



**OPENGIFT.IO**



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Citizens, residents (tax or otherwise) and green card holders of the United States of America are exempt from purchasing GIFT tokens unless he/she is an “accredited investor” as that term is defined in the Securities Act of 1933. “U.S. Persons” are generally defined as natural persons, residing in the United States, including American Samoa, Guam, Northern Mariana Islands, Puerto Rico, U.S. Virgin Islands, or any entity organized or incorporated under the laws of the United States. U.S. citizens living abroad may be deemed “U.S. Persons” under certain rules. Citizens and residents of the People’s Republic of China and South Korea are strictly exempt from purchasing GIFT tokens. Citizens and residents of Cuba, Iran, North Korea, Syria and the Crimea Region are not eligible to purchase GIFT tokens while the country or territory is subject to country-wide or territory-wide sanctions.

## Open source software is everywhere

Everyone on the Web uses open-source software (OSS) every day, knowingly or not. Most internet architecture is based on OSS. Google’s data centers, for instance, run on Linux, the prevailing OSS operating system.

Open-source code allows 20 million developers all over the planet to fix bugs, improve security and add new feature to program solutions. At least 52% of Fortune 500 companies use OSS repository GitHub for their projects.



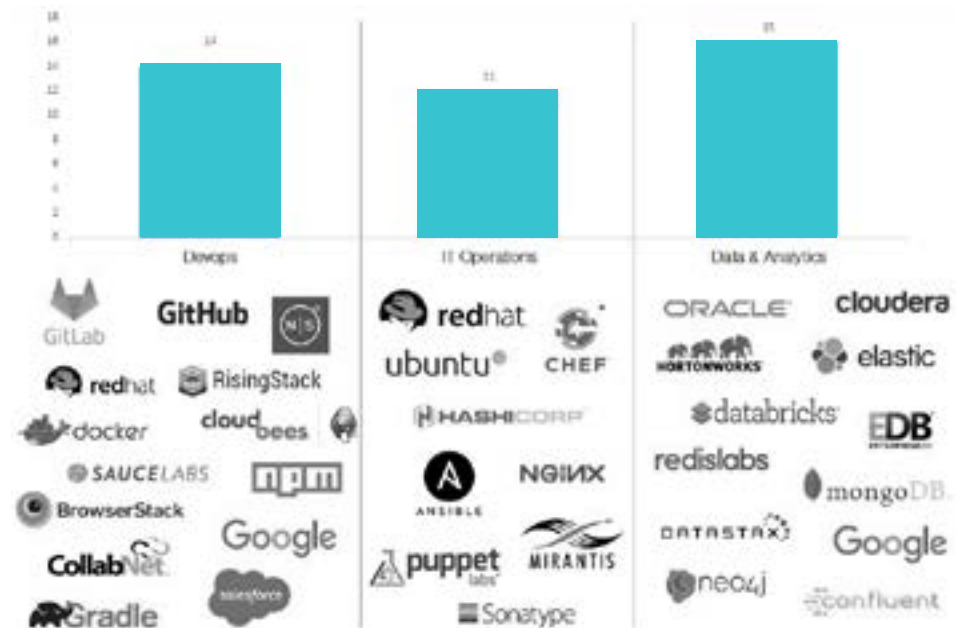


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# Soaring growth of OSS

*These companies use OSS in every segment of software development industry.*

## Top 40 Open-Source Projects by Category & Sample of Related Companies



The OSS market grew 10x in 10 years. In 2007, investment in OSS development companies amounted to less than \$100 million, while in the first quarter of 2017 alone it totaled \$300 million. The earlier figure pre-dates the advent of blockchain technology, and the latter does not even include crowdfunding via initial coin offering (ICO) .

RedHat and other large OSS development companies successfully compete with such proprietary software giants as Citrix or VMware.

Investment in OSS companies is diffuse, through, and spread unevenly. As the companies in the above chart compete for funding, a huge array of promising OSS projects remain unnoticed by investors. The reason for this is mainly the absence of clear and obvious monetization models. Assessing a project value also often requires special expertise in the spheres of both IT service delivery and OSS development.

*The overall software development market is estimated \$357B\**

*\* - <https://www.gartner.com/newsroom/id/3482917>*

Emergence of such models will disrupt entire software market; a big piece of \$3.5 trillion worth to change hands.

# Open source could make the world a much better place

OSS should make launching new ventures much less expensive as well as easier and faster. But that is not now the case because OSS is accessible only for developers. Many innovators cannot afford to realize their brilliant, promising ideas. Accessible OSS would provide talented people money to create projects of any scale.

The main issue is that OSS is created for developers by developers, and development teams simply have no motivation to do it other way.

Still, providing monetary incentives is only part of the solution. Another is linking these incentives with users' needs and building better communications channels.

## Helping OSS teams make user-friendly products

Few investors so far have viewed OSS as a prospective market because monetization models of OSS are immature. In 2017, only 13 OSS projects were funded. Of the \$371 million invested, \$250 million went toward a single project, the Magento e-commerce platform.

The figures are clearly not in line with market potential, especially considering that more OSS licenses were sold in 2017 than those of proprietary software.

Proper financing of OSS teams might make their products more compelling for potential investors and it multiplies the result for users many times.

Fair distribution of financial income coherent with user requirements also would motivate teams to make their products more and more user-friendly.

## OSS monetization challenge

Donation is probably the most common way to monetize OSS, but only 1 of 1,000 OSS users choose to support developers, according to networkworld.com. Such a small proportion can be explained partly by the non-transparent system of donations allocation and distribution: users are uncertain whether their donations will facilitate project development and help solve real problems.

Non-donation monetization models are mostly based on financial support from solution providers which utilize OSS or provide a related service. In such models, only a small fraction of funds go directly to the software developers, while the larger portion goes to those who sell, implement and support the product. OpenGift believes developers could deliver much better solutions if they are paid in proportion to their contributions to these projects.

A clear, transparent, fair and scalable monetization model is key to attracting early-stage funding and significantly improving software quality. Such models could disrupt the entire \$3.5 trillion/year software market.

**OpenGift was founded to offer the solution to the OSS monetization issue.**

## OpenGift system

OpenGift is a platform where OSS projects publish information about their development goals and progress. The platform analyzes metrics and creates a project profile for investors and sponsors. Tokenized project shares are then distributed among team members and investors, while sponsors can finance development of software they need.

The platform is integrated on the Hyperledger blockchain on which smart contracts process and guarantee fair and transparent earnings distribution. Such a system also allows backers to prioritize some projects' goals over others, or set up new projects.

One of the platform's key features is collective financing of new tasks and projects. Not only developers can propose their projects for donations, but also companies and users. As a result, companies can **cut 50-80%** of their software development costs, while paying developers can get 3x to 5x **more** for the same tasks.

**Even so, OpenGift's vision is much more ambitious and global.**

The OpenGift platform is the first step to creating an ecosystem in which sponsors and investors could clearly view a project's progress, the problems it aspires to solve, its interconnection with other projects and its importance for the ecosystem as a whole.

The platform makes OSS more understandable for those without IT expertise, and makes OSS more compelling for crowdfunding because users are able to decide which features to invest in.

OpenGift connects businesses, developers and contributors in one ecosystem that speeds up project development and makes software products completely free to use.



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## Competitors analysis

	Bounty-source	Freelancer.com	Upwork	Topcoder	OpenGift
Smart contracts	✗	✗	✗	✗	✓
Costs sharing	✓	✗	✗	✗	✓
Similar tasks search	✗	✓	✓	✗	✓
Tools for sharing profits within a dev team	✗	✗	✗	✗	✓
Competitive programming	✗	✗	✗	✓	✓
Dedicated project manager	✗	✗	✗	✓	✓
New projects creation allowed	✗	✓	✓	✓	✓
Business friendly	✓	✗	✗	✓	✓
Non-monetary motivation	✗	✗	✗	✗	✓

OpenGift key differentiators

- substantially lower costs for customers
- opportunity to choose between multiple results of work
- working with better developers for the same price
- better adapted to work with teams

## Platform functionality

The platform is designed to solve problems that OSS development market participants often encounter.

### Businesses and startups

**The Problem:** Companies waste billions of dollars on software development, enduring lengthy delivery delays for duplicated technology that already exists a. This can be especially burdensome for young, innovative companies that require complex IT infrastructure for full realization of their potential.

**The Solution:** OpenGift enables companies to share development costs with other companies, while getting software products many times faster and with lower risks.



### Case study:

Habib has an online pet food shop. He has so many orders every day that he cannot deliver all of them on time. He needs to plan drivers' routes more optimally.

Habib placed his need for a software solution on OpenGift. Special members called "curators" fill the requirements and project documentation consistent with Habib ideas.

Platform invites companies and individuals who might be interested in this software. They finance it collectively for the privilege of getting first access to the results.

Developers complete the tasks and send links to public repositories. Those who collectively donated more than 50% of the task amount vote for the best-presented solution. If Habib and other co-sponsors feel like they need some assistance in deciding what piece of code is better, they can request experts recruited from best open source developers to assess the provided solutions. The reward goes to the winners through a smart contract.

Habib gets his solution for the one-tenth of the price he would have paid for custom proprietary software.

The solution become open-source and free to use for all.

The community that developed this solution become its owners and get rewards fairly for the bug fixes and integrates.

## Developers

OSS developers face different types of problems that may hinder productive development of better software:

1. It is difficult to know in advance whether users will like or need the product.
2. There is no early-stage financing, so developers are rarely able to invest enough time in their project.
3. Developers are seldom inclined to engage in such non-development tasks as writing product docs, marketing and so on.
4. Current market architecture provides little opportunities for OSS to become the main source of income for developers.

### Solution

The OpenGift platform enables developers to set project goals; project sponsors can donate to some of those goals or propose a new one. Thus developers receive feedback to determine which features are in-demand. As teams work on



in-demand features, they improve their rating and gain popularity. This creates a sense of project community, further boosting productivity.

Donation is not the only form of monetization accessible on the platform. Developers can **participate in projects and tasks proposed and financed by organizations and** introduce various types of licenses: paid subscriptions, paid downloads, payment for auto updates and ad placements.

Because of the collective financing model, developers can earn substantially more for each task than they could from freelance marketplaces or corporate salaries and benefits.

Smart contracts enable project participants to fix their shares in project earnings, then receive payments from donations, sales and investments.

OpenGift enables teams to automatically prepare progress reports for developers and investors in real time. They can also delegate tasks to outside contributors paying them in GIFTs.

## Contributors

Contributors want to be rewarded for their participation in a project's development.

When working with tasks created by businesses, contributors are certain to be remunerated for their work because the payment is already allocated on a smart contract address, guaranteeing fair and transparent distribution of projects' benefits.

OpenGift provides a decentralized system for determining rewards for different types of work: programming, analytics, technical writing, etc. Project participants can set parameters of these rewards in smart contracts.

## Value transmission within the system

All financial transactions within the system would be performed in the GIFT internal currency to guarantee the validity of smart contracts. In order to exchange GIFTs for other cryptocurrencies or fiat money, participants of the system can use one of the independent peer-to-peer marketplaces.

The Transmitting Agent in the OpenGift ecosystem has the following functions:

- It automatically calculates the exchange rate of GIFT;
- It automatically converts the currency that sponsors donate into GIFTs and transfers the GIFTs to members of the project team in accordance with the amount of project tokens they have;

Liquidity Providers can publish an offer to buy GIFTs and this offer can be accepted by any other system participant; and

Therefore, GIFTs will be available as loyalty points for purchasers of software development services in conjunction with the OpenGift platform and the loyalty GIFTs can then be exchanged for fiat currency through the GIFT Exchange.

Each system participant with a balance above 10 000 GIFT can act as a Transmitting Agent for other users. To eliminate the risks of fraud, the system will automatically hold up an amount of GIFTs needed to cover 100% of the transfer amount on an transmitting agent's wallet.

These two roles when combined function like an exchange. Transmitting agents accept fiat and transfer their tokens to smart-contracts. Liquidity providers buy tokens with fiat or cryptocurrencies. System participants that fulfill the two functions will be able to profit on spread between sell/buy bids – this opportunity will stimulate participants of the system to offer exchange services. A relatively easy market access will ensure reasonably low spreads and healthy competition.

OpenGift is to become the first Liquidity Provider and Transmitting Agent in the system. It will guarantee an opportunity to buy up to 5,000,000 GIFTs with a zero buy/sell spread.

## The token economy

The main purpose of GIFT tokens is to pay for services available in the OpenGift ecosystem. The service are provided by independent developers, open source teams and commercial enterprises. The services are related to software development cycle and include, but not limited to:

- Requirements specification and statement of work writing;
- Software development;
- Testing;
- Bug fixing;
- Localization;
- Integration/customization.

Therefore, the demand on tokens is directly related to demand on the platform services. The procedure is:

1. Customer make payments in any local currency.
2. The equivalent amount of tokens is transferred to a smart contract associated with a development task to be released to developers once the goal is completed and confirmed.
3. Project income is distributed among the development team.
4. Developers can cash out tokens using any external exchanges or internal liquidity providers, or use them to pay for services available in the ecosystem.

Holding GIFT tokens is also associated with benefits for tokenholders:

- Tokenholders will have an access to repository of free software they haven't co-sponsored.
- OpenGift partners will have an access to tasks they can take upon.
- Holders of no less than 10,000 tokens can provide transmitting agency function.
- Developers who hold can earn money fulfilling expert functions and assessing completed tasks.

Possible amount of search requests and delegated tasks depends both on amount of token a system participant holds and a length of holding period.

GIFT token price stability and predictable growth are crucial for proper functioning of the ecosystem. Below is a summary of the key factors that will affect supply and demand for the token.

	Positive/ Negative	Comments
Token price is driven by demand for tokens from its users	Positive	The solid business foundation behind token price contributes to its stability
Limited emission	Positive	Emission results in token price inflation
OpenGift fees will be charged in tokens	Positive	This way, OpenGift takes a portion of tokens out of turnover, decreasing the supply and increasing the demand.
Developers can instantly change tokens back to other currencies	Negative	This risk is mitigated by strong incentives for developers to hold tokens (see OpenGift Liquidity Provider section below for further details). Also, OpenGift provides services for developers that can be purchased only with tokens



	Positive/ Negative	Comments
Purchasing GIFTs for speculative purposes	Negative	<p>We incentivize using GIFT tokens for donating towards open-source projects and tasks by setting a lock-up period, during which crowdsale buyers may not sell the token to OpenGift Liquidity Provider</p> <p>Tokenholders can purchase software development and related services less expensively with tokens</p>

OpenGift Liquidity Provider (OLP) is designed to offer incentives for developers to hold their tokens.

Suppose Alice makes a donation towards Bob's project. She spends \$50 and GIFT price, provided by Bob's project Transmitting Agent, was \$0,2, so Bob got 250 GIFTs. If he uses OLP as a transmitting agent he gets a guarantee that GIFT tokens will be purchased back by the same price. OLP may set a time period required for holding tokens prior repurchasing, so Bob can be motivated to sell tokens before ending of this period only if the price of the token rise above \$0,2.

## OpenGift business model

OpenGift's value proposition for businesses is to reduce software development costs by an order of magnitude. Our platform charges a fee predicated on the amount clients save with OpenGift. Consider the example of a task worth \$2,000:

	Company A	Company B	Company C
Paid amount	\$500	\$500	\$1,000
Saved amount	75%	75%	50%
Fee	10%	10%	5%
Fee in dollars	\$50	\$50	\$50

The fee is charged in GIFTs. This way, OpenGift takes a portion of tokens out of turnover, decreasing the supply and increasing the demand.

Since all donations will be made in GIFTs and the quantity of GIFTs available in the system is limited, the coin price might rise proportionate to the donations and payments that go through the platform.

The OpenGift founding team is comprised of developers, themselves working in the OSS space. They expect to receive GIFT tokens as well for their work developing the OpenGift project itself, which is one on the projects listed on the platform, and to develop other interesting projects to be listed in our ecosystem.

## System implementation

**The OpenGift Blockchain** is a network with virtual machines as nodes. Each virtual machine is linked to a project registered on the platform. Each project owns at least one virtual blockchain node which participates in creating consensus when system changes its state (an endorser), and any amount of nodes that validate transactions (validators). Nodes can be placed anywhere, and each project can deploy any number of nodes. Each project can install either a full node to validate blocks and record transactions, or a light node that only checks the validity of the current system state, economizing on computational or storage resources.

Each system participant has a wallet linked to the imprint of the participant's public key. Similar to many other blockchain systems, access to the wallet is possible only with the private key. Any participant of the system can assess the system state from any node of any project at any one time.

## System safety

Secure storage and transfer of coins is one of OpenGift's key priorities. The founding team incorporated Ripple's best practices of blockchain security as well as IBM's technical realization of practical byzantine fault tolerance (PBFT) consensus. The platform is built on HyperLedger Fabric, which was designed specifically for the financial sector, and the team is capable of setting up additional security factors to make the system even more reliable.

The reliability of the system is crucial for OpenGift's success so, before opening up the network code for community development, the founding team is conducting several rounds of code review with internal and external auditors.

Additional planned security measures include:

- multifactor authentication;
- intellectual protection from DDOS, which allows to temporarily block traffic that users deem suspicious;
- securely encrypted keys that are useless without personal, locally stored authentication information;



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- certification granted both by external and internal trusted organizations to prevent fraud on the marketplace level;
- storing marketplace certificates in a trusted network of Tier 3 data centers;
- blockchain network rules changed when no less than two-thirds of the community approve them; and
- certificates for system participants to enable wallet restoration if private key is lost.

## Secure access

When a system participant uses the Web version of the OpenGift wallet, they entrust a private key to the platform. OpenGift then takes steps to ensure privacy:

- Keys are stored in encrypted form and get decrypted with participants' registration data.
- File system utilizes both software and hardware encryption.
- All nodes and client applications are connected through SSL protocol.
- Each participant can copy keys on a local device and delete all information from the servers.
- As a matter of principle, OpenGift does not log any data related to private keys.

## Smart contract implementation

Smart contracts are as fundamental for the OpenGift system as a constitution for a country. Each community member can propose changes to smart contracts but, to be validated, these changes need to be signed by two-thirds of nodes.

## Smart contract functions

### 1. Creating a project

Each user can create up to 10 projects (or one in case the user has zero balance). Each project gets a unique ID, while the person who created it receives 100 tokens.



## 2. Token transfer

Users can give away tokens to any other participant of the system. A token can be split to transfer a smaller amount, the smallest being 0.0001 token.

## 3. GIFT transfer

A user can transfer GIFTs to any other user registered in the network.

## 4. Donation

A user can transfer any amount of GIFTs to any registered project. Coins will be distributed among the project's team members in accordance with the amount tokens each of them has.

## 5. Peer-to-peer marketplace GIFT Exchange

Each participant with more than 10,000 GIFTs can register their own internal exchange. When a sponsor donates to a project in their own currency, the exchange converts the amount received into GIFTs. Exchanges can conduct only those transactions that are 100% covered by their funds. An amount needed to conduct a transaction will be held up.

## 6. GIFT buy offer

The Gift Exchange can publish offers to buy GIFTs indicating such important transaction parameters as the currency offered and the exchange rate.

## 7. GIFT buy offer cancellation

Exchanges are entitled to cancel the buy offer if the transfer has not yet been completed.

## 8. Arbitration

If an exchange has failed to transfer sufficient coins to the other side of transaction, the system participant can request the case to be arbitrated. Any three random system participants can act as jury. After the case is settled, the winner gets 70%, while the rest 30% is distributed among jury. Depending on the verdict, this amount is deducted either from exchange or user wallet.

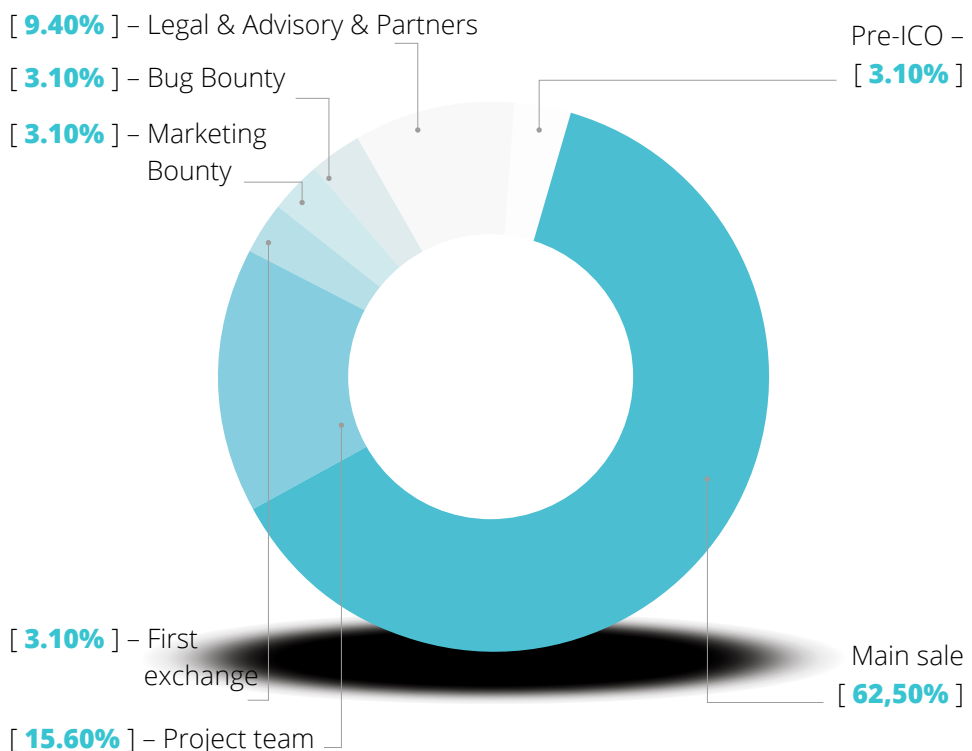
## 9. Closing an exchange bid

A participant can transfer his coins to the address of a particular buy offer of an exchange. If the transferred amount equals the amount specified in the offer, the bid is closed automatically.

## GIFTs distribution agreement

GIFT is a digital currency to be used in the OpenGift ecosystem. The smallest piece of value one could transfer is 0.0001 GIFT. All 160 million GIFTs will be created and distributed within the initial offering phase. No coins to be created after the ICO.

The coin distribution scheme is as follows:



During the ICO we shall issue 105 million ERC20 tokens on the Ethereum platform. Buyers of OpenGift Ethereum tokens will always be able to exchange them for GIFTs with the rate of 1 Ethereum token = 1 GIFT via the OpenGift Exchange. As soon as the OpenGift Exchange receives tokens and sends GIFTs back, the tokens shall be automatically burned.

The founding team structured the distribution to provide for security-conscious investors with an option to purchase GIFT coins until the desktop version of the wallet is released, so there is no need to store private keys on our servers.

# ICO timeline

## PreSale

Public PreSale dates: **1 of July – 1 of August.**

GIFTs available for distribution: **10 million**

GIFT price: **0,00012 ETH + 15% bonus**

Funds to be raised: **166 ETH to 1,200 ETH**

Restricted period for transferring tokens to other accounts: 12 months. Purchasing the platform services is available from day 1.

During the restricted period OLF will not buy tokens from accounts associated with the crowdsale.

### Budget allocation:

Share of funds raised within the PreSale phase	Share of funds raised within the PreSale phase
Development of the platform functionality in accordance with the roadmap	30%
Marketing and business development	50%
Legal	10%
Reserve	5%
Community development (School of curators, OSS initiative, ETH)	10%

## Main Sale (ICO)

The founding team plans to conduct the ICO in September 2018, exact dates to be specified.

Coins to be distributed: **95 million GIFTs**

Restricted period for transferring to other accounts: 12 months from the end of sale. Purchasing the platform services is available from day 1.

During the restricted period OLP will not buy tokens from accounts associated with the crowdsale.

### Price:

	GIFT price	Bonus
Less than 20% GIFTs* have been sold	0,00013 ETH	10% when buying no less than 100 000 GIFTs



	GIFT price	Bonus
From 20% to 40% GIFTs* have been sold	0,00014 ETH	7.5% when buying no less than 125 000 GIFTs
From 40% to 60% GIFTs* have been sold	0,00015 ETH	5% when buying no less than 150 000 GIFTs
From 60% to 80% GIFTs* have been sold	0,00016 ETH	
More than 80% GIFTs* have been sold	0,00017 ETH	

\*- of the Main Sale amount of coins

Soft Cap: **1,667 ETH**

Hard Cap: **14,250 ETH**

## Budget allocation:

	Share of funds raised within the MainSale phase
Development of the platform functionality in accordance with the roadmap	30%
Marketing and business development	40%
Legal	10%
Community development	20%

## Distribution of GIFTs:

		Amount	Share
Pre-ICO	Pre Sale	10,000,000	6.25%
ICO	Main sale	95,000,000	59.38%
	Team	25,000,000	15.63%
	OpenGift Liquidity Provider	5,000,000	3.13%
	Marketing Bounty	5,000,000	3.13%
	Bug Bounty	5,000,000	3.13%
	Legal & Advisory & Partners	15,000,000	9.38%
Total		160,000,000	100%

GIFTs allocated to the OpenGift team members will be held during the first 4 months after the ICO.

Bounty Campaign terms to be published on opengift.io.

## DAICO and the platform development plans

The founding team believes that OpenGift community should have a final say in determining a way the platform and overall ecosystem will be developing. That's why we plan to adapt DAICO as a tool for reaching consensus with our token-holders community.

DAICO is a set of procedures that enable purchasers of tokens to release crowd-funded money to a development team in tranches, and, possibly, to withdraw the funds.

We also want to give our tokenholders an opportunity to vote for or against proposed budget for a next period of work. Escrow will release money to OpenGift team only when a proposed budget will get an approval from the community.

The exact procedure and terms of DAICO will be published on <https://opengift.io>

Below we outlined of a few of our development goals to give readers the idea of types of features we can add to the platform and system elements that can introduced to the ecosystem.

Amount of funds raised	Features to be added the OpenGift platform
> \$2 million	<ul style="list-style-type: none"><li>• The system of automated task categorizing</li><li>• Complex system for estimation of contributors' deserved project shares</li><li>• Automatic code quality control system</li><li>• Estimation of the unique code value</li></ul>
> \$5 million	<ul style="list-style-type: none"><li>• Establishing a fund to collaborate with external auditors and rating agencies in assessing projects</li></ul>
> \$10 million	The school of project curators for mass project requirements clarifying and creating documentation

# OPENGIFT.IO

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## **Contact information:**

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