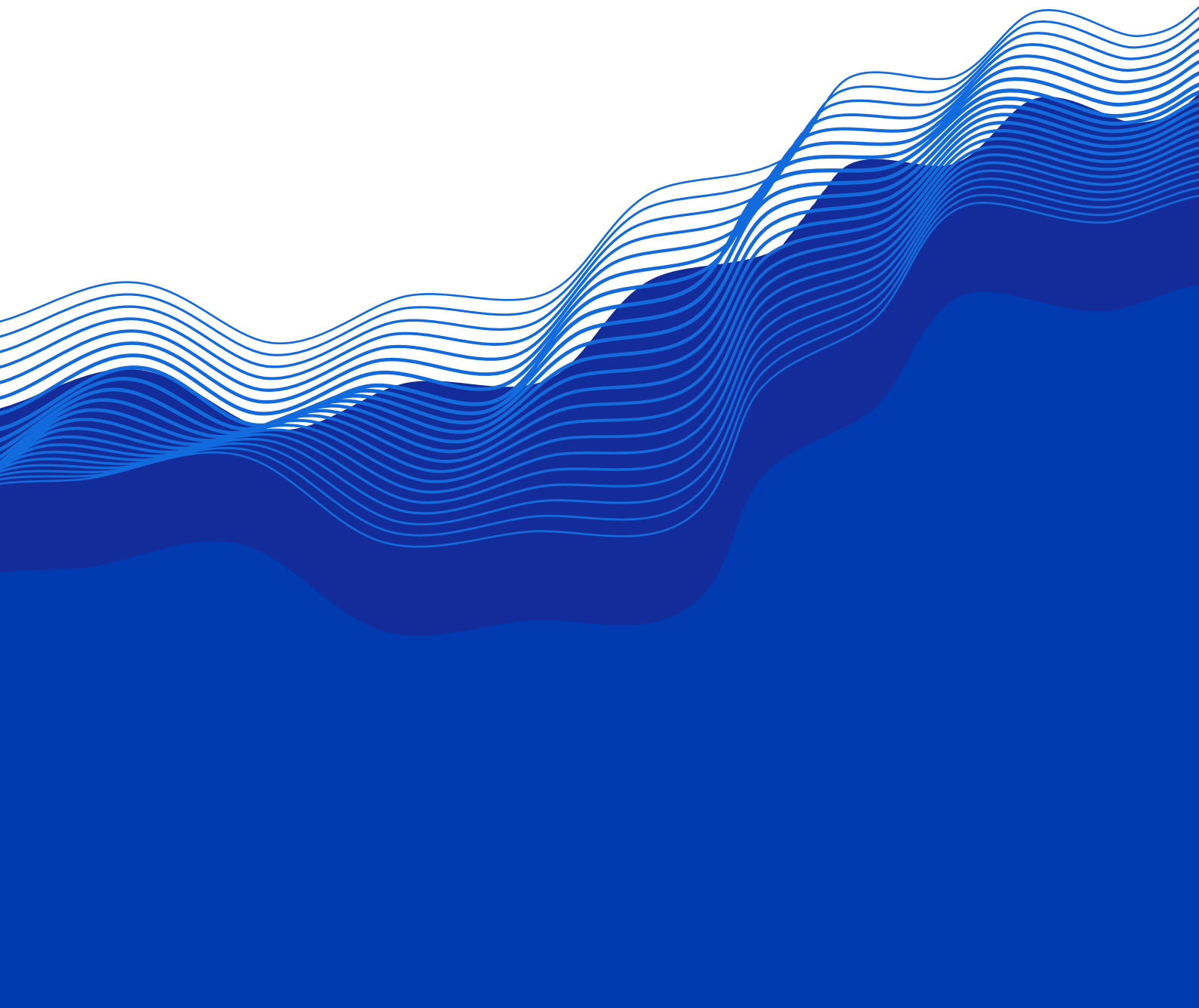


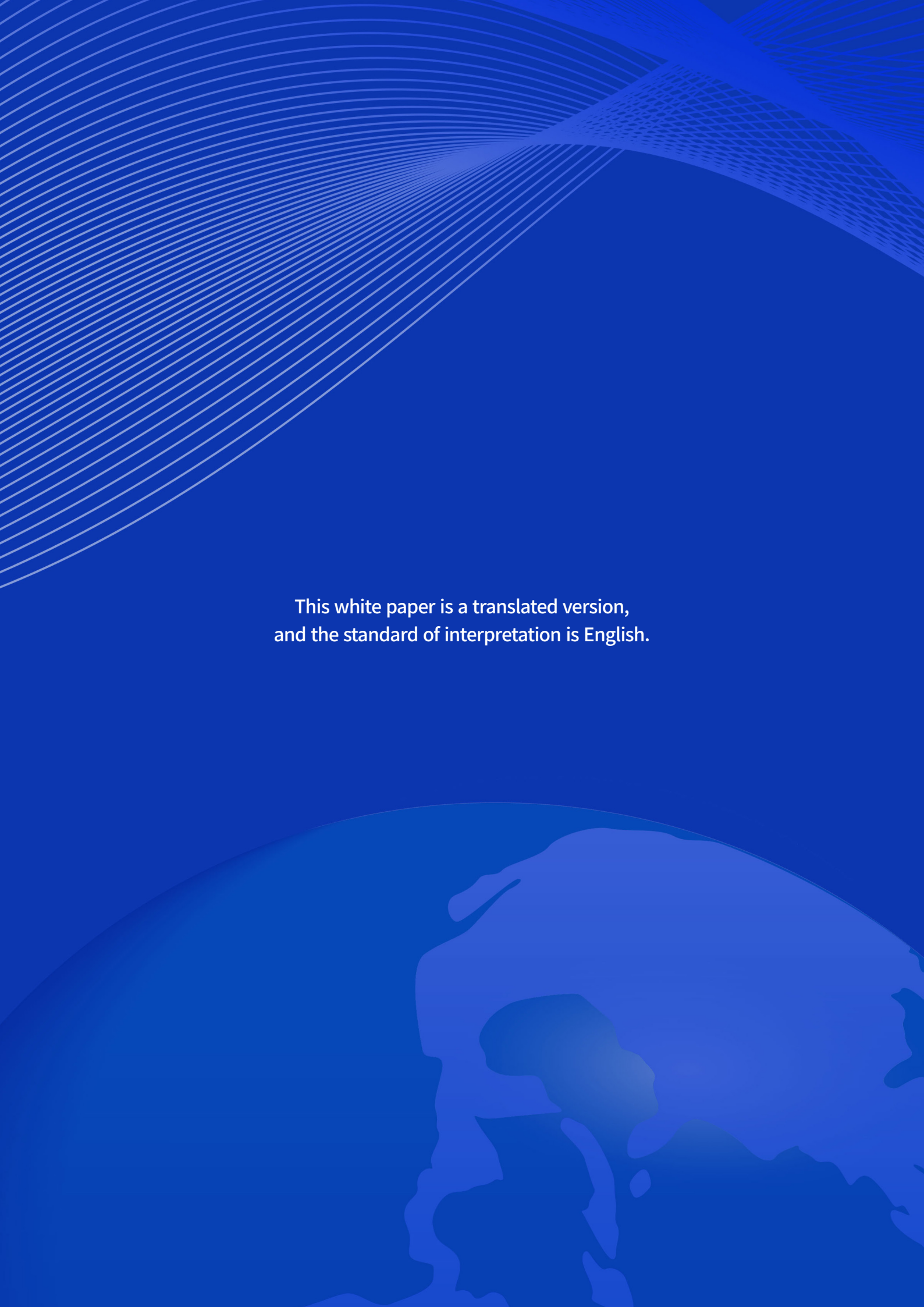


# **KONPAY**

## **WHITE PAPER**

Version 1.2.4



The background is a solid blue color. In the upper left, there are several concentric white curved lines that sweep across the top of the page. In the lower right, there is a faint, light blue silhouette of a globe, showing the continents of Africa and Europe. The text is centered in the middle of the page.

This white paper is a translated version,  
and the standard of interpretation is English.

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# SUMMARY

The goal of KONPAY is to build a new payment service system that can improve the problems of high fees and long settlement cycles, which were structurally inevitable in the existing payment system. We will provide a new solution for fees and settlement cycles by utilizing blockchain smart contracts and Token-economy to replace various intermediaries in the existing payment system.

KONPAY is a blockchain payment service project that provides incentives and rewards to all participants, and provides a convenient payment service platform for merchants and users through the app, thereby facilitating interaction between users and liquidity of digital assets.

# 01. Introduction

It has been 13 years since Bitcoin, the first digital asset, appeared in the world. The value of Bitcoin has gradually risen from \$20 during the 2013 Cyprus crisis to \$5,400, but it is still not established as a payment method that can replace liquor. On the other hand, due to the popularization of credit cards worldwide, the expansion of Internet/mobile banking, and the expansion of e-commerce and digital economies, the scale of online and offline payments is increasingly expanding across regions and borders, requiring the development of new payment solutions.

There are other reasons why a new payment system is needed. Still, many people in the world do not have bank accounts either because of structural problems or because of geographic problems. For example, more than 90% of Pakistanis do not have a bank account. (1) Women are not allowed to open bank accounts in Afghanistan. As such, solving the chronic problems of modern society is the goal that the creators of digital assets wanted to achieve, and although it has a very sublime meaning, it has not yet been applied in the real world.

Digital assets are being proposed as an alternative to solving the problems of the existing payment structure at a time when the digital economy between countries is expanding. Previous digital asset-based payment solutions have undergone a lot of trial and error, so an in-depth approach to the following is required to settle into the real economy.

- 1) High price volatility of digital assets
- 2) Lack of a performance system that the general public can easily participate in
- 3) The complex and difficult user experience of digital assets and the high difficulty learning curve
- 4) Physical limitations on the introduction of blockchain payment in the traditional offline payment market

KONPAY aims to provide a blockchain-based payment solution that can be applied quickly in reality while accurately describing the structural limitations of the existing card payment service.

## 02. Current status and problems of payment service

Although low-fee payment and settlement services using pin technology are spreading around the world.

Looking at card-based payment purchases in 2015 to date, American Express, Diners Club/Discover, JCB, Mastercard, UnionPay, and Visa totaled approximately 20.5 trillion dollars (\$20.5 trillion) of purchases, and 2,908 trillion won in one currency. It is worth 750 trillion won, and this trend continues to increase, and it is predicted that by 2025 it will reach 55 trillion dollars (\$54.891 trillion) and about 6,1435 trillion won. (2)

This card-based payment trend continues to increase, and a Statista forecast shows that in 2023, card transactions in the United States, Visa card transactions, amount to about 5571 trillion won (\$5.09 trillion), followed by Mastercard at about \$5.09 trillion. It is expected to reach 2,529 trillion won (\$2.27 trillion). (3)

Similarly, Korea also occupies a large portion of card-based payment purchases. The ratio of daily average card payments to total payments was 54.8%, the highest among all payments, check/debit cards 16.2%, cash 13.6%, account transfer 15.2%, and digital currency 0.2%. (4)

Conversely, in China, about 90% of mobile payments are made with WeChat Pay (fee 0.6%) and Alipay (fee 0.5%). The Korean government also lowered card fees by 0.8% for small businesses with KRW 300 million or less, 1.3% for small businesses with KRW 500 million or less, and 2.1% on average in July 2017 to ease the burden of credit card fees on business operators, but the effect did not meet expectations.

For example, according to a research study, convenience store card fees averaged 9 million won, 31% of operating profit, and bakery franchises accounted for 52% of operating profit with 12 million won. In spite of the government policy, fees are still a heavy burden on small business owners while card payment practices are dominant. (5)

In addition, in order to receive the TAX Refund, the payer must apply for the TAX Refund and register/prove separate evidence one by one, and the operators also have to establish a separate system to process the TAX Refund of the payer.

## 2.1 Complex processing procedures due to the payment structure of existing financial institutions

The payment service of the existing financial sector provides convenience and safety to people on the surface, but in the process from actual payment to settlement, many middlemen are involved in addition to buyers and sellers. In the process of participating in these third-party financial intermediaries, fees are incurred, and as a result, the cost paid by consumers increases.

In the existing payment market, several parties, such as consumers, PGs, VANs, and credit card companies, participate according to their roles. Participants are responsible for the following roles during the payment service.

- (1) Consumers purchase goods or services online/offline.
- (2) PG/VAN company encrypts payment information with card terminal and transmits it to acquirer.
- (3) The acquirer requests electronic approval from the card issuer.
- (4) The card issuer delivers a message about whether the card is available for payment to the merchant.

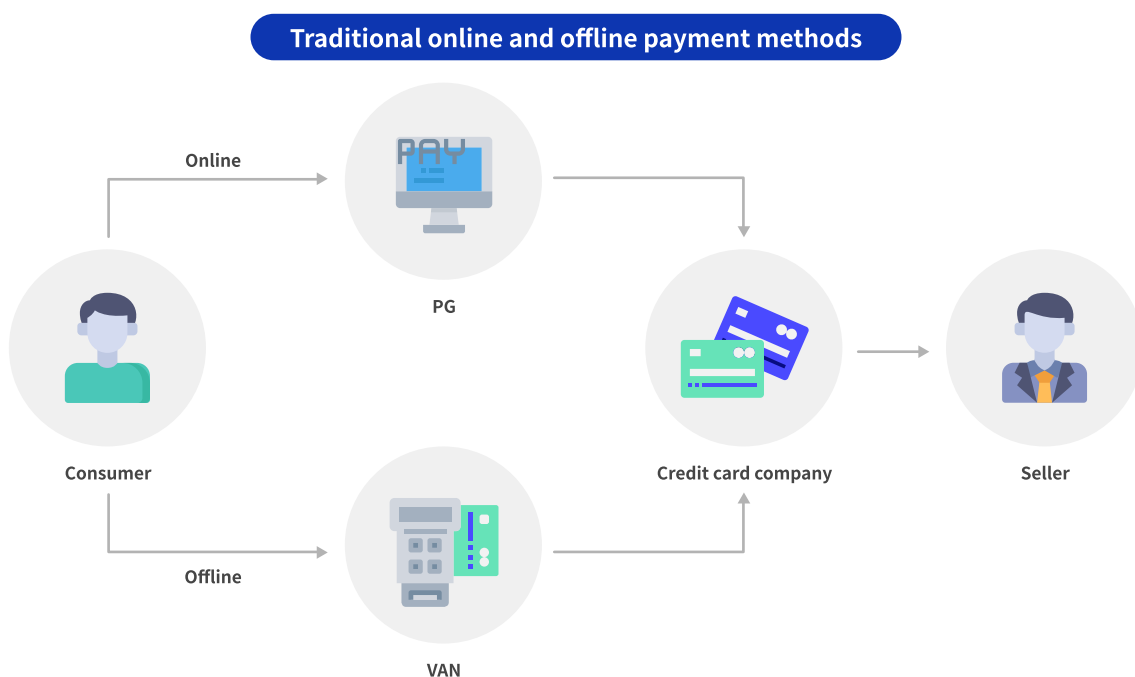


Image 1 - Credit card payment settlement procedure

In general, in the case of a credit card payment service, 5 to 8 parties participate from payment to settlement in the process of processing a single transaction, and the payment is processed through a total of 13 steps.

Due to such a complex structure and procedure, the payment fees paid by merchants increase, and the computerization process continues in a vicious cycle that takes a long time. Such a complex structure affects the fee rate, and as little as 0.1% to as high as 1% of card company fees are additionally generated.

## 2.2 Settlement Cycle Problem

Daily settlement (when based on D+7 days)			
Purchase period	Customer transaction day		
Deposit date	Customer transaction day + 7 days (D+7)		
Settlement date example	15 days from deposit date		

Settlement once a week (Wednesday-Tuesday/Thursday payment standard)			
Purchase period	Wednesday of the previous 2 week ~ Tuesday of the previous week		
Deposit date	Thursday Deposit		
Settlement date example	Deposit date 16 days		

Table 1 - Settlement cycle problem (daily settlement, weekly settlement)

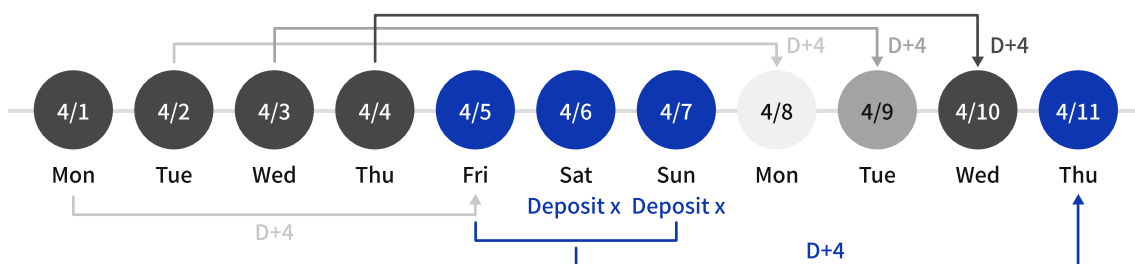


Image 2 - Example of settlement cycle for food delivery platform



The first step in verifying a transaction is immediate, as the transaction is authorized to enter the payment system, and the card user's account is checked to ensure that there are sufficient funds to purchase. However, after that, it goes through approval by various banks, credit card companies and related intermediaries until the settlement and payment stage are reached. puts a great burden on Among them, online payment settlement takes from 7 days to a maximum of 90 days. In this case, until payment is received, external capital is raised to cover the cost of raw materials for goods/goods, and additional financial costs are incurred.

Recently, under the leadership of large platform companies, various simple payment systems with improved settlement cycles are being developed. However, in the case of these platforms, there is a problem in that merchants are burdened with fees because they apply a high commission rate (company N's credit card payment fee of 3.74% / nonbankbook deposit fee of 1%).

KONPAY intends to develop a new payment solution by integrating the structural inefficiency of the existing financial payment network with block chain technology, the cryptocurrency economic ecosystem, and the integrated payment solution service knowhow accumulated by KSNET+.

### **2.3 Merchant membership fee and additional payment fee**

In general, small business owners must pay subscription (registration fee) costs to PG or VAN companies in order to use payment services. This registration of payment services sets the merchant fee rate, where both PG and VAN companies charge lower merchant fees to large businesses such as Amazon rather than small businesses, so small business owners have to pay higher transaction fees than large department stores or large online shopping malls.

The reason why high fees occur when using the payment service is that structurally, 4 to 5 intermediate participating companies in one payment process divide and process various tasks such as authentication, settlement, settlement, and payment for payment.

### 03. Blockchain-based Payment Solution

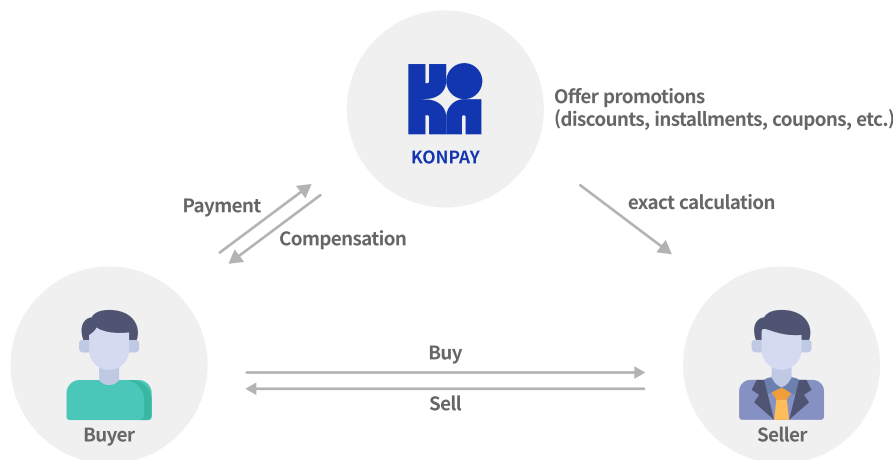


Image 3 - KON payment service model

KONPAY is a fast and inexpensive end-to-end payment platform that improves the inefficiency of the existing payment system through blockchain-based smart contracts and its own coin economy ecosystem.

In order to improve the inefficiency of the existing payment structure and build a platform to secure users, the following should be considered.

First, it should be possible to implement a platform with good payment processing speed and good accessibility. Although it is a low payment fee, it is inconvenient for users to use, and if there is inconvenience due to the long waiting time for each payment, the merchant has no choice but to consider introducing a new system.

Second, in order for retail stores and affiliates to accept digital assets as a payment method, it is necessary to fully consider the volatility problem of digital assets. Existing digital asset-based payment solutions have undergone a lot of trial and error, so it is necessary to present a model that can be used as a payment method by merchants and consumers and can flexibly cope with volatility.

Third, operators of various industries, including platform users, should be able to provide scalability that can freely apply promotions and policies according to the characteristics of each industry, and convenience optimized for both on/offline payments in real life. Accordingly, KONPAY intends to present a platform model that can flexibly cope with volatility through its own coin economy ecosystem and is convenient for on/offline payments.

### 3.1 Blockchain-based Integrated Management System

KONPAY intends to provide merchants with a service that allows for faster settlement than the settlement period of the existing payment structure. While the settlement cycle of the existing payment service usually takes more than two days, KONPAY can achieve a settlement speed more than three times faster by using a smart contract. By applying blockchain technology, the roles of many existing intermediaries can be handled with one platform, so not only the settlement cycle, but also the costs incurred in the settlement and payment steps can be minimized. It becomes possible to use a payment service.

In addition, KONPAY provides a smart contract-based integrated management system so that franchisees can frequently inquire about their transactions, as well as an integrated management system necessary for franchisees to operate their business, such as sales, revenue, expected refund amount, and credit processing amount. will provide Through such an integrated management system, affiliates can efficiently manage various data such as customer transaction volume, payment frequency, and payment pattern without additional cost.

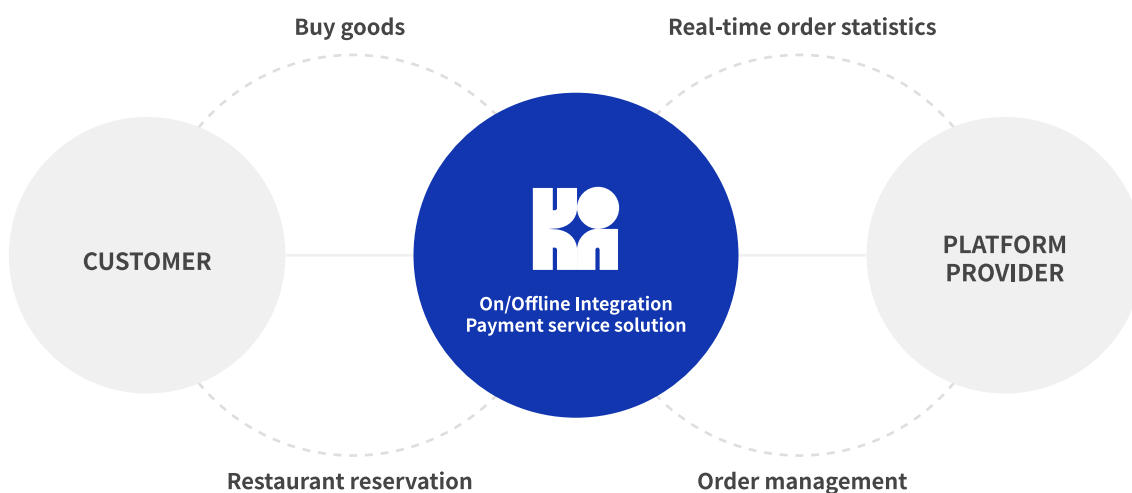


Image 4 - Examples of services that can be customized through the affiliate management system

Another feature of KONPAY's blockchain-based platform is that it provides solutions utilizing ERP (integrated information management system) and SCM (integrated supply chain management system) owned by Dosoft, a collaborator. Through this, the provision of coupons, issuance of gift certificates, and installment services, which were previously difficult for franchisees to independently proceed, can be easily planned using the smart contract tool. Through this, franchisees get an environment where they can conduct promotions at the desired time and within the desired budget.

## **3.2 On/Offline Integrated Payment Platform**

In order to provide an integrated payment platform that can be used efficiently in real life, a deep understanding of users, operators, and characteristics of each transaction item must be first. In particular, the recent rapid development of non-face-to-face culture means that the size of online payments is increasing significantly. In this case, the merchant can provide the service that the user can be satisfied with only when the paid funds are quickly recovered, and the user can use the service without any burden when the refund and cancellation of payment are guaranteed. KONPAY will enhance the platform's reliability by providing the know-how of payment providers' money management and credit management for merchants and users, and will support users to respond more flexibly to refunds and cancellations.

KSNET+, the main partner of KONPAY, has been continuously providing online and offline integrated payment services since 2012, and provides various integrated payment services such as domestic and overseas mobile simple payment, credit card payment, and cash payment.

KONPAY will provide a next-generation integrated payment platform that can be used immediately in the field by combining the rich integrated payment service experience of the main partner, KSNET+, and blockchain technology.

In addition, KONPAY will provide operators with all necessary payment solutions for online and offline payment environments, such as its own integrated payment solution and terminal, so that even small business owners can use payment solutions without financial burden.

### 3.3 Support for KONPAY system and multiple digital assets

When establishing an on/offline payment platform based on digital assets, it is possible to reduce commission costs by simplifying the payment processing process with intermediaries for trusting payment data. However, in order for a payment platform using digital assets to be applied to real life, solutions to the following problems are needed above all else.

- 1) High price volatility of digital assets
- 2) Lack of an incentive system that all ordinary people can easily participate in
- 3) The complex and difficult user experience and high difficulty learning curve of digital assets

Many alternatives have been proposed so far to solve the high volatility of cryptocurrencies, but among them, stablecoins are presented as a good alternative that can be applied to real life. However, in the case of Tether (6), stablecoins also carry the risk of lack of centralization and transparency, such as controversy over bank account audits. In addition, if the purchase transaction exceeds the total size of the stable asset serving as collateral, it is vulnerable to price volatility like other digital assets.

Nevertheless, the advantage of asset-based cryptocurrencies such as stablecoins is that the price of the cryptocurrency is stabilized by an underlying asset that is separated from the , i.e., pegged fiat currency. In this case, since it can be converted into the value of fiat currency regardless of the fluctuation in the value of the cryptocurrency, it has the advantage of being free from the risk of a decrease in value as a result.

Therefore, if we implement digital assets that have the inherent value of a utility coin along with the advantages of these stablecoins, and that emphasize the original goal of replacing the existing payment system, it seems that some of the high price volatility problems can be solved.

As an alternative to respond to the price volatility of digital assets as flexibly as possible, KONPAY is an immediate settlement method using its own utility coin, KONPAY. Not only that, but it will be used as a secure payment method that is not affected by price volatility.

In addition, it allows users to pay with various currencies such as high-recognized digital assets such as Bitcoin (BTC) and Ethereum (ETH) and stable coins with relatively low volatility, thereby affecting price volatility as much as possible with digital assets desired by users. We will provide a degree of freedom to use the platform without receiving a fee.



Image 5 - Multi-currency payment example

When consumers pay with KON COIN, they are always provided with a basic discount rate of 5%, which creates its own unique value, which will provide an opportunity for consumers to continue using KON COIN.

In addition, it will activate peer-to-peer digital asset trading between individuals, make it easier to use the platform than existing exchanges, and allow you to trade without burden with minimal fees. Through this, KONPAY will try to make digital asset payment more active.

## 04. Payment Service Model

KONPAY provides a blockchain-based integrated payment service so that network users can use P2P remittance and payment, and merchant simple payment functions more cheaply and efficiently through easy payment apps (iOS, Android).

In the case of KONPAY's payment function, network will receive 0.4% of KONPAY coins paid by users as payment fees, and remaining 99.6% will be sent to merchants. This has the advantage of not only allowing merchants to expect greater operating profits but also easily securing liquidity due to rapid settlement because the payment service can be used at a lower fee than the existing payment fee. In addition, a certain amount of payment fees received as network fees are compensated to KONPAY users (buyers, sellers) in the form of rewards. This will be paid as compensation to users in various ways, such as promotions such as 5% additional discount when paying, and user fees, so that they can be returned and used in KONPAY economy.

In the case of the P2P remittance function provided by KONPAY, the sender pays a 0.05% fee to the network and sends 100% of the amount to be remitted to the recipient. And the fee received by KONPAY is paid as a reward for verification and creation of blocks and users who use the network payment function and remittance function.

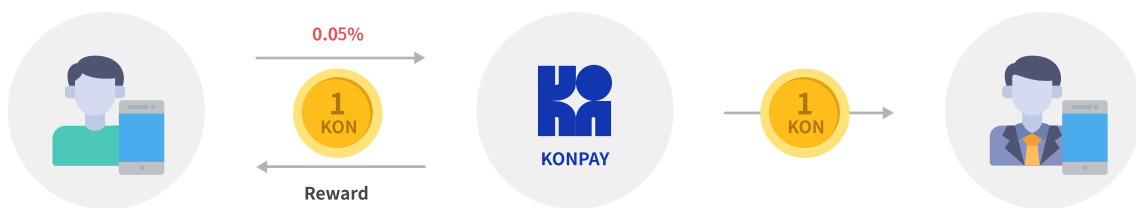


Image 6 - P2P remittance model

## 4.1 Platform Provider

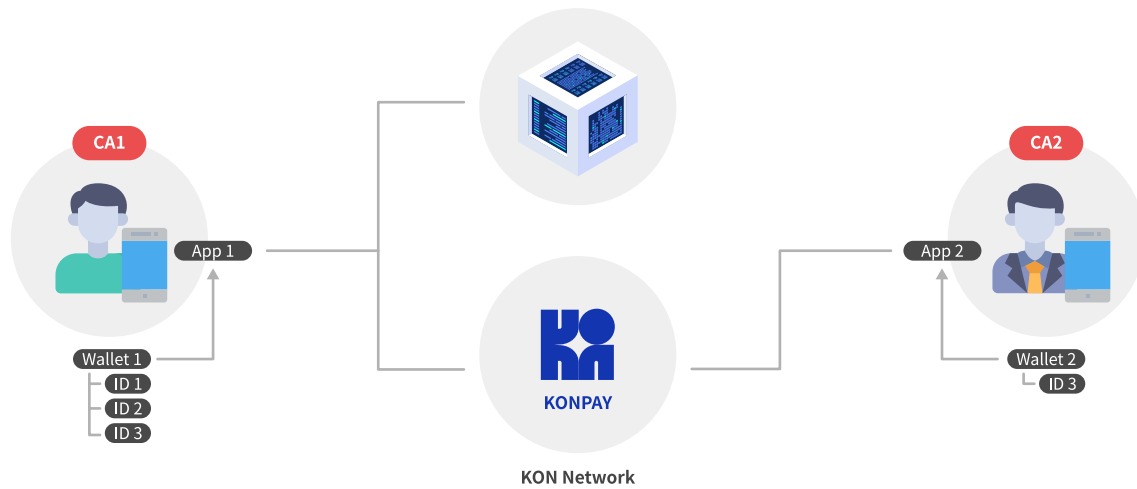


Image 7 - Wallet Provider Example

The platform provider provides platform services that support payment and transaction, and a certain transaction fee is paid in return according to the user ratio. To become a platform provider, you need to perform KYC and AML procedures in the area, and you need to build your own CA server. In addition, beyond a digital asset wallet service that simply provides a payment function, you can become a merchant and develop your business.

For example, in the case of an online shopping mall or franchise branch, in addition to using the payment function as a merchant in the KONPAY network, as a platform provider, various payment and remittance functions using KONPAY within the shopping mall are provided directly to their customers or employees business models can be diversified.



## 4.2 Node Peer System

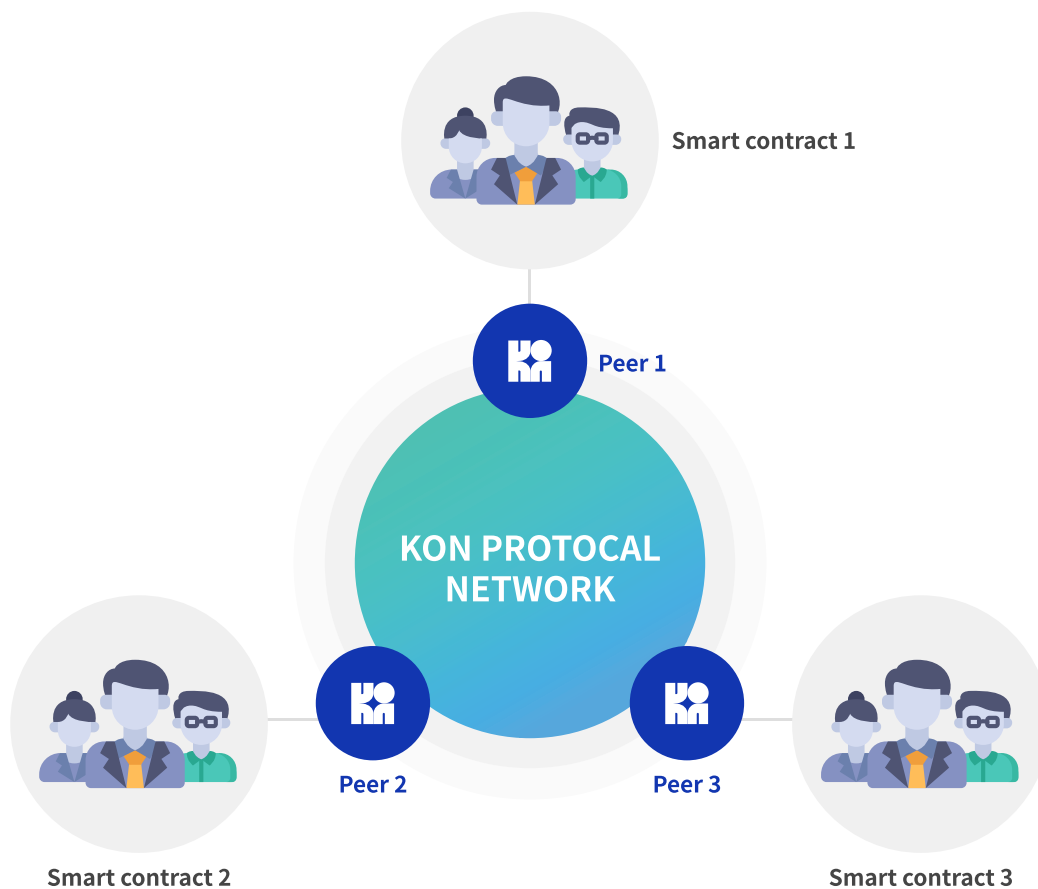


Image 8 - Peer model example

In general, a blockchain network consists of a series of peer nodes (units in which nodes are connected in groups). Peers are the actual block verifiers that host the very important blockchain ledger and smart contracts in the network, and are responsible for verifying, creating, and disseminating blocks, in exchange for a separate fee.

In the KONPAY network, the terminal is in charge of peer block verification through the node peer system. Since software for block verification is installed in the terminal, the merchant provides payment services using the terminal, and also acts as a block verifier, and through this, additional compensation is received. In addition, a node peer partner method in which general platform users can staking a certain amount of KON COINs and lend terminals to small business owners will be provided. At this time, the user and the franchisee share a certain stake in the reward obtained during block verification, so the small business franchisee has the advantage of using the payment service without the initial investment, and the user gets ancillary benefits through staking.

### 4.3 Marketplace

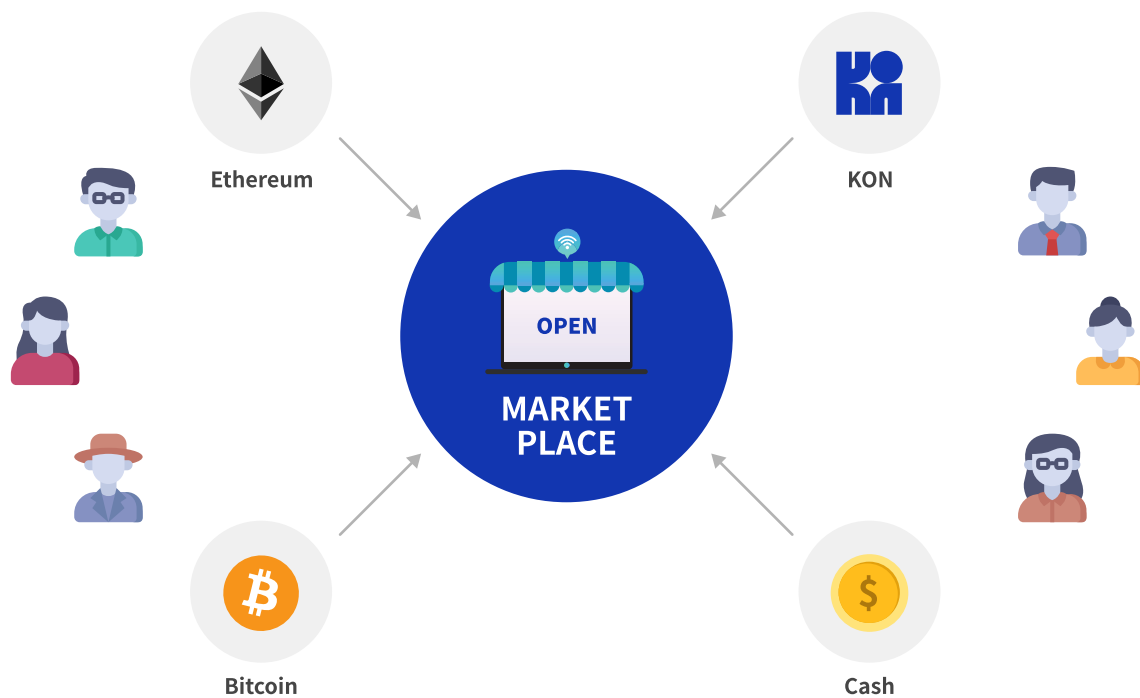


Image 9 - Marketplace Example

KONPAY will also provide individual users with KON COIN transactions and crosscurrency transactions using the marketplace, so that all users can instantly trade points and digital assets with minimal fees. Fees received through marketplace transactions are used to compensate users for using the platform and to maintain and repair services. In addition, to use the marketplace, you can directly pay the fee with KONPAY, or you can use the service by selecting KONPAY automatic conversion payment.

In addition, if there are coupons or loyalty points issued by KONPAY's platform providers, peers, merchants, etc., users can use the platform more efficiently by expanding the use of points within the platform or enabling P2P transactions between users in the marketplace. It will provide a degree of freedom to use the points of.

## 05. Token Economy

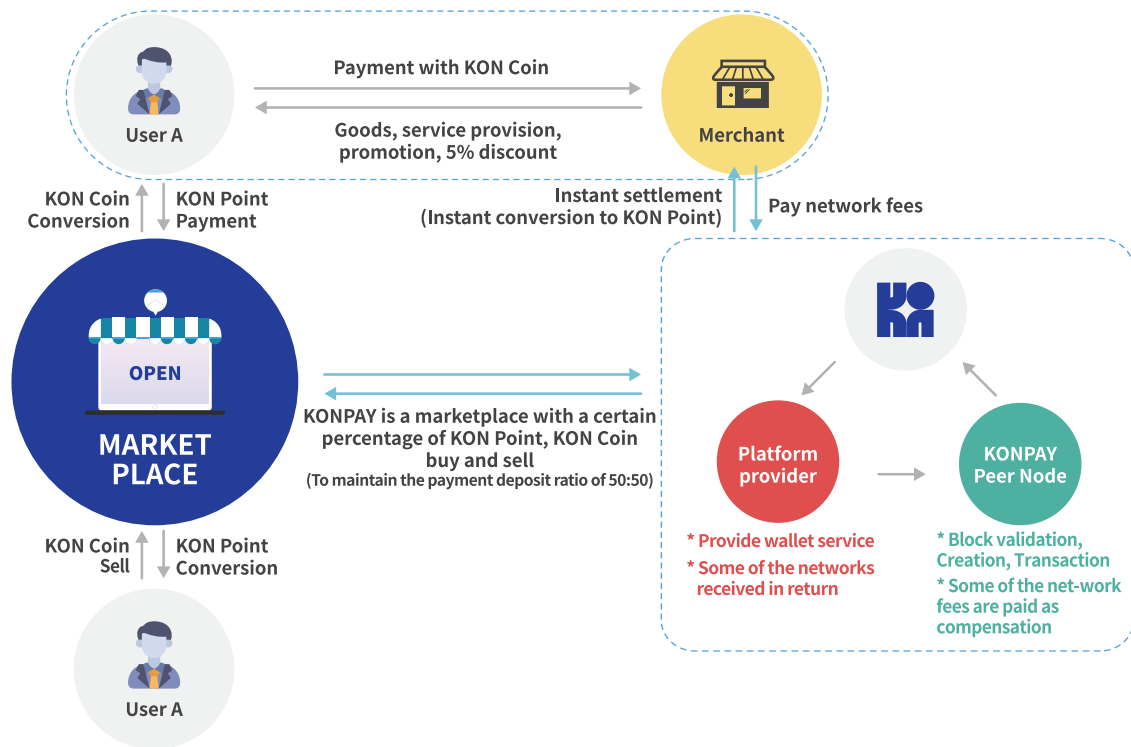


Image 10 - KONPAY Economy Circulation Model

According to Bitcoin creator Satoshi, the biggest reason blockchain can differentiate it self from other technologies is because of the token economy. Only when cryptographic techniques, computer networks, and the economic cycle structure through incentives are effectively combined can we create a completely new type of innovation that has never existed before.

In general, when looking at payment services, it seems that the flow of funds moves only in one direction, that is, from the user to the merchant, but in fact, the generated income goes back to society in various ways, such as purchasing other goods or paying employees' salaries is returned.

In this way, all healthy economic structures are not stagnant, but are maintained in a constantly circulating structure, which is also true of the blockchain's token economy. In other words, when the actors of the blockchain ecosystem balance economic and technological environments through interaction, the ecosystem cycle is maintained.

The advantage of a blockchain-based payment system is that the cost of processing payment data is reduced, and network participants get rewards and incentives for verification and network use.

In addition, various operators can promote payment business more easily and effectively through the blockchain payment platform.

The main body of KONPAY economy consists of KONPAY, platform providers, merchants, and users in total, and through interaction, the circulation of digital assets is made, and as a result, the safety and stability of the payment environment is guaranteed.

Among them, the KONPAY platform will be in charge of the payment part of the token economy to be implemented based on digital assets, and will play a pivotal role in the economic system that supports the smooth circulation of digital assets in the blockchain ecosystem.

KON COIN is a digital asset used as a transaction tool and reward to incentivize all network participants who participate and maintain the ecosystem.

## **5.1 KONPAY Blockchain Network**

KONPAY's blockchain has a main chain and side chain structure using its own mainnet technology. Therefore, a large amount of continuous payment processing is performed on the side chain based on Ethereum, and various digital asset transactions are handled by the main chain for stability and security.

## **5.2 Platform Provider**

The most important role of a platform provider in KONPAY is to provide a wallet service that supports payment and transactions like other blockchain systems, and a certain transaction fee is paid in return according to the user ratio. To become a platform provider, you must first comply with the KYC and AML regulations of the country where the service is provided, and build your own CA server. KONPAY will be responsible for verifying the selection method and qualification of the platform provider.

### 5.3 Merchant

Merchants communicate directly with users through the payment system in the KONPAY ecosystem, provide goods and services, and receive payments in KON COIN and various currencies from users. Merchants can promote with their own tokens such as loyalty points and coupons in return for user contributions. The KONPAY network provides merchants with less than 1% transaction fees and various marketing and promotion solutions, and provides KON COIN as a reward for using the platform according to the transaction ratio. In addition, when a user pays with KON COIN, the merchant is immediately settled in KRW value through the payment method, and the payment is immediately exchanged in KRW in KONPAY's payment deposit pool to proceed with payment to the merchant. In addition, the affiliated store uses the terminal for on/offline payment, plays the role of a block verifier through the node peer software installed in the terminal, and receives additional compensation for this.

### 5.4 Consumer

Consumers use KON COIN and various currencies as a payment method to purchase goods and services in the KONPAY ecosystem. When a user holds a certain percentage of KON COIN, they are given a level of contribution according to the amount, and depending on the level, they participate as a node peer partner through a remittance fee discount, P2P transaction, KON COIN loan, and staking to compensate for block verification. can be distributed. In addition, by sharing the user's transaction information with trusted network participants, you can receive KON COIN or various merchant points as a reward for sharing transaction information. growth and a stable economic cycle.

## 5.5 Intrinsic value of KON COIN

The most notable thing about KON COIN is that even if the value of the KRW keeps changing, the coin is always applied with a 5% discount rate in the platform. Therefore, at any point in time, regardless of the price volatility of KON COIN itself compared to the won, it is more valuable to convert it to the amount corresponding to the won price at that time and use it.

For example, when platform “User A” wants to convert to KON COIN to purchase “Product Y” with a price of 1,000, (a) the conversion rate to KRW is 1:1, and (b) the conversion rate to KRW is different. There may be cases where it is 1:2.

In the above two cases, the quantity of KON COINs that “User A” can purchase for 1,000 won is as follows, respectively.

In case of (a),  $\text{KRW } 1,000 = 1\text{KON}$

In case of (b),  $\text{KRW } 1,000 = 2\text{KON}$

In this case, the KRW price of “Product Y” does not change and becomes 1,000 KRW as it is. However, if we view KON COIN as a process to go through as a means to purchase “Product Y”, if we think of it as an intermediate participant, the following situation can be considered.

(c)  $\text{KRW } 1,000 = 1\text{KONPAY} = \text{“Product Y”}$

(d)  $\text{KRW } 1,000 = 2\text{KONPAY} = \text{“Product Y”}$

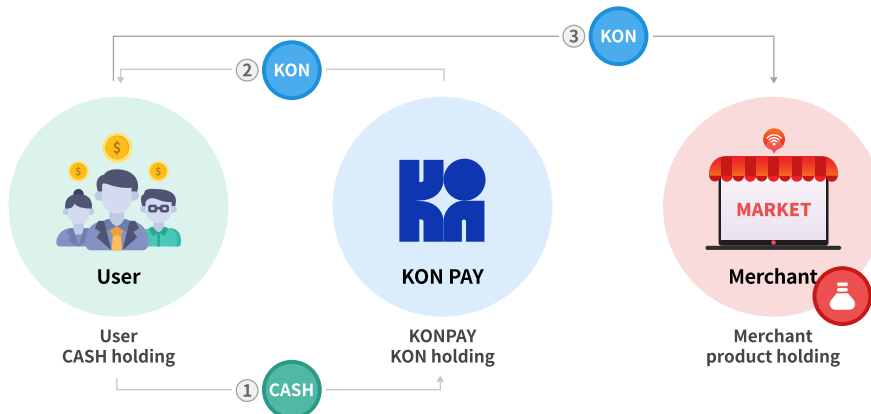
In other words, regardless of the price generated in the trading market, KON COIN has the intrinsic value within the ecosystem.

- First, its role as a transaction validator replacing the role of an intermediary participant.
- Second, you can always receive a 5% discount when purchasing goods on the platform.
- Third, because a fee is paid with KON COIN to use the marketplace, it has a total of three intrinsic values, including the point that there is always demand.

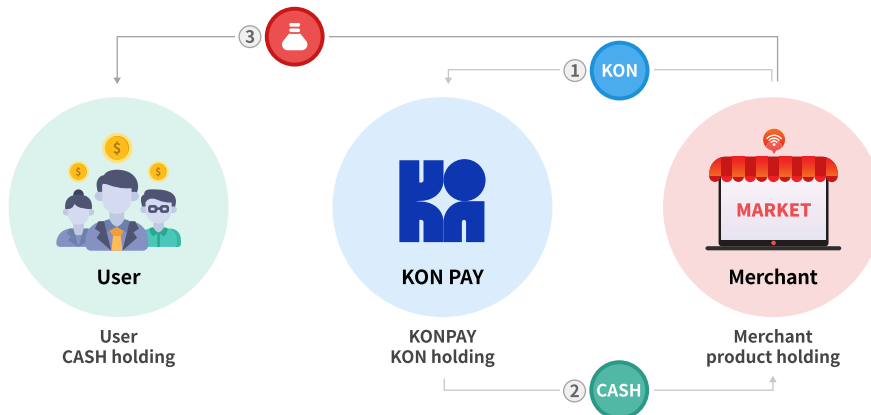
### Before the transaction



**Transaction 1** When payment is made in the above 2) method, Kakao Pay points are immediately converted to KON and payment is made.



**Transaction 2** A method in which payment is made by immediately converting KON and then paying KON back to the affiliated store in KRW



### After transaction



Image 11 – Examples of transactions between users and merchants using Konpay Service

## **5.6 Consumer purchase information management system**

Customer information or consumer information is data used by marketing companies and departments to increase overall customer satisfaction by analyzing purchasing behaviors and patterns of customer groups. However, such customer data collection is sometimes collected while infringing on the protection of customers' personal information, so a management system that can accurately manage and regulate it is required. For us living in the Internet age, customer data is generally collected through invisible methods such as click-through rate or bounce rate, in addition to explicit online surveys or consent to the collection and use of personal information. In addition, third-party personal information In the case of provision, it is vulnerable to abuse and leakage due to the lack of information about exactly what purpose it is used and for what purpose.

KONPAY will provide a purchase information management function so that consumers using the platform can directly manage their purchase information and consumer information. Through this, consumers will have the freedom to provide only the customer information they want to provide to the organization of their choice among partners and franchisees registered in KONPAY. In addition, KON COIN will be provided to users as a reward according to the number, purpose, and importance of the provided information so that consumers can take the lead in managing their purchase information and consumer information while receiving compensation.



## 06. KONPAY Composition

### 6.1 Blockchain

Blockchain projects are generally divided into public blockchains and private blockchains, and the implementation form is divided into quite diverse forms based on the network type or the size of the project. In the case of a public blockchain, there are advantages of accessibility, openness, and anonymity so that anyone can participate in the network and view transaction records. It can be stolen and infringed, so it is inappropriate to apply to payment services. In addition, payment processing speed and security are also important considerations for payment services.

KONPAY has a main chain and side chain structure using Luniverse's Baas platform. Therefore, a large amount of continuous payment processing is performed on a side chain based on Hyperledger, and various digital asset transactions are handled by the main chain for stability and security.

The Hyperledger Fabric blockchain developed by IBM and Linux Foundation is a permissioned blockchain and is known as a blockchain specialized for general business and financial industries. In addition, the 'Hyperledger Caliper' test result, which can check the transaction processing speed of Hyperledger, has a processing speed of about 3000 TPS for reading and about 1000 TPS for writing, so it can be used without inconvenience for payment and remittance in real life. It is expected that there will be.

All state changes in the network are recorded in KON's block, and all information necessary for payment and settlement can be shared only with authorized and trusted network participants for integrated management.

## 6.2 Multi-blockchain System

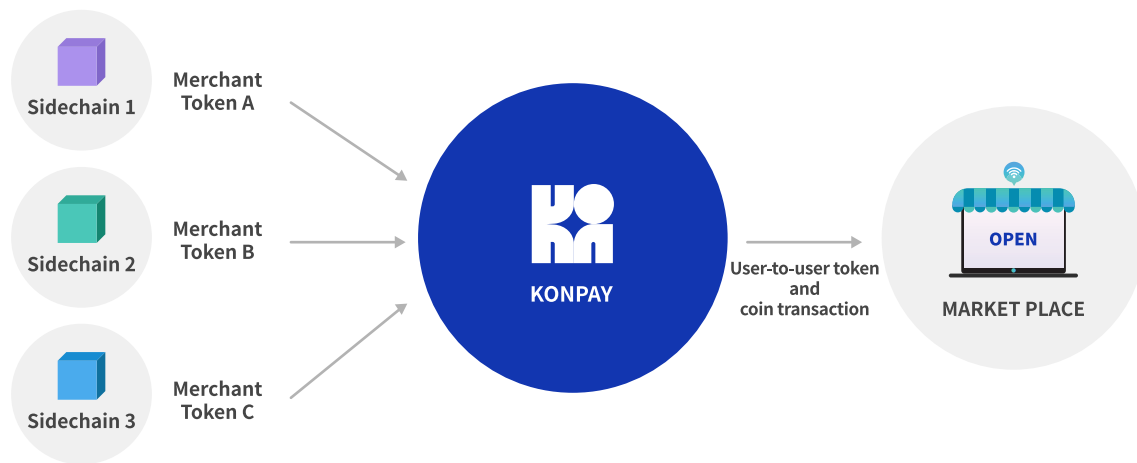


Image 12 – Example of KONPAY multi-blockchain system configuration

KONPAY's blockchain will provide a system that allows merchants to easily customize smart contracts by linking the blockchain with a management system that allows merchants to manage promotions and check transaction details, as well as information on users' payments, settlements, and payments.

In addition, KONPAY uses a multi-blockchain system that is individually configured to ensure the scalability of the network and enable each affiliate to more safely manage token creation, sale, and promotion operation-related information using a separate blockchain.

## 07. KONPAY Issuance Plan

The payment service provided by KONPAY can be used by downloading the wallet app (iOS and Android).

Division	Contents
Name	KONPAY
Symbol	KON
Issuance	3,200,000,000 KON
Value	KONPAY has only potential value and is not collateralized as a specific asset.
KONPAY does not represent the ownership or rights of KONPAY and its products.	

Table 2 - About KON

### 7.1 KONPAY Coin Distribution

The KON COIN used in KONPAY's network is created with a total of 3,200,000,000 tokens at the same time as the network launch, and the coin distribution ratio and plan are as follows.

- Marketplace Liquidity Supply Pool (30%)
- User Compensation Pool (10%)
- Partner Deposit (15%)
- Payment Deposit (30%)
- KONPAY Operation & Marketing (10%)
- Advisors (5%)

#### (1) Marketplace Liquidity Supply Pool (30%)

As a stockpile to provide transaction liquidity in the KONPAY marketplace, it may temporarily rise or fall depending on the trading volume, but the specified 15% value will be maintained at a 50:50 ratio in KONPAY and KRW respectively.

## **(2) User Compensation Pool (10%)**

It is a designated deposit to pay a certain amount of KON as a reward for participating in the platform ecosystem to all users who use the transaction and remittance service in KONPAY.

The time when all designated deposits are exhausted may vary depending on the transaction volume, but it is expected to be 3 to 10 years from the start of the service. In order to prevent temporarily large quantities from being circulated in the market due to excessive promotions, detailed information about the distribution quantity and unlocking will be made available through a separate announcement.

## **(3) Partner Deposit (15%)**

KONPAY will continue to collaborate with various strategic partners to spread the platform's payment network, and partner deposits can be used for airdrop-type promotions or marketing purposes to continue projects with future partners.

## **(4) Payment Deposit (30%)**

KONPAY is applying a 5% discount rate when paying with KON COIN to expand the network, attract affiliates, and do commission work through blockchain. As a result, in preparation for many payments made with KON COIN, we plan to operate a payment deposit so that merchants do not suffer losses from KONPAY price volatility at the time of settlement and payment. Therefore, the price volatility is reduced by converting the price into KRW that matches the value of KONPAY at the time the payment is approved, and the KONPAY is sold to users who want to purchase KONPAY again.

Also, in the future, participants in charge of settlement at KONPAY will also be able to have their own payment deposit by specifying in the contract the provision of depositing the payment deposit in KONPAY's payment deposit pool. After settlement in Korean won, the deposit will be maintained in a 50:50 ratio between KRW and KONPAY, which corresponds to the existing holdings, so that the liquidity of the settlement deposit will be continuously maintained even after settlement.

## **(5) KONPAY Operation & Marketing (10%)**

The operating budget consists of initial talent recruitment and business operation expenses for actual operation and business promotion of KONPAY, and then it will create profits by establishing its own business model.

**(6) Advisors (5%)**

From the initial planning stage, KONPAY has sought technical advice and advice for using the blockchain payment system in real life from experts in various industries. And in the future, in order to launch and further develop the service, the network intends to cooperate and consult with them for a long time, so a portion of the total issuance has been allocated to them.

## 08. Team

### 8.1 Team



**Cha Se Young**  
FOUNDER

KONDOR CEO

Advisor Professor, Department  
of Blockchain / Metaverse, Seoul  
Venture University

Self-regulatory member of Korea  
Blockchain Association

Generation 1 of Korea University  
"Blockchain AMP Course"



**Cho Kyeong Min**  
COO

F) Bithumb, head of Gangnam Center

F) Assistant manager of NHbank

F) Citybank credit and reception



**Jang Young Chul**  
CTO

F) CTO, Keystone Lab

F) CEO, INSIDERF

F) Senior researcher, Indicos



**Lee Dong Kyu**  
CBO

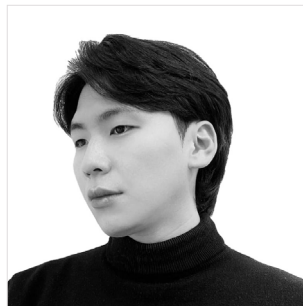
F) THE Tensegrity Project Manager

F) DEMIZE CEO

Multiple Blockchain Development  
Consultant

Blockchain content development

Digital asset exchange operations  
manager



**Lee Woo Joo**  
CMO

F) AllianceAPI I.R Consultant & BD

F) Kbit Marketing & Planning

F) IQBEN Marketing



**Song Seung Ho**  
Marketing Manager

C) PLAS PRODUCT CEO

F) Managing Director, Auskorea  
Co., Ltd.

F) Director of Blockchain Story  
Co., Ltd.

AFPK Certified Financial Planner

CFP International Certified  
Financial Planner



**Ko Eun Sil**

**Operation Manager**

F) Jiyeon Global Shopping

Operation Manager

F) Freesia Online Shopping

Operation Manager

F) LS ELECTRIC HR team

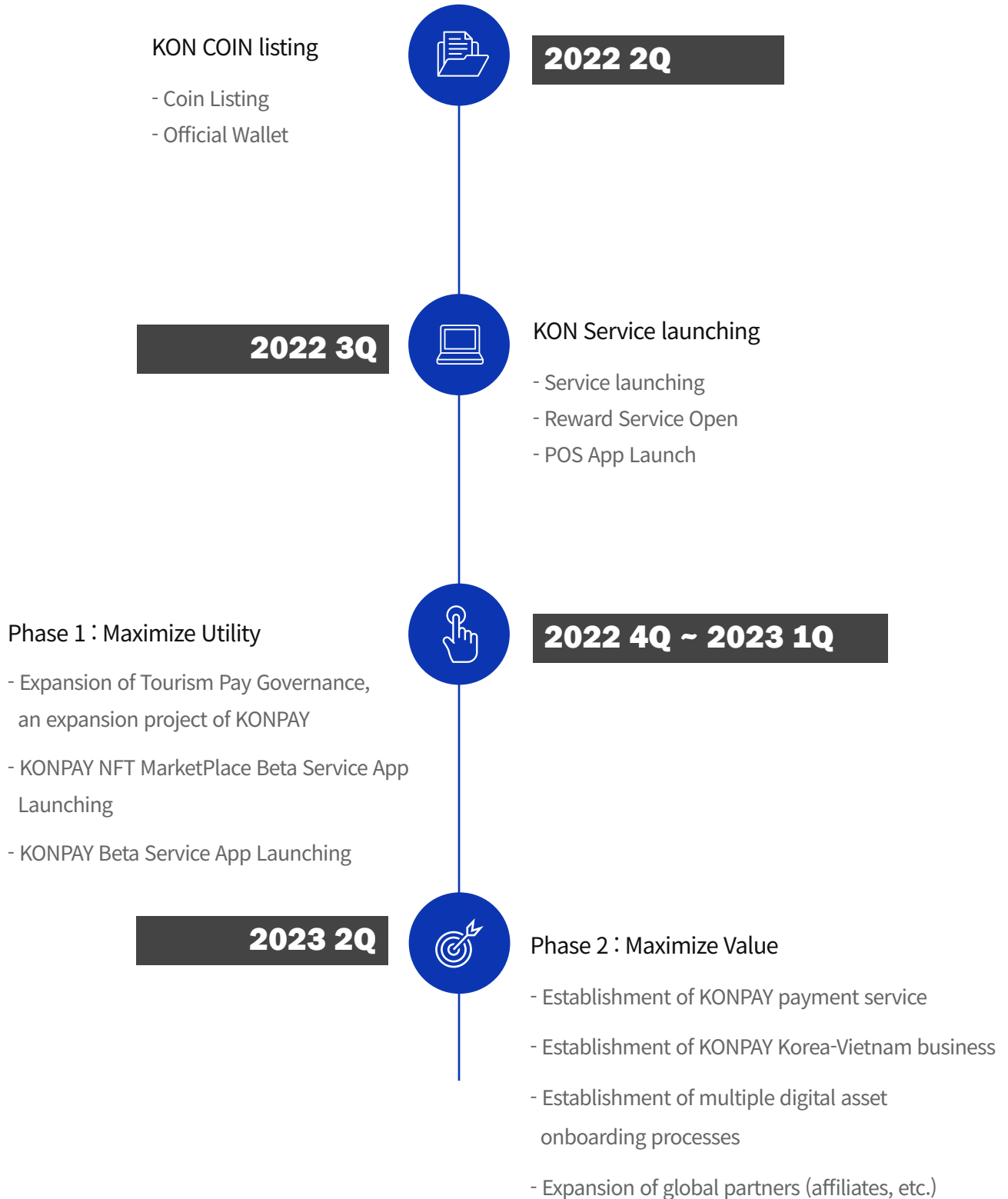
## 09. Business Partner

As a partner company of KSNET+, KONPAY has established technical and business partnerships with renowned domestic and foreign companies. In the future, we will continue to cooperate to expand the ecosystem and develop new functions.

KONPAY will always devote itself to maintaining the safety and stability of the blockchain ecosystem and to further increase the value of the platform, and will continue to strive to collaborate with new partners in various industries in the future.



## 10. Roadmap



### Phase 3 : Global Expansion

- Launch of KONPAY derivatives
- Expansion of global partners (affiliates, etc.)



**2023 3Q**

**2023 4Q ~**



### Phase 4 : Global Value

- Partnership for exchange and cooperation projects
- Expansion of global partners (affiliates, etc.)

KONPAY will first try to maximize the usefulness of the payment service platform. To this end, we will work with various business partners, including existing partner merchants, to conduct active marketing and promotions so that many users can participate in the payment service, and strive to establish a stable and secure payment service environment. KONPAY will further develop new functions and services that can be used conveniently in real life, and build an infrastructure to support overseas/foreign currency payments and tax refund services in the future. We will strive to become a blockchain payment service platform that communicates with the world beyond Korea, and our ultimate goal is to enable payment services to be used by approximately 2 billion people outside the banking sector who do not have a bank account.

In Phase 1, we plan to attract various franchisees to activate the liquidity of the network ecosystem, and support various manager tools so that operators can efficiently promote and operate their business.

In Phase 2, we plan to further expand KSNET+'s merchant payment service, and launch a marketplace that enables multi-digital asset payment and P2P transactions.

## 11. Conclusion

In today's society, it is not an exaggeration to say that all necessary goods and services are at our fingertips due to the rapid development of digital culture. However, since most of the non-face-to-face payments are still occupied by card-based payment services, innovation in the payment field is urgently required.

According to Precedence Research, in 2019, the size of the non-face-to-face payment market was estimated to reach approximately KRW 1,169 trillion (\$1.05 Trillion) in Korean Won, and this trend is expected to continue increasing at an average annual growth rate of 20% from 2020 to 2027. looked forward (7)

By replacing the roles of intermediaries in the existing payment system with smart contracts and token-economy, KON can reduce the existing payment fee rate of about 3% to 1% and shorten the settlement period. In addition, payment service users can obtain additional benefits by sharing their payment patterns and payment information with trusted wallet providers within the platform. This will form an innovative and effective payment service structure in which both merchants and payment service users can participate in the blockchain-based payment ecosystem and receive rewards and incentives.

## 12. Reference

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## 13. Disclaimer

1. This white paper was written for the purpose of explaining the services of KONPAY, and the schedule and progress of the project.
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14. KONPAY is not responsible for the buyer's risk due to the loss or leakage of the buyer's personal key.

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