

MONETO

WHITEPAPER

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PROBLEM DESCRIPTION

The popularity of cryptocurrencies is growing rapidly. Every person in the world has heard about such digital currency like Bitcoin and Blockchain technology. News on this topic appears in media and on the Internet. Investors also have a stable demand for cryptocurrencies. In 2017 many cryptocurrencies showed appreciation as the capitalization of only one Bitcoin exceeded \$283 billion.

Increasingly, financial institutions from around the world are taking steps towards Bitcoin. The processes of regulation and legalization of this cryptocurrency have begun. A greater number of commercial organizations are using Bitcoin when carrying out commercial transactions. Even major world banks are considering options for the extensive use of cryptocurrencies. In the short term, this will lead to an increase in the number of transactions with cryptocurrencies and investments in this monetary unit.

Today, Bitcoin capitalization is higher than in such money monsters as Goldman Sachs (\$97 billion) and Morgan Stanley (\$93 billion).



According to ru.insider.pro

It should be noted that the investors' approach to Bitcoin has changed in recent years. If earlier the cryptocurrency market mainly attracted the attention of stock market speculators who came in search of good earnings, today the processes of buying and selling digital currency have become more regulated. Instead of a narrow circle of players, financial giants came forward, for example, Goldman Sachs and specialized stock exchanges. This led to the development of the market and turned the virtual currency into a more convenient payment instrument.

Today, the most effective strategy for Bitcoin is «buy-hold». Experience has shown that it is almost impossible to suffer losses using this strategy but players in the market still feel some inconvenience. This is due to the limited number of financial instruments for conducting operations with the cryptocurrencies. Many potential investors are deterred by the complexity of buying both Bitcoin and transferring virtual funds to the real financial currency.

The optimal and effective solution to this problem will be MONETO – the special online cryptocrediting service. With the help of this unique project, players, specialized in trading with Bitcoin, will be able to promptly withdraw fiat money on the security of the cryptocurrency and buy back the cryptocurrency with a small commission.

MAIN MARKETS

Given that the main trend is a strategy of long-term investment in the digital currency, you need a functional financial tool for temporary cash withdrawal and return to Bitcoin. This will speed up the implementation of operations with the cryptocurrency and increase the number of investments and make the transaction process convenient and fast.

COMPETITIVE ADVANTAGE

Bitcoin has recently started gaining popularity, but many financial instruments have already appeared in the market, which is traditional for offline monetary units. Thus, a credit service for this cryptocurrency has become one of the most popular instruments in the world. The possibility of borrowing Bitcoin is provided both by specialized exchanges and by profile online platforms.

Due to the lack of clear regulation rules, such transactions are risky. People who want to take a loan in cryptocurrency will need to provide a certain package of documents, including a copy of the identity document as a guarantor and a tool to identify risks. For the investors, who want to provide a loan, there remains the option that the loan will not be returned. Most often, the indicator of the borrower is an internal rating of the resource that provides such services.

MONETO will provide an opportunity to take a loan on the security of Bitcoin as quickly, conveniently and safely as possible. A participant in the platform will be able to choose the best loan conditions by creating an application for a loan. It is planned that the maximum amount of a loan will be up to 70% of the collateral's current value. The user will be able to return the deposit by paying a small commission. If he or she does not take advantage of this opportunity, the mortgaged Bitcoin will go to the platform. Then it will be sold on the exchange. Money is transferred directly according to the payment information provided. In order to get a loan, the borrower needs to go through the identification process.

FEATURES OF THE PROJECT

MONETO is a specialized platform to provide loans in a fiat money on the security of Bitcoin.

By using our product, users will be able to get more-favorable conditions for their loans, without selling cryptocurrency. There is no need to sell the digital currency in order to receive cash; a user only needs to transfer the required amount of Bitcoin as collateral. Returning the mortgaged cryptocurrency is simple: before the end of the loan period, the user must transfer the amount loaned and pay a small commission for using the loan. The loan is transferred according to the given payment data of the user; thus the verification of identification details is required.

Each user will be able to choose the type of loan. For example, if the user needs the maximum amount of a fiat currency (up to 70% of the actual value of Bitcoin at the current exchange rate at the date of purchase), then there is an opportunity to take a high-risk loan. However, in this case, the mortgage will be sold immediately after the end of the loan period if the client does not buy back the Bitcoin in time. An alternative way is a standard loan, but here, the loan will be given in an amount equivalent to no more than 50% of the value of the cryptocurrency.

At the same time, both operational activities and additional commission costs will be minimized. In the future, borrowers will be able to use loan funds in a fiat currency: to receive cash in ATMs, settle in stores and outlets via terminals, or make online purchases on the Internet, depending on their needs. A mobile application that will be installed on a smartphone or tablet will help users make all transactions. At the moment, a test mode is already available. It allows users to view all operations while using Testnet Bitcoin as the cryptocurrency.

In addition, it should be taken into account that the Bitcoin exchange rate, according to the trend of recent years, shows stable growth, especially in 2017, and MONETO will provide users with an excellent opportunity to buy back their mortgage by the rate that was at the time of the loan. Therefore, customers, thanks to the MONETO service, will be able to make good money and pay off all possible costs, increasing their capital.

THE GENERAL PART

EXPANSION OF BITCOIN'S IMPACT AREA

Today, the world interest in Bitcoin is huge. Against the backdrop of a sharp increase in the exchange rate against the U.S. dollar, more countries and financial institutions are striving to legalize this cryptocurrency. Bitcoin has benefits, that suggest prospects for this virtual currency.

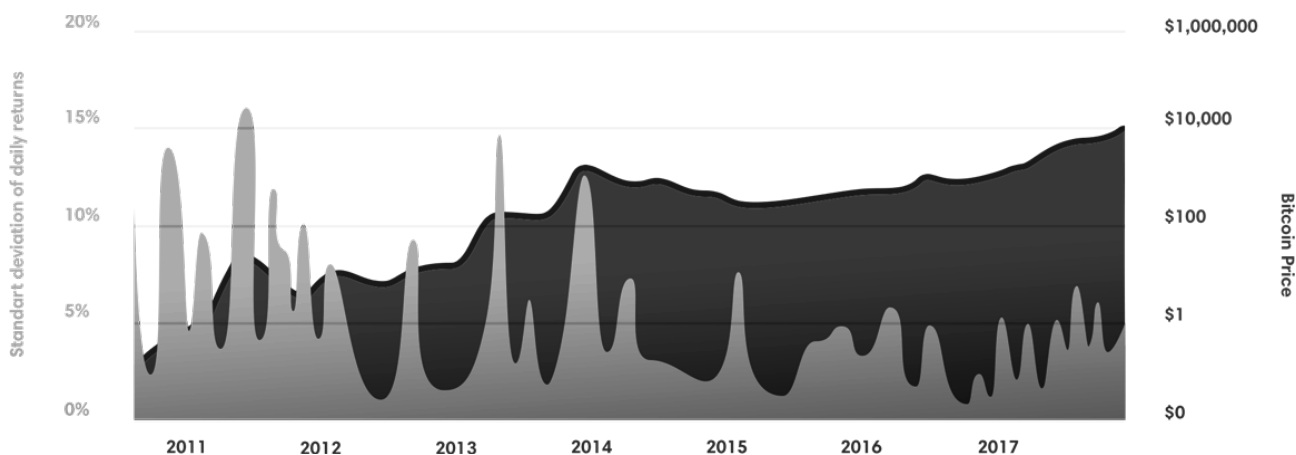
- **Independence** – today, this cryptocurrency has no single regulator. It is not controlled either by financial or political (state) groups, and it cannot be closed or banned.
- **Anonymity** – all transactions made in Blockchain are saved, but it is difficult to figure participants.
- **Security** – operations are effectively protected by technologies that are not inferior to modern banking methods.

WHY IS BITCOIN GROWING?

This cryptocurrency rate directly depends on the demand from investors and transactions they make. With a strong demand for Bitcoin, there is a certain lack of virtual currency. This is due to the fact that the influx of new investors reduces the number of proposals.

To date, the digital currency rate is a kind of balance between supply and demand. Therefore, both growth and decline occur. The relative youth of Bitcoin affects the currency fluctuations – the inability to make a rate projection on the basis of statistics for the past periods. This phenomenon allows users to earn on transactions with this cryptocurrency.

The high volatility of Bitcoin, according to experts, is also because the market does not have that many professionals yet. The value of Bitcoin from time to time undergoes a correction, which sometimes leads to tangible fluctuations. Against this background, the most effective strategy for traders is «HODL».



Bitcoin Price and Volatility
According to BuyBitcoinWorldwide

CME Group – one of the largest representatives of the derivatives market has already opened trading with futures for Bitcoin. Futures contracts for Bitcoin are calculated based on the reference rate of the virtual currency against the US dollar. This is an important step towards the legalization of the cryptocurrencies in the financial world system and recognition of its importance by traditional investment players.

Earlier, in August 2017, another major player – the CBOE Global Holdings – announced such plans; in October 2017 a start-up from New York, LedgerX, had already launched trading contracts for Bitcoin futures. To date, transactions with futures for digital currency are also carried out by the well-known BitMEX exchange.

As noted by analysts, the sharp growth of this virtual currency leads to investor flight from the precious metals market. In the future, this may lead to a redistribution of the flow of money investment from the gold market towards Bitcoin. An increasing interest in this cryptocurrency can be observed in large online supermarkets – in particular, Amazon. The company has a registered domain amazonbitcoin.com. The site gives an opportunity to take out a special card with the function of using Bitcoin and use the digital currency to pay for any goods.

In Japan, since April 1, 2017, specialized crypto-exchange services have received official licenses for the implementation of activities. In this country, operations with Bitcoin are made on the same basis as the national currency. To this end, the authorities of Japan revised the existing legislation on payment services and made the necessary changes.

However, transactions with cryptocurrencies are allowed only for registered companies in a special FSA system. Another Japanese innovation is also worth noting – all operations with cryptocurrencies have received a tax break of 8% of the consumption tax. Similar legislative decisions have been made in Australia, Canada, the Isle of Man, and other countries.

All these facts show that the positions of digital currency are growing steadily and the impact of digital currency on the global financial system is increasing. To date, investors' interest in cryptocurrencies is quite high, but obstacles arise because of a lack of liquidity for dealing with Bitcoin. If this issue is solved, then, according to financial experts, this cryptocurrency will take an important place in any investment portfolio in the near future and the number of qualified investors will increase in the digital currency market.

«HODL» STRATEGY FEATURES (STORAGE OF BITCOIN)

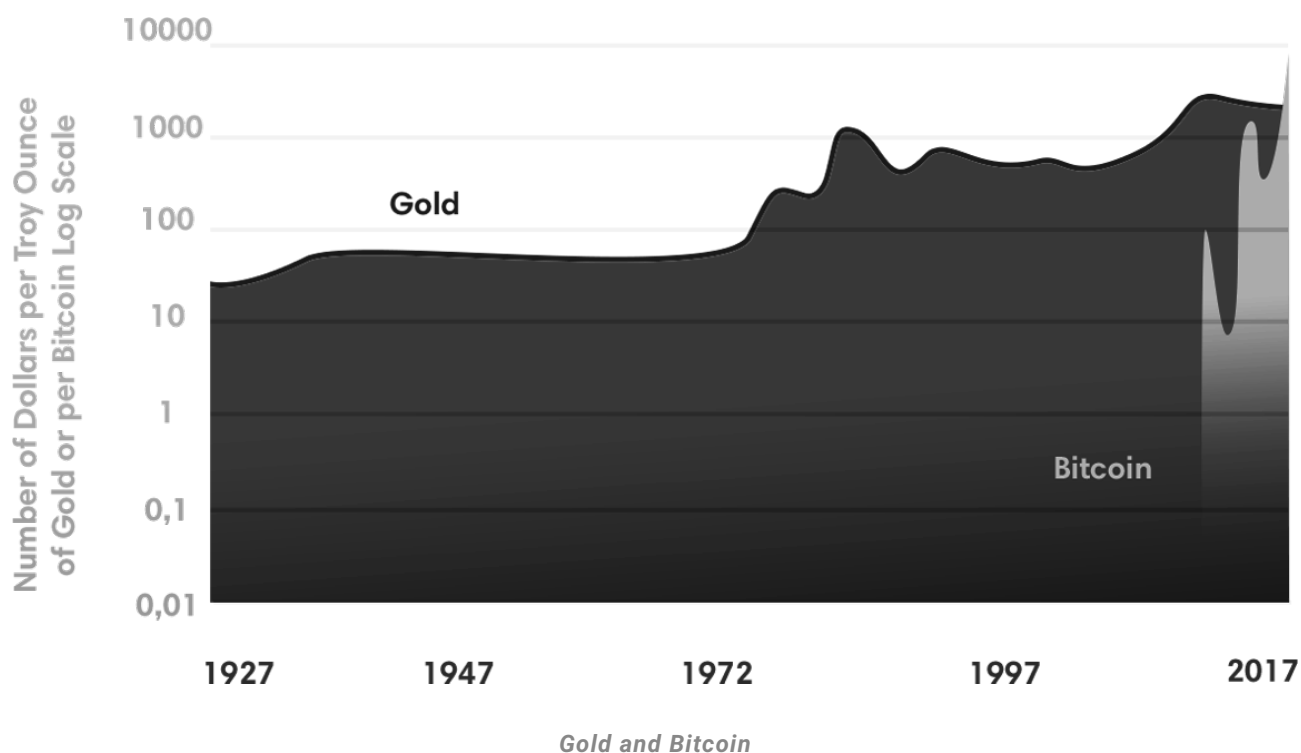
The Bitcoin market has a high volatility and is subject to periodic fluctuations. In previous years, when the popularity of the cryptocurrencies was not so high and the number of platforms was limited, this opened up wide opportunities for high earnings for speculators. However, the situation has changed in recent years. The reason is that the world specialized exchanges and large market players, for example, Goldman Sachs, showed interest in the digital currency. The Bitcoin market has become more developed, and digital currency has become a convenient payment tool. Consequently, the number of opportunities for speculative earnings has decreased.

According to experts, Bitcoin potential is quite high, both as a universal means of payment, as an investment asset, and even as a speculative tool. There are preconditions that allow us to say that the value ceiling of the cryptocurrency has not yet been reached. In addition, it is worth noting that the digital currency is not subject to inflation. According to experts, Bitcoin's value can grow several times over the next several years.

Today, many investors know that it is reasonable to invest in this digital currency. According to experts, a certain part of person's savings should be stored in Bitcoin. In favor of this opinion, there are also positive developments that have occurred with the cryptocurrency in the last two years. For one, there are no prohibitions on Bitcoin at the state level in various countries. Moreover, Blockchain and digital currency technologies are constantly developing, and an increasing number of financial institutions accept virtual currency as a means of payment. With the help of Bitcoin, you can replenish your mobile phone account, purchase goods, and pay for services in various parts of the world.

Many experts and traders with respect to Bitcoin choose the «buy-and-hold» strategy, which is known as «HODL» among players on the cryptocurrency market. As the practice confirms, this is really an effective and optimal solution – because now, despite sharp fluctuations, the cryptocurrency's price, in relation to the beginning of the year, has grown several times. As proof that the strategy works, remember the Bitcoin disaster of 2013. The people who did not panic and kept their investments in cryptocurrency received a considerable reward. Even speculators could not trade back this strategy.

In extensive material from the CME Group experts, a study of Bitcoin, gold, and fiat money was conducted. Experts noted that virtual currency is an effective financial tool for avoiding price risks, which gold has always been. This view is based on the following functional indicators of monetary units: convenience and ease of exchange, operations, and value. From this point of view, fiat money has high liquidity and is easily exchanged, but at the same time, it loses its value quickly. Gold - less liquid, but it retains its value and is a good tool for financing. According to CME Group experts, Bitcoin takes the second position after gold in the rating of effective funds for investment and capital preservation.



This cryptocurrency is not affected by inflation due to limited emissions. All this allows us to see Bitcoin as stable currency provided that this cryptocurrency will further be strengthened as a world reserve currency. Today, everyone can monitor the actual steps of a virtual monetary unit taken in this direction.

It is difficult to assess the profitability of Bitcoin as a quantitative indicator. This is because the cryptocurrency has no interest rate that other reserve currencies have, a correlation with the main currencies, bonds, shares, or precious metals. If we consider this indicator from the side of absolute value, Bitcoin profitability is simply incredible. In the world, there are not so many assets that can be compared with the cryptocurrency using this criterion.

However, despite high profitability, this does not make Bitcoin a real financial currency. The key indicator that can become a turning point for a virtual currency is the moment when banking institutions will accept the cryptocurrency as collateral. Therefore, today, many regulated financial institutions issue loans on the security of physical assets or securities. The provision of such a service will lead to the growth of Bitcoin popularity among a large number of investors.

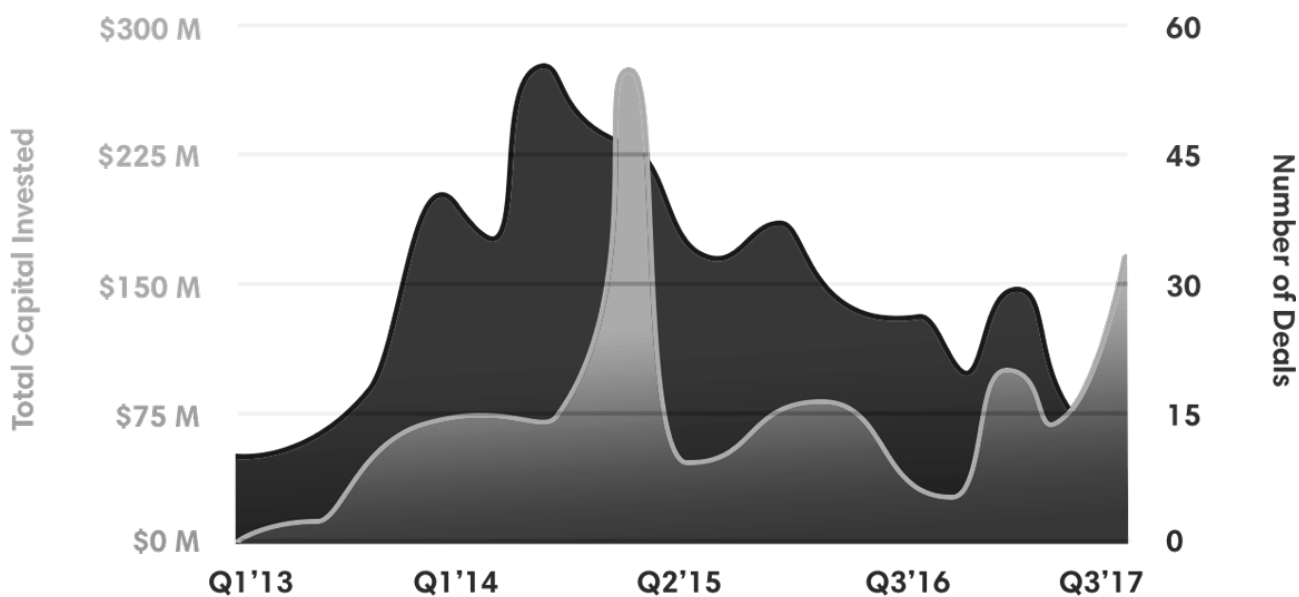
Today, Bitcoin is worth buying as a long-term investment covering the further growth of this cryptocurrency rate. Given the fact that the issue of digital currency is strictly limited, this will inevitably lead to Bitcoin lack, which will require looking for new ways of investing in promising cryptocurrencies. It should be noted that the «HODL» strategy is effective for both private investors, professional traders, and large financial corporations. Bitcoin is the most promising direction in terms of a long-term investment.

The other investment strategy in relation to «buy-and-hold» is «day trading». The bottom line is that traders tend to earn on short-term fluctuations in the Bitcoin exchange rate, usually occurring during the day on the exchange. Such a strategy can bring a high profit or lead to big losses. This is the so-called high-frequency trade. It requires the use of sophisticated automated tools and computer algorithms. Such equipment is only affordable for specialized hedge funds and large financial institutions. However, the resulting lack of such a strategy is high transaction costs. Moreover, experience has shown that the efficiency of «HODL» is often higher than «daily trading» in the long run.

Experts recommend following this strategy also because today it is quite difficult to catch the entry point in the Bitcoin market and to guess the moment when the value of the digital currency has reached its high. Moreover, statistics show that it is economically profitable and reasonable to keep money in the cryptocurrency, which does not correlate with the stock market or national currencies.

THE EXISTING INVESTOR TOOLS AND THEIR FEATURES

Today, every user in the world can buy Bitcoin. Sales of this cryptocurrency are carried out by specialized online platforms and exchanges. There is also an opportunity to use intermediary services of hedge funds. However, despite the popularity of Bitcoin, the purchase process entails certain difficulties and significant operating costs.



Global Venture Investment Into Bitcoin & Other Blockchain Startups

Most often, the exchange of cryptocurrency for fiat funds occurs in the following way: a user on a specialized exchange platform chooses one of the Bitcoin vendors and forms a request for the desired amount. After the required amount has been deposited into the user's account, money is transferred. This can be done via a payment system or a banking institution. Once the seller confirms the successful transaction, Bitcoin will be transferred to the buyer's account. In unclear situations, the arbiter is the site itself.

Most exchanges, which account for the vast majority of transactions for the purchase and sale of virtual currencies, operate under the control of local regulators. One of the most popular ways to invest in virtual currency is also Bitcoin-lending. Certain online sites provide a loan in the cryptocurrency where everyone can act as a lender. To obtain a loan, the

user needs to pass the process of identification by providing a copy of an ID document. In addition, the user will be required to indicate the purpose of obtaining a loan.

Lending is one way of investing in a digital currency for later profit. However, potential investors are waiting for certain difficulties. A large number of loans are difficult to maintain and large loans can bring significant losses. In this case, everything depends on the strategy and attentiveness when selecting applications for a loan. However, the risk of a non-return loan is quite high. Regulation is carried out by the internal administration of the exchange and is built on the rating and blocking system.

The loan period can vary from several days to several years. Long-term loans are usually built on long-term benefits and short-term loans allow the investor to make money on more loans. The best strategy for investing is fostering a stable relationship between short-term and long-term loans.

In summary, we can say that an increasing number of professional players in the investment market over the past two years have been quite positive about the potential of this cryptocurrency and believe that this digital currency will indeed become a full-fledged financial instrument for both diversifying and hedging risks.

MONETO – A CONVENIENT LENDING TOOL FOR OPERATIONS WITH BITCOIN

ABOUT THE PROJECT: PURPOSE AND ADVANTAGES

MONETO is a loan service, through which users will be able to receive fiat money on the security of Bitcoin online and almost instantly.

The main purpose of the MONETO is to provide an opportunity for registered users in the system to obtain a currency for a specified period, and then, without significant transaction costs, return the crypto-investment. Given that there are no risks on the part of the system since all loans are collateralized, the project will be able to open wide opportunities for potential investors. After all, the investments made within the ICO in the online lending MONETO will be completely risk-free. In addition, for all potential investors and tokens holders, it is planned to develop a special partnership program.

Under this mode of issuing a loan, which will be implemented in the MONETO platform, most of the risk is borne by borrowers. After all, if there is a violation of the maturity of the loan, a sharp drop in the Bitcoin exchange rate, and a decline in the market value of assets up to the amount of the loan issued, the mortgaged cryptocurrency assets will pass to the platform. The mortgage will cover all possible losses.

The official jurisdiction of the MONETO will be located in the Zug (Switzerland). This city is also called the capital of the European Crypto Valley Association. The first digital certificate was issued officially with the help of this platform in Switzerland. In recent years, Zug has attracted more and more FinTech start-ups, including Bitcoin-companies. So, an experiment on receiving Bitcoin for utilities and other municipal services was implemented here.

In December 2016, the city authorities announced that the initiative had been recognized as a successful one and such an opportunity would be offered on an ongoing basis. In March 2017, the Crypto Valley Association was established in Zug, the main activity of which involving the support and promotion of Blockchain projects.

For the young cryptocurrency market, MONETO will become a real functional and useful financial tool. Without such a service, digital exchanges will not be so attractive for investors and they, in turn, will have limited opportunities due to a lack of necessary capital. This will become particularly crucial in the near future when those wishing to invest their money in the digital currency will be several times greater in number.

Compared to traditional financial institutions that issue loans, MONETO will have a number of advantages. In the traditional collateral model, the creditor is forced to do a tremendous amount of work in order to secure the deal: maintain a credit center that checks the borrower's solvency, organize the assessment of collateral, and transfer and store the assets of borrowers.

Thanks to the MONETO lending service, our clients will be able to receive loans in the required fiat currency instantly, while avoiding rather complicated and lengthy operational activities related to both the sale of the cryptocurrency and the repurchase. In MONETO, our customers will not have to sell Bitcoin, as the mortgage can be bought back on acceptable terms and conditions. In addition, the funds are withdrawn in an optimal and fast way – by transferring to the specified user details.

Importantly both operational activities and additional commission costs are minimized. In the future, borrowers will be able to use loan funds in a fiat currency depending on their needs: to receive cash in ATMs, settle in stores and outlets via terminals, and make online purchases on the Internet.

It should also take into account that the Bitcoin exchange rate shows stable growth for the last few years, especially in 2017, without sharp and significant drops, and users are given the opportunity to buy back their deposit by the rate that was at the time of the loan. Therefore, clients, thanks to the MONETO service, can even make good money and pay off all possible costs, increasing the value of their cryptocurrency asset.

For example, a client will take a loan for a month, \$1000 against digital assets. When the term of loan repayment is coming closer, the cost of Bitcoin could be twice or several times higher. The client buys back the digital currency at the same rate as he bought it. At the same time, he becomes richer twice by paying only a small commission. He also had a wonderful opportunity to take advantage of a loan. We can consider the reverse example when Bitcoin, on the contrary, sharply depreciated.

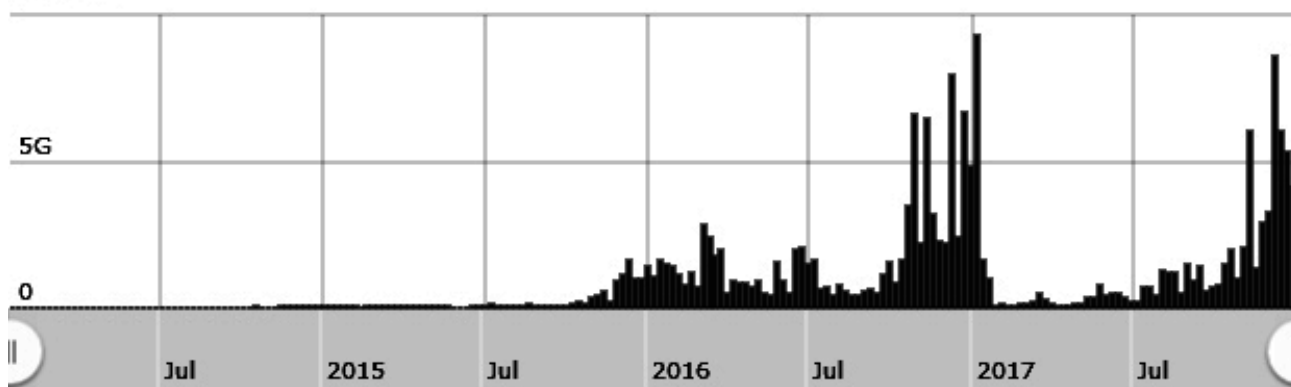
In this case, the user can simply not buy his mortgage back - there are no penalties, additional commissions, or obligations for this. Therefore, the online lending service MONETO can be considered as an opportunity to experiment for those who are disappointed in their investments in Bitcoin. The user can fix the profit by obtaining a loan for a certain time, but if the value of digital assets grows, the user can return the investment.

The max value of the issued loan is equivalent to 70% of the current market value of the mortgage in Bitcoin. The remaining 30% is mortgaged as insurance against sudden short-term fluctuations of the virtual currency rate. This indicator was determined based on a retrospective analysis of fluctuations in the exchange rate of Bitcoin.

Value



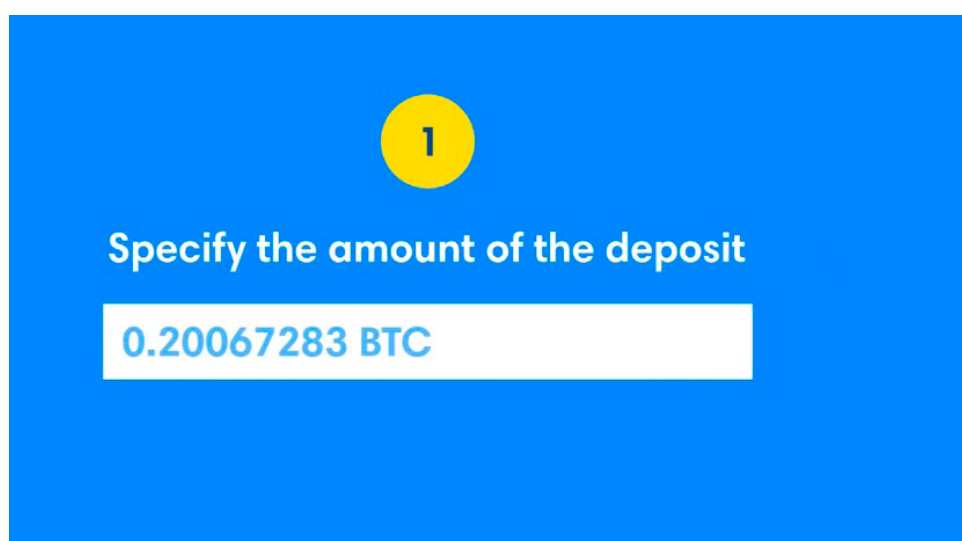
Volume



This allows users to take into account the interests of both clients and MONETO as much as possible. Even if there is stable long-term growth, the digital currency rate under the influence of various factors can be subject to sharp short-term falls. The establishment of these parameters will ensure the stable activity of the MONETO lending service and eliminate possible risks for potential investors of the project.

MECHANICS OF THE PROJECT

After identification and integration of the entered data, the client will be able to obtain a loan. In fact, he can get the loan deposited directly into his account. In order to find out how much he can loan, the client needs to enter the amount of the alleged collateral.

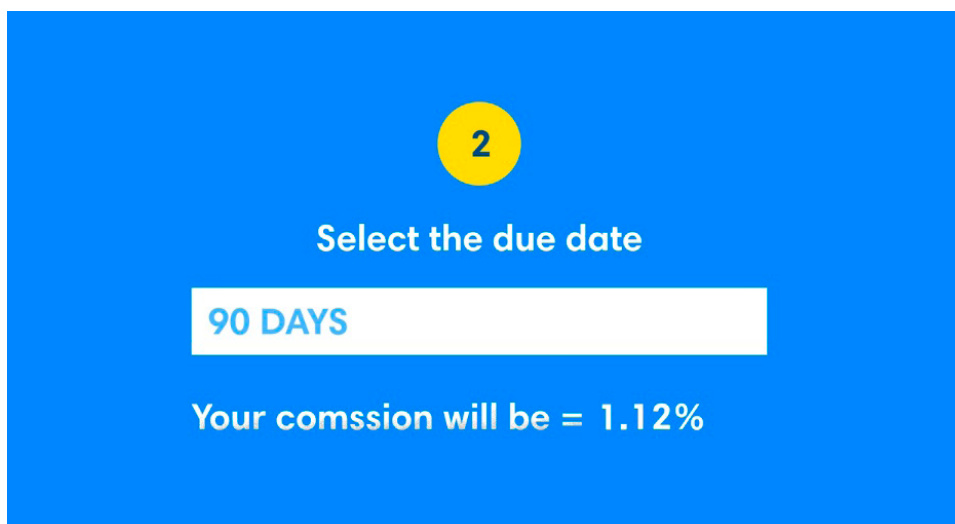


After that, various loan options with a full description of all conditions will be available for review. The client will be asked to choose the following ways of obtaining a loan on pre-conditions:

- **High-risk loan** – the client gets fiat money up to 70% of the total value of the collateral. This, for example, may even be beneficial if the cryptocurrency rate was moving in a downward trend. In addition, this method of obtaining fiat money allows one to convert virtual currency without additional transaction costs and in a short period of time. If the Bitcoin rate is reduced by 25%, the borrower will be informed that his Bitcoin will be sold if the further reduction will go up to 30% – some will cover the loan amount and interest, and some of the funds will be returned to the borrower.
- **Standard loan** – this type of loan is more loyal to the user based on its conditions. The client gets fiat money up to 40% of the total value of the collateral. In a time of falling Bitcoin, the mortgage is not sold.
- **Floating rate loan** – this type of loan uses a floating rate depending on the Bitcoin exchange rate with the possibility of selling it. The loan amount is set at 50% of the value of the mortgage. That is, with the Bitcoin exchange rate at the credit date, a floating interest rate is used. The floating interest rate on the loan is inversely proportional to the value of the mortgage adjusted for the balance of loan debt. The base rate is adjusted based on the difference in the ratio between the Bitcoin exchange rate and the balance of the debt principal.

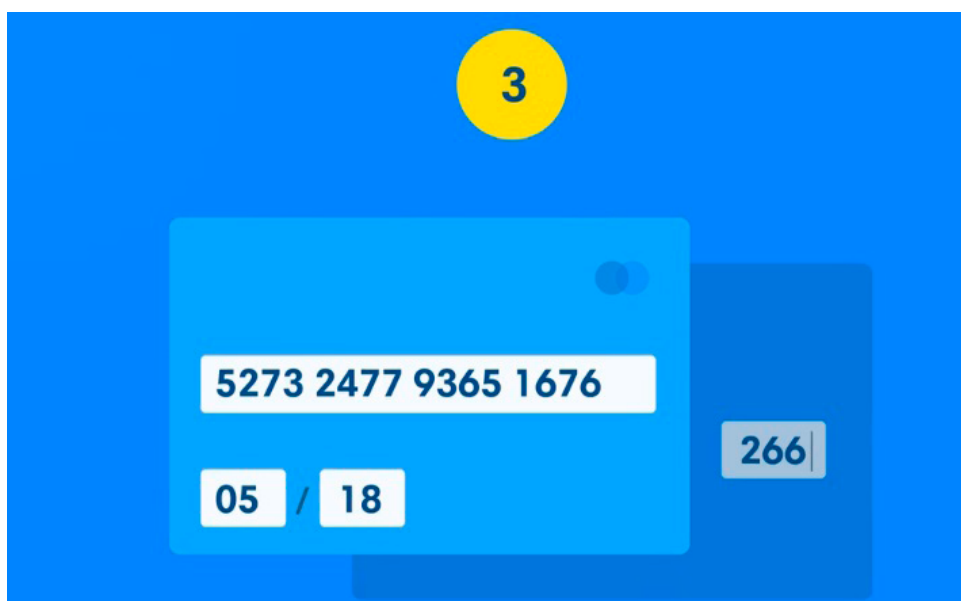
The Bitcoin rate is always compared to the exchange rate on the date of receipt of the loan. The interest rate can be calculated both daily and hourly. With a 40% depreciation in the exchange rate, it will be necessary to compare the balance of the principal debt on the decline date and the Bitcoin rate. Given the 50% discount of collateral for loans, the amount of collateral will cover the loan amount.

However, even if the Bitcoin rate were to decrease by 30%, the borrower would be informed that if the reduction were to reach 40%, the borrower's Bitcoin would be sold. Some of these funds would then cover the loan amount and interest, while the borrower would receive some of the funds back. **Table №1.**



After the user enters the deposit amount, the platform will assess Bitcoin at the current exchange rate. Depending on the selected loan terms, the user will need to confirm his consent. The lending service MONETO will provide an opportunity for users to choose the loan terms themselves. Depending on the selected option, the system will determine the percentage of commission for using the loan given out.

After the user has decided on the amount of the deposit and the terms, he will need to enter his personal payment details for transferring the approved loan and transfer the cryptocurrency to a specially generated address for the deposit.



When the system sees the Bitcoin transfer, the client will receive a confirmation of the transaction, and the system will automatically transfer funds to the specified payment details of the client. All the actions will take the user only a few minutes. They will be carried out online, and the enrolment of the fiat money will take place at the current exchange rate and almost instantaneously (cash would be assessed within 5 minutes). The client of the online lending service MONETO will be able to select the required currency and receive a loan.

The transactions in the mortgage will be made using a specially created tool for an individual user wallet. Security is provided by Blockchain and Cryptocurrency technologies. It will be impossible to hack the wallet or to get access to the cryptocurrency mortgage on the platform.

MONETO online lending service, implemented using the Blockchain technology, is planned to be set up in a way that will automatically track the maturity of the loan and will warn the user when the maturity date arrives. In this case, the system will offer either to issue a new loan (for this purpose it is necessary to replenish the account of collateral) or to sell the mortgage at the exchange.

If the client does not want to buy back Bitcoin for any reason, then he can agree to the automatic offer of the service. In the case of a high-risk loan option at maturity and after a warning, and if there is a lack of active actions on the part of the borrower, the system will automatically send a mortgage to the exchange to sell the cryptocurrency.

The MONETO service settings will not let it move into the red. Therefore, with a sharp drop in the Bitcoin rate, if the amount of the paid fiat currency is close to the new reduced cost of the margin call, the mortgage will also be sold on the stock exchange. When the margin call situation occurs, the user will lose access to his mortgage, even if the loan term has not yet been completed (except for the «Standard» loan). The platform will automatically inform the client in advance of a possible occurrence of such a situation so that the user can buy back his deposit.

Consider this situation in more detail. Given the high volatility of Bitcoin, our developers have provided a special system for calculating the risks associated with the fluctuating exchange rate of virtual currencies. Thus, in the case of a high-risk loan during the life of the loan, the MONETO service will calculate the ratio of borrowed funds and collateral. In the event of a change in the exchange rate, the ratio of the loans and the amount of the mortgage will be changed.

When the coefficient begins to decline to 70%, the system will send a warning to the borrower about changes in the cryptocurrency rate. After this, the user will need to either replenish the balance of the collateral or sell part of the digital assets. If the borrower does not respond in time, the platform will automatically sell part of the collateral at the current exchange rate to secure the loan transaction. Thanks to this mechanism, the system will be able to protect the service from possible loss of investment and the borrowers will be able to buy back the collateral and avoid losses.

At the end of the loan period, the user will be able to buy back the deposit and will pay a small commission. Considering a sharp decrease in the Bitcoin rate as described above, when the system automatically sells the mortgage, the opportunity to buy it back will not be granted to the client.

If the client does not take advantage of the opportunity to buy back the cryptocurrency asset, Bitcoin will be automatically sold as a mortgage on the specialized exchange. In such a situation, the user's obligations under the loan granted will be considered repaid.

The online lending service MONETO will enable each user to simultaneously take out an unlimited number of loans. Nevertheless, the service will set a certain limit per customer. This is due to the limited amount of fiat funds. The limit can be expanded by the self-filling

application via a personal cabinet. The expansion of the total potential loan will be made automatically in the system based on the generated credit history.

One of the main advantages of the MONETO lending service is that all applications will receive online approval of the system without long expectations provided that the mortgage is paid in the required amount. This will give an excellent opportunity for our customers to use the service. MONETO service can become useful and indispensable financial tool for both professional traders and ordinary users:

- **100% approval of applications;**
- **instant payments to the specified payment data;**
- **small commission.**

This allows to consider the MONETO service as promising for the cryptocurrency market and highly profitable for potential investors.

Soon, the online lending service MONETO will be available as a mobile app for installation on popular portable devices – smartphones and tablets. Frankly, it is a demo version. In the future, it will enable users to make an application for a loan as quickly as possible. The clients will be able to receive the necessary funds on the security of Bitcoin without long expectations and high commissions in minutes.

Each user can already test his capabilities and learn more about the processes in detail using a special test mode. Moreover, Testnet Bitcoin, a full-fledged analog of Bitcoin that is not of value, is currently used as a cryptocurrency mortgage. The Testnet test mode is available for both mobile devices and personal computers. During the testing, users will be able to get a clear idea of the possibilities of the MONETO lending service and evaluate the existing advantages of the service, and the speed of the transactions.

TOPICALITY OF THE PROJECT

The popularity of Bitcoin is growing at a phenomenal rate. Private investors, professional traders, and specialized financial institutions are showing an interest in it. More and more users are planning to invest part of their money in Bitcoin. Moreover, whereas in previous years buying a virtual currency was met with some skepticism, such investments are reasonable today.

Today, even professional and major players can no longer ignore the role of Bitcoin in the global financial system. According to some experts, this cryptocurrency has significant opportunities to take its place among the traditional world currencies and enter the reserve assets. Regarding value, Bitcoin is ahead of fiat money and has come close to silver and gold.

The process of regulating cryptocurrency has moved from the dead center. Many countries around the world are passing bills at the local level, bills which expand the possibilities for carrying out transactions with Bitcoin. For some countries, such as Japan, digital currency has become a financial instrument that is every bit as legal as the national currency. Similar legislative decisions have also been made in Australia, Canada, the Isle of Man, and other regions.

Against this background, Bitcoin is showing a stable growth rate against the U.S. dollar. These factors confirm the justification and effectiveness of the popular «HODL» (or «buy-hold») investment strategy in the cryptocurrency market. Users need a tool for temporary withdrawal of cryptocurrency in fiat money with the ability to return a digital asset with minimal transaction costs. Today, Bitcoin is a profitable investment, so it is unprofitable to invest the cryptocurrency in other investment projects in the long term.

The opportunity to receive traditional money on the security of a digital currency opens up broad prospects for both ordinary users (obtaining temporary funds for paying bills or buying goods) and for professional traders (obtaining the necessary capital to increase investment). Experience has shown that with the stable long-term growth of the cryptocurrency rate, transaction costs are fully covered. This way of withdrawal in fiat money is more practical and economical than traditional instruments of selling and subsequent purchase of digital currency.

These facts allow us to say that the MONETO lending service is a project that will have great prospects. The topicality of a system depends on the topicality of Bitcoin. In addition, as we pointed out above, the popularity of the cryptocurrency and the demand for the digital currency are only growing, thus the client base of MONETO will only grow both in the short and the long term.

The lending service MONETO will be able to obtain a loan by transferring it to user-specified payment information. The system will be configured in a way that all applications received will be approved. The entire process, from issuing a loan to transferring a mortgage pending receipt of fiat money, will only take a few minutes. In particular, it is planned that the money will be transferred to the user's account within five minutes. The security of the collateral will be provided by a modern platform, based on Blockchain. A unique wallet, protected from hacking by a crypto key, will be created for each operation.

It is worth noting that the credit funds on the security of a certain asset are a popular

and demanded operation in the global financial system. In this way, financial institutions confirm the value of the asset, which affects (in a positive way) the investment's attractiveness. According to experts, in the near future, banks can reconsider their position and Bitcoin lending services will become more accessible.

POTENTIAL CLIENTS

The MONETO project is designed for a wide audience. Given that interest in Bitcoin continues to grow, and the number of those who want to buy a cryptocurrency increases, the number of potential users may be limited only by the financial capabilities of the platform. MONETO's clients can become any Bitcoin digital currency owners who do not want to sell cryptocurrency assets but who need traditional money. The platform opens up wide opportunities for a large number of people and organizations. In our opinion, there will be high interest in the project.

POTENTIAL BORROWERS CAN BE:

- professional traders specializing in trade in crypto-currencies;
- private miners;
- ordinary users who prefer to keep part of the funds in Bitcoin;
- private investors;
- owners of cryptocurrency pools;
- organizations that provide services for investing capital in virtual currencies;
- hedge funds.

The reasons for a temporary withdrawal in fiat money may be different. For example, fiat is needed for a new investment purchase of Bitcoin in the absence of free cash. Today, the lack of investment capital has a negative impact on the Bitcoin market. The inability to use the financial instruments available for transactions with real currencies is one of the main reasons for a rather limited number of investors in the cryptocurrency market.

It can be a temporary withdrawal of digital assets for urgent payments. For example, private miners and owners of mining pools often require funds to pay bills for consumed electricity or to purchase specialized equipment to improve the working system and supplies. The user may need money to buy a house, car, or household equipment.

Among the miners, MONETO can become an indispensable tool for the functioning of the company. After all, in order to maintain the right capacity, the miners attract third-party organizations that prefer to accept fiat funds as payment. Then, the miners are forced to partially liquidate their assets. However, MONETO helps to save the cryptocurrency and get the necessary fiat money for the mining.

Experience has shown that many players in the Bitcoin market prefer to store part of their investment in the cryptocurrency, and most often, this is a long-term investment.

Therefore, it is very important to have such a financial instrument as the MONETO lending service. We should also take into account that our project has no analogues in a set of possibilities. The process of transferring cryptocurrency into fiat money and back is now accompanied by long-term actions and significant transaction costs. As such, the MONETO will help to solve all financial issues without special difficulties.

In our opinion, time is of great value in the modern world. Therefore, the MONETO lending service will have automated transaction processes. The transactions will be made without checking the solvency of the borrower, without processing applications by the credit center, and without going through the other formalities that are peculiar to the banking system. Instead, the user will receive the necessary fiat money almost instantly.

PERSPECTIVES OF THE PROJECT

The perspectives of MONETO will depend on changes in the cryptocurrency market and on how the crypto industry will behave over the next few years. According to experts, Bitcoin has not yet reached the ceiling and is capable of reaching and exceeding a mark of U.S. \$50,000. There are opinions about \$100,000. Most investors agree that the cryptocurrency will continue to develop actively.

It should be noted that even today, the run of the MONETO lending service will be in demand both among investors who are only planning to enter the cryptocurrency market and among already experienced players.

The trend of recent years indicates that Bitcoin can attract even more investments than it has today. In addition, the opportunity to receive free capital on the security of the cryptocurrency will accelerate the process of raising funds in the digital currency. This opens up bright prospects for MONETO. In our opinion, our company can take a leading position in the global market of cryptotrading.

In addition, the MONETO will become part of the modern FinTech industry. Along with the development of blockchain-technology, technological projects in the field of financial services are actively evolving. To date, the FinTech industry is one of the most popular and promising areas that unites the following areas of financial services: borrowing and lending, payments and money transfers, money management, currency, and insurance.

The MONETO project will contribute to the global development of FinTech. In our opinion, this can become a new step in the development of the entire credit industry.

In addition, in the future, it can lead to the expansion of a client base due to online merchants and small business representatives who need working capital.

Funds for the implementation of the MONETO project are planned to be obtained through ICO-investment. This is a deliberate choice, since, in our opinion, this will allow anyone who wants to become an investor and to profit from increasing the value of tokens in the future or to use the cryptocurrency for internal transactions.

This method of investing will speed up the financing process and run the platform. In addition, in our opinion, the ICO is the most transparent and modern practice of collecting investments. In the future, a special partnership program will be developed for the token holders.

THE ISSUANCE OF TOKENS AND DISTRIBUTION MECHANISM

MTO TOKEN PARAMETERS:

- token name – MONETO;
- token symbol – MTO;
- token standard – ERC20.
- maximum token supply – 42 901 786 MTO
- available in public token sale – 30 031 250 MTO

The MTO token (MONETO) is a utility token (useful token), or internal project coin. The MTO token is an excellent opportunity for potential project investors to gain access to various services after the launch of the Moneto.

Therefore, for owners of MTO tokens, it is possible to issue a loan on more favorable terms in comparison with ordinary borrowers: a reduction in the interest rate for the use of a credit or the execution of a loan for the longest possible period. There will be an opportunity to lower the interest rate received on loan using partial token compensation.

The range of available services will depend on the number of purchased MTO tokens. Clients will be able to buy tokens within the PRE-ICO and ICO, and after their completion, on specialized exchanges as well. MTO tokens will be released in a fixed amount, which will ensure an increase in their value in the future with the expansion of the MONETO service.

The initial release of the tokens will be launched by the technical standard ERC20 on the Ethereum blockchain using a smart contract. The smart contract source code will be published on Github before the Pre-ICO.

PRE-ICO

Within the PRE-ICO, 2 531 250 MTO will be offered for sale. All raised funds will be used to develop the service and the marketing of ICO. All unsold tokens in the course of PRE-ICO will be sold during the ICO.

The duration of the PRE-ICO is 30 days.

- Start PRE-ICO – 17 April 2018, 08:00:00 GMT;
- The duration of PRE-ICO – 30 days;
- Minimum contribution – 0.008 ETH or its equivalent;
- Cryptocurrencies accepted – ETH;
- The preliminary price of the token for PRE-ICO – 1 MTO token = 0.0008 ETH;
- Hard cap for PRE-ICO – 1500 ETH.

Bonus – discounts will decrease progressively from 35% to 5% in the following order:

- 1st week – 35 %;
- 2nd week – 15 %;
- 3rd week – 5 %.

ICO

Within the ICO, 27 500 000 MTO will be offered for sale. The transaction will be made through an ICO smart contract. Within the transaction, the user will be able to buy the required number of tokens at the rate, taking into account the current bonus discounts. Purchase of a certain amount of internal coins of the project allows you to gain access to service opportunities, take a loan on more favorable terms. If you do not achieve a soft cap, all funds will be returned to investors' purses (without GAS). All unsold tokens will be destroyed.

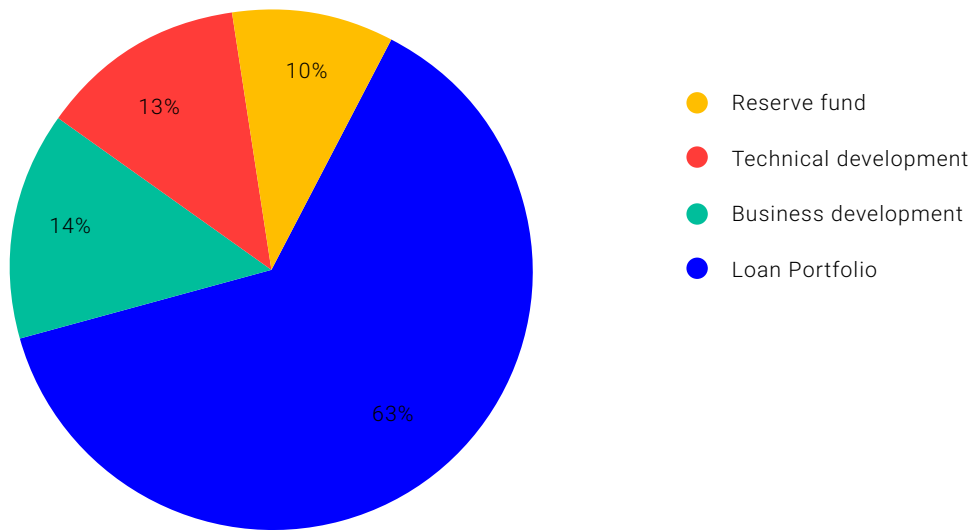
The ICO period lasts 30 days.

- Start ICO – 10 June 2018,08:00:00 GMT;
- Duration of ICO – 30 days;
- Minimum contribution – 0.001 ETH;
- Cryptocurrencies accepted – ETH;
- The preliminary price of the token for ICO – 1 MTO token = 0.001 ETH;
- Soft cap for ICO – 2500 ETH;
- Hard cap for ICO – 25 000 ETH;
- After the ICO, new tokens will not be issued.

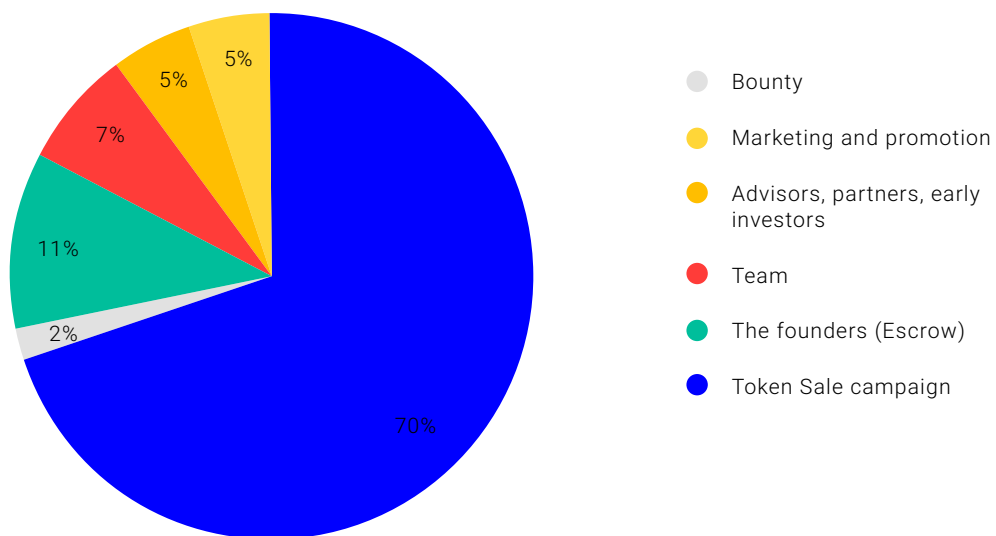
Bonus – discounts will decrease progressively from 10% to 3% in the following order:

- 1st week – 10 %;
- 2nd week – 7 %;
- 3rd week – 5 %;
- 4th week – 3 %.

Distribution of revenues from the selling of the MTO tokens



Distribution of MTO tokens



HOW DOES THE TOKEN WORK?

The MTO (MONETO) token allows buyers to access services of the Moneto project, get credit with a reduced interest rate and a more extended period, as well as pay a portion of the interest with these tokens.

Depending on the volume of the MTO tokens the following services are available:

- 5 MTO: a user receives a 10% discount for the interest rate;
- 15 MTO: a credit period is extended up to three months, and the discount for the interest rate is 20%;
- 50 MTO: a user receives a VIP status which opens access to all the features of the service, including the maximum possible 30% discount for the interest rate, the most extended credit period, and access to the MONETO* partnership program.

The purchased MTO tokens will be displayed in the user's account in the MONETO web service. Customers will be able to withdraw their tokens from their account in the Moneto web service. However, in this case, all privileges of the project participant will be canceled. The transition to maximum tariffs will automatically happen, and the terms of credit loans will be reduced to the basic ones.

** Our team is currently developing a partnership program where users with VIP status will be able to earn with us.*

THE CONCLUSION

Today, the popularity of the Bitcoin digital currency is growing rapidly. The processes of regulation and legalization of this cryptocurrency have begun. Increasingly, commercial organizations are using a similar financial instrument for various operations. This can lead to a sharp increase in transactions with cryptocurrency and investment in a virtual currency.

Now the most effective strategy for Bitcoin is «HODL». However, professional players on the market still feel some inconvenience due to the limited number of financial instruments for operating with the cryptocurrency. Many potential investors are deterred by the complexity of both buying Bitcoin and transferring virtual funds to the real financial currency.

As a special online crypto-crediting service, MONETO, can become an optimal and effective solution to this problem. With the help of this unique project, players who specialize in trading with Bitcoin will be able to withdraw cash on the security of the cryptocurrency promptly and buy back the cryptocurrency with a small commission just as quickly. This will speed up operations via Bitcoin, increase the number of investments, and make the transaction process convenient and fast.

Potential borrowers can become professional traders who specialize in trading in cryptocurrencies, private miners, ordinary users who prefer to keep some of their funds in Bitcoin, private investors, owners of cryptocurrency pools, organizations that provide services for investing in the virtual currency, and hedge funds.

Compared to traditional financial institutions that issue loans, the MONETO project will have several advantages. Thus, users will be given the opportunity to take a loan on the security of Bitcoin. The site participant will have the opportunity to choose the best loan conditions by creating an application for a loan. The loan amount can be up to 70% of the current value of the collateral. In a set of possibilities, the MONETO lending service will not have any analogues. Thus, financing is planned to be obtained through ICO investment. For token holders, a special partnership program will also be developed. Our project will allow us to carry out such operations quickly, conveniently, and safely.

A ROADMAP OF THE PROJECT

Q3
2017

IDEA,
MARKET ANALYSIS,
DEMO APP
DEVELOPMENT

Q4
2017

WHITE PAPER

Q1
2018

SMART CONTRACT,
DEVELOPMENT COMPANY
REGISTRATION,
VQF MEMBERSHIP
AGREEMENT

Q2
2018

PRE ICO,
TEAM DEVELOPMENT,
PRODUCTION READY APP,
ICO

Q3
2018

TOKEN LISTING,
PAYMENT SYSTEMS
INTEGRATION,
APP LAUNCH

2019

MARKETS EXPANSION

Table №1.***Crediting against collateral of Bitcoin with floating interest rate***

Here is an example of a floating rate calculation:

- average loan amount – \$2000;
- the amount of loan portfolio: \$10 000 000;
- average annual rate: 16,2%.

PRICE

Day Trading	OPEN	HIGH	LOW	CLOSE
01.09.2017	4 718,30	4 927,40	4 660,70	4 904,90
02.09.2017	4 911,80	4 969,00	4 400,50	4 534,40
03.09.2017	4 534,20	4 699,80	4 331,00	4 595,00
04.09.2017	4 599,20	4 606,00	4 056,50	4 200,40
05.09.2017	4 210,60	4 469,90	3 900,10	4 374,90
06.09.2017	4 375,00	4 631,40	4 361,40	4 589,10
07.09.2017	4 594,60	4 672,80	4 465,30	4 613,50
08.09.2017	4 613,50	4 686,20	4 107,10	4 305,80
09.09.2017	4 304,00	4 381,20	4 159,40	4 317,90
10.09.2017	4 315,40	4 325,00	3 975,80	4 232,10
11.09.2017	4 234,90	4 373,10	4 123,00	4 203,00
12.09.2017	4 198,90	4 378,40	4 055,50	4 142,90
13.09.2017	4 149,40	4 159,60	3 734,00	3 849,70
14.09.2017	3 850,20	3 917,20	3 206,20	3 238,10
15.09.2017	3 237,40	3 809,00	2 981,00	3 698,00
16.09.2017	3 697,10	3 874,00	3 511,10	3 685,40
17.09.2017	3 680,10	3 775,90	3 476,30	3 666,30
18.09.2017	3 667,00	4 113,90	3 667,00	4 084,10
19.09.2017	4 084,40	4 110,00	3 836,20	3 900,00
20.09.2017	3 892,20	4 048,00	3 834,10	3 873,20
21.09.2017	3 875,50	3 903,70	3 564,40	3 603,40
22.09.2017	3 597,30	3 743,60	3 493,50	3 598,50

23.09.2017	3 598,70	3 808,00	3 559,10	3 779,60
24.09.2017	3 779,60	3 781,30	3 620,00	3 652,80
25.09.2017	3 654,70	3 977,00	3 654,70	3 930,00
26.09.2017	3 930,00	3 983,00	3 850,90	3 879,10
27.09.2017	3 881,60	4 226,50	3 878,10	4 205,40
28.09.2017	4 207,50	4 268,60	4 125,00	4 190,00
29.09.2017	4 190,00	4 244,60	4 024,70	4 169,90
30.09.2017	4 168,10	4 393,40	4 160,10	4 367,00

Example of calculating the loan rate on a daily basis

Day	Amount of days	Rate at the beginning of each day (deposit – 70% of the cost)		Change in rate		Payment of principal debt, \$	Balance of principal, \$		Change in principal balance		Payment on interest, \$	Relative change of rate on a credit, %	Rate on a credit, % annual	Correlation of credit sum to the mortgage cost, %
		\$	%	\$	%		\$	%						
1	1	2 452,45				0	2000				1,3699		25	81,55%
2	2	2 267,20	-185,3	-7,55		67	1933	67	3,35		2,9367	-10,9	27,73	85,26%
3	3	2 297,50	-155	-6,32		67	1866	134	6,7		4,8059	-13,02	31,34	81,22%
4	4	2 100,20	-352,3	-14,4		67	1799	201	10,05		7,686	-24,41	38,99	85,66%
5	5	2 187,45	-265	-10,8		67	1732	268	13,4		11,489	-24,21	48,42	79,18%
6	6	2 294,55	-157,9	-6,44		67	1665	335	16,75		16,326	-23,19	59,65	72,56%
7	7	2 306,75	-145,7	-5,94		67	1598	402	20,1		13,52	-26,04	44,12	69,27%
8	8	2 152,90	-299,6	-12,2		67	1531	469	23,45		9,5242	-35,66	28,38	71,11%
9	9	2 158,95	-293,5	-12		67	1464	536	26,8		6,2737	-38,77	17,38	67,81%
10	10	2 116,05	-336,4	-13,7		67	1397	603	30,15		3,7339	-43,87	9,76	66,02%
11	11	2 101,50	-351	-14,3		67	1330	670	33,5		2,0408	-47,81	5,09	63,29%
12	12	2 071,45	-381	-15,5		67	1263	737	36,85		1,0066	-52,39	2,42	60,97%
13	13	1 924,85	-527,6	-21,5		67	1196	804	40,2		0,3954	-61,71	0,93	62,13%
14	14	1 619,05	-833,4	-34		67	1129	871	43,55		0,0903	-77,53	0,21	69,73%
15	15	1 849,00	-603,5	-24,6		67	1062	938	46,9		0,0259	-71,51	0,06	57,44%
16	16	1 842,70	-609,8	-24,9		67	995	1005	50,25		0,0065	-75,11	0,01	54,00%
17	17	1 833,15	-619,3	-25,3		67	928	1072	53,6		0,0014	-78,85	0	50,62%

18	18	2 042,05	-410,4	-16,7	67	861	1139	56,95	0,0003	-73,68	0	42,16%
19	19	1 950,00	-502,5	-20,5	67	794	1206	60,3	0,0001	-80,79	0	40,72%
20	20	1 936,60	-515,9	-21	67	727	1273	63,65	0	-84,68	0	37,54%
21	21	1 801,70	-650,8	-26,5	67	660	1340	67	0	-93,53	0	36,63%
22	22	1 799,25	-653,2	-26,6	67	593	1407	70,35	0	-96,98	0	32,96%
23	23	1 889,80	-562,7	-22,9	67	526	1474	73,7	0	-96,64	0	27,83%
24	24	1 826,40	-626,1	-12,8	67	459	1541	77,05	0	-89,81	0	25,13%
25	25	1 965,00	-487,5	-19,9	67	392	1608	80,4	0	-100,28	0	19,95%
26	26	1 939,55	-512,9	-20,9	67	325	1675	83,75	0	-104,66	0	16,76%
27	27	2 102,70	-349,8	-14,3	67	258	1742	87,1	0	-101,36	0	12,27%
28	28	2 095,00	-357,5	-14,6	67	191	1809	90,45	0	-105,03	0	9,12%
29	29	2 084,95	-367,5	-15	67	124	1876	93,8	0	-108,79	0	5,95%
30	30	2 183,50	-269	-11	124	0	1000	50	0	-60,97	0	0,00%

Total amount of interest, \$

81,23

Amount of interest from 10 000 000 \$

406 161,97

RISK WARNING

Buying a token is a high-risk operation before which every potential investor must carefully consider all the risks listed below and take full responsibility for any actions and decisions.

MAIN RISKS:

1. Software and hardware malfunctions.
2. We have been taking all possible steps to improve security and protection of equipment and software from malfunctions. Nevertheless, there is a risk of hacker attacks, computer viruses, and other threats, which can lead to problems with the use of the system.
3. Legislative risks. The laws on the use of Blockchain technology and the release of tokens can be changed at any time. This can lead to the inability of the system to work.
4. Taxes. MTO owners can be forced to pay taxes when carrying out transactions depending on the jurisdiction.
5. Force Majeure. The project activity can be blocked because of force majeure. Natural disasters, accidents, epidemics, armed conflicts, and strikes can lead to loss of system's operability.
6. Change in the value of the token. Over time, the value of purchased MTO tokens can be changed. The project creators are not responsible for any changes in the token exchange rate.

** The current version of White Paper is not final and can be adjusted. The final parameters will be presented a few days before the start of the ICO.*