

# FINCHAIN

Blockchain-based Bloomberg

White Paper

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## Overview of Finchain: establishing a decentralized financial ecosystem

The primary goal of Finchain is to form a professional cryptocurrency, blockchain, equities, foreign exchange, commodities and investment products information sharing platform, by setting up an active incentive mechanism to motivate our users. On the Finchain platform, all contributors can gain Finchain/Finpower in return, and Finchain would be the cryptocurrency that can exchange on the open market.

For a sustainable ecosystem, our development team would develop various high-end and professional investment information tools, Finchain is looking to become the blockchain based Bloomberg. All the tools can be purchased by Finchain. We will ensure our cryptocurrency has actual needs and value, so to form a positive feedback loop and ecology.

### **User-generated content & professional generated content**

Finchain is dedicating to establish and expect to be the largest cryptocurrency, blockchain, equities, foreign exchange, commodities and investment products community. We will use our publishing cryptocurrency to motivate users to produce content with quality, voluntarily join community discussion and voting. In short, we will share our success with every user(including creators, voters, and commenters). Users will gain Finchain or Finpower in return according to their contribution.

When user-generated content becomes the norm, the emergence of key opinion leaders and their followers are not far off, and the user's stickiness on the platform is greatly increased. The platform allows users transform their Finchain to Finpower(FP), to gain extra advantage and benefit on the platform. When network effects or demand-side economies of scale emerge, we have reason to believe Finchain can build the ecosystem of cryptocurrency, blockchain, equities, foreign exchange, commodities and investment products and become part of it.

## Blockchain Based Bloomberg

Our content community members are potential customers of Finchain's financial information analytics platform. To form a healthy ecosystem, Finchain are not only rely on rewarding scheme but also need to create demands and utilities for the cryptocurrency - Finchain. We will focus on our customers' pain points, such as reduce the risk and increase return on investment.

Initial goal of Finchain is to become a blockchain based Bloomberg, build a cryptocurrency and blockchain database and providing the most professional analysis. Finchain big data analytic platform will provide users with cryptocurrency information and industry dynamic content, trading advice and advisory services, etc. Finchain will rely on cryptocurrency and blockchain market as a starting point; however the long-term strategy goal of the Finchain Platform is to improve transparency and reduce information asymmetry in both financial, cryptocurrencies and blockchain market.

Finchain ultimately target to incubate a decentralized financial ecosystem - a one-stop-solution for curated content, financial communities and numerous data feeds.



## **Problem: Information asymmetric in cryptocurrency markets - investors lack a reputed platform for content and communication, tools and databases to identify the right information**

The era of digitalization is approaching, what investors are worried, is not too little information, but too much information. How to find truly valuable information from the mass information and fragmented content platform has become a major issue of the Internet.

In today's cryptocurrency and blockchain markets, real users often have no incentive to share and publish quality content. On the contrary, some people who often publish content are in fact have other motivation, many people earn profit by hyping. Due to the fragmentation of the content platform, the lack of clear norms and management makes information and data difficult to verify.

Without solving the following problems, the market for cryptocurrency and blockchain will be difficult to specialize.

### **1. The era of big data, it is difficult to find valuable information**

In the era of big data, what investors are worried, is not too little information, but too much information. How to find truly valuable information from the mass information and fragmented content has become a major issue of the Internet.

### **2. The content platform is fragmented and the community has no incentive to share**

There is no trusted and cohesive platform of user-generated content and professionally generated content in the cryptocurrency market, so the current content platform market is fragmented and most of the content platform markets have no reward to contributors, leaving people no incentive to share their perspectives, discuss the market, and contribute to develop the healthy ecosystem.

### **3. Too much noise in the market, no incentive for community to find and verify good content**

There is too much noise in the market and lack of high quality information. In a variety of social media like slack, reddit and private forums, you'll find a lot of hype and emotions and biased reviews, excitement, fear, uncertainty and hopelessness all over the place.

#### **4. The Effectiveness and Correctness of Information in cryptocurrency Market**

Participants of cryptocurrency and blockchain may forge information for various reasons.

#### **5. Use the information asymmetric to manipulate the market**

At present, the trend of cryptocurrency prices are often dominated by speculation and fear. Those who are using the asymmetric information, the high volatility of cryptocurrency and the irrationality of the crowd in the cryptocurrency market may manipulate the public opinion. The profitable space for such action is huge.

On the other hand, too many irrationality will make the market prone to bubbles, thus cracking down on the enthusiasm and confidence of participants. Therefore, in the long run, It is unhealthy to the market.

## **Solution: Finchain creates a platform for exchange of ideas and informational advantages**

In the era of digitalization, it has become a major problem of the Internet how to quickly and effectively eliminate noise from huge amounts of data and find out truly valuable information. To solve this problem, blockchain and big data analysis is the foundation of solution. Using the blockchain to set up incentive mechanisms that ensure true value come out.

Finchain will also establish a database and big data analytics platform to optimize financial information transparency and reduce information asymmetry in cryptocurrency and blockchain. The long term goal is using cryptocurrency and blockchain as a starting point to help Finchain become the world's leading financial information hub. Users will be able to use Finchain to subscribe services and applications. The following are some of the problem solving scenarios:

### **Blockchain Based Reward Scheme**

Use the blockchain to set a reward system to motivate the community to search and discover valuable information on its own initiative. The long-term goal is to build machine learning and predictive models through accumulated data and label.

### **Largest Content Platform for Financial Information**

User-Generated Content Sites rely on user-provided content for profit. However, we think this model is outdated. Quality content providers and community contributors should be rewarded. We are willing to share success with our users. Here are some basic principles on how we set up a content platform through digital currency:

#### **1. Motivate the community to share**

We will use our cryptocurrency, Finchain and Finpower, to create incentives that will encourage more users to generate premium content. In addition to content producers, the contribution of other users in the platform will also be rewarded based on their action(Finchain and Finpower). The mechanism will be described later in more detail.



## **2. Enhance the subjective initiative to find good content and verify information**

The problem of "making valuable content stand out" can turn into an economics problem - product pricing. If blockchain is used to create a content pricing market, the platform can discover valuable content, or interpreted as a market for content value prediction. We can make so to approach an efficient market.

Introducing a value prediction market into the content platform allows the market to price content rather than a centralized institution. Users can use vote to predict the content pricing. We will set up incentive mechanism, so that users can predict the result of their own favored and rewarded from the results. The higher the value of the content, the greater the benefit the contributors receives. In order to gain benefit as much as possible, people will do their best to make the forecasting result as accurate as possible by various means, such as collecting information. In this way, after the collective judgment of the value of the content, more valuable content will be found by the investors involved in the market.

In other words, the benefits that users receive are also the value precipitated by their behavior in judging good content after rational thinking.

First, through the pros and cons of the content of the forecast behavior, to solve the problem of finding high-quality content.

Second, the content audience become a finder of quality content.

Third, the higher the value of the content, the greater the benefit the author receives.

The baiting article that distracted Zhihu, Spamming posts in Facebook, due to the centralized jurisdiction of platforms, a large number of quality content can not get a reasonable benefit through the platform, these problems can be solved by Finchain and its incentive mechanism.

## **3. Increasing user demand for Finchain to form a good loop**

We will create incentives for users to attract them to hold Finchain for a long term, such as regular interest distribution, developing products that solve users' problems,

such as Finchain financial analysis platform, and construct more consumption scenarios such as application store and financial Product store and more.

After the formation of the demand, the user can contribute the way as they want. They can buy Finchain directly, or they can complete the task and earn reward such as writing a post, voting, forwarding articles.

In short, the platform where the creators of content and other users want to congregate will certainly be the best platform, through the incentive mechanism and various application, Finchain attracts a large number of users who interested to quality content of cryptocurrency market and accurate data. We hope that the above measures can promote the prosperity of Finchain user-generated content and the growth of platform.

## **Building Bloomberg-level database and big data analytics platform**

Greed and fear are capricious qualities that one can use to manipulate opaque information to affect the price of cryptocurrency. The current cryptocurrency market is not as mature as the traditional financial market, and we will create Bloomberg-level databases and big data analytics platforms to optimize the transparency of financial information and reduce information asymmetry in cryptocurrencies and blockchains, and expect to help investors in digital currencies rationally analyze markets and reduce the risk of bubbles and excessive panic.

### **1. Become the world's leading financial information service provider and information hub**

Finchain big data analytics platform builds a financial information database that provides users with cryptocurrency, blockchain, equities, foreign exchange, commodities and investment products information, charts and industry dynamics.

Finchain users will be able to view multi-sourced data, a variety of professional charts, user-generated content, professional content and independent analytics from mobile and web terminal. We will also develop a variety of extended applications to allow users to directly link third-party services such as exchanges and asset management platforms.

Finchain Platform is target to improve transparency and reduce information asymmetry in cryptocurrencies and blockchain financial information and to become the world's leading cryptocurrency, blockchain, equities, foreign exchange, commodities and investment products information service provider and financial information hub. Finchain is committed to improving the transparency of cryptocurrency projects.

## **2. Big data analysis platform**

The mid-term goal of Finchain is to become a blockchain based Bloomberg, providing the most professional analysis. The Finchain analysis platform builds a cryptocurrency and blockchain database that provides users with cryptocurrency information and industry dynamic content, and provides users with trading advice and advisory services through objective data feedback.

The current price of cryptocurrency and blockchain is closely linked with market sentiment and excitement. Finchain will initially focus on the analysis of Chinese and English sentiments, textual opinions mining and multi-source data information push. In the future, more data feeds and various mechanical learning models will be introduced to provide users with more accurate insight, analysis and informational advantages.

For constructing an effective ecosystem, we not only reward and motivate users but also promote the spending of our users on our platform to create a good loop. We will focus on our customers' pain points, such as reduce the risk and increase return on investment. Well-made products solve problems for users and thereby enhance their loyalty and customer lifecycle value throughout the Finchain platform.

Finchain Foundation will make good use of the experience, technology and logical development of our major social media platforms, plus rewards and incentives can be just right for the cryptocurrency naturally developed a large user base and the actual economic use. Conversely, the economic incentives that cryptocurrency provide can also greatly facilitate the development of new social media platforms. This is a synergy between cryptocurrency and social media, and we believe it will give Finchain a strong growth.

## **User-Generated Content - Creating a cryptocurrency and Blockchain Ecosystem**

Beginning around 2005, mobile terminals, BYOD and WEB 2.0 started to emerge, and user-generated content became more and more popular. Many sites on the Internet are beginning to make extensive use of user-generated content to deliver services such as pictures, videos, blogs, and more. Users can upload their own content for free. The content will be contributed to the site, which will collect and organize this huge amount of data, and built into a web page for visitors to browse.

However, we think this model is outdated or should be said to be inadequate. Quality content providers and community contributors should be motivated and rewarded. We are willing to share success with our users. At the same time we believe this eco-incentive program can promote the growth and prosperity of Finchain ecosystem, and the healthy development of cryptocurrency market.

Our user-generated content includes news sharing and commentary, investment advice, investment suggestion and specific portfolios, ideas and target prices. On the other hand, for the better user experience, we will continue to develop useful community features such as top, KOL, portfolio, encrypted chat, and more.

Finchain hopes to establish a professional investor information platform with contributors. Each contributor can reach Finchain, including content creators, voter and commenter, and then we have a very good System to prevent being abused and irrigated. This is the most important user-driven logic, and well-designed to create an outstanding community.

## **Establish incentive mechanism to promote ecosystem prosperity and more user-generated content**

Finchain believes that the technology and logic used to develop the major social media platforms, coupled with just the right rewards and incentives, can naturally develop a huge user base and real economic uses for cryptocurrencies. Conversely, the economic reward will also promote the development of platform. This is a synergy between cryptocurrency and social media, and we believe it will give Finchain a strong growth.

## Finchain

Finchain is the cryptocurrency on the Finchain platform. The basic operation of Finchain is easy to understand: Users can buy Finchain directly or perform certain actions to get rewards, including publishing high quality and professional content, voting for postings, and jointly building a knowledge base of various cryptocurrencies to provide correct and objective Information such as team history, development process, due diligence, etc. Users will get Finchain and Finpower in response to a complex set of mechanisms, but in simple terms it is hoped that the mechanism is friendly to guide user to develop the healthy platform.

## Finpower and its incentive system

Finpower (FP) and Finchain are 1:1, and users' influence limit equals to their Finpower.

Users are able to submit their Finchain to convert to Finpower (POWERUP), in the specific case where the user will transfer Finchain to the Power Factory smart contract instantaneously, the smart contract will produce the equivalent Finpower to the user, the entire POWERUP process takes 5 weeks. POWERUP is an irreversible conversion application, and users can make multiple POWERUP applications before the whole process of POWERUP is completed. FINPOWER enhances the upper limit of influence, the influence can make the user enjoy the extra benefit and advantage on Finchain platform. If you have a lot of influence, your vote will be more important, will greatly enhance the value of the content, indirectly getting more Finpower. In addition, users can POWERDOWN Finpower immediately convert Finchain.

Users should note that the Finpower balance is not transferable, can not be divided to other accounts. Users can POWERUP to get more FP. Valuable content, voting or directly purchase Finchain then convert can allow users get FINPOWER. If necessary, users must convert Finpower to Finchain before they can subscribe to our Finchain professional platform or application market, and users can use our POWERDOWN function to make conversion.

When users vote on the content , their influence on reward pool allocations is proportional to the number of Finpower they own, and more Finpower users have a greater influence on reward allocations, which means FP is a blockchain record and grant its holder exclusive rights within the Finchain platform.

Finchain will pay interest on the balance of the Finpower holder. Finpower can get some passive rewards from the rewards pool as interest. The total annual interest awards up to 15% of the reward distribution, the actual annual interest rate depends on the ecological Finpower total.

## **Distribution of Finchain**

There are two ways people can join our financial information community: users can buy directly or contribution.

In both cases, users are adding value to the currency, but the overwhelming majority of people have more spare time than spare cash. Which means most people are more willing to spend time to earn money instead of investing. All we need is a fair and functioning accounting/currency system, then people will enjoy themselves, by working with each other to earn money and promote each other positively.

Finchain's social media platform component will be in the form of cryptocurrency to reward users. Everything the user does on the Finchain platform, every vote, every comment, and every article is converted to Finchain and Finpower in accordance with our established mechanism.

Each article will have content value and most will be distributed into the author's income, 50% will be Finchain, the other 50% will be Finpower. Voter's rewards will be 100% FINPOWER.

## **Voting mechanisms and restrictions**

Users can vote and report. Voting (praise) will increase the author's income and reporting will reduce the author's income. Each cycle will have a fixed number of new Finchain as a reward for all active participants in the platform. Our system adjusts

the estimated value of postings based on the Finpower owned by each voter on the vote and divides most of them into authors' earnings. Basically get more influential (high Finpower) people to praise, the greater the value of the content will increase, the author will get higher income. So content producers can get more reward from the system by attracting users to like it by producing premium content. In addition, users can press reports to reduce the value of the content.

Not only the author can get rewards, voting participants (praise) get reward as well. According to the above, the system adjusts the value of the estimated postings based on Finpower owned by each voter, dividing most of them into authors' incomes and the rest to voting participants (praise). The sooner users find quality posts then vote, the more reward they get. For good rewards, voting participants need to combine high voting weights with Finpower. forwarding can also be rewarded. The rewards you receive will depend on the popularity of your post after you rate it and share it with your followers.

Each vote will consume a certain percentage of the remaining influence. If users make very frequent votes within a short period of time, the user's marginal influence diminishes to near zero.

## **Power of Finchain system**

Finchain recognizes that the value of all user contributions (posting and voting) will be far greater than one plus one. One popular post and its comment may be worth a look, but that's it. A popular platform and community is different, it has enduring value. Content without management have limited value, so we need an effective mechanism to inspire community by finding valuable and quality posts.

### **Stimulate the subjective initiative of searching and finding of users.**

The sooner users find quality posts and vote, the more reward they get. We use this to inspire people's treasure hunting motivation, to encourage people search and discover quality content to gain unexpected benefit.

### **Decentralized coordination to verify good posting**

Like voting in the polls, the credibility of one vote may be small and hard to quantify, but the credibility of millions of votes is very high and valuable. The question is how to motivate people to come forward and express their opinions and vote. We think the right incentive mechanism will help us achieve this goal.

### **Finpower - Effectively enhance customer loyalty and customer lifecycle value**

Users are able to transfer Finchain to Finpower, to obtain the extra benefit and advantage. As users own more Finpower, the more important their votes will be. It will increase the content value, indirectly to gain more Finpower.

Finchain will share our success with our loyal users, we will periodically settle and pay interest to Finpower holders according to how much Finpower they hold. The amount of interest they receive will be proportional to the amount of FINPOWER they hold relative to the total FINPOWER for all users.

Users should note that the Finpower balance is not transferable, can not be divided to other accounts. This is because accounts with high influence are acquired through long-term business or the purchase of Finchain. Early and active users will naturally become partners in Finchain, recommending us for marketing. They will naturally become more loyal as the platform evolves. Valuable users will naturally stay, and non-valuable users will naturally be eliminated. Eventually our user life cycle value will be higher and higher.



## Subscription system - Professional UGC

### Professional users build their own paid group

Professional users can create their own groups, creators can post exclusive analyzes and news on their own groups, and only members of the group can see. The creator of the group can decide the requirement for users to join, such as the user's Finchain balance lower limit, the user's registration date, etc. The creator can also enter into a smart contract in the group. For example, users who pay by Finchain can get 60 Days viewing rights.

We hope to establish a meaningful financial data analysis platform. Finchain cryptocurrency system is the core of this platform. With cryptocurrency rewards programs, we can motivate users to contribute to the community. Through the subscription system, we can make the professional content get higher value. With POWERUP, users can boost their influence on the platform; influence has a huge impact on the value of content on the platform. The value of Finchain will increase with the development of the platform and the development of the community.

## Rewarding scheme for Finchain ecosystem

### Reward distribution

The main purpose of the reward system is to motivate users to contribute to the entire ecosystem. The amount of reward currency is 30% of the total amount, and the total amount of Finchain will not be increased. In accordance with the principle of declining each year, 10% of the remaining reward currency will be allocated to users every year.

The annual reward distribution algorithm is:

$$R_N = 0.3T(1 - 0.1)^{N-1}0.1$$

$R_N$  is the amount of reward in year N.

T is the total amount of Finchain

N is the year after Finchain launch.

Of course, users must complete specific actions to receive rewards, including the release of high-quality and professional information flow, voting for information flow, and jointly build a knowledge base of cryptocurrencies to provide correct and objective information such as team history, cryptocurrency development process, Due diligence and more.

In order to prevent malicious users from registering multiple empty accounts to vote, the weight of voters will directly depend on the user's influence. The user's level of activity on the platform and the amount of Finchain currently available to the user determine the upper limit of user influence.

$$P_0 = \max\{0, w_1f(A) + w_2f(C) - b\}$$

$w_1$  and  $w_2$  are weight coefficient

b is deviation value

A is the average active time of the user. The smaller the active time, the smaller the user's influence. Avoiding malicious users use empty accounts to spam.

C is the Finpower of the user. The greater the balance, the greater the user's influence.

f is normalized S function

Each vote will consume a certain percentage of the remaining influence. If users make frequent voting within a short period of time, the user's marginal influence will be reduced to near zero; the algorithm is as follows:

$$P_{remaining} = P_0 \prod_{i=1}^2 (1 - v_i)^{d_i}$$

v\_0 and v\_1 are the percentage consumed from voting of like and dislike.

d\_0 and d\_1 are amount of like and dislike have made by the user.

The consumed influence will be linearly replenished 20% daily until the limit is reached:

$$P_{new} = \min\{P_{remaining} + P_0 * 0.2, P_0\}$$

The user must change Finchain to Finpower (POWERUP) to increase the upper limit of influence. The system will use POWERFACTORY smart contract to convert, Finchain will be deducted immediately, and the entire conversion process takes 5 weeks. Only Finpower will be used to calculate the user's upper limit of influence. POWERUP is an irreversible conversion request, users can multiple POWERUP at the same time. Finpower can get some passive rewards from the rewards pool as interest. The annual interest can be up to 15% of the reward distribution of current year, the actual annual interest rate depends on the total amount of Finpower in the system.

## Voting mechanism

Content producers can get reward from system by attracting users to vote by producing premium content. High influence users will greatly enhance the value of their content. At the same time users can press dislike to reduce the value of the content.

We believe content value is a consensus that both content producers and voters are contributors to it, so we believe all contributors deserve rewards. The total voter rewards will not exceed 25% of the value of the content. Voting at different times

after the content is released will affect voter rewards. The greater the influence of the voters, the more the value of the content will be promoted. The content value algorithm is:

$$VALUE = \max\{0, w_1 \sum_{i=1}^n P_i c_i - w_2 \sum_{j=1}^m P_j c_j\}$$

w\_1 and w\_2 are weight coefficient of like and dislikes.

P is the influence of the user.

C is the credit of the user, if a user is being reported or his content is being evaluated as spam multiple times, the credit of the user will downgrade and affect his voting weight.

# Finchain Curators

## REWARDING SCHEME 5 STEPS



1

VOTING CAN  
ENHANCE THE  
CONTENT VALUE.  
EACH VOTE WILL  
CONSUME CERTAIN  
RESIDUAL  
INFLUENCE



2

THE MORE  
FINPOWER, THE  
MORE IMPORTANT  
OF THE VOTE AND  
MORE THE CONTENT  
VALUE WILL BE  
ENHANCED



3

CONTENT VALUE IS  
A CONSENSUS THAT  
WILL FIND OUT BY  
VOTING



4

NO MORE THAN 25%  
OF THE VALUE OF THE  
CONTENT IS  
DISTRIBUTED TO  
VOTERS AS REWARDS,  
AND THE REWARDS  
POOL SENDS FINCHAIN  
TO POWER FACTORY



5

POWER FACTORY  
SMART CONTRACTS  
WILL PRODUCE  
CORRESPONDING  
FINPOWER &  
DISTRIBUTED TO  
VOTERS

# Finchain Content Creator

## REWARDING SCHEME 5 STEPS



1

CONTENT CREATORS  
CAN GET REWARD BY  
PRODUCING PREMIUM  
CONTENT. HIGH  
INFLUENCE USERS  
WILL HAVE A HIGHER  
IMPACT ON  
ENHANCING THE  
CONTENT VALUE



2

HUMANISTIC  
INCENTIVES:  
INITIATE USERS TO  
SEARCH AND FIND  
GOOD CONTENT,  
AND COMMENT



3

CONTENT VALUE IS  
A CONSENSUS THAT  
WILL FIND OUT BY  
VOTING



4

AT LEAST 75% OF THE  
CONTENT VALUE WILL  
BE DISTRIBUTED TO  
CONTENT CREATORS  
AS REWARDS,  
50% OF FINCHAIN  
WILL SENT TO POWER  
FACTORY



5

POWER FACTORY  
SMART CONTRACT  
THEN PRODUCE  
CORRESPONDING  
AMOUNT OF  
FINPOWER FOR  
DISTRIBUTION AND  
THE REWARD POOL  
DISTRIBUTES THE  
REMAINING 50%  
FINCHAIN TO CONTENT  
CREATOR

## **Market Strategy: Finchain - one stop solution that combines curated content, financial community and data information**

Finchain is committed to build a decentralized financial ecosystem, and will be building a one-stop solution that combines featured content, financial communities and data information.

### **Four major elements of Finchain ecosystem**

#### **Financial content information sharing community for professional investors.**

Basically Finchain's products are clear, beginning with the market gap and users' pain points to develop reward mechanism to quickly form a professional investor content and financial information sharing community.

#### **Contributors will receive Finchain/Finpower in return**

Each contributor can receive the Finchain in return, including content creators, voter and commenter.

The power of Finchain rewarding mechanism:

- Motivating the subjective initiative of users to search and discovery: The sooner users find quality posts and likes, the more reward they get. So it can inspire people's treasure hunting motivation, to encourage people search and discover quality content to gain unexpected benefit.
- Confirming good posts decentralily: a proper rewarding mechanism to motivate people come forward to express opinion and vote. Voters receive a part of value of the content.

#### **Finpower holders receive interest, additional benefits and advantages**

The basic needs of Finchain will be very stable. A large number of users will most likely convert Finchain to Finpower for additional benefits and advantages on the Finchain platform. For example Finpower will make their vote more important, greatly enhance the value of the content being voted. Finpower also allows them to regularly receive interest and so on.

## **Increase Finchain's Needs - High-end and professional investment information tools**

Users on our content community are all potential customers for Finchain Financial Information Analytics and many of them will need high-end and professional investment information tools. Developing high-end and professional investment information tools and require users to use Finchain to buy usage rights or to trade will greatly increase Finchain's needs and help shaping the loop.

## **Promote the consumers spending on our platform and form a good loop**

To form a good ecology, we not only reward and motivate users but also must promote users to spend on our platform. By responding to users' pain points, well-made products such as Bloomberg level analytics applications, we believe users will stay on the platform to increase Finchain's needs and create a good loop and thereby enhancing their loyalty and customer lifecycle value throughout the Finchain platform.

Our well-established incentives also encourage users to subscribe to our financial platform analytics services as our tools help them write better-quality posts and receive more Finchain and Finpower rewards. So our content platform will also benefit from the development of the financial information analysis platform. The quality of the posted texts will naturally become higher. Eventually, more professional users and high quality user-generated content will be cultivated.

## Finchain financial analysis platform

Finchain financial analysis platform will chose crypto and blockchain market as an entry point, initial focus on helping users to solve the lack of reliable, verified crypto market information. Finchain through the exclusive research and development of information technology infrastructure and big data analysis, to solve the inaccuracy of data and noise issues, users can access the following services through the terminal:

- Various data information flow and news flow of crypto market
- Crypto market information and reviews written by experts
- Blockchain project database, verified data and analysis
- Buying & selling signal

The long-term goal of Finchain is to improve the transparency of financial information and reduce information asymmetry. We hope to give traders, especially new traders, the best experience in participating in the financial market through the free and open database. Finchain not only hopes to establish long-term loyalty with its users, but also hopes to promote a more healthy development of cryptocurrency, blockchain and other investment market.

## Content data stream

Finchain will first create useful crypto market information and comments and use Finchain to encourage users to make more meaningful discussions. The content will be divided into different categories but all-inclusive, users can choose their own investment style. For example, some people will focus on the major coins (BTC, ETH, XRP), while others may focus on blockchain sales analysis. The content will be up-to-date on the market and allow users to choose what to subscribe, and can be sent out on a regular basis.

These content streams will be included:

- Blockchain sales analysis
- Economic Structure and Market Research



- Due diligence and analyze work team on crypto market and blockchain projects
- Comparison and analysis of regulations in various countries

One of the selling points of content streaming by experts is to provide something the market must look squarely at and answer. For example, is there history of crime for team members working on a specific project? Or on the other side, have they had a history of successful project before? The relationship with other investors? What is the current market sentiment?

Content streams written by experts answer these questions objectively to make the crypto market more transparent, safer and more professional. Bad people and scammers are widely exposed through the analysis of our experts and the users. In the long run, more content will be added, such as stocks, foreign exchange, commodities and investment products.

## **Finchain database and crowdsourced knowledge base**

Finchain database will be an open database, all traders and investors need to know can be found. For example, its founder, economic model, blueprint and so on. The contrast in mainstream is the Bloomberg database.

The future Finchain platform will also stimulate users to generate content and upload to our database, submitting content and data will be verified by our team of analysts. Our long-term goal is to hope that the whole process will be decentralized, including processing, discovering and verifying. Once we have tested an effective, repeatable pattern, we will apply it throughout the network. If we can dig through the user-generated content, screening more useful financial information, which can greatly improve the content and quality of the database.

## **Data feeds**

In order to have accurate data to support the content and discourse on the platform, Finchain will use machine learning and artificial intelligence to establish a new predicting model, the underlying raw data behind is a variety of information flow.

After running the model operation, traders and investors will see real figures to illustrate the market performance, rather than speculation. data feeds is machine-to-machine operation that collects up-to-date data regularly from various sources. The models on which to run and calculate are stable, repeatable and consistent, and users can make financial decisions based on real numbers.

We will focus on creating three data feeds, each of which will also help users solve a fundamental problem.

### **Sentiment information flow**

Sentiment information flow in the crypto market is incredibly powerful, but in the open market there is still no relevant information flow to the user to do statistical models, pattern recognition and correlation data analysis. Our Sentiment flow of information will provide a wealth of information to traders, investors and data scientists for analysis.

### **Blockchain information flow**

The blockchain information flow can help understand what's happening with the relevant blockchain applications, but they are now scattered and hard-to-monitor. By working with major blockchain scanners, Finchain will create a blockchain information flow to monitor the trend impact of blockchain on the community. A typical example is watching top holders' balance of a particular cryptocurrency. Traders and investors will be able to use information like this to reduce risk and make better buying and selling decisions.

### **Crowdsourcing information flow**

The focus of our third data feeds will be the crowdsourcing information flow. The amount of information the people receive and process is enormous, and most of them are hard to collect, collate and analyze. By motivating people to contribute a information outflow, we can extract key information from a myriad of unstructured data and publish it to platform users.

The initial entry point would be crypto market. In the long run, different type of data feeds across different investment categories will be added. For example, stocks, Forex, commodities and investment products.

## Finchain analysis network

With these three combinations (content information flow, Finchain database and data feeds), Finchain will provide the most sophisticated set of information and analysis space. In order to make the information clear and easy to analyze, we will develop the following applications:

- Traders and investors can access lightweight data feeds, Finchain databases and view other market information and analysis anytime, anywhere using mobile apps/terminal.
- Network terminals with open APIs for low-latency data traffic that requires a lot of bandwidth. The network terminal will include back-testing tools for data analysis and quantitative system transactions.
- Third-party applications expansion and partners. We will provide the entry to users to integrate several major exchanges and asset management platform to our terminal, any trader and investors can use the Finchain platform as a transaction analysis center.

These components form the heart of Finchain's analytical network and believe their core values continue to be attractive to traders, investors and market specialists in financial market. The Finchain network will be initially the hub for crypto market information and the credibility we build in the crypto market will also lead the healthy growth of the crypto market. In the long run, we will continue to increase information and data on various investment products and strive to become a blockchain-driven Bloomberg.

## Share trading ideas & portfolio

Users can set their portfolio, the target price of cryptocurrency and share the release. Their trading ideas, portfolio can be shared for Finchain reward. The quality of trading ideas and portfolios is proportional to the amount of Finchain reward. A variety of built-in graphics tools will feature sharing capabilities so people can easily post and state their trading opinions.

## Cryptocurrency consensus pricing index

We will use machine learning and big data to analyze the user's cryptocurrency target price to formulate the cryptocurrency consensus pricing index, and the user's influence has a certain weight on the consensus pricing index. Consensus pricing index can cover other price charts, users can click on the details to view its rating notification. Machine learning will help to clean up data such as filtering outliers and finding the right weighting for the user's influence.

## Pin a post

Users can pin any content they see, and users will receive updates and push notifications when they have any updates to ensure that users are up to the news that is most important to them. The user can set updated definitions such as the content of a posting, a comment by someone or owner.

## Tracking celebrities & portfolio

Users can choose to track individual accounts and portfolios on Finchain and schedule updates.

## Encrypted chat function

Users can encrypt the chat with other users, they can also create groups to discuss trading strategies and recommended each other personal accounts and portfolios that are worth to track.

## Crowdsourced knowledge base

Knowledge database is the basis of the entire ecology. After users contribute accurate information to establish and maintain the knowledge database, the analysts will review the authenticity of the data and if the information is accepted, the contributor will be rewarded with Finchain from the Reward Pool. Such a mechanism will inspire more users to build and maintain a knowledge database together. If we

can dig through the users, screening more useful information, which can greatly improve the content and quality of the database.

### **Work with related websites to create a variety of information streams**

For-profit user-generated content sites earn profit from contents created by users, Finchain will collaborates with related websites to create various information flow such as photos, articles, and videos to establish a huge database of cryptocurrency market. We will also motivate partners and their users to create and share more content.

## Finchain Technology Suite

This section covers the products and technologies in the Finchain project, demonstrating the way we want Finchain to go and how we get there. If we find that markets and users are in high demand for some software features, we will react, investigate and debate, and update our product roadmap whenever possible. Finchain will initially serve as a closed platform for data traffic and will be open and decentralized as the platform matures in the future.

### Technology suite of Finchain

1. Mobile terminals, network terminals, third-party applications
2. Content information flow - Featured Market Analytics and Subscriptions
3. User Generated Content - Creating a Content Sharing Ecosphere (Details can be seen in the previous chapters)
4. Crowd Sentiment data feeds
5. Blockchain data feeds and analysis
6. Crowdsourcing information flow
7. Finchain database and various crypto market project information
8. ALL IN ONE securities broker functions, integrating trading platform
9. Application Store - Artificial Intelligence Tools and Big Data Applications
10. Investment Product Store - Cryptocurrency derivatives
11. Future expansion of the new application

### Mobile terminals, network terminals, third-party applications

The needs of users often change with the development of technology, and mobile devices (BYOD) have become a common method of operation in the market. More and more people are skipping desktops and turning to more powerful smartphones. Finchain platform will follow this trend.

Many exchanges have also brought their interface to mobile devices so that traders and investors can trade on the go. The mobile terminal is indispensable for traders and investors access to blockchain information.

Therefore, Finchain platform will give priority to the development of mobile terminals and network terminals, so that investors in the crypto trading market can see their subscriptions and selected market analysis anytime, anywhere.

Mobile terminal has two main functions:

- Users have access to growing market information, analytics and insight libraries such as aggregated news feeds, sentiment data feeds analysis, featured celebrity market analytics and subscriptions.
- Real-time access to information on crypto market, Finchain database and various data feeds and analytics, all-important, up-to-the-minute view of the market and wherever the market changes, investors can stay in the market for 24 hours and keep all The opportunity to firmly grasp.

At the same time, we will also develop a network terminal that can implement low latency data traffic transmission to allow users to conduct more thorough real-time analysis. As we develop, we will incorporate more data into our low-latency data feed and add it to our network terminals.

We will set up more interactive data charts in future, PivotTable allows users to real-time analysis. Visualization tools will be integrated into web-based endpoints too. Data visualization refers to the visual presentation of data, such as charts or maps, to help people understand the meaning of the data. By observing the figures and statistical data, to convert to a clear conclusion. At the same time Finchain will also use the massive data obtained to continue to establish various models to predict and analyze the data.

Finchain follows the philosophy of "Start a Hard Business" by rolling out the "Minimum Viable Product" (MVP) by repeating the course of "Manufacturing - Inspection - Learning" to collect early customer feedback and then make small adjustments. Our Mobile terminals will be the first step in exploring how products and markets fit together. "Minimal Viable Products" will be developed and tested on Android and iOS at the same time. Initially, we will invite and use the community of Persona that we have set up to optimize the user experience. With minor adjustments and confirmation that the entire system architecture is ready and stable, the "Minimal Viable Product" will be officially released.

Next, mobile terminals and network terminals will all develop third-party extensions or interfaces that allow users to seamlessly connect with major exchanges and asset management platforms. This can also greatly increase Finchain's potential users, brand exposure and Reputation.

## **Content information flow - Featured Market Analytics and Subscriptions**

The core features provided by Finchain will involve the finding, analysis and insight into various content streams. Content streams such as posts are the easiest form of information for most traders to take. Here are some of the content streams we recommend tracking:

1. Facebook
2. Twitter
3. Reddit
4. Weibo
5. More (Xueqiu, etc.)

Traders and investors will be able to choose from a variety of content streams and tailor what they receive. Each user can customize their content stream specifically and transactional style for their needs. These streams of content will be purchased early in legal tender or Finchain to reduce the barriers to adoption. Here are some examples of possible content flow:

1. Various Blockchain sales analysis
2. Study on the Economic Structure and Market Size of Blockchain and cryptocurrency
3. Due Diligence and Team Analysis for Blockchain and Cryptocurrency Projects
4. Regulation of blockchain and cryptocurrency in various countries
5. More user-defined content information flow (eg headlines, exclusive worldwide coverage)

Users not only see a variety of content information flow, Finchain digs into a variety of important events including breaking headlines, exclusive worldwide coverage, structured financial data, news analytics and global economic indicators, and allows users to override to a variety of real-time data.



A carefully selected stream of content information will be one of our key sources of revenue. The content of the platform will be composed of internal, partners and user groups. We will seek the best content producers to collaborate and invite them to write regular reviews and contribute their expertise. In the future, Finchain will be a one-stop shop for traders and investors who interest in crypto market information, and their exchange will never be such easy.

## Crowd sentiment data feed

Based on our roadmap, we will add more and more data feed to the Finchain network, including new types of data feeds such as cryptocurrency, blockchain, stocks, foreign exchange, commodities and investment products. Different data information can help users to analyze and gain insight, information and latest news of the financial market from different perspectives. Initially, Finchain will focus on cryptocurrency and blockchain.

The extreme volatility of cryptocurrency often stems from irrational greed and fear of the crowd. At present, the price movements are also dominated by speculation and fear. Therefore Finchain will mainly research on digging and analysis from sentiment data feed, there will be two methods:

- Create your own sentiment data feed and coordinate workflows specifications with other parties to help with data mining and analysis
- Collaborate with content providers in other crypto markets to create stream interfaces, open APIs, and more

Finchain will use the sentiment data stream and other information flow to create following indicators, including but not limited:

- Fear and greed index
- Volatility index
- Momentum index
- Accumulation indicator
- Slack signalers
- Social media listening and sentiment indicators

Since the above index does not currently exist in the cryptocurrency market, we must design and build these models for analyzing unstructured data. Finchain also runs correlation data analysis to correlate the interdependence and relevance of cryptocurrencies with other traditional assets (gold, foreign exchange, stocks, commodities, futures). We will also seek cooperation in order to obtain more relevant and useful data feed for establishing a machine learning model.

Our goal is to build a vast database of sentiment data and to analyze, visualize and measure how it affects the cryptocurrency market and give real-time feedback to users.

### **Blockchain data feed and analysis**

Another important function is blockchain data feed and analysis. The blockchain is an open and transparent network, and we receive some useful, real-time information by looking at its data feed and certain parameters. While some private hedge funds have tried to do analysis based on blockchain data feed, they are clearly not yet mature and have not infiltrated enough markets.

### **Crowdsourcing information flow**

The rise of mobile terminals, BYOD and WEB 2.0 has led to a massive increase in both structured and unstructured data, especially with user-generated content.

The amount of information the people receive and process is enormous, and most of them are hard to collect, collate and analyze. By creating a mass outflow of information that motivates people to contribute, we can extract key information from a myriad of unstructured data and publish it to platform users. In the long run, we will have more user experience, incentive process to increase the user viscosity.

This information flow will be a tremendously untapped treasure because there is currently no same type of data source on the market. As time passes and the market becomes more and more popular, more and more information will be available to

the crowdsourcing flow of information and the associated models, analyzes and insights will be more valuable.

## **Finchain database and various crypto market project information**

One of the most important and the most deficient tools in the cryptocurrency market is a reliable repository for all kinds of crypto projects. If you want to understand a project today, you need to search the Internet for hours to get the information you need, and not necessarily accurate. And you may still find some hard-to-find data in the search and analysis, and finally you'll find that you have to repeat this annoying gesture on every cryptocurrency project.

Finchain database will be an open database, all traders and investors need to know can be found. For example, its founder, economic model, blueprint and so on. The mainstream contrast is the Bloomberg database. Here are some examples:

- Event-driven (eg, founders in and out) overlay and compared to price charts
- Founding team and exchange address tracking
- Industry classification and ranking of cryptocurrencies
- The impact of cryptocurrency prices and other traditional financial assets
- Price Volatility Index
- Finchain Index - A Key Indicator to Reflect the CryptoCurrency Market (Like the Hang Seng Index Reflects the Hong Kong Stock Market)

The future Finchain platform will also stimulate user-generated content, upload to our database, submitting content and data will be verified by our team of analysts. Our long-term goal is to hope that the whole process will be decentralized including processing, discovery and verification. Once we have tested an effective, repeatable pattern, we will apply it throughout the network. If we can dig through the user-generated content, screening more useful financial information, which will greatly improve the content and quality of the database.

## **Achieve ALL IN ONE securities broker functions, integration trading platform**

### **Capture arbitrage opportunities**

Users can directly control all their trading accounts in Finchain, a button to execute trading orders in every trading platform. Once there is an arbitrage opportunity, users can manipulate their trading platform accounts directly in our interface without having to log in to any trading platform and miss the opportunity. For example, on the A trading platform BTC / USD is 16000, while B trading platform BTC / USD is 15000, which is a good opportunity for arbitrage. Most people will only find out after this fact that this arbitrage opportunity has taken place, but Finchain users will receive push notifications when the arbitrage opportunity occurs, to avoid missing any chance.

### **Cryptocurrency real-time ranking**

By consolidating all trading platforms, forming a streaming ranking of cryptocurrency just like coinmarketcap, providing real-time market price, users will be able to make trading decisions with immediate information.

### **AI Automated Trading**

Users can start AI automated trading assistant, which is an event-driven trading algorithm combined with machine learning. Users can choose technical analysis strategy or social network sentiment strategy on an event-driven basis. Users can fine-tune their trading strategy by editing a custom set of rules. Trading assistant receives feedback on each trade, learning the optimal trading strategy for the user's portfolio.

### **Portfolio Management**

When the user links their trading platform account, user can consolidate their account and start to manage their portfolio in Finchain. Synthesizing the price of each trading platform, the platform can accurately calculate and visualize the user's financial profit and loss ratio, volatility and so on. Therefore, users can clearly see the performance of current portfolio, the proportion of distribution, real-time data and price trends.

## **Financial Application Store - AI and Big Data Application**

Developers around the world can distribute and sell their applications to investors all over the world through Finchain Application Store. Users can purchase and download artificial intelligence tools or machine learning models, which are tailored for

different uses, at the apps store. We will also develop our own AI applications such as trading robots who know how to tailor investment strategies based on users trading history and personalized alert and insight for providing users timely and accurate financial content and suggestions.

## **Marketplace for Financial Products & Derivatives**

Approved financial institutions will be able to issue cryptocurrency derivatives, coin traded funds (CTFs), funds with underlying cryptocurrency assets and even more traditional financial instruments in our App Store. Finchain will also utilize the large user base to set up a decentralized rating scheme for derivatives, which can be risk rating, return on investment, etc. In addition, we will adopt the "smart contract" setting on the blockchain in the trading of investment products, programs will be tailor made to execute a complex set of instructions in different scenarios.

### **Low Transaction Commissions**

Blockchain based smart contracts not only can take advantage of the cost efficiency, but also avoid the interference of malicious acts. Users will be able to enjoy relatively low transaction commissions.

### **Decentralized Trading Process**

The use of "smart contract" can help solve the problem of market liquidity in certain extent, users can trade with each other themselves, and not necessarily need to go to the exchange. Because the decentralized function of blockchain technology can be used to create, validate and transfer a wide range of assets and contracts.

## **The Future of Expansion & Application**

### **Interactive data charts, data visualization diagram**

Finchain will provide interactive data charts, pivot table to allow users to do real-time analysis. The visualization tools will be integrated into web and mobile terminal, allowing users to visualize the data, such as overlay the charts with event or overlay the KPI with map, helping people to understand the meaning of the data with only

one glance. Boring number, figures, statistical data can be converted to useful insights and a clear conclusion easily.

## Generating More Market Demand for Finchain

### What does community member on Finchain want most? Is it Finchain database and big data analytics platform?

We want to create a meaningful cryptocurrency ecosystem with utility capabilities. User content generation platform and incentive mechanism are the core of this platform, and the database and analytics platform will help to create a more complete ecology and eventually forming a positive feedback loop. Users can subscribe the premium service by Finchain cryptocurrency, which can obtain either by direct purchase or reward program. The premium service offers two major advantages for digital currency traders:

- Saving time for traders and investors, all the information can be found on the same platform.-
- Analytics and insights extracted from data feeds are unique and hard to find on other networks.

According to the current trend, cryptocurrency assets will reach 2 trillion U.S. dollars by the end of 2018, and demand for crypto-market information and data management is likely to explode. The faster the crypto market grows, the greater the demand for Finchain. The initial value of Finchain will be highly correlated with the market size of cryptocurrencies.

Finchain will be focus on cryptocurrency and blockchain initially, every modules in the platform will continually adding various investment categories and target to become a blockchain-based Bloomberg in the long run.

## Opportunities

### The psychology of newcomers; to maximize signal to noise ratio

We are creating a market that has not yet emerged - a platform for cryptocurrency data and information. Unlike traditional traders, cryptocurrency traders are often relatively inexperienced and may not be familiar with investment tools and strategies in traditional markets. Less experienced traders make it easier for Finchain to prove its worth, because Finchain can help them solve many pain points and some basic trading issues.

They do not know how (what, when, why) to buy and sell, so they often buy at the top and sell at the bottom. The huge volatility in the cryptocurrency market is extremely risky for inexperienced people like them. They are particularly vulnerable to noise and cannot discern the right signals and therefore undoubtedly unable to find the pattern of the cryptocurrency market. They sometimes feel extreme anxiety because of their unlogical investment decision. Sometimes they want to know if they are making "right" decisions, but find it hard to find friends that are knowledgeable to listen and share.

When Finchain enters the market, our priority is to help these newcomers to compare their behavior with market standard which aim to help them to recognize and correct their mistakes. Our next task is to send clear, actionable signals to them based on analysis and trends. Then, we should show them the crowd's emotions and related data helping them to make comfortable and confident investment decisions.

### Finchain financial analysis platform will provide significant added value for the following users:

#### **New Investors in Cryptomarket**

Newcomers often fail to make confident decisions because of their inexperience, lack of skills, and ability to filter information. Our market strategy will tackle these pain points. For example, Finchain will utilize the content feeds and data feeds to provide selected articles, analysis, market insight.



### **Intermediaries of data providers, exchanges and asset management platforms**

Trading and asset management platform is another potential customers. They often want to provide their end users with best experience and added value but some of them are lack of expertise and resources to execute. Our platform can do this for them. Finchain can cooperate with them to develop integration so that their users can easily and seamlessly connect to Finchain, providing their clients with added value such as different data feeds and the corresponding data analytics services.

Once their users can seamlessly connect to our platform, they can also subscribe our professional apps in marketplace by Finchain cryptocurrency. Users can either directly buy Finchain in market or contribute to the platform to in exchange for Finchain for free. If the partner's content stream or data is valuable to us, we can arrange special discounts or even free services to their users.

### **Professional cryptocurrency traders and investors, such as hedge funds and predators**

The era of big data is coming, professional investors will no longer worry about the lack of information but instead worry getting loss in tons of information. How to quickly and effectively find out truly valuable information from tons of information has become one of their major problems.

For cryptocurrency traders and investors, time is money. Finchain financial analysis platform can help them solve the lack of reliable, verified cryptomarket information. Finchain utilize the big data analysis technology to solve the correctness of the data and noise issues, users can obtain the following advantages through the terminal:

- Time saving, all the information can be found on the same platform
- Blockchain database and analysis
- Different types of data feeds and content feeds for investment market
- Analysis and insights from Finchain analytics platform

As time goes on, we will add more and more content streams and data to increase the value of our services. Professional crypto traders and investors will find that they can no longer find a platform that can compete with Finchain, as the information asymmetric provided by the Finchain platform is so significant.

## Finchain Token and its Economy

Finchain token is the core section of the entire platform. Through Finchain and power of intelligence we can attract different partners such as content providers to participate into the incentive scheme, which aim to motivate users to contribute to the community, enhance the loyalty and promote the platform.

## Finchain Token and its Economy

Finchain token has six main functions:

### **Transfer Finpower**

Users can powerup to convert Finchain to Finpower to increase the upper limit of influence on the platform; influence can directly affect the content value on the platform when user upvote or downvote. The value of the content determines the ultimate reward for the content creator. In the future there will be some advanced features that require users to reach a certain level of influence to use.

### **Subscribe to the analytics platform**

Users can subscribe to expert channels by using Finchain. Every users can set up own expert channel and determine the subscription fees. Channel creators are suggested to post expert analysis and exclusive information to attract users to subscribe. Users can also discuss and share ideas with other subscribers in encrypted channel and form a private group.

### **Utilize Cryptocurrency to motivate users and partners**

Users can earn Finchain by publishing high quality content. Finchain can be used to motivate users to post ideas and analysis about the blockchain. Every users will be the judge, who value the content with upvotes and downvotes. Naturally, the higher the quality of the content will receive more rewards. The main purpose is to motivate users and partners to actively participate in the platform to jointly build a prosperous, crypto market ecosystem and ensure its healthy development.

### **Use Cryptocurrency to subscribe our analytics applications & terminals**

Subscribers can subscribe to Finchain's big data analytics platform to provide expert analysis in the crypto market. We will provide network terminals, mobile terminals, third-party expansion of applications, allowing users to access all kinds of useful information anytime, anywhere. Finchain platform builds a cryptocurrency and blockchain database that provides users with detailed information and industry dynamics, as well as feedback, insights, trading advice and advisory services. Information technology infrastructure & protocol gives our users the information edge to reduce risk and increase return on investment. Finchain will focus on chinese and english text mining, sentiment analysis and extracting insights from numerous and diverse data feeds. In the long run, Finchain will develop a lot of high-end and professional investment tools, which all can use Finchain token to subscribe. When users use our tools, they are able to make better analyzes and write better-quality articles such as a newly released cryptocurrency commentary, the commercial use of bitcoin and trend forecasting, and more. In this way, our currency has practical utility and value, helping to form a positive feedback look and cryptomarket ecology.

### **Crowdsourced Knowledge Base**

Knowledge database is the fundamental to shape the entire cryptomarket ecosystem. The knowledge in database will be crowdsourced, user will contribute information to it. Platform analyst will verify the authenticity of the data and, if information is accepted, the contributor will receive our token from the reward pool. This will encourage more users to participate in building the database and, secondly, ensure users provide up-to-date and accurate data.

### **Purchase commercial applications and financial products**

Users can use Finchain to consume and purchase different types of data for analytical purposes. Users can also buy trading strategy scripts to train trading bot to learn more trading strategies. Other users can create programs such as trading bots or AI analytics software and then put them on the market for sale. Financial product marketplace will also be available; users can use finchain to buy financial product like insurance etc.

In a later stage, we will look into extending Finchain to other uses such as remittances, distributed storage services, tips, merchandise transactions on the platform, and more. In the future, more consideration will be given to linking offline scenarios, such as using our cryptocurrency in daily life and business scenarios. We

will experiment with these cryptocurrency models in the first two years and keep adjusting; we will ensure that the value of the user's cryptocurrency will be retained, even with major adjustments.

## **Blockchain Technical Consideration & Architectures**

We will first describe the general technical considerations of the current blockchain constraints and also the technical consideration on choosing Ethereum to run the project initially. We will then propose a ultimate solution.

### **Current Blockchain Technical Issues**

Bitcoin is the first generation of blockchain. Bitcoin is a classic example of a cryptocurrency which achieves consensus using PoW mining. Although the consensus can help us to achieve decentralization, there is a lot of waste of resources. The biggest challenge is that the consensus achieved by the PoW mechanism requiring a long period and can only do a maximum of 7 trading per second, which make it is not suitable for practical and commercial application.

Ethereum has added the concept of smart contracts, combining blockchain with programming, enabling users to develop decentralized applications at Ethereum. However, Ethereum uses the PoW consensus as well, which has the same drawbacks as bitcoin. Because of the keen competition of nodes and the rising price of ether, the cost of implementing smart contracts will be higher and higher, which is unfavorable to practical and daily commercial application. On the other hand, because of the PoW mechanism, there is a problem of scalability in Bitcoin and Ethereum.

Although Ethereum will use PoS (Proof of Stake) as a consensus mechanism in the future, no timetable has yet been released. Another problem is that nodes with a large number of tokens obviously have a much greater chance of being chosen, leaving the network's consensus to be dominated by few wealthy accounts and thus lose its fairness. Moreover, the cost of cyber attack on the proof of stake is low and the security level of the network are uncertain and needs to be verified.

When the Finchain platform uses the Ethereum blockchain, it will face the following problems:

1. Slower transactions speed, on average, the time is around 1 minute, which is unfavorable to everyday use in the cryptocurrency market and cyber world
2. The transaction cost of Ethereum blockchain created an obstacle for small amount remittances. At the same time, transaction costs also limit the implementation and use cases of smart contracts.
3. Consensus mechanism led to a large number of calculations were wasted, neither environmentally friendly nor in line with the economic benefits.
4. Due to the constraints of block time and the growing number of applications, blockchain network congestion occur more and more often.

Finchain will strike a balance between the issues and the development time. Finchain platform will start as a closed platform. As the platform developed, you will find it more and more decentralized, and ultimately we will build a new blockchain system, to attain high performance and to achieve a distributed open platform.

### **Technical solutions**

We will build a next generation blockchain to address the shortcomings of Bitcoin and Ethereum. To effectively run smart contracts, high-performance blockchain technology is necessary. We will construct a scalable public chain with low transaction costs and high transaction speed. In this blockchain, people can run a variety of financial applications. Ultimately, we want to make all financial applications free to run on Finchain at low cost. Because of the low transaction costs, Finchain can become the main channel for P2P remittance. Developers can write smart contracts and develop financial applications with the programming language that they are familiar.

### **Delegated Proof of Stake**

Finchain will use “Delegated Proof of Stake” to establish consensus. DPOS leverages the power of stakeholder approval voting to resolve consensus issues in a fair and democratic way. The process of Delegated Proof-of-Stake is quite a bit different from more traditional consensus mechanisms. In DPoS, stakeholders elect what are known as witnesses. Witnesses are responsible and rewarded for generating blocks which

are then added to the blockchain. Stakeholders can vote for as many witnesses as they wish, so long as, at least 50% of the stakeholders believe sufficient decentralization has been achieved through the number of elected witnesses. The voting for witnesses is a continuous process, therefore, witnesses have an incentive to carry out their function to the highest standard or they risk losing their position. The use of DPOS can greatly enhance the blockchain transaction efficiency. Holders can change these witnesses at any time by voting. DPoS makes block generation faster and more energy-efficient, significantly reducing the number of verification and accounting nodes. Consensus verification can be done within second.

### **FVM (Finchain Virtual Machine)**

Finchain is a blockchain that supports smart contracts. We will have a Finchain Virtual Machine FVM to execute smart contract in Finchain blockchain. As Solidity is the programming language of ethereum smart contract, we would like to support Solidity smart contract so that current smart contract can be executed in Finchain blockchain with minimal changes. Hosting FVM will also get a certain amount of return. FVM will allocate resources based on the rewards and amount of computer resources consumed by the application.

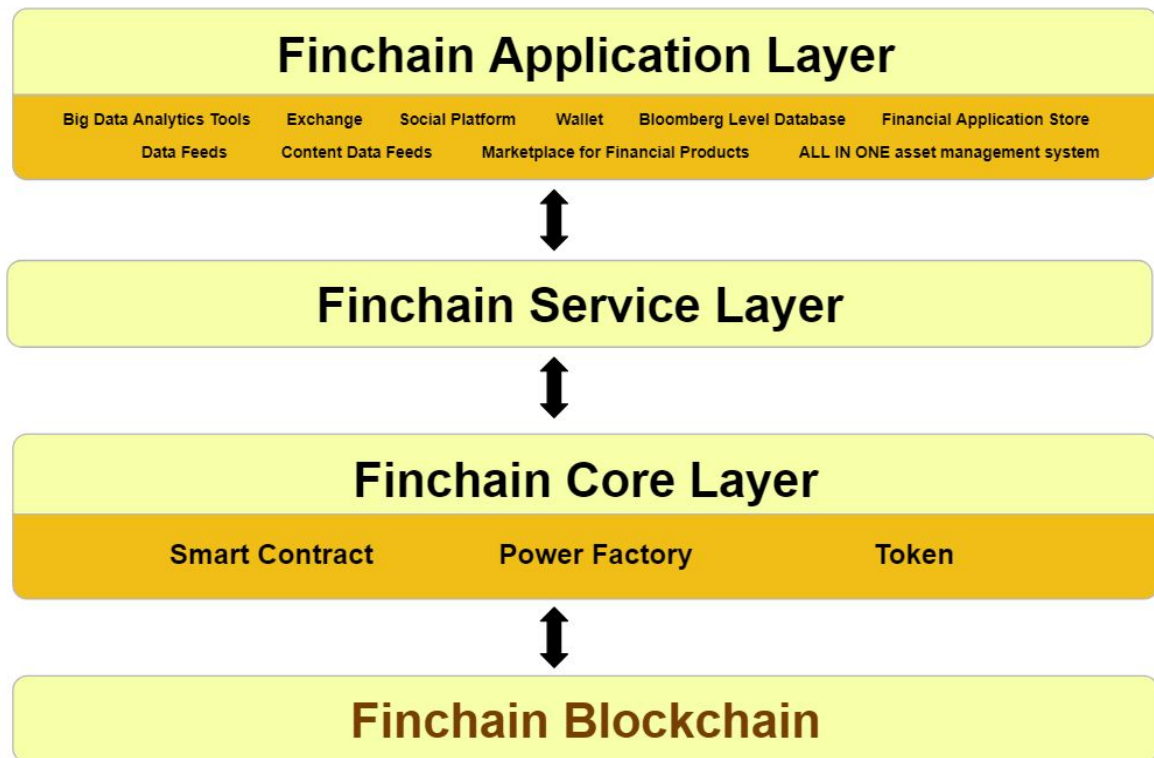
### **Finchain Architecture**

Finchain is our main blockchain technology. Blockchain technology supports the architecture of the entire platform. Since section above has introduced the characteristics of Finchain blockchain, we will not repeat here.

Finchain core layer provides smart contracts, power plants and Finchain cryptocurrency. These are the core elements of the Finchain platform. The core is open to the public, all users can write their own smart contracts, all users can go to the power plant to convert Finpower.

Finchain service layer will provide useful services and tools and allow developers to put the service into their own applications. These services include artificial intelligence customer service, intelligent transaction assistant, remittance service and so on.

The Finchain application layer is the front end for all applications on the platform. Some of these applications will be developed by Finchain, while some developed by third parties. Combined with the services we provide, developers can quickly build their own applications and focus on their own unique features. Application layer will operate in a fee-based mode, users need to use finchain to buy or subscribe applications. The application of the price is determined by the developer, which can be free.



## Finchain Foundation

Finchain Foundation goal is building a decentralized financial ecosystem. The major modules will be user generated content & professional user generated content platform and Bloomberg level big data analytics platform. Finchain primary mission is to create a professional UGC platform and develop blockchain based rewards algorithm so that every contributors can be rewarded with a fair amount of Finchain. This will help us to create a killer community.

In order to develop a good economic environment, foundation will develop a lot of high-end and professional investment tools at Bloomberg standard. Users can use Finchain to subscribe the premium service , and our large user base will also attract more third-party applications to join our marketplace. More advanced applications and tools will then bring more traffic to our platform, so that our currency has a real function and value, helping to form a positive feedback loop and a good ecology. Finchain will be part of the ecology and at the same time as an independent, non-profit, democratic governing body of all members of the ecosystem.

The key functions of the Finchain Foundation will include: open governance of its resources with other ecosystem partners; research and implementation of decentralized financial ecosystem, decentralized content platform & community based on Finchain and Finpower and financial information analysis platform.

Finchain Foundation mission is to develop an open ecosystem so that users can easily find what they needed in the platform. To fulfill this mission, the Finchain Foundation will put resources in three specific areas related to research, development and governance:

### **Governance**

Finchain Foundation will put resources to establish a fair and transparent governance process that takes into account the opinions and needs of all participants in the ecosystem. This open governance model will oversee the decisions regarding membership processes, the Finchain rewards mechanism, participation rules, legal matters, and content and compliance guidelines.



## **Research**

Research and building decentralized financial ecosystem, as well as decentralized content community based on Finchain & Finpower and financial information analytics platform. By working with partners, investing in resources, fostering innovative environments, testing new ways to participate in ecosystems; Finchain platform will soon or later enjoy networking effect.

## **Development**

Finchain Foundation will guide and fund the development tools that enable ecosystem partners to establish, develop and create value for each other. As part of this process, the Finchain Foundation will hire a development team to facilitate the integration of Finchain and Finpower into the Finchain content and financial information analytics platform to continue refining technologies that support the Finchain ecosystem.

## **Mission & Long Term Strategic Goal**

Foundation's long-term strategic goal is to fund research and implementation of decentralized financial ecosystem, decentralized content platform based on Finchain & Finpower and financial information analytics platform, as well as an open source repository of Finchain & Finpower. Foundation will be committed to opening up commercial application marketplace and developing smart contracts to attract more related parties to join and promote the ecosystems. To achieve the Foundation mission goal, part of the Finchain provision will be used as a monetary reserve in accordance with the Foundation's limited discretion. Finchain Foundation is responsible for ensuring the safety of Finchain reserves and the transparency of the use of funds.

## **Summary of Core Modules**

Finchain Foundation initiatives will focus on delivering (1) decentralized financial ecology; (2) decentralized content community based on Finchain & Finpower and financial information analytics platform; (3) using Finchain & Finpower to subscribe financial information analytics platform; (4) Finchain & Finpower rewards mechanism and implementation scheme; (5) Various third-party applications for Finchain users, financial products and trading tools. Finchain can be used for payment and smart contracts will be used to simplify the purchase process.

## Finchain Cryptocurrency Distribution Plan

To develop the Finchain ecosystem, Finchain will be issued and circulated in the Finchain platform & ecology for different purpose. The total amount of cryptocurrency is 10 billion and the distribution plan is as follows:

Proportion	Distribution plan	Detail
15%	Marketing & Operation	Used for the follow up development, recruitment, market promotion of Finchain project. The use of this fund needs to be regularly displayed to the public.
30%	Ecosystem Incentive Plan	Users can be granted the reward by completing specific behaviors (such as publishing/voting) on Finchain platform . Users who hold Finpower can earn interests from rewarding pool. This part accounts for 30% and will never be raised. Finchain token will be released 10% per year.
30%	Foundation	30% Finchain token will be the development fund, used for Finchain project research, business development and ecology construction. The use of this fund requires the resolution of the Foundation, and displayed to the public in advance.
25%	Founding Team	25% Finchain token to reward the founding team for exploration and development in the field of cryptocurrency, as well as the future expense in maintaining the product technology and operation development of the platform. This fund will be locked by smart contract when the Finchain token is issued, it can be unlocked after 1 month, and be unlocked 1/18 of this fund for each month, unlocking process completed in 18 months.

## Finchain Roadmap

Finchain is targeted to become a decentralized financial hubs. The major modules of the platform are combined by profession user generated content platform, bloomberg standard database & big data analytics platform. Finchain foundation initial mission are forming a professional investors' community and designing blockchain based rewarding mechanism to encourage users to publish articles, share, etc. The aim for the mechanism are ensuring that every contributors will be fairly rewarded.

### Q2 - Q4 2018 : World Largest Crypto-market Content Platform

- Reward system
- Subscription system
- Content Sharing Platform Alpha
- Mobile application Alpha
- Instant news platform
- Historical price movements
- Interactive chart
- Market sentiment analysis system
- Blockchain real-time analysis system

In order to form a positive feedback loop, Finchain will develop a lot of high-end and professional investment tools at Bloomberg standard, all of it can be purchased or subscribed by Finchain.

### Q1 - Q2 2019: Big Data Analytics Platform, Build Own Blockchain

- ICO analysis system
- Crowdsourced knowledge base
- Trading platform integration
- AI powered transaction insights
- ALL IN ONE asset management system
- Encrypted chat function
- Build own blockchain

Finchain platform will add marketplace to the platform in future. Developers can distribute their investment applications to crypto market investors around the world through Finchain App Store. Approved financial institutions can offer financial products, derivatives, coin traded funds (CTF) for our users. These open up the new market for other developers, financial companies as they can acquire customers through our user base effectively. In this way, our currency has a solid function and value, help shaping our ecosystem.

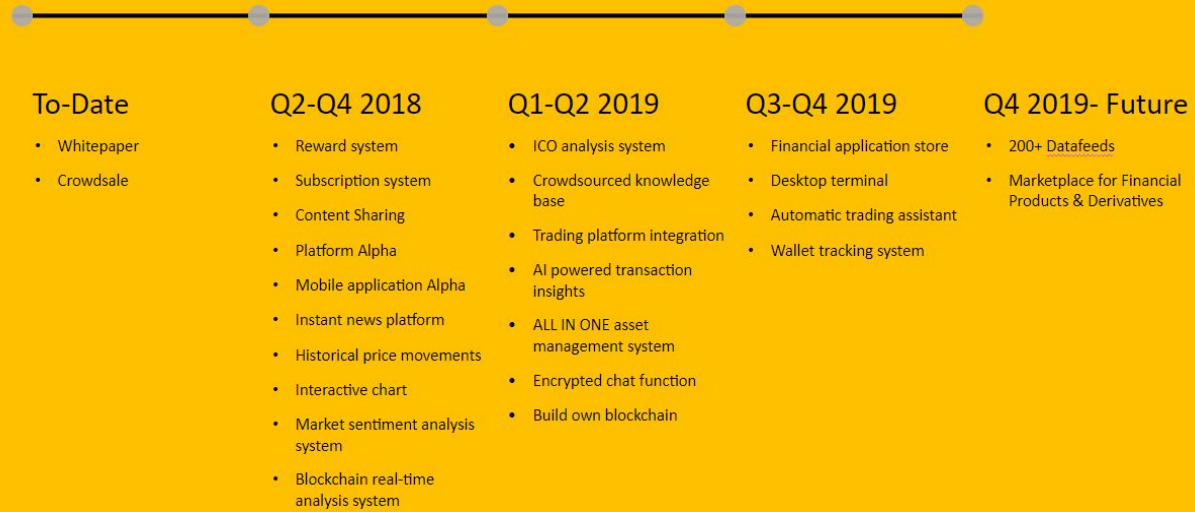
#### Q3 - Q4 2019: Marketplace for Financial Applications & Products

- Financial application store
- Desktop terminal
- Automatic trading assistant
- Wallet tracking system

#### Q4 2019 - Future : More Applications & Data feeds

- 200+ Datafeeds
- Marketplace for Financial Products & Derivatives

# Finchain Roadmap



## Summary

Finchain platform is a blockchain based project that utilize technology innovations to disrupt how investors gather and exchange information in cryptomarket nowadays. The cryptomarket is booming and Finchain technology infrastructure, platform protocol, variety of data feeds and tools will help the entire crypto market to grow and professionalize.

Finchain long term strategy is becoming the blockchain based Bloomberg. There is a high chance that Finchain will disrupt the current financial market as we will turn some expensive and premium service to freemium, such as offering crowd-sourced knowledge base and decentralized crypto database and insights. Finchain will become an open platform and is committed to join force with external parties to incubate a healthy crypto market landscape and ecosystem. Finchain was born to shape the next generation of financial ecosystem, building a blockchain based content community, Bloomberg and Appstore. It all starts with Finchain, and we are now inviting you to become part of the project.

## Disclaimer

This statement does not involve in security tender and bearing the related risk of Finchain operation and Finchain. It does not involve any controlled products within the jurisdiction of the judiciary:

This document is a conceptual document for elaborating the project [white paper], not for sale or soliciting bid for Finchain products or share, security or other controlled products of its relative company. According to this document, it can not be used as prospectus or any other form of standardized contract documents, it is also not the persuasion or solicited investment advice that constitutes security or any other controlled product in any jurisdiction district. This document can not be used to sell, subscribe, or invite others to sell, subscribe any security, or contact, contract or promise based on this. This white paper has not been reviewed by the judicial regulatory of any country or region.

It does not as advice on investment: Any information or analysis presented in this document does not constitute any advice on Finchain token investment, and will not make any specific recommendations with a tendency. You have to listen to all necessary professional advice, such as tax, accounting and related matters.

It does not constitute any statement and warranty: This document is used to describe the Finchain platform and Finchain token we have proposed, however Finchain Foundation makes it clear that: 1) For the accuracy or completeness of any content described in this document, or for the project related content published in any other way, it does not give any declaration and guarantee; 2) In the absence of preconditions, it does not give any declaration and guarantee for the accomplishment or reasonableness of any forward-looking, conceptual statement; 3) No content in this document serves as a basis for any future promise or statement; 4) Book related persons or other aspects of any loss caused; 5) Within the scope of legal liability that cannot be exempted, the maximum limit allowed is only by the applicable law.

Not everyone can participate in the project: Finchain network system and platform is not for everyone to participate, the participants may need to complete a series of steps, including providing information and documentation that can indicate identity.

Unauthorized companies have nothing to do with this project: Except Finchain Foundation, using the name and trademark of any other company or organization does not imply that either party is affiliated or endorsed, this document is for the purpose of explaining the relevant contents only.

Precautions related to crypto-currency Finchain: "Finchain Token" or "Finchain" is the virtual cryptography token for the Finchain network.

Finchain is not an investment product: no one can guarantee, also have reason to believe that the Finchain you hold will appreciate, there may even be the risk of devaluation. Finchain is not the evidence of ownership and Finchain does not have the right of control: holding Finchain is not a matter of granting the holder ownership and the stock right of Finchain and Finchain network system; nor does it grant the holder the right to directly control or make any decision for Finchain and Finchain network system.



## Risk Tips Related to Cryptocurrency - Finchain

### <Risk due to user's personal error behavior>

#### **Risk due to loss of private key:**

Before Finchain is assigned to the participant, the participant will obtain the public key account associated with Finchain, and the Finchain public key account can be accessed by the participant's randomly assigned private key, forgetting private key will likely lose Finchain in the associated public key account. Suggest practise how to operate more so that the participant can safely back up private key in multiple local devices, preferably operate in the non network environment.

#### **Risk due to the private key being revealed to the third party:**

After obtaining the private key of the participant' public key account, any third-party individual or institution may process the Finchain in their corresponding account. It is recommended that participants protect the related equipment to prevent unauthorized login and reduce the risk probability.

#### **Risks that may arise due to participation in the vote:**

Finchain holders are most likely to lose the Finchain due to malicious or irresponsible voting during the participation in the vote. Risk associated with network security due to the use of Finchain.

#### **Related risks caused by Ethereum network protocol:**

Finchain will initially issue ERC20 token developed on the base of the Ethereum protocol, any faults and unknown function in the Ethereum protocol are likely to lead that the unknown undesirable situation happens in Finchain. Local unit accounts of Ethereum and that are based on Ethereum protocol may lose all the value as Finchain, and for more information on Ethereum protocol, please refer to: [www.ethereum.org](http://www.ethereum.org)

#### **Unofficial Finchain network alternative risk:**

After Finchain network system is developed, it is very possible to be plagiarized by others or they will build the similar network system due to its open source code and protocol. The official Finchain network system may need to compete with these

plagiarized network system, all users will need to bear the negative impact on the Finchain network system due to this.

**Risk of unlawful invasion from a malicious third party:**

Malicious third parties, such as hackers, other teams or organization, may attempt to intervene in the development of Finchain network system, possibly use but not limited to the following methods: DDOS, Sybil, spoofing, smurfing or attacks based on consensus mechanism and so on.

**Risk due to that Finchain network system has the infrastructure software security vulnerability:**

This network system is an open source system, Finchain employees or other third parties may intentionally or unintentionally introduce bug to the network core system, which will lead to the use risk and loss of Finchain.

**Risk of that major technological breakthrough in the area of cryptography may cause the hidden weakness being excavated and exploited:**

Cryptography is an important part of block chain technology, and the advance in cryptography or the development of other high-tech technologies may bring the risk of Finchain Network System and Finchain being stolen or lost.

**Risk of Finchain network system failure:**

As a relatively high-tech system, unacceptable or unexpected network failure may happen in Finchain network, meanwhile there may be risk of causing the Finchain disappearing or the market fluctuation.

**Risk of being mined and attacked due to the appearance of its high value:**

Similar to many decentralized cryptography tokens and virtual currencies, Finchain backed by the blockchain technology of Finchain network system is likely to be mined and attacked, including but not limited to double attacks, large pool attack, "selfish digging mine" attack and competitive condition attack, etc., there may also be unknown newer mining attack that bring a significant risk to the operation of Finchain network system.

### **<Risk due to market uncertainty>**

#### **Risk due to small number of users in Finchain system:**

Finchain system will generate the corresponding value over time, and if Finchain network system is not used by more businesses, individuals or other organization, can not generate more public awareness, it will impact less its development and lead to the small number of users, which may restrict or reduce the use and value of Finchain.

#### **Risk of insufficient liquidity of Finchain caused by Exchange:**

At present, Finchain has not yet traded on the Exchange, after it is open to trade on the Exchange, it is likely because the exchange is relatively new and for understand less for various laws and regulations, compared to those Exchange that have established for a long time and have other mature virtual token trading in, the new Exchange is prone to fraud and failure. Exchange problems may cause a significant portion of Finchain transactions to fall into fraud or other operational risk problems, which could reduce the value and liquidity of Finchain.

#### **Risks of that the development of Finchain network system does not keep up with the expectation of Finchain holders:**

Finchain network system is currently still in the development stage, and there may be a lot of changes before official release to the outside world, the expectation of participants on Finchain or network system may be different from that in the actual release, meanwhile the change of actual situation in the design and implementation may also cause that it cannot be released as the schedule.

#### **Risk that participants cannot get insurance at loss:**

Unlike Finchain token public key accounts, bank accounts, other financial institution accounts or other social service accounts, Finchain Foundation usually will not buy insurance on their network system. When Finchain is lost or the network system loses its value, there will not be any insurance agencies that can provide claims service to Finchain holders.

#### **Risk of Finchain project dissolution:**

Finchain project will have a variety of factors, such as value crash of Bitcoin and

Ethereum, the failure of commercial operation or intellectual property claims, etc., Finchain project may not be able to continue operating so that leads to the failure of release or team dissolution.

**Risk of regulatory policies in the judicial or administrative departments of relevant regions and countries:**

Block chain technology is now supported or endorsed worldwide, but it has also been closely scrutinized by regulatory departments. The function of Finchain network and Finchain may be affected by some regulatory policies that include but are not limited to restrictions on the use or ownership of Finchain digital currency, which may hinder or limit the development of Finchain network system.

**Other unknown risks:**

Block chain technology and the corresponding digital currency technology are relatively new and not fully validated technology, more unpredictable risks may arise in more ways.

This document may be changed or replaced at any time, however we have no obligation to update this edition of the white paper, or provide readers with additional information channel.