KOVEREDPAY

Enabling reversible, refundable payments on the blockchain

WHITEPAPER

Release 0.01

KoveredPay.com

Contents

Introduction

The creation of Bitcoin and its blockchain has given rise to the industry of cryptocurrencies. It emerged as the first digital currency and is now becoming a popular medium for payments on the web. Since its inception in 2008, Bitcoin has seen a sharp growth in users and mainstream adoption by businesses around the globe.

In 2015, Vitalik Buterin released Ethereum, a whole new Blockchain system which supported Decentralized Applications (Dapps), thus paving the way for a more flexible system. The concept of Dapps made it possible to create applications that run on a decentralized platform; in this case, the Ethereum blockchain.

The creation of Dapps made it possible to provide solutions to specific problems using the existing features of blockchain technology, which include permanent, rapid, and more secured transactions, etc. The idea of the Ethereum blockchain was to make everything decentralized, just as Bitcoin's blockchain did for money.

Problem

One of the criticisms made about blockchains by mainstream consumers is that the transactions on a blockchain are not reversible. For instance, if you purchase goods from someone over the web with no trade reputation, they may take your coins and never ship the item to you, and thus they will have stolen your money and scammed you, leaving you with no recourse.

When buying products using a credit card (Visa, MasterCard, etc.), you're automatically protected against situations like this. If the purchased goods are never received, aren't what you expected, or are damaged, you can report this to your credit company. They will investigate the case and then give you a refund. Credit card transactions can be reversed.

This is not the case with blockchains. You cannot reverse a transaction once it has been broadcast on the network. This remains a hurdle to the adoption of Bitcoin and other cryptocurrencies by mainstream users.

Thus, reversible transactions are a necessity for the mainstream adoption of the cryptocurrencies.

Nicholas Weaver, a journalist, has written a brilliant piece on this topic. You can find it here: https://is.gd/zb7K0R
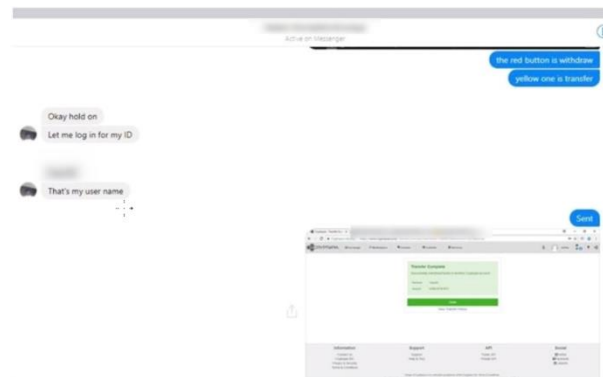
Solution

KoveredPay is a decentralized token based on the Ethereum blockchain. Our aim is to enable safe, reversible transactions on the blockchain. The transactions made using KoveredPay can be reversed and/or put on hold, making KoveredPay a must-have cryptocurrency for both merchants and buyers to ensure the safety of their funds.

The KVP token, developed on the ERC20 pattern, has been crafted for easy transfers between users and businesses on the blockchain. Following the standard ERC20 pattern, the tokens can be easily used and integrated on the majority of Ethereum wallets and exchanges.

The tokens will be distributed to users via an airdrop. At the end of the airdrop, the tokens may be used to purchase goods on the websites accepting KVP, as they become available. Advertising campaigns will be created to spread awareness among people about the token. Merchants will be encouraged to accept the coin on their websites.

INSTANT TRANSACTIONS

Just like normal payments, this enables the instant transfer of tokens between two parties without any protection.

TRUSTLESS TRANSACTIONS

Empowering buyers with the ability to reverse transactions on the blockchain without the need of any centralized authority.

MEDIATED TRANSACTIONS

Transactions secured and mediated on the blockchain. A third-party peacemaker handles the dispute and decides the outcome.

How KoveredPay Works

KoveredPay will make it safer and more secure for people on the Internet to trade with each other. Merchants will be able to use its capabilities to send refunds instantaneous. The three main features of KoveredPay include:

1. Trustless Transactions

Let's assume that you're in a situation where you're paying a freelancer for a quick-fix of an issue on your website. The freelancer does not have a verifiable reputation and you are unsure if you should trust the freelancer.

In this case, you can use the trustless payment system provided by the KoveredPay token. The payment you make is sent and held, and both the buyer (i.e., you) and the seller (freelancer) are unable to access the funds. The seller receives an event notification that they have received the payment. You communicate with the freelancer regarding the work, and they deliver the promised work in less than 72 hours. You're happy with the work provided by the freelancer and you pass the command to the system to release the funds to the seller.

If the freelancer fails to deliver the promised fix, you can immediately pass the command to retrieve the funds back to your account.

If the buyer has released the payment, but is now asking for a refund, the seller can send the refund by passing a command to the contract. An equal amount of funds sent by the buyer will be refunded back to their account.

Trustless transactions are protected for a time period of 72 hours + the next block time. After this time period, a reversal of funds is not possible.

You're buying cryptocurrency from someone you met in a chat or group. You are very unsure if the other person will run away with your money or not. With trustless refundable transactions, you can ensure a safe trade.

2. Mediated Transactions

You hire a freelancer who you met online to create your website and you have a dispute with the freelancer. With KoveredPay's Mediated Transactions, both you and the freelancer can appoint a mediator in an event of dispute. The neutral mediator is selected randomly from the KoveredPay Mediator Pool to resolve your dispute.

A mediator fee is also charged for handling a transaction which is taken directly from the disputed transaction amount. In case of a dispute, the mediator is paid on the successful resolution.

A mediated transaction works as follows:

- Once the payment is made, the funds go to a hold.
- The funds are both inaccessible from buyer and seller.
- A dispute arises and a mediator is added to the dispute by either party.
- The mediator conducts their investigation and decides on a resolution. The mediator can only forward or reject the transaction and have no direct access to the held funds. The funds are secured on blockchain.

The mediated transactions are protected for a time period of 728 hours + the next block time. If the sender doesn't show their satisfaction and neither of the parties appoint any mediator during this time period, the funds are returned back to the sender. If the mediator is appointed during this time period by either of the parties, then the decision of the mediator is final.

3. Instant Transactions

If you're sending the payment to a reputed exchange, friend, or any other highly trusted entity, then you most likely won't ask for any protection of the funds.

In this case, you can send an instant, unprotected transaction. Instant transactions are final and cannot be reversed. These transactions are usually processed within 15 to 30 seconds if sufficient gas fees are paid.

Distribution & Airdrop Details

Airdrop: The coins will be distributed at the website with limits to ensure the maximum spread of the tokens among the community. A total of 35M tokens will be distributed for free during the airdrop.

Available Tokens (Airdrop)	35,000,000 **KVP**
Treasury Tokens (Lock In)	10,000,000 **KVP**
Liquid Tokens	5,000,000 **KVP**
Total Tokens	50,000,000 **KVP**

Lock In: Administration holds 15M tokens. Out of these 15M tokens, 10M have been locked in the smart contract for a period of 6 months and the remaining 5M will be in the liquid form.

Withdrawals: The tokens will be available for withdrawals immediately after the claim. Users will be required to pay the gas fees for the withdrawal transaction.

Roadmap

We're committed to the development of KoveredPay by continuous addition of features and development of a strong community. By implementing reversible, refundable, and mediated transactions on the blockchain, we're building a safe platform for businesses and buyers to interact on.

- **2017 Q3** – Concept design and research
- **2018 Q1** – The contract is deployed on the Ethereum network
- **2018 Q1** – Listing of KoveredPay tokens at multiple exchanges
- **2018 Q1** – Release of mediator pool, thus making Mediated Transactions functional
- **2018 Q2** – Release of Merchant to make the integration of KVP tokens very simple, straightforward and easy
- **2018 Q3** – Release of a full-fledged wallet application for KoveredPay tokens
- **2019 Q1** – Possible research for a complete Blockchain system

- **2019 Q2** – Depending upon the feedback of the community, work on the separate Blockchain begins
- **2019 Q4** – Transition to new blockchain system initiated

Frequently Asked Questions

- **What does KVP stand for?**
  KVP stands for KoveredPay. It is the abbreviation of the token.

- **What's your mission?**
  Our aim is to enable secure, reversible transactions on the Ethereum blockchain using smart contracts and token transfer.

- **Does this project follow the ERC20 standard?**
  Yes, KoveredPay is completely ERC20-compliant. This means that you'll be able to interact with our smart contract from any wallet you wish.

- **Will you provide a wallet service?**
  Yes, definitely! With MetaMask integration on our website, users will be able to access their funds, send transactions, and interact with the smart contracts with ease. This will make using our token extremely easy.

- **What would be the circulation of the token?**
  We've 50M tokens out of which 35M are being airdropped.

- **Is this project open-source?**
  Yes, the code has been published at our website.

Potential Risk

The purpose of this whitepaper is to present KoveredPay, its technology, and the KVP token to potential token holders in connection with the airdrop. The information set forth may not be exhaustive and does not imply any elements of a contractual relationship. Its sole purpose is to provide relevant and reasonable information to potential token holders in order for them to determine whether to undertake a thorough analysis of the company with the intent of acquiring KVP tokens.

There is no guarantee that the tokens will grow in value. There are no guarantees that the price of KVP tokens will not decrease, including significantly, due to some unforeseen events, or events over which the developers have no control, or because of force majeure circumstances.

KVP tokens will be issued on the Ethereum blockchain. Therefore, any failure or malfunctioning of the Ethereum protocol may lead to the failure of KVP tokens as well.

Disclaimer

The information provided in this whitepaper or on the KoveredPay website does not constitute an exhaustive description of any sort and is not intended to form an offer of securities or an agreement for investment in securities in any jurisdiction. If you decide to take part in KoveredPay development, please be aware that your contribution does not involve the conversion of cryptocurrencies for any form of investment units, securities, or shares.

KoveredPay token holders do not receive any form of dividend or revenue share from their part in the airdrop. No person is bound to enter into any contract or binding legal commitment in relation to the holding of the KoveredPay tokens.

Your claim of KoveredPay tokens is also governed by the website's Terms & Conditions. In the event of any irregularity between the Terms & Conditions of the website and this whitepaper, the latter shall prevail.

KoveredPay does not make or purport to make, and hereby disclaims, any representation, warranty, or undertaking in any form whatsoever to any entity or person, including any representation, warranty, or undertaking in relation to the truth, accuracy, and completeness of any of the information set out in this whitepaper.

By accessing and/or accepting the possession of any information in this whitepaper, you represent and warrant KoveredPay that:

1. You agree and accept that KoveredPay tokens do not constitute for any form of investment units, securities or shares.

2. You agree and accept that this whitepaper does not constitute a prospectus or offer document of any sort and is not intended to constitute an offer of securities in any jurisdiction or a solicitation for investment in securities and you are not bound to enter into any contract or binding legal commitment and no cryptocurrency or other form of payment is to be accepted on the basis of this whitepaper.

3. You agree and accept that no regulatory authority has examined or approved the contents of this whitepaper. No action has been or will be taken under the laws, regulatory requirements, or rules of any jurisdiction and the publication or distribution of this whitepaper to you does not imply that the applicable laws, regulatory requirements, or rules have been complied with.

4. You agree and accept that in the case where you wish to claim any KoveredPay tokens, the KoveredPay tokens are not to be construed, interpreted, classified, or treated as:

   a. Any kind of currency (other than virtual/crypto currency).
   b. Securities, stocks, shares issued by any entity.
   c. Units in a collective investment scheme.
   d. Units in a business trust.
   e. Rights under a contract for differences or under any other contract the purpose or pretended purpose of which is to secure a profit or avoid a loss.

5. You have a basic understanding of the functionality, working usage, storage, and other characteristics of cryptocurrencies, blockchain-based systems, Ethereum, and smart contracts.

6. You agree to hold KoveredPay and its founders, employees, agents, and any other third-party involved in the KoveredPay project harmless from and against all liabilities, damages, losses, costs, and other expenses (including but not limited to loss of revenue, income or profits, and loss of use or data), arising out of or in connection with the reliance on this whitepaper or any part thereof and/or information provided on the KoveredPay website to you.

7. All the above representations and warranties are true, complete, and non-misleading from the time of your access to and/or acceptance of the possession of this whitepaper or such part thereof (as the case may be).

Prospective claimers and buyers of KoveredPay tokens should carefully consider and evaluate all risk and uncertainties associated with KoveredPay and their respective businesses and operations, the KVP tokens, the KoveredPay Airdrop, including all information available in this whitepaper and on the KoveredPay.com website prior to their purchase or claim of any amount of KoveredPay tokens.

In any case that such risks and uncertainties develop into actual events or financial conditions, the results of operations and prospects of KoveredPay could be materially and adversely affected. In such cases, you may lose all or some part of the KoveredPay tokens and you agree to hold KoveredPay and its founders, employees, agents, and any other third-party involved in the KoveredPay project harmless from and against all liabilities, damages, losses, costs, and other expenses (including but not limited to loss of revenue, income or profits, and loss of use or data), arising out of or in connection with situations like these.

Conclusion

KoveredPay has made the effort to create a secure, reversible payment protocol on top of the Ethereum blockchain. KoveredPay has taken ample coding measures that if the community ever planned to migrate to a different blockchain, it will be simple and straightforward to do so. By joining KoveredPay, you're helping us develop a safe payment protocol for both merchants and buyers.

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