

COMPANY NAME :

**SwissCoinTech AG**



# FX SWISS



**SwissCoinTech AG**

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# CORPORATE STRATEGY

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SwissCoinTech AG invests in financial companies, with special focus on buying, selling and running foreign exchange, money and binary brokers, crypto brokers and crypto exchanges.

The underlying strategy is to identify under-performing client books using proprietary statistical technology developed over an extended period of time. Once a suitable target is identified and control acquired, streamlining operations begin by implementing in-house technology proven to offer cost reductions and minimize reliance on 3<sup>rd</sup> party technology. This, in turn, permits reductions in staff overhead, and provides options for transferring operations to jurisdictions where profitability can be maximized without impacting quality of service.

As part of its technology stable, SwissCoinTech AG has developed an extensive and workflow-optimal CRM system, plus security software, risk management tools, financial bridge technology, anti-fraud counter-measures and systems for trading platform exploit prevention.

In order to provide alternative income streams and help manage risk for investors, SwissCoinTech AG plans to license its developed technology to other suitable candidates including, but not limited to, cryptocurrency exchanges, other foreign exchange brokers, binary option brokers, etc.

# THE ● POTENTIAL

Companies operating in the target market are part of a US\$1,300 trillion market, so capturing even an incredibly small portion of that market equates to significant profits.

**One of the most important aspects of SwissCoinTech AGs operation is the fact that multiple revenue streams are already in place:**

- *Consultancy*
- *Licensing of technology*
- *Provision of outsourced services*
- *Profit sharing*
- *Dividends from acquisitions*
- *Exit event profits*

SwissCoinTech AG therefore forecasts income of US\$4.8m in 2019 which is expected to rise year-on-year to US\$24.2m in 2023.

# COMMON ISSUES

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In terms of the foreign exchange markets, legislative restrictions in various jurisdiction are responsible for the (often severe) under-performance of client books. Restrictions vary from jurisdiction to jurisdiction, but typically include at least one of the following areas which are explained in greater detail below:

- Marketing methods
- Pricing options
- Trading facilities
- Risk management
- Banking options
- Ancillary facilities (credit/debit cards, e-wallets, etc.)

## **Marketing methods**

Surprisingly, most financial entities have little-to-no marketing competence in relation to either acquisition or retention of clients. Fortunately, the team at SwissCoinTech AG have expert knowledge in this area and are able to leverage that knowledge to increase new client registrations and to ethically boost the lifetime value of all clients. Since the standard lifetime-value (LTV) of a typical client is US\$700-800 according to industry data, this is a critical issue to address.

## Pricing options

By implementing advanced integration with liquidity providers and other relevant entities, it is quite possible to increase the basic profitability of a money / exchange brokerage by up to 500% regardless of jurisdiction, but when jurisdictional changes are possible, even greater increases to core profitability can be achieved - all without impacting the client experience.

## Trading facilities

The choice of trading platform(s) offered by an exchange entity is critical to its success. As with any business, providing what clients want is paramount, but many exchange-related companies seem to ignore the importance of this fact - thereby alienating potential clients in favour of custom platforms / cost-driven options / plain inexperience. The SwissCoinTech AG approach takes an opposing view and focuses on offering the trading platforms that attract the most clients

## Risk management

The majority of exchange-based entities are struggling to be profitable because of one simple fact: they are unable to identify toxic clients. Although some toxic clients are deliberately attempting to exploit issues in specific trading platforms, the majority of toxic clients find themselves in that category inadvertently. Regardless, toxic clients pose undue risk to exchange entities and/or accrue gains to which they are not morally/legally entitled, and exchange entities unable to identify such clients find themselves unwittingly covering their ill-gotten gains. SwissCoinTech AG has specifically invested significant time and money into the development of monitoring systems which not only home-in on clients of interest, but actively prevent undue profits from their illicit trading activities.

## Banking options

Beyond the basics of daily operation, many entities discover that maintaining reliable banking facilities is a source of constant stress, and one that can severely handicap growth. Whilst not always the case, banking restrictions can sometimes be avoided by adopting better KYC/AML policies, proficient auditing or money service licensing, but the core of the issue is territorial banking legislation compounded by the general incompetence / lack of real business experience of "senior" bank staff. The result is a difficult time for any financial entity that cannot fit the jelly-mold profiles in the handbooks issued by various banks. So, since "senior" banking staff are not permitted to think for themselves or operate "outside the box", SwissCoinTech AG has devised various corporate structures to overcome the lack of flexibility and lack of business sense which now pervades the banking community.

## Ancillary facilities

As with banking options, SwissCoinTech AG has devised simple corporate restructuring options which resolve the issues affecting things such as approval and retention of credit / debit card and e-wallet facilities by exchange-style entities using methods that function reliably regardless of jurisdiction.

**BEYOND THE ABOVE, THE MOST COMMON ISSUES THAT  
HAVE BEEN IDENTIFIED IN ENTITIES THAT  
SWISSCOINTECH AG HAS WORKED WITH ARE:**

## **Legislative risk**

A constant risk to any business in the financial niche is legislative change. Such changes can affect anything - from the ability to obtain banking facilities through to the ability to even operate legally! Fortunately, most scenarios can be overcome by optimizing the corporate structure and/or implementing a jurisdictional change.

## **Technology**

Outdated technology, and solutions created by entities with little (or no) first-hand experience in the relevant industry can often become the difference between success and failure. The trend in recent years has been for companies to engage software companies (who often sub-contract the work to China, India, etc.) to develop software systems for them. The issue is that these companies, while technologically quite competent, have no actual experience of the industry / specific business that they are creating software for. The result is software which may (though usually does not) meet the needs of the business, and where workflows are inevitably sub-optimal.

Due to the extensive experience of the SwissCoinTech AG team in relation to their target niche, the software developed in-house is already optimally-designed, and the more logical workflows that implementation of these systems brings can quickly reverse the fortunes of the companies that SwissCoinTech AG partners with. The results are soon obvious:

- Process consistency
- Reduction in staff overhead
- Reduced operational costs
- Increased profitability

Although improvements can be measured almost immediately after implementing the SwissCoinTech AG strategies, the usual turnaround time for most companies will be at least 6 months as the effects of previous policy decisions are reversed.



# THE ROADMAP

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## STAGE 1

SwissCoinTech AG aims to complete its ICO in Q4 2018.

Stage 1 (scheduled for Q1 2019) will begin with the purchase of smaller brokerages that are either struggling, or where the principals are looking to exit.

Two candidate entities have already been identified and have passed due-diligence with indicative fair valuation ranges of US\$0.7-1.3m.

Based solely on these proposed acquisitions, SwissCoinTech AG expects to capture approximately 5,000 active traders - each with an average residual lifetime value of approximately US\$600.

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# • TOKEN SALE

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## General Overview

An Initial Token Sale or Initial Coin Offering (hereinafter "ICO") is the event at which a cryptocurrency project sells part of its cryptocurrency tokens to early adopters and enthusiasts in exchange for funding.

For the party offering the tokens for sale, this provides a proven methodology for both raising funds and ensuring adoption of the tokens once they are in circulation, and is a popular way to upscale an existing product or service. For the purchasers of tokens, an ICO is an opportunity to participate in the early development of a cryptocurrency business.

Initial Coin Offerings ("ICOs") have quickly grown to account for more startup funding in blockchain-based companies than all other venture capital. Over US\$2.3 billion has been raised through ICOs so far, with the majority of that taking place during the first half of 2017.

The massive increase in the value of cryptocurrencies significantly contributed to the growth of the ICO market during 2017. In fact, the combined market capitalization of all cryptocurrencies rose from US\$7 billion in January of 2016 to over US\$130 billion by September 2017. Between September 2013 and September 2017, Bitcoin appreciated nearly 30X - from US\$135 per Bitcoin to over US\$4,000, and set an all-time record of over US\$20,000 per Bitcoin within weeks which was, in part, due to Bitcoin's role as the most widely known, used, and accepted cryptocurrency for payments.

## General Overview

Various market events over the coming months caused the value of a Bitcoin to fall back, but it found support around the US\$6,000 level (still 50% up from September 2017) and is currently hovering around US\$8,000. Similarly, Ether (the core utility token of Ethereum - the most widely used blockchain-based computing platform for ICOs / token sales) appreciated more than 100X from its August 2015 price of US\$2.83 to over US\$300 in September 2017. Similarly to Bitcoin, the value of Ether exploded in the coming weeks to peak at US\$1,359 in January 2018 before falling back and finding support at US\$381, from where it has reached roughly US\$470 (up from September 2017 and the subsequent low).

Ultimately, ICOs are a way for early cryptocurrency holders to diversify their holdings using the cryptocurrency itself, and the last two years have seen an incredible move towards use of blockchain technology and tokenized models by startups and founders because, rather than building new products around centralized architectures and database structures, an incredible wave of new development and innovation is happening on blockchain technology to kick off a new paradigm: decentralized services and models. This is supported by a deeply-committed technical community running full speed towards a blockchain-based future, and experienced technology company founders jumping aboard. The majority of ICOs are for new companies that are yet to launch their products into the market, but the ICO and tokenization model is starting to catch up with more mature and established companies like SwissCoinTech AG.

# PURPOSE OF THE • XY ICO

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Even though SwissCoinTech AG has functional technology that has been implemented by various entities, taking the business to the next level requires more capital to scale operations and to allow diversification.

There are various aspects of this endeavor to scale the business, including:

- continued improvement of current products
- development of new technologies
- entering new markets, and
- acquisition of expert assistance.

Funds raised by the ICO will allow acceleration of the plan far beyond what can be supported currently, and by offering a token instead of the more traditional venture capital round enables the wider community to participate in the SwissCoinTech AG success story rather than limiting involvement to a select few venture capital funds.

By acquiring SwissCoinTech AG tokens, token holders will benefit from SwissCoinTech AG's future success. More importantly, a token sale is fast, transparent, and extremely efficient for this purpose.

The main advantages of the ICO model of business expansion:

- Token sales are a cost-effective mechanism for raising funds;
- ICOs are not just fundraising events, but also great marketing opportunities;
- Token sales provide an opportunity to engage with the community and build products in consultation with token holders and experts - ultimately delivering best-of-breed products.

# USE OF FUNDS

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## THE FUNDS RAISED BY THIS ICO WILL BE APPROPRIATED AS FOLLOWS:



10% for marketing and new client acquisition



60% for purchasing controlling shares in suitable companies



5% for due diligence and legal work related to target companies



15% to support further development and new technologies



5% for general management expenditure



5% will form a contingency fund

# THE ● TEAM

SwissCoinTech AG's team consists of industry veterans - many of whom have significant experience in securities trading, brokerage operation, banking and global corporate structuring. The in-house software development team has extensive experience in the trading and brokerage niches, and has partnered with veterans in the blockchain and cryptography space to maximize technical capabilities. The advisory board consists of more senior members with direct fin-tech/ad-tech/agglomeration experience and/or have started companies from scratch and taken them through to IPO.

## LEGAL

# DISCLAIMER

### LEGAL DISCLAIMER

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This Whitepaper does not constitute a relationship between you (hereinafter "you" or "Holder") and the Distributor.

Acquisition of SwissCoinTech AG tokens is available only after accepting the Terms and Conditions of this token sale (hereinafter "T&C").

Acquisition of SwissCoinTech AG cryptographic tokens does not present an exchange of cryptocurrencies for any form of ordinary shares of the Distributor and a Holder of SwissCoinTech AG cryptographic tokens is not entitled to any guaranteed form of dividend.

Holders of SwissCoinTech AG tokens are only entitled to certain rights as detailed within the T&C.

SwissCoinTech AG tokens are not intended to constitute securities in any jurisdiction.

This Whitepaper does not constitute a prospectus or offer document of any sort, and is not intended to constitute an offer of securities or a solicitation for investment in securities in any

## LEGAL DISCLAIMER

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Prospective acquirers of SwissCoinTech AG tokens should carefully consider and evaluate all risks and uncertainties associated with cryptocurrencies, SwissCoinTech AG's respective businesses and operations, the SwissCoinTech AG tokens and the SwissCoinTech AG Initial Coin Offering.

Familiarize yourself with all of the information set out in this Whitepaper, Risk Notice and the T&C prior to any purchase of SwissCoinTech AG tokens.

The Risk Statement details all potential risks that you should consider, so ensure that you are aware of all of potential risks and have given them adequate consideration prior to obtaining SwissCoinTech AG tokens.

You should seek out independent financial advice before engaging in any sort of business endeavor.

This disclaimer applies to all persons who read this document.

Please be aware that this document may be altered or updated, so it is your responsibility to ensure that you are referring to the latest version.

Due to the possibility of regulatory changes occurring since this document was compiled, interested parties should ensure they are not breaking local laws.



## RISK

# • STATEMENT

### RISK STATEMENT

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- iv. usage or acquisition of products available through the website.

## **RISK STATEMENT**

You acknowledge and agree that you are not purchasing SwissCoinTech AG tokens for purpose of investment, speculation, as some type of arbitrage strategy, for immediate resale or other financial purposes.

Some statements in this Whitepaper include forward-looking statements which reflect the Distributor's current views with respect to the execution roadmap, financial performance, business strategy and future plans with respect to the Distributor and the sectors and industries in which the Distributor operates. Statements which include the words "expects", "plans", "believes", "projects", "anticipates", "will", "aims", "may", "would", "could", "continue" and similar statements are of a future or forward-looking nature, and all forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are (or will be) important factors that could cause the Distributor's actual results to differ materially from those indicated in these statements. These factors include but are not limited to those described in the "Risks" section of the T&C, which should be read in conjunction with the other cautionary statements included in the T&C. Any forward-looking statements in this Whitepaper reflect the Distributor's current views with respect to future events, and are subject to these and other risks, uncertainties and assumptions relating to the Distributor's operations, results of operations and growth strategy. These forward-looking statements speak only as of the date of the Whitepaper. Prospective buyers of SwissCoinTech AG tokens should specifically consider the factors identified in the Whitepaper and the T&C, which could cause actual results to differ, before making a purchase decision. No statement in this Whitepaper is intended as a profit forecast, and no statement in this Whitepaper should be interpreted to mean that the earnings of the Distributor for the current or future years would be as may be implied in this Whitepaper.

# RESTRICTED • AREAS

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## RESTRICTED AREAS

Citizens, residents (tax or otherwise), or green card holders of the United States of America are ineligible to purchase SwissCoinTech AG tokens in the SwissCoinTech AG Initial Coin Offering (as referred in this Whitepaper). The same pertains to residents of the Republic of Singapore and of Canada.

Participation in the SwissCoinTech AG Initial Coin Offering for UK citizens or residents will be restricted to self-certified sophisticated investors.

Participation in the SwissCoinTech AG Initial Coin Offering for Hong Kong citizens or residents will be restricted to professional investors only.

Copies of this Whitepaper, or any part thereof, must not be taken or transmitted to any country where distribution or dissemination of material contained in this Whitepaper is prohibited or restricted.



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