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## Introduction

Digitalization of our daily lives is now an undisputed phenomenon, which is here to stay. According to studies made in 2015 and 2016, over 80% of developed countries' population have some access to the Internet.

With the world getting more connected, an increasing number of companies strive to offer their services and solutions online. Finance, education, healthcare, commerce and leisure providers are actively moving towards digitization in an attempt to serve the existing and find new customers worldwide.

Across the globe are now actively outlining new rules and principles for e-services. The legal framework removes regulatory uncertainty serving as a catalyst for the business migration online. We've undertaken a thorough analysis of the latest trends including rules around eID, QES and Trustee services as well as the Aggregation of Payment Services within the scope of the PSD2. And this is where OX Fina steps in.

OX Foundation, a team of financial, security, legal and technical experts is raising funds for its project OX Fina. Our goal is to capitalize on the broader digitalization trend with a particular focus on:

1. Blockchain Financial services which is at the core of all business interactions;
2. Smart contract wallet concepts needed to serve as gateway to the e-Commerce market.

With the success of the ICO, OX will become a fully blockchain financial organization accessible everywhere at any time. It will have all the functions like other financial organizations, but will not host any branches nor physical front-offices and will rely fully on the latest blockchain technologies.

This will enable OX Fina to be among the least expensive financial institutions to operate in the world, with a very efficient cost/revenue ratio and granting its investors with higher returns.

The OX Fina project is aimed to establish an online scalable blockchain financial infrastructure for businesses and individuals, provide electronic identity and trustee services across the globe, and create a user authentication and payment processing gateway for not only online merchants, but also commercial, corporate and governmental services.



This prospectus covers business, technical and regulatory details of the project, our step-by-step milestone plan and the technologies which will be developed as the basis of OX Fina infrastructure.

While starting off as primarily a blockchain financial institution, the OX Fina project is meant to grow into your daily servicer and companion ecosystem. It will aim to enable secure and seamless connections between life and the things we love and use every day.

The key elements of OX Fina ecosystem are the OX Foundation and the Third EYE.

OX Foundation is the subject fostering the OX Fina or OX Fina Financial Institution (F.I.) at the start. Its customers will not only get access to a variety of financial services, but will likely be among the first to get the OXID that will plug them into the Third EYE environment.

Third EYE is an independent environment as a service, which will serve as a storage for encrypted individual information. The security of access to the information will be enabled by SSL certificates, dynamic DPINs and, to some extent, by biometrical data.

Among other planned features are scoring and sensitivity systems for credit and insurance businesses, asset and currency trading systems, seed & VC investment tools, eID and Trust services and other features described in this Prospectus.

OX is being designed as a highly scalable platform targeted at simplifying our daily lives.



*OX EYE prototype*



## OX Fina Token

The OX Foundation is raising funds to support the establishment of the OX Fina Institution and to deliver the respective technologies. For that reason, OX Foundation is issuing OX Fina Tokens (OX) through the smart contract system operated by Ethereum. The funds raised by the sale of tokens will be retained by the OX Fina Foundation until they will be used.



*OX Fina Token symbol*

**Token name:** OX Token - OX Profit-Share Smart Contract

The Tokens will be assigned pro-rata to the funds provided to the OX Fina Foundation during the ICO.

**Payout Structure:**

According to the Bylaws, at the end of a financial year, 20% of distributable profit of OX Fina financial Institution is transferred to the specific Ethereum (ETH) wallet. The ETH is then redistributed to all holders of OX tokens according to smart contract conditions (i.e. the stake of profit is received pro-rata the share of tokens owned).

**Token supply:**

The token sold during the token launch is known as the OX Token (OX). The total supply of OX is fixed to 1,000,000,000.

The supply of OX will be limited to the pool of tokens created during crowd funding period.

- Maximum number of tokens created during crowd funding period:

- Total: 1,000,000,000 (100%)

- Crowd funding participants: Smart Contract 500, 000, 000 (50%) (Smart contract)

- Banks and other corporate crowd funding 200,000, 000 (20%) (By other payment options)

- OX Team: 100, 00,000 (10%)

- OX development Team/Bonus & Bounties: 200, 000 000 (20%) will be in escrow wallet and only will be used in app development work, Bonus & Bounties budget will be publish every quarter as per development expenditure. (Escrow wallet will be public so that it can be visible to anyone anytime)

- Sending 1 Ether or \$300 (in case of other payment methods) to the OX account will create 3000 OX (minimum 0.1 ETH = 300 OX)

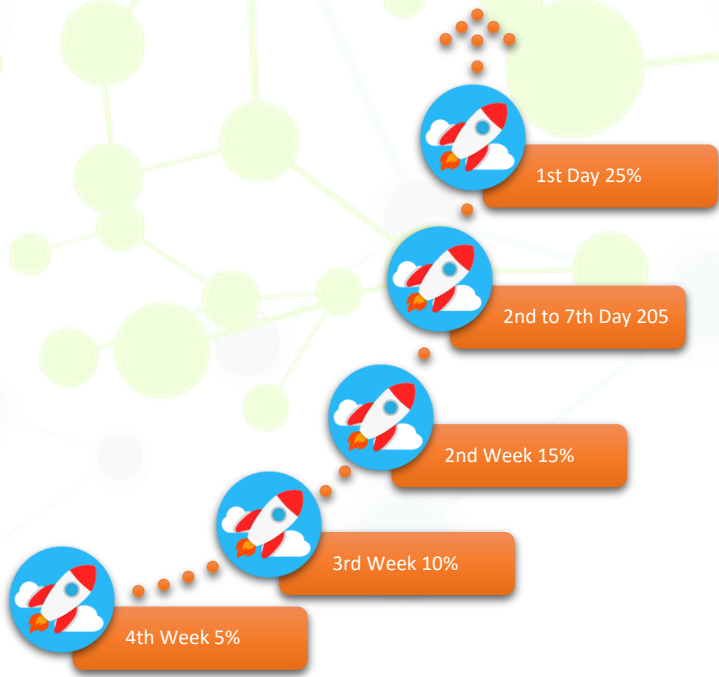
- Tokens will be transferable as transaction successfully completed.



# Token Distribution

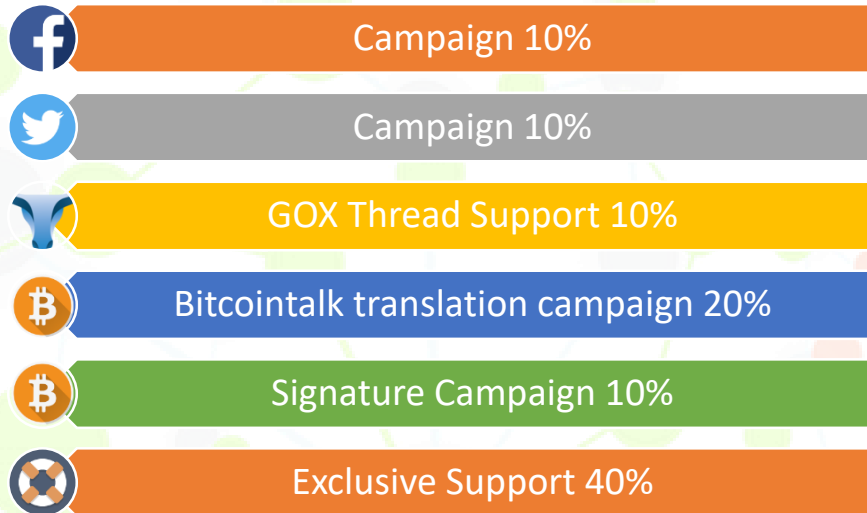


**BONUS!**





Bounties percentage: x% out of the bounties pool



#### Token Distribution:

- Distributed to users - 50%;
- Banks, Corporate – 20%;
- Founders - 10%;
- Bounties - 20%.

#### Bonuses:

- Day 1 – 25% token bonus;
- Day 2-7 – 20% token bonus;
- Week 2 – 15% token bonus;
- Week 3 – 10% token bonus;
- Week 4 – 5% token bonus;
- Week 5 – 0% token bonus.

#### Bounties:

- Facebook campaign – 10.00% of bounty pool;
- Twitter campaign – 10.00% of bounty pool;
- BitcoinTalk signature campaign – 10.00% of bounty pool;
- GOX thread support – 10.00% of bounty pool;
- BitcoinTalk translation campaign – 20.00% of bounty pool;
- Exclusive support – 40.00% of bounty pool.

At the end of the crowd sale all sold tokens are considered to be 70% of the total supply. The remaining 30% are then distributed among founders and bounties receivers according to the information above.





## Milestone

The road to creating a financial Institution involves many different aspects, such as licenses, compliances, technologies, consortia and creativity.

Below you can see the milestone roadmap that covers the most significant levels of financial activity that we will be achieving with our ICO. Every step milestone is meant to be incremental to the preceding one and to be implemented according to the market response to the proposals.

ICO proceeds are intended to be spent mainly, but not exclusively on acquisition of licenses, building out the systems, hiring the team and marketing.



At OX Fina or F.I., we will rely on a set of public and private licenses instrumental to comply with many regulations, existing in the financial field. Among them are the public EMI and banking licenses, the participation in Card Schemes, the creation of regulation-compliant identification mechanisms and other technical conditions to meet.

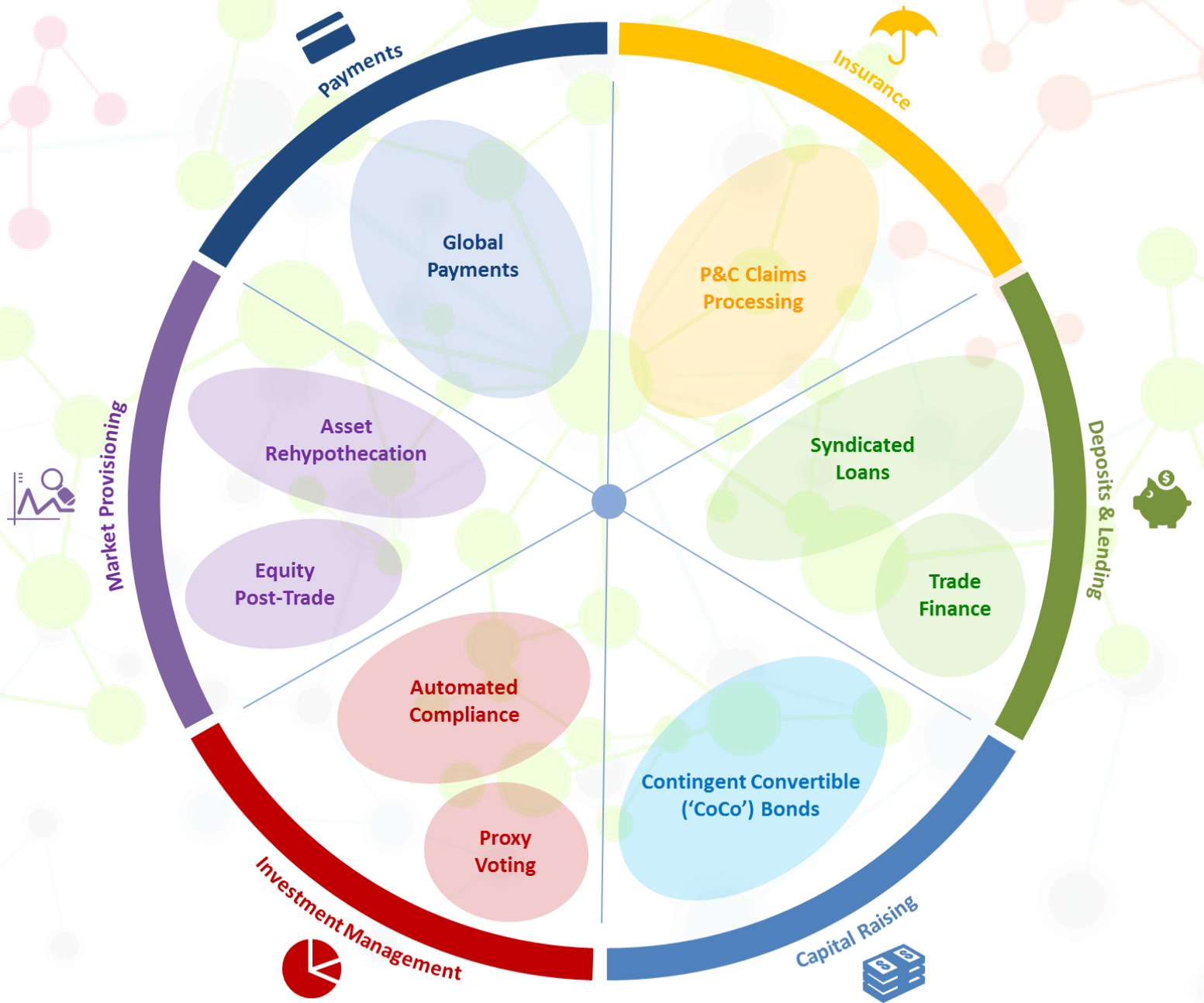
Every milestone step is an advancement to a broader set of services at OX customers' disposal. While our in-house Third EYe service and technology will serve as a platform at the core of the OX Fina or F.I., other features may be developed independently. During this process, the ecosystem will be formed and Third EYe will start its primary day-to-day operations.

As for the customer base, OX strategic partners will provide an initial base of users for the OX Fina or F.I. disposal. We expect access to ca. 500'000 users at inception. This will give us a strong base for growth and a quicker path to building revenues and to profitability.





# Structure



During the initial step for a viable OX operation, a set of conditions needs to be met. Among the minimal requirements are licenses (small Electronic Money Institution (sEMI) or financial Institution (F.I.) licenses) and mechanisms to comply with the law and financial regulations (such as Know Your Customer (KYC), Anti Money Laundering (AML), Combating Financing of Terrorism (CFT), etc).

At this step, instead of the sEMI license, we, at OX, aim to apply for a license for the OX Fina financial Institution (F.I.) for the sake of lowering the initial investment requirement. F.I. license is required to store clients' money and organize payment processes. The time required to acquire the license is 6-12 months.

At this milestone, OX Fina Financial Institution, or OX F.I., will be legally considered a non-banking financial institution (NBFI-ND/Mercantile) and will not take deposits until acquisition of the banking license.

Compliance with specific rules, laws and regulations is of utter importance in financial environment. A financial institution is obliged to set and follow high standards of operations in order to protect its stakeholders. Besides that, the reputation of a F.I. can also be severely damaged by poor processes including KYC and AML/CFT techniques and software. We will use existing tested technologies to comply with the standards and the requirements.

In KYC, for example, modern F.I. are still playing by old rules due to the sensitive nature of the procedure importance. Up until now, most KYC and AML procedures require front-office presence of a customer. While automatic biometric devices still have to prove their acceptability, efficiency and security in fully digital F.I, players like SEB are evaluating options of using Skype for customer verification.

P2P loans are a new model in credit systems, which allow organizations to establish a platform that links those looking for loans with those looking for small investments and profit. Such systems are a great way for financial institutions that match the lenders with the borrowers to generate a capital-efficient, credit risk free revenue stream on processing (e.g. platform maintenance, customer due diligence, scoring). We see a particular opportunity in cross-border P2P lending while most of today's platforms are locked into a single jurisdiction.

According to researches done by Deloitte, the Compound Average Growth Rate (CAGR) of the market is over 104% in the period from 2011 to 2015, with almost double the growth during the period from 2014 to 2015.

However, as all traction is to be created by customers, OX aims to set high standards to ensure the security of the procedure and comfort of all parties involved. This means that our P2P loan platform may



also adopt scoring and convenient authentication mechanisms to make the bid/offer phase transparent and trustworthy, as well as being competitive and compliant with the regulations.

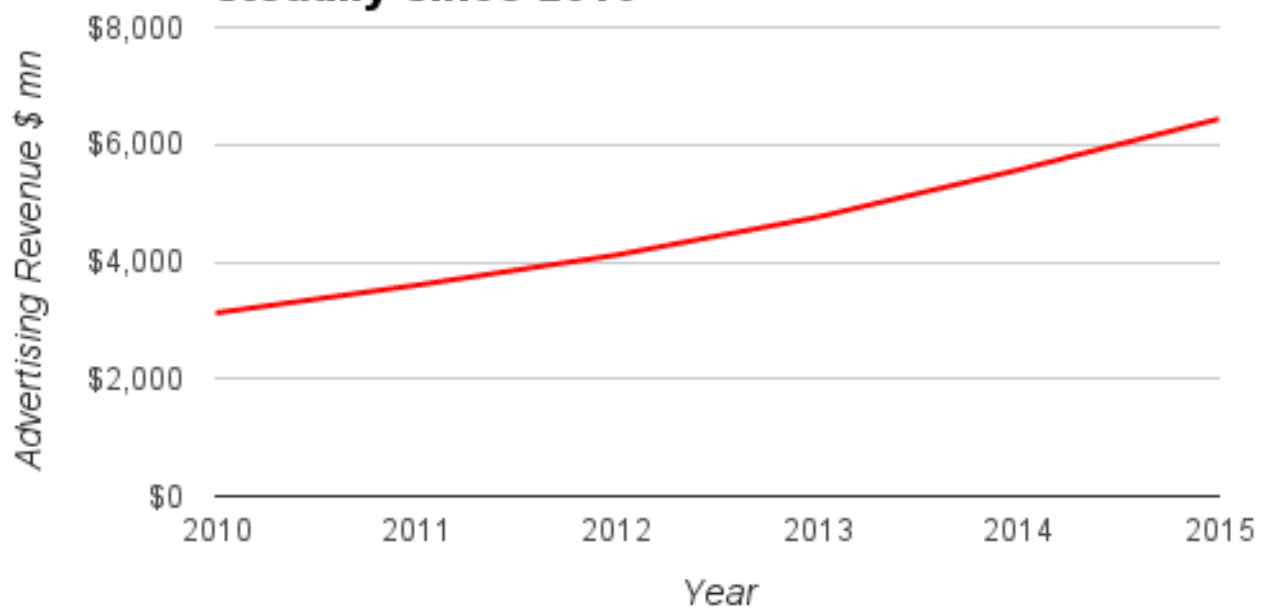
Investment features for OX Financial Institution customers will include creating investment portfolios, managed by an OX strategic partner company.

The portfolios are meant to be an investment product with a customizable risk/liquidity profiles. The role of OX F.I. will likely be limited to a referral and funds transfer payment agent to the said strategic partner.

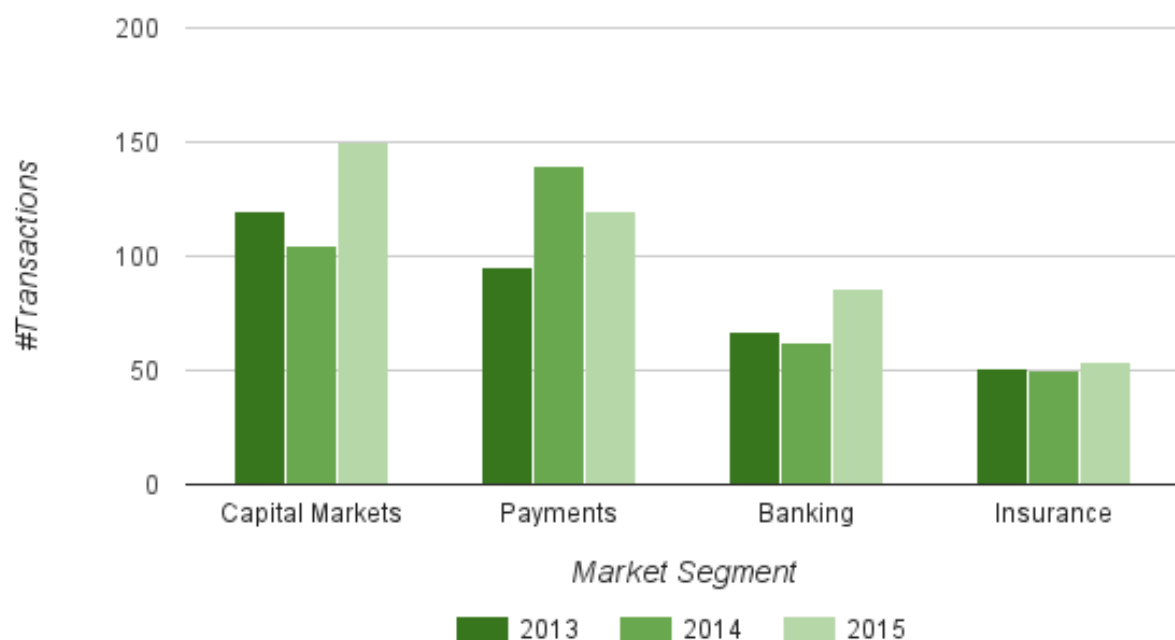
### Predictions for Blockchain, Banking, Media and Gaming;



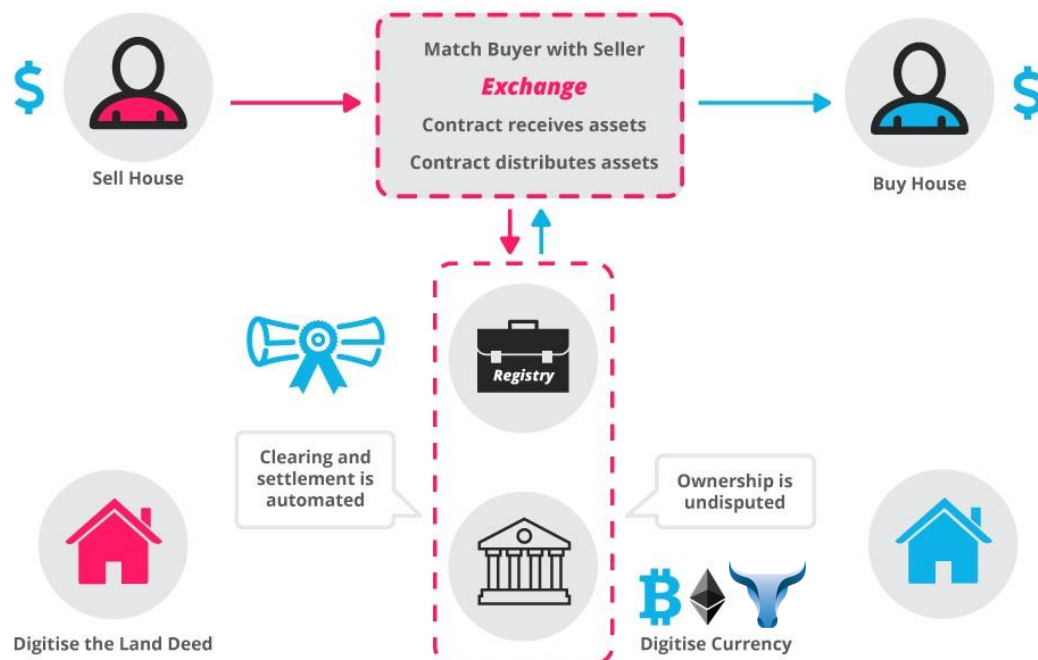
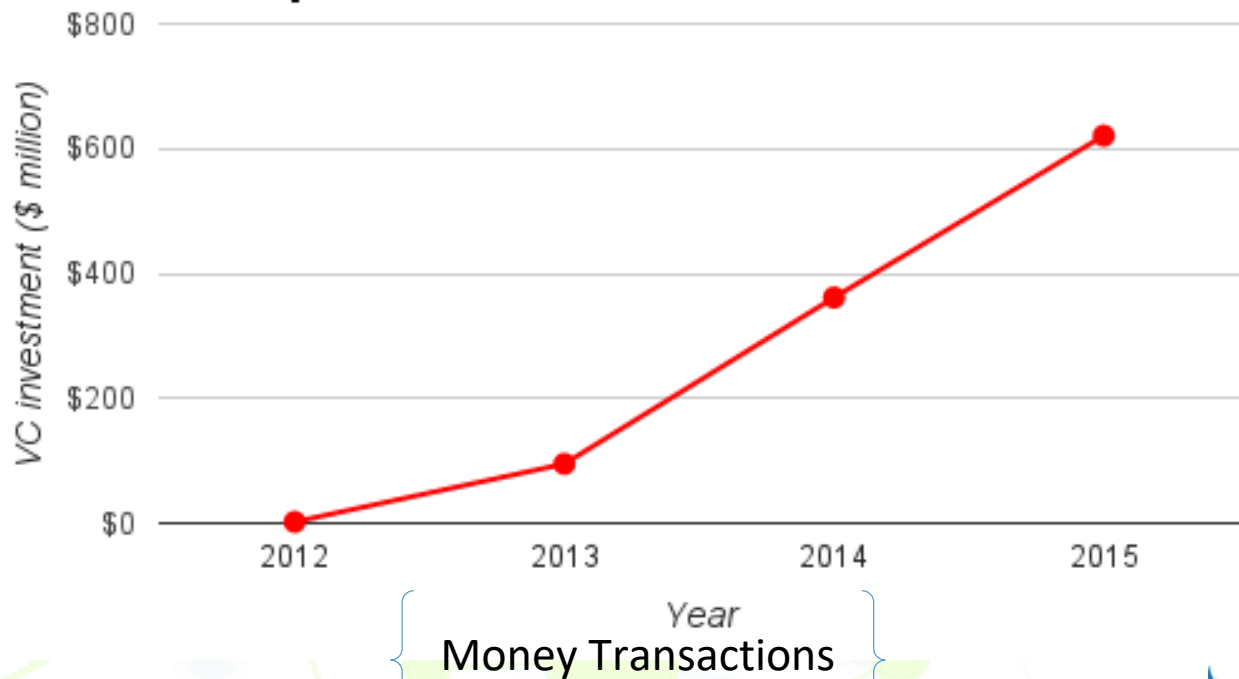
## Advertising revenue in E-sports has risen steadily since 2010



## Acquisitions in Fintech for different market segments



## Venture Capital Investments into Blockchain Startups



Upon reaching our second milestone, OX will be eligible to qualify for a broader range of instruments that will increase the financial services offered reaching more sophisticated and functional banking. At this stage, OX complete Electronic Money Institution (EMI) license will allow us to issue electronic money – something we would not be able to do with a limited F.I. license.

In XIX century, gold was used as money. In XX century, we moved on to cash for both historical and practical reasons. In XXI, money went digital, and it was rare to meet a person with a bank account not holding a debit card. For a bank to have the right to issue cards, it must either apply for a card scheme membership (like MasterCard, Visa or American Express), or join an already existing member of a scheme, namely BIN Principal Member. A BIN Principal Member will issue the cards for OX and will be communicating with schemes on our behalf, taking fees for processing. Not only do bank clients need to send money, but they also need to receive it, whether to their personal or corporate accounts. A BIN Principal Member is also responsible for money acquiring, creating a seamless both-end payment transaction service. It may be required to have a “prefunding account” on the side of a BIN Principal Member and it might take up to 6 months for negotiations and final agreement.

At this milestone, OX Financial Institution will likely implement currency exchange services, allowing corporate customers to keep a variety of currencies inside a single bank account, exchanging them at their discretion and making payments with less spending and volatility risks. The deployment of the exchange may take up to 3 months.

By being in the middle of an online financial transaction we expect to gather a lot of insight into consumer's behavioral pattern as well as income and liability profile. This will drive our scoring models allowing to offer loans. We expect these loans to be extended predominantly to finance purchases from online merchants we'll be working with. This will enhance the value of the membership of OX–Third EYe biosphere through driving the sales for our merchants and providing a differentiated offering for the consumers. Last but not least, it will also be beneficial to OX as we will maximize our return on investment by supplementing interest income with the consequential transaction revenues.

Similarly to our consumers, we would like to be in a position to offer financing to our merchants. This will most likely take the shape of working capital financing whereby we could either (a) finance their stock or (b) allow them to provide consumer financing by extending them a loan to bridge a receivable. Particularly in the case of receivable financing, our deal appetite will likely be driven by the credit scoring as well as the merchant's trade volume through OX. Such positive reinforcement will encourage the transactions through our platform and drive value for all OX stakeholders.

## Commercial Solutions





The strategy upon reaching this milestone greatly advances, and so do OX ambitions and requirements. At this stage, OX will be eligible to reach the potential of a fully functional Institution with a complete set of features. Along with classical banking services, OX Fina will deliver applications and instruments required in the market.


But before the development of APIs, OX may apply for a card scheme (Visa/MasterCard) Principal Member License. With such membership, no BIN sponsors would be required for card issuing, simplifying the card payment processing and reducing the costs.

At the same time, OX will rally to become a bank, applying for an all-inclusive banking license. This is one of the most serious licenses and requires OX to undergo many lengthy audit sessions. The process may take up to 2 years, but as a result OX will be authorized to provide deposit services, issue debit and credit cards and offer savings accounts (e.g. retirement savings).

The digitalization of commerce is the ultimate requirement for modern merchants to stay competitive across the market. This, however, makes the merchants dependent on third party payment service providers to issue the services and the infrastructure for payment initiation and account information services. The offering of a classical bank is often regarded as limited and inflexible. We therefore see a significant opportunity to gain strong market share across electronic merchants by offering a nimble solution.

With the PSD2 in place, banks will have to adapt and offer just the specific services required for e-Commerce, as well as provide tools for TPPs which will come with help of new directives. The mission of OX Fina is to not only provide the Account Servicing Payment Service Provider (ASPSP) services on an open platform for merchants, but to also make sure that the implementation and integration of such services comes seamlessly through the role of OX as a TPP, i.e. Account Information Service Provider (AISP) and Payment Initiation Service Provider (PISP) platforms in the frame of the PSD2.





## Third EYe

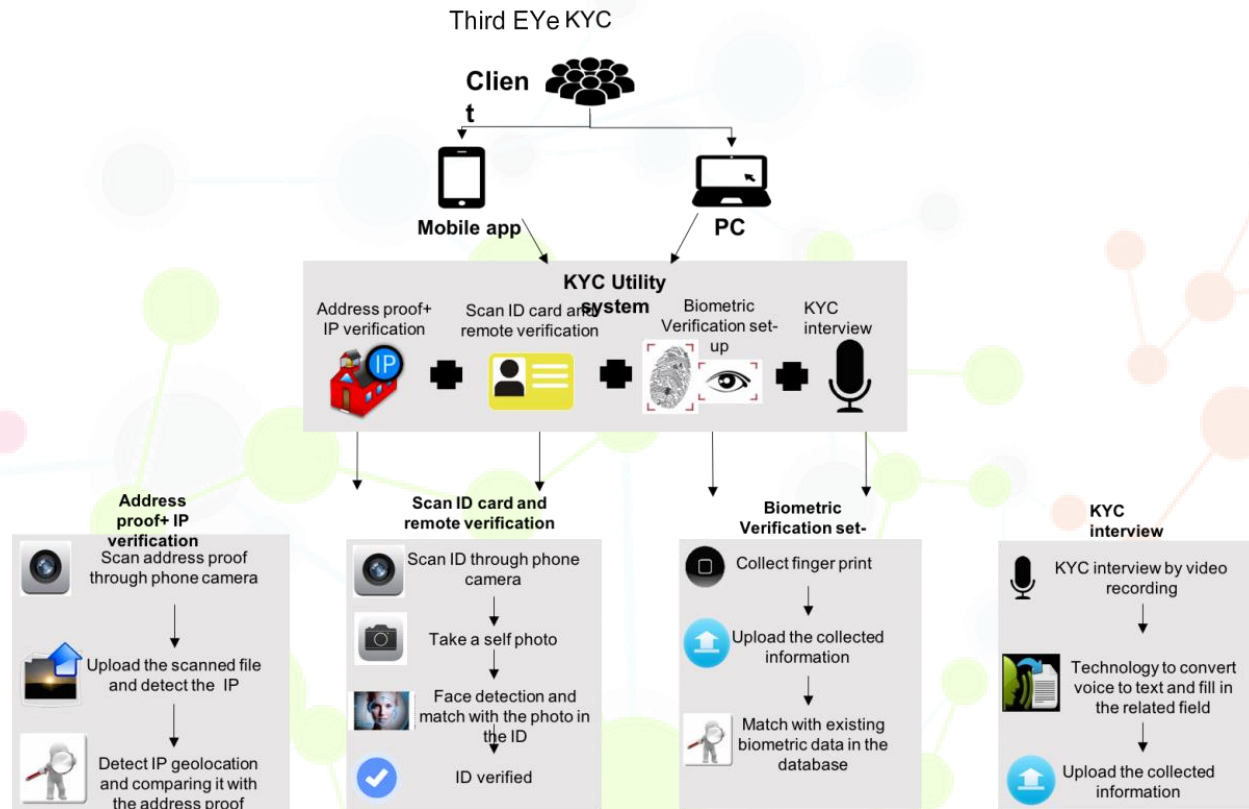
The infrastructure of OX Fina project will rely on reputable existing core solutions along with technologies meant to digitize and automate operations and communication.

Third EYe, the product of our development, is a standalone technology and service aimed to standardize system-to-system communication, and enable trust through the integrity of records. It is designed to facilitate individuals and businesses to get access to, and to keep encrypted personal & corporate data in a privately accessible decentralized ledger. The data will later be used in a secure, open and non-discriminatory manner to increase the scope of OX Fina or F.I. procedures, as well as to build an ecosystem for businesses.

Third EYe employs the experience of the trusted and field-tested Estonian e-Residency identification system and its uses. The main principles of security, adaptation and potential appliance are outlined below:

### Protection of personal data

The first and most important aspect of Third EYe features is related to the processing and storage of data referable to the personal identification (sensitive), as well as anonymous and pseudonymous information.



## Decentralized Ledger Technologies

Due to the critical importance of information security, the data requires an undeniable, highly secure and redundant storage environment that will also allow private access to and exchange of information between OX Fina or F.I., its customers, trusted entities and law organizations. Being compliant with the regulations, blockchain technology will be adopted as a basis for further development. Among its key features, will be multi-level permission-based access to data via SSL certificates.

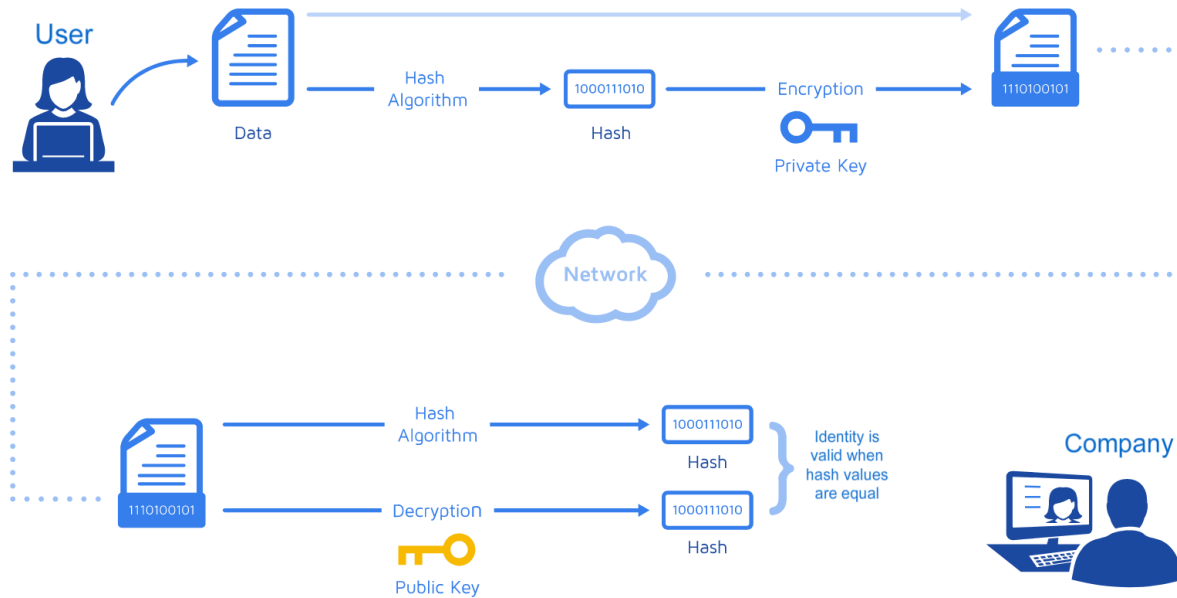
Entities and organizations using the trusted environment may include, but are not limited to: financial, health and government institutions along with trust-businesses. The access to data entered and retained in the trusted environment will be provided on the individual's discretion or by a request from legal authorities.

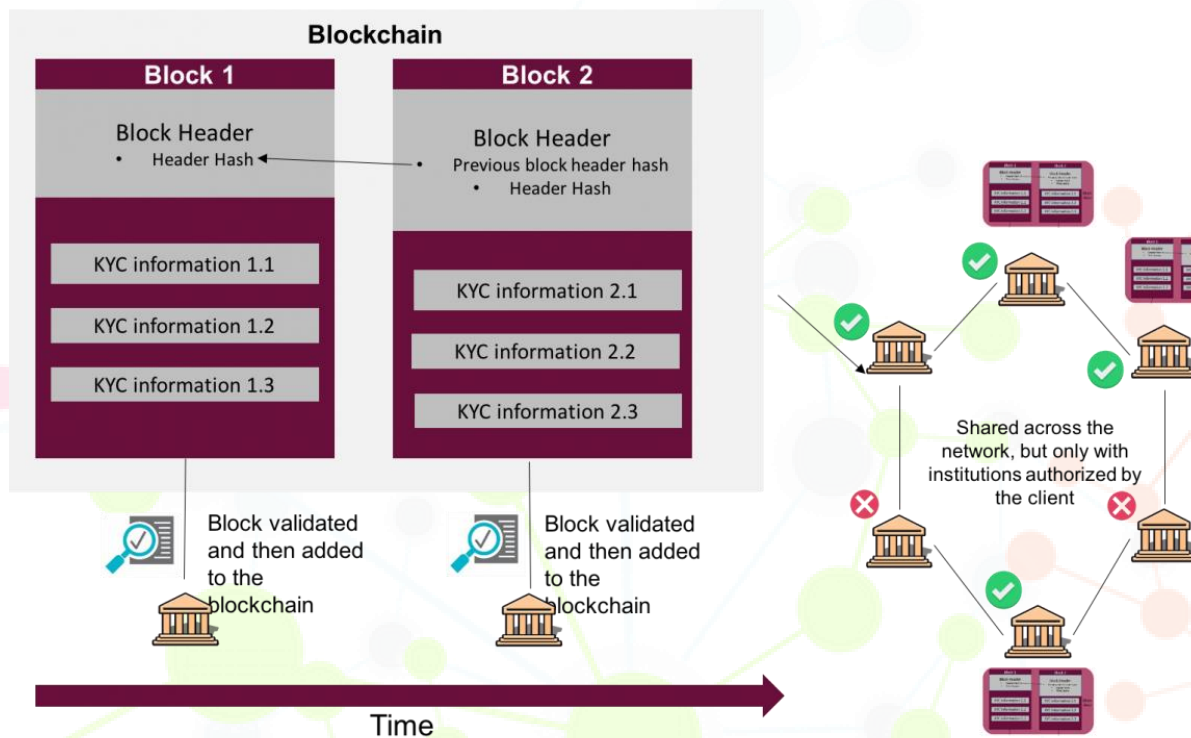
While the blockchain stays as a trustable environment for data storage and access to services and entries is covered by independent software solutions (such as the Authorizer), there are other DLTs (such as the Tangle) that are designed to allow an efficient transfer of low batches of data. This is a tool useful in processing data generated or required by small IoT devices.

## Internet of Things

With the expansion of smart devices, smart cars and smart houses, more types of transactions will eventually appear. For the IoT to function seamlessly, specific standards of micropayment processing and message delivery have to be adopted for convenient M2M communications and billing.

While not being a focus area at the earliest stages of development, the potential and the requirements of the field is the reason to keep it in mind. As the technology starts to gain mass recognition and adoption, OX Fina or F.I. will look forward to develop and provide instrumental payment services based, or employing currently existing solutions.





### Big Data

Third EYE is designed to collect and store a handful of data, which will be used to enable individuals and entities to receive both high quality services and information about the Market in general. The information may be anonymously collected by trusted, licensed and regulated entities and then processed, providing regional data regarding the requirements of local industry. The data may also be used for the development of new procedures or services required in different areas of human life.

### Applied AI

Although in its infancy, artificial intelligence is already used as a tool of data analysis. Weak AI or Narrow AI is complex combination of algorithms able to analyze big clusters of data and give "answers" accordingly to preset logic. In financial environment, such tool is used in scoring and sensitivity systems. To remove any chance of private selfishness in the processing of sensitive information, and to increase trust between customers, trusted entities and Third EYE, it is crucial to ensure the correct usage of data. Along with the development of OX Fina or F.I. and related services, the overall capacity, operational speed and costs will be improved with the implementation of applied AI solutions within the Third EYE and other functional features.



For backers and OX Fian

Third EYe is the solution to satisfy compliance with the eIDAS Regulation and may generate revenue on its related services, e.g. data processing and analysis. Our initial goal is to create a global credit scoring system together with our strategic partners who are among the leaders in the credit industries around the globe. Those entities interested in using the features and tools provided by Third EYe will be subject to royalty and maintenance fees as to ensure the validity and continuity of the service as well as profitability.



Basic technical principles of operation:

Third EYe combines user SSL certificates, blockchain-based info signatures and a widely acceptable OAuth2 technology. Current methodology of registration is the following:

1. User creates an info signature with private information (name, address, contact details), encrypts it and sends it over to the ledger;
2. User generates a SSL certificate including the info signature data, sends the info to ledger and adds the \*.p12 file to the browser;
3. User authorizes on the Third EYe website using a certificate in the dashboard. User can also use other means of authorization such as an ID card, a bank or a governmental services website. If the info signature data corresponds to data from other sources, the user is considered valid. In any other case the data is verified by a moderator. This is a way to connect a user certificate with real user data;



4. Implementation of Third Eye into websites (banks, exchanges, merchants, etc) is done via the standard OAuth2 protocol.

An illustrative use case example for a credit organization:

1. User presses "authorize via Third Eye" on a ORG. website;
2. The ORG. website redirects the user to Third Eye website/app, where it authorizes using own SSL certificate, receiving a User Authorization Token;
3. By a following Third Eye request, a ORG. website receives user's info card data along with verification data, for example:

{Verified=true; verified\_type:id\_card}

4. Next, an ORG. provides a loan to a user, informing Third Eye without disclosing any of the user's PII.

5. Third Eye publishes a blockchain entry with such parameters as:

Name: credit info: SSL-id

Value: credit\_org = "Credit Organization Name" credit\_summ = "Loan amount"

credit\_expiration = "Loan expiration date"





# Financial Marketplace

## Small and Medium Enterprise Financial Marketplace

The Financial Marketplace will be the environment for fintech companies and financial experts to present and provide the services and technologies as the product of their expertise and development. There is a reason for such solutions to be in high demand - many small and medium enterprises often require additional tools for their business to be successful and convenient, and the market will be especially ready for such tools in the scope of the PSD2. Venture capital, seed and angel investors also require platforms for their daily operations, so with the development of the Third EYE analysis & scoring technologies accompanied by fintech solutions we foresee the employment of such platforms and instruments in the marketplace as well.

The tools will vary by purpose and mechanics, ranging from traditional single market analysis instruments to cutting-edge financial aggregation platforms for loan, brokerage, insurance and investment needs.

E-Commerce & m-Commerce services along with online merchants have to rely on third party processors to cover their money remittance, compliance or logistics requirements. OX Financial Marketplace will be designed to connect the developers and the consumers of such technologies.

Decentralized Autonomous Organizations or DAOs can be considered a new tool for Venture Capital investors as it provides secure funding mechanics using smart DLT contracts.

Same mechanisms of smart contracts and DAO tokens can also be employed in development of smart crowd funding platforms. The Initial Coin Offering (ICO) itself is an example of a tool for the OX Financial Marketplace.

With data collected in Third EYE and analyzed by third party scoring and sensitivity systems, the marketplace will attract insurance companies, credit agencies and those willing to provide access to their information. We believe that companies working with financial risks would benefit from having a greater data input and therefore a better analytical output due to higher scoring precision. For the customers, it will mean that such services will be able to provide lower-than-usual prices for services to compliment the readiness of individuals to share their data and ensure the financial and operational safety.

Foreign exchange can be more than just a tool for international money remittance – it can become a trading platform. Corporate and individual brokers will be able to provide their services or technologies within the marketplace, while big and medium investors will access the database of startups and established companies in need of venture capital.

The OX project is driven by a number of expert groups of with common vision.

Additional tech and finance professionals have committed to join the project upon ICO closing. They are not yet actively involved nor listed below due to their arrangements with current employers and conflicts of interest.



## Team/Governance

OX is a profit driven corporation that autonomously generates growth and a steady stream of income for its shareholders.

While blockchain technology is still in development, business concepts are matured and proven. OX brings business and programming talent together in a trustless environment that allows them to do what they do best.

Developers profit from their efforts while investors gain security and a chance to invest in new technology following business rules that make sense.

### **SHAREHOLDERS**

The shareholders are the collective owners of OX. Anyone who owns one or more OX tokens is considered a shareholder.

Ultimately, the power lies with the shareholders through voting (see also the section Voting).

### **BOARD OF DIRECTORS**

The board of directors (B of D) is a group of seven elected individuals who represent the shareholders by making governance decision through a voting process (see also governance proposals B of D) and performing management tasks.

Unlike shareholders, elected members of the B of D cannot choose to stay anonymous. Also, members of the B of D are expected to vote each time a B of D vote is called. A record of each B of D member's voting behavior is stored in the blockchain and thus made public.

In addition to making governance decisions on behalf of the shareholders, and in contrast with a traditional B of D, members perform management tasks. Management tasks do not require a voting round and may be performed by one board member. Management tasks include:

- Managing a fund (see also Funding proposals and funds).
- Performing tasks outside of the blockchain environment, such as forum or website maintenance.

B of D members are compensated in ETH. When management efforts of a B of D member result in profit, the managing member is also entitled to a share of that profit, for as long as the individual holds the position of B of D member. These agreements are recorded in the contract of a fund and are approved by the shareholders.

Members of the B of D can be replaced by the shareholders through a voting process. A majority vote of the B of D can temporarily put a B of D member in a non-active state as a safety measure. While the non-active state is in force, the B of D member in question cannot perform management tasks. Also, the voting power of the non- active B of D member is temporarily forwarded to the founder.



## **FOUNDER**

The founder has an important but modest role (besides being lead developer).

The founder can perform the same actions as a member of the B of D. The vote of the founder carries twice the

Weight of a B of D member's vote, so that the total voting weight of the B of D becomes nine.

In the unfortunate case when a member of the B of D is unable to vote due to an enforced non-active state, the voting weight of that member is forwarded to the founder until the member of the B of D is replaced or the non-active state is lifted.

During the pre-sale period, and until the ownership of the token contract is transferred to the OX contract, the founder manages the token contract through the crowdsale contract with limited power. The founder is not elected.

## **TALENT**

Funded project developers, managers, members of the B of D, the core team and the founder are talented participants who ensure the growth and profit generation of the corporation.

Talented participants are the most valued resources of the corporation. They are retained by a competitive compensation for their efforts and continuous bonuses when these efforts lead to profit.

Compensation, ideally in the form of periodic payments during project development, is needed to make it possible for participants to work on OX projects continuously. This increases the completion ratio of funded projects and protects against projects being abandoned.

Continuous bonuses, on success, work as an incentive for participants in order to get the best out of them while

'Playing fair'.

Agreements are recorded on the blockchain in a fund contract approved by the shareholders. Fund contracts are immutable and are executed automatically.

Where there is profit, projects are not abandoned.

## **VOTING**

OX is a democratic autonomous decentralized organization. Decisions are made by means of a voting process and the power ultimately lies with the shareholders.

There are two entities within the corporation that are able to vote: the shareholders and the B of D.

Due to the decentralized and transparent nature of OX, there is no room for corruption. Votes are recorded on the blockchain and the weight of each vote is calculated at the time of the proposal's deadline.



## **BOARD OF DIRECTORS' VOTE**

The B of D can vote about a limited set of proposals that do not require a time consuming voting round among the shareholders (see also the section Proposals (B of D)).

Members of the B of D use the contract's interface to vote through Mist. B of D members are expected to vote on each appropriate proposal. Their votes are registered and public through the blockchain.

Four fifths ( $4/5$ ) of the fees collected from appropriate proposals are distributed to the members of the B of D and the founder equally, so that each receives a tenth ( $1/10$ ). The remaining one fifth ( $1/5$ ) is added to OX's balance.

When a member of the B of D or the founder neglects to vote before the end of a proposal's deadline or is in a non-active state, the fee will be added to OX's balance instead.

This strategy is an incentive to vote about governance proposals within the acceptable timeframe while compensating participants.

## **SHAREHOLDER VOTE**

The shareholders can vote on every possible proposal that is deemed necessary (also see the section Proposals (shareholders)).

Shareholders use a straightforward web interface that is hosted on OXfina.com, which facilitates voting. Interacting with OX should be as easy as interacting with Facebook. Moreover, easy-to-follow instructions will be published on OXfina.com.

While the recommended way of interacting with OX is through navigating to OXfina.com in Mist, participants can just as easily use their favorite browser.

Half ( $1/2$ ) of the fees collected from appropriate proposals is distributed to the members of the B of D and the founder equally, so that each receives a sixteenth ( $1/16$ ). The remaining half ( $1/2$ ) is added to OX's balance. When a member of the B of D is in a non-active state, the fee will be added to OX's balance instead.

This strategy helps to compensate members of the B of D and the founder for performing management and maintenance tasks. It also is an incentive for long-term commitment and active participation.

## **PROPOSALS**

Anyone can submit governance and funding proposals. Governance proposals are divided into two groups: proposals that can be approved by the Board of Directors and proposals that need to be approved by the shareholders. Funding proposals always need approval from the shareholders.



## **ELIMINATE SPAM**

To eliminate spam and reducing the number of voting rounds, submitting a proposal is a payed service (except for board members). This strategy encourages participants to write better proposals and gauge support in favor of their proposal before submitting a proposal. The fee for submitting a proposal can be changed by submitting a 'shareholders governance proposal'. On the launch, the fees are as listed below:

Governance proposal (B of D): 0.1 ETH Governance proposal (shareholders): 5.0 ETH Funding proposal: 1.0 ETH The fee for submitting a proposal must be positive ( $>0$ ).

### **GOVERNANCE PROPOSALS (B OF D)**

To allow swift decision-making, governance proposals with low impact, may be approved by a Board of Directors' vote. When submitting a proposal that satisfies the criteria of 'governance proposal (B of D)', the submitter is free to submit the proposal that requires the shareholders to vote.

Governance proposals that can be approved by the Board of Directors include:

- Canceling funds
- Replacing fund managers
- Freezing accounts
- Deploying contracts (in order to develop funded projects)

### **GOVERNANCE PROPOSALS (SHAREHOLDERS)**

Governance proposals that change business rules, have a large impact on shareholders or cannot be voted on by board members because their interests could conflict, must be approved by a shareholders' vote.

- Payment of dividend
- Issuing new shares
- Electing board members
- Removing board members
- Adjusting voting rules
- Adjusting funding rules
- Adjusting fees (for submitting a proposal)
- Adjusting bonuses
- Changing compensations
- Managing deployed contracts



- Approving a proposal that was declined by the Board of Directors (any proposal that can be approved by the Board of Directors can also be approved by the shareholders)

### **FUNDING PROPOSALS**

Funding starts with the submission of a ‘funding proposal’, ideally after gaining sufficient support for the proposal to be approved.

After submitting a funding proposal, shareholders can cast their votes during a seven-day period. When the voting period has ended, the proposal is approved if the majority of the casted votes were in favor of the proposal, otherwise the proposal is rejected. In the former case, ETH will be deposited into the approved fund and the fund contract will be deployed after a safety period of seven days.

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The length of the voting period and safety period can be adjusted with a shareholders governance proposal.

The funding proposal contains a payment schedule that describes on which dates, or at which milestones a certain amount of ETH should be paid out. Please see the section ETH funding for a detailed description of the fund contract.

A funding proposal contains at least the following:

- Payable fee in ETH
- Details about the submitter(s)
- Brief description
- ID linking the proposal to an OX discussion
- Payment schedule





## **BYTECODE PROPOSALS**

An exception will be made for a proposal to execute generic bytecode. Such a proposal needs to be approved by the Board of Directors first. Shareholders can then vote on the proposal's execution.

## **SEED PROJECT**

The core team (see also section Team) is committed to the development of the seed projects. The ultimate power lies with the OX shareholders.

OX's forum for review by and input from its shareholders.

## **DIVIDEND**

Ultimately, it is up to the shareholders what happens with the ETH that is held by OX.

Due to autonomous growth and development, deposits of ETH continue to flow back to OX. By means of a governance proposal, shareholders can vote to distribute (part of) the returns to the shareholders. Dividend is paid in proportion to the number of tokens that each shareholder owns.

A proposal to pay out dividend must contain the percentage of the returns that will be paid out and a deadline for claiming the dividend.

On execution of the proposal, the amount of ETH to be paid out as dividend is allocated and each address that holds an OX balance will be updated with an 'unclaimed dividend' amount. In the time between proposal execution and the predetermined deadline for claiming dividend, each token holder is required to execute a function in order to claim a share of the dividend.

When the claiming period ends, any remaining ETH (unclaimed dividend) is returned to OX and each address' 'unclaimed dividend' amount is reset to zero.





## **REWARDS**

Developers and managers may receive periodic rewards payable in ETH when their work and decisions result in profit generation.

Reward payout agreements for the developer are immutable and recorded in the deployed project. A manager is required to be a member of the B of D and reward agreements are valid as long as the participant is a B of D member. In the case where a manager loses the position of B of D member, the rewards are forfeited to OX until the participant manages to reclaim the position of B of D member.



## Regulations/ORG.

OX Foundation is a financial company, established in 2017 and registered in Belize with the main office located in Belize, Honduras CA.

The main focus area of the Foundation is outlining and executing the projects behind or related to the OX infrastructure; selling OX Tokens to cover OX products; execution of OX Trust Trustee services; product development of the Third EYE platform and promotion of OX Fina project.

OX Foundation will be the trustee promoter and holder of licenses for OX Fina OX Trust, and Third EYE, and is legally accountable for OX Trust trustee services.

OX Fina Token or OX is a profit-share smart contract. The token is issued within the Ethereum blockchain and will live in mist for some time.

Due to the sensitive nature of banking business and PII processing, here is the (indicative, non-exhaustive) list of standards, regulations and legislations we will to comply with:

1. ISO/IEC 27000 family of standards – defines requirements for PII storage, processing and distribution. More details can be found on the official website of the organization;
2. GDPR – the General Data Processing Regulation specifies the core principles of working with the PII.
3. ISO 20022 – a standard of communication and messaging between financial entities. Its purpose is to reduce "misunderstanding" in general terms by creating a unified dictionary for businesses.
4. IFCL Licenses - International Financial Services Commission Belize for financial service like;

<b>LIST A</b> IBC Services	<b>LIST B</b> Trustee Services	<b>LIST C (International Insurance Services)</b> <a href="https://osipp.gov.bz">https://osipp.gov.bz</a>	<b>LIST D</b> International Collective Investment Schemes or Mutual Funds Services	<b>LIST E</b> International Asset Protection and Management
<b>LIST F</b> Trading In Securities Services	<b>LIST G</b> International Money Lending Services	<b>LIST H</b> Brokerage/ Consultancy / Advisory Services	<b>LIST I</b> International Safe Custody Services	<b>LIST J</b> Trading in Foreign Exchange Services
<b>LIST K</b> Money Transmission Services	<b>LIST L</b> Money Brokering Services	<b>LIST M</b> Money Exchange Services	<b>LIST N</b> Payment Processing Services	<b>LIST O</b> International Accounting Services

5- AML/CFT legislation – a list of principles meant for or Anti-Money Laundering and Countering the Financing of Terrorism.

6- IBC legislation – An International business organization regulations followed by Belize IBC law

During the company's expansion period, appropriate regulations will also be met according jurisdictions.





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