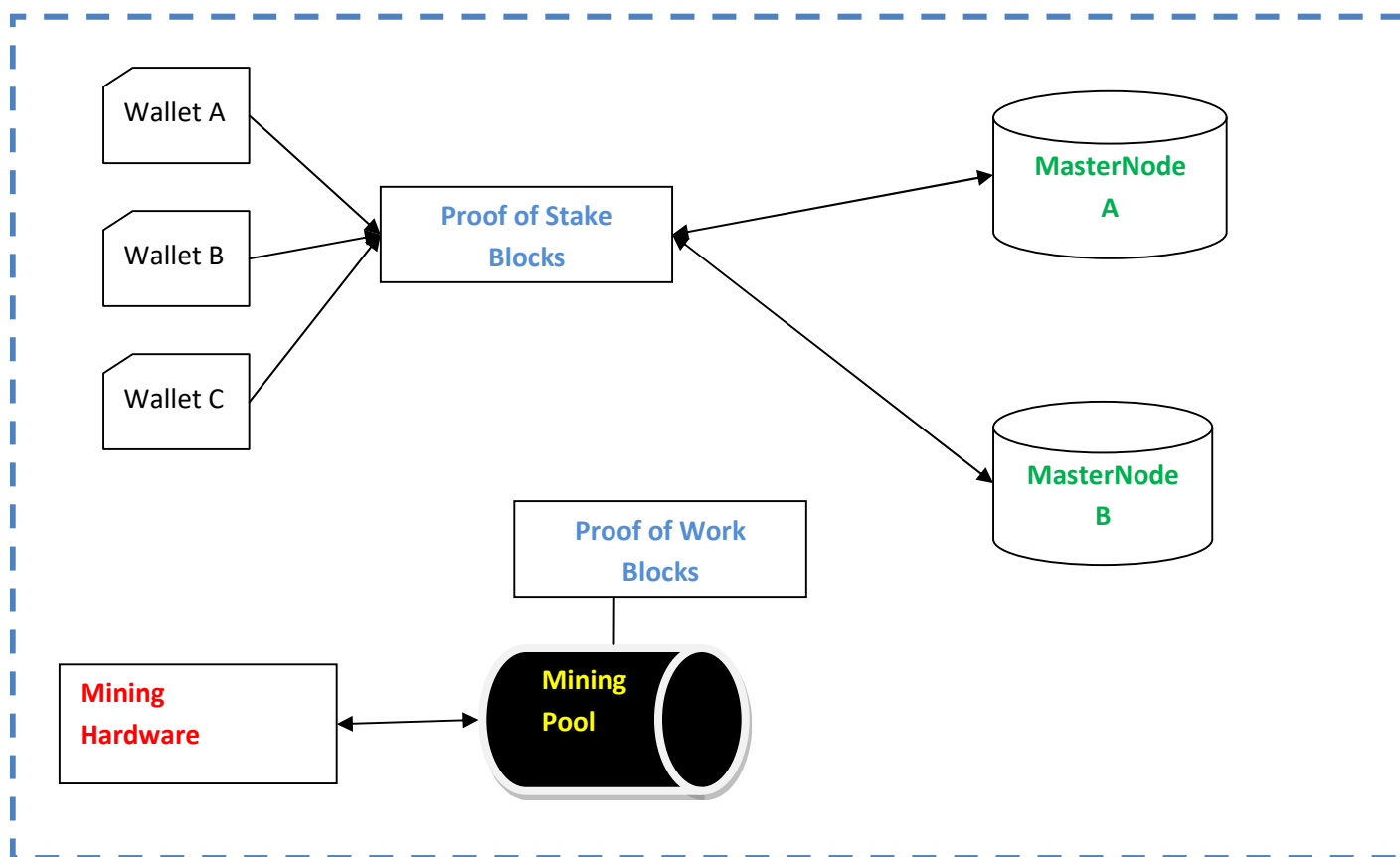
It's still a necessity for a cryptocurrency to be listed to have a US Dollar value for trading purposes.

Bank Society Gold

Bank Society Gold is a next generation cryptocurrency asset, secure and easy to use as an exchange mechanism with secure Blockchain transfers. **Gold** currently implements Proof of Work and wallet based Proof of Stake using Masternodes for verification of new minted blocks. Future roadmaps will provide access to Smart Contracts, NFT and Daps in the future, as well as encrypted messaging and document transfers.

The key concept of **Gold** is reducing rewards for **PoS** and low rewards for **PoW** to discourage ASIC farm mining, where serious amounts of power is consumed as a result, it should be possible to earn more rewards staking from a wallet instead of mining with an ASIC. However, CPU and GPU mining should be fairly economical, but mining is also linked to the price of the coin.

Let's look at how Staking is implemented:



Wallets stake coins inside the wallet and are verified and confirmed by Masternodes. Confirmation of newly minted coins from Wallet using Proof of Stake consensus, become the next block in the Blockchain, rejected blocks are lost, but shown as rejected in the wallets of stakers.

Proof of Work is implemented by Solo or Pool mining with CPU, GPU or ASIC hardware, where the next block is generated (hashed), but must be verified as the next block in the Blockchain, these may still be rejected, until a confirmed block is created.

Bank Society Gold Staking Concept

We firmly believe that wallet staking is the most secure implementation method for Proof of Stake minting.

The Etheruem 2 method of Validator voting, where tokens are physically transferred from wallets to validators for staking, seems very insecure from our way of thinking.

We much prefer to allow **Gold** wallet users to keep coins in their wallet, where the wallet can be encrypted and still stake. Minted blocks are managed by authorised Masternodes, signed to Masternode holder wallets in the **Gold** Blockchain.

Gold staking rewards provide better rewards at lower blocks, reducing from 35% through 2% past block 50M.

Ethereum 2 and many associated token Validators are offering 20% rewards for the life of the product. This causes hyperinflation, which can financial affect coin market performance, reducing rewards controls hyperinflation effects of receiving too many rewards, as were found on Bank Society Coin.

- Wallets that are staking may be encrypted, where fast decrypt/encrypt is employed to transmit newly minted blocks to Masternodes for verification.
- **Gold** coins remain in the wallet at all times.
- Masternodes must be created with 150K **Gold** coins and linked to a valid **Gold** wallet.
- Masternodes earn a percentage of the wallets rewards that create the newly minted block.
- Reducing rewards ensures hyperinflation is kept under control.

Bank Society Gold Roadmap

The Bank Society Gold roadmap has been changing over the last few years, new technology such as Smart Contracts, NFTs, DApps, encrypted messages and documents will be introduced as part of the road map of **Gold**.

Implementation of Smart Contracts would require introduction of new technology for Inter Block Chain (IBC) communication to move Smart Contracts between existing networks. Smart Nodes would be defined to manage Smart Contract transfer between different Blockchains, as well as APIs and Web interfaces to implement Smart Contracts by developers and users on web interfaces.

SmartNodes and IBC would allow the next phase of Bank Society Gold with new Silver and Gold tokens pegged to physical metal, purchased using SOCG or directly using the token network. This would provide Bank Society Gold a peg to the silver and gold token and the currency of Bank Society Gold can buy or sell these new tokens. The planned Proof of Concept phase for the Silver token is planned January 2023.

DeFi or Decentralised Finance uses Blockchain technology that cryptocurrencies use. **Gold** Blockchain is a distributed and secured database or ledger, like all other Blockchains applications called DApps, mentioned above, are used to handle transactions and run in a Blockchain to provide DeFi services. DeFi is still under discussion, we will provide a white paper concept for implementing in the **Gold** roadmap.

It's clear that there will be a number of new white papers being developed for these technologies based directly around Bank Society Gold and may require 'Blockchain shards' or separate secure Blockchains like Ethereum 2 to define all possibilities for **Gold** in the future.

Other concepts such as pegging Bank Society Gold to physical Gold are under discussion, as well as investment strategies for future funding of new concept roadmaps.

The future is bright, the future is **Gold**!