

# **XeonbitToken** **(XNS)**

## **Whitepaper**

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## INTRODUCTION

*The total market worth of the payment industry is capped at about \$1.5 trillion*

Payment cards (credit cards, debit cards, prepaid cards, etc.) has been a dominant payment method for as long as we know it. Payment cards were developed in the 1950's, before the existence of personal computers before we even talk about internet. They were originally designed for offline transactions, where the customer approved a transaction by manually signing a receipt. There are 3 noteworthy points to look at for efficient payments:

1. **Trust:** In a centrally governed marketplace. To transfer trust from one centralized service to another in big marketplaces, there is a need to establish relationship with each merchant separately. It will be impossible to pinpoint fraudulent buyers or merchants if a merchant's history is not recorded.

**Blockchain** helps establish trust through the recording of the time of the transaction, both receiving and sending wallet addresses, warranty conditions, delivery time, and all other information that is typically needed to ensure trust. With XNS, decentralized trust solution working flawlessly together with mobile payments processing on the Ethereum blockchain leveraging smart contract technology.

2. **Expensive and lengthy process:** The structure of the payment cards' ecosystem consists of multiple participants: Credit Card Associations, Issuing Banks, Acquiring Banks, Processors and Payment Gateways, and what not. When Merchants use accept these card payments, they are subjected to a complex fee structure that ranges from 3%-15% of their gross receipts. This centralistic structure's inefficiency has gradually become more evident as modern payment technology enters the market. Merchants need a decentralized trust system, and as they accept Ethereum based tokens and mobile payments, they are poised to be aligned with what the new industrial revolution has to offer for all merchants.

3. **The \$10 trillion digital asset economy:** The World Bank estimates that 10% of global GDP will be generated on blockchains by 2025. The GDP estimated for 2025 is \$100T, thus the value generated through blockchain is expected to be **\$10T** (10%). XNS not only allow merchants to participate in a trustful decentralized economy, but also reach the growing digital asset economy through our payment solution.

4. **Market Share:** According to Boston Consulting Group, the payment industry is expected to shift towards mobile payments: 1) Mobile payment volume is expected to increase to reach \$274bn by 2021 in the US alone, 2) The Mobile share is expected to increase to 48.5% of total e-commerce by 2020.

The total market worth of the payment industry is capped at about \$1.5 trillion. A total of about 77 million people on the global scale currently and formally identify mobile wallet as their way of making payment.



# 1. PROBLEM

Problems that Merchants face are trust, payments and growth in their respective economy.

## 1.1 TRUST

Trust is important for e-commerce participants. People are more likely to buy from trusted merchants; And merchants are striving to maximise their trust rating and build a loyal customer base. It is a steep-gradient uphill task to solve the trust problem but it is possible to achieve. Consumers tend to read up on reviews before making a purchase. Most of them are likely to make a purchase from a site which has user reviews and a proven trust rating. However, there are some major concerns regarding trust that merchants face in today's global e-commerce.

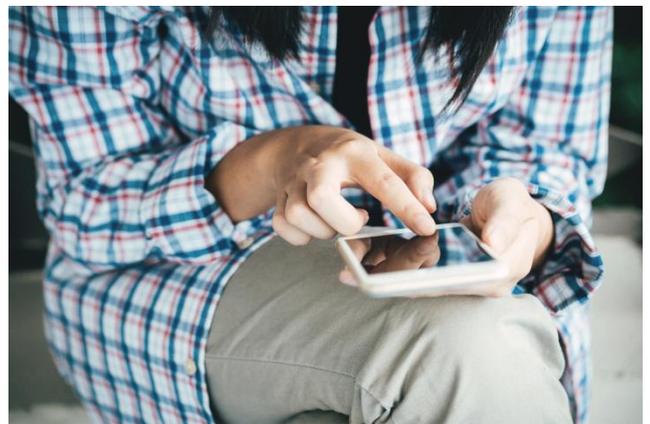
- a. The trust system to facilitate commerce happens only in closed marketplaces. In order to build trust, you have to join one or a few of the closed marketplaces. By joining them, merchant must accept all their rules; X% commission from sales for example.
- b. Merchants cannot transfer their trust rate from one centralized marketplace to another. Take for example, once you become trusted on Alibaba doesn't automatically give you the same trust rating in Amazon. You have to build it from zero.
- c. Buyers need to establish a relationship with each merchant separately. Moreover, a buyer's history is not available for merchants to make decisions. Being trusted with one merchant doesn't mean you are trusted with another.
- d. Fraudulent buyers or merchants get away easily. Most fraud happens due to stolen cards or stolen credit card information. According to Advanced Payment Report 2016, card fraud reached \$21.84 billion in 2015 – a figure that is expected to rise to \$31.67 billion by 2020.

Our business model allows merchants and users to build global trust in e-commerce payments and commerce. This is done through using XNS directly between two unknown parties using a much-needed decentralized, smart contract based, trust system.

## 1.2 PAYMENTS

Despite having a wide variety of different payment gateways and processing companies, the following major problems still exist for merchants:

- a. Costly and complex transaction settlements with up to 15 steps.
- b. High cross-border transaction fees.
- c. Long transaction times. From 2 days to several weeks for merchants to receive their money.
- d. Availability of Mobile payments. Mobile payment solutions are fragmented and not available universally.



Much of these factors contribute to **cash flow problems** for many small merchants.

## 1.3 GROWTH IN THE ECONOMY

The World Bank estimates that 10% of global GDP will be generated on blockchains by 2025. The GDP estimated for 2025 is \$100T, thus the value generated through blockchain is expected to be \$10T (10%). If merchants do not participate in the token economy, they may be missing out on a pivotal time as the new wave of innovation is getting ready to push forward a new realm of growth in e-commerce and m-commerce.

## 2. SOLUTION

XNS solution: a decentralized trust system through a blockchain based payment gateway.

We are creating a decentralized payment and trust solution on the Ethereum blockchain leveraging smart contract technology. The payment solution works with our decentralized trust system to empower merchants with quick and smart way to bring their business to the next level. Merchants will be able to accept Ethereum based cryptocurrencies and exchange them with traditional (fiat) currencies. Merchants and customers will participate in global decentralized commerce with total trust.

XNS' mission is to develop and deploy a seamless payment system that would be based on enforceable contracts without third party between consumer and merchants. Transaction will be done in one step together with the enforceable sale contract. XNS:

- Develop a global decentralized trust payment system for global e-commerce and m-commerce.
- Make the payment process simple and efficient.
- Make accepting payments for merchants at least 5x cheaper and 100x faster
- Provide a means for merchants to accept mobile payments.

**XNS' trust system** will be universal, transparent, transferable, and working seamlessly together with our payment solution.

The trust rate will be available and visible to all users in the ecosystem so that parties are incentivized to strengthen their trust rating by being honest and transparent in their dealings. This will enable better decision-making and a safer e-commerce environment. For those who has higher trust ratings we may offer extra incentives such as a reduced transaction fee. Transparency at such level promotes more honest dealings and could decrease fraud significantly or at least make it more difficult.

A **mobile payments** solution to accept mobile Ethereum based cryptocurrency payments typically up to 5x cheaper and up to 100x faster.

With XNS integration, merchants will be able to:

- Utilise our decentralized trust system.
- Accept Ethereum based tokens.
- Convert cryptocurrency to fiat currency with ease.

### Smart-contract based wallet

What we see today, banks hold higher authority because they own the control of that database and authority to grant or deny the access to the money they hold. Now with this new era.

The merchant's account function similarly as a bank account that stores funds and enforces security. It is controlled by only the merchant (user). XNS will not be able to suspend, hold or prevent any transaction. Instead, permission-less transactions will be guaranteed by the smart contract. No more uncertainty of not knowing where the merchant's money is and why it's being withheld.

Merchants can customize their settings to fit their preferences, such as:

- How much funds to exchange with the local currency.
- How often to exchange.

With XNS, we are giving control of merchant funds back into their own hands, safeguarded by the security of smart contracts. Merchants can have better security and substantially improved usability.

Now, how about a merchant becoming his own bank?

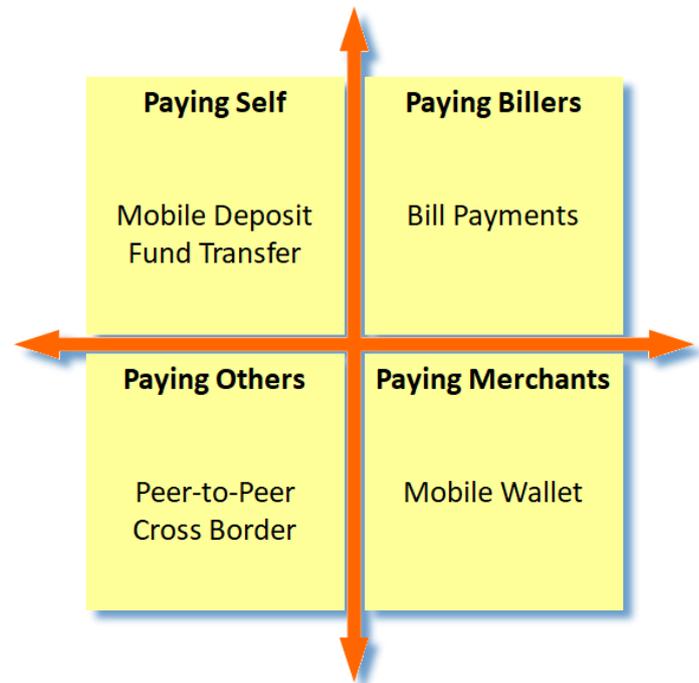


## 3. PRODUCT

### 3.1 PAYMENT AND TRANSACTION

XNS' mobile payments can be thought of in terms of Four Pillars.

1. **Paying Self** – using a mobile device to make transfers wallet to bank account, or to make deposit of money into the wallet for usage.
2. **Paying Others** – making peer-to-peer (P2P) payments to individuals with a mobile device
3. **Paying Billers** – making payments to your telco or electricity supplier through XNS platform and wallet
4. **Paying Merchants** – making purchases in a store via mobile wallet. Receipts and records of purchases are sent to customer instantly.



XNS platform has a wallet for each user that will overcome any form of payment delays. Our integrating with blockchain technology ensures money gets transferred quick and safe way locally; and in cross border transfers, the differences in exchange rate would not be a concern as the value will not differ much from the international exchange rate.

### 3.2 HOW THE WALLET WORKS



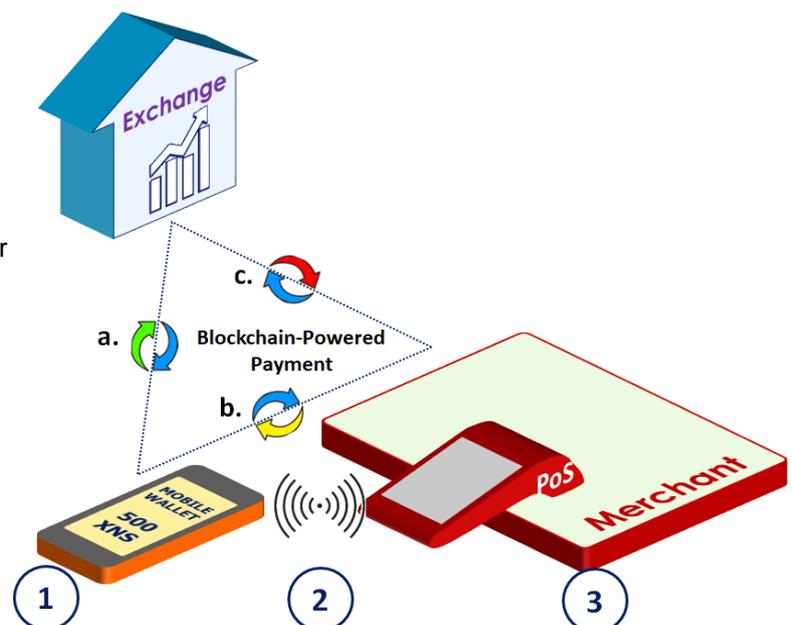
1. **User download XNS wallet and obtain XNS in their wallet**
  - a. User obtain XNS in their wallet ready for use



2. **User purchase merchandise and make payment**
  - a. NS equivalent to merchandise price transferred to merchant



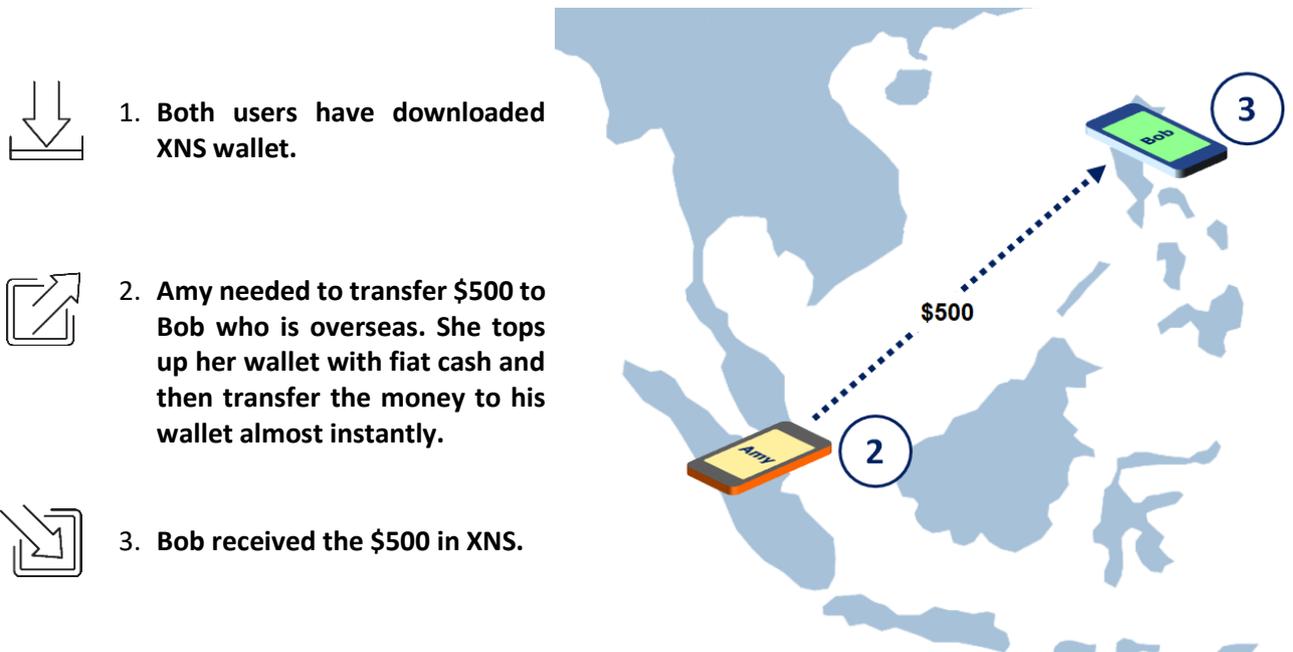
3. **Merchant Receives payment instantly**
  - a. Merchants can cash out their XNS into fiat at the exchange if they need



### 3.3 PRODUCT POSITIONING

XNS is positioning itself as a **mass market payment tool**. The main aim of the product is to create a stable and flexible payment ecosystem that will enhance value in every dollar spent by consumers.

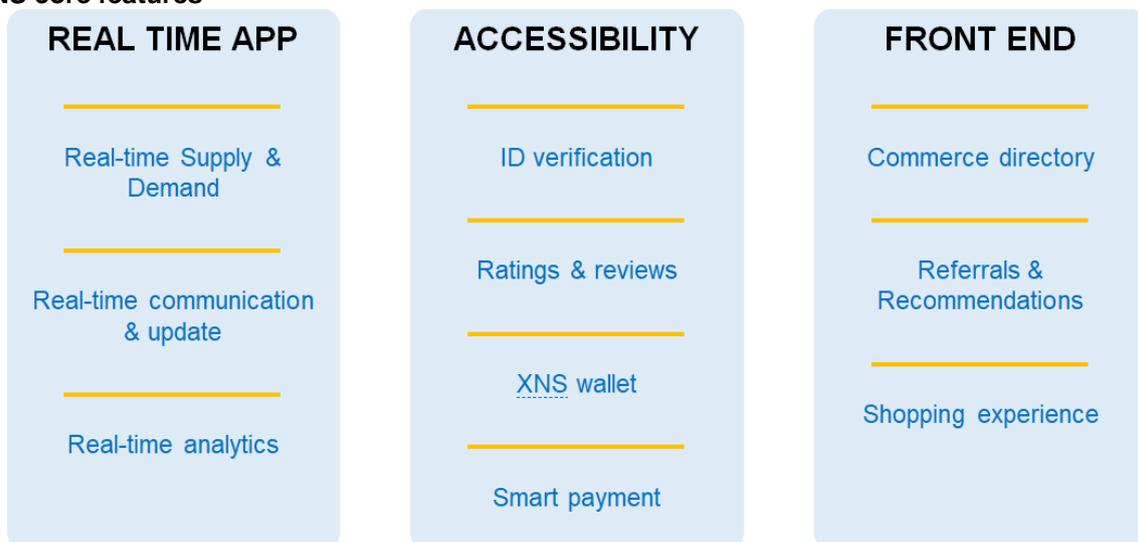
#### Cross-Border Payments



A user can make transfer of money to his family without having to suffer heavy losses through Bank's currency exchange potholes.

### 3.4 FEATURES

#### XNS core features



### Verification & Validation

**ID verification system:** It is critical to ensure users are using their real identity during the registration process. This is to prevent fraud or bad user experience from a fake identify.



### Trust Ratings & Reviews

Each time a transaction is made, the blockchain will save transaction time, both the receiving and sending addresses, delivery time, and all other information that is typically needed to ensure trust. All the sensitive information will be hashed and only available to authorized users. Based on that information, clients and merchants will be able to file/solve a claim, rate each other, etc.

#### The Client/Consumers

Ratings & reviews is one of the mechanisms for consumers to be able to earn incentives through XNS platform. By rating the services or products of merchants, these consumers in return are also giving themselves opportunities for open incentives where there are promotions, consumers who actively rate services and products will get priority in notices of future promotions.

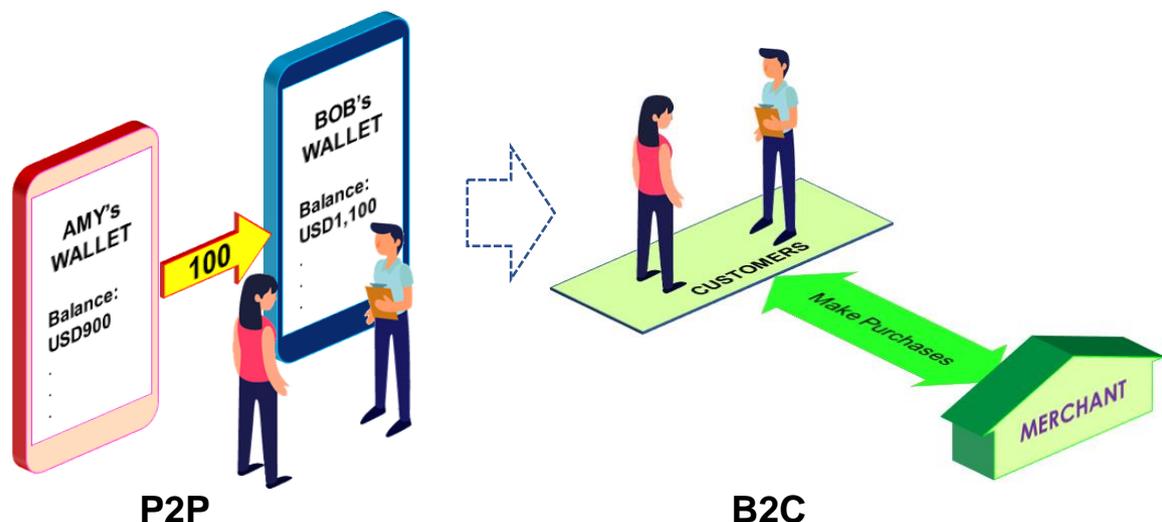
#### The Merchant

Once the merchant starts accepting mobile Ethereum based currency payments using XNS, a default trust rating will be created. Smart contract will automatically change the trust rating according to the behaviour of the merchant. For example:

- Does the merchant have good reviews from clients?
- Does the merchant respond to claims from clients?
- Do clients rate the merchant for delivering products as represented (on schedule; as advertised and in good quality)

## 3.5 PLATFORM ARCHITECTURE

### User roles



## 4. MARKET OPPORTUNITY

### 4.1 Market

#### Mobile Wallet usage on the rise

eMarketer, a market research company forecast in 2018, that about “938.2 million individuals—or 36.0% of smartphone users—will use a mobile phone proximity payment app in 2019, a 13.5% year-over-year increase. Smartphone users are becoming increasingly comfortable scanning QR codes and using near field communication (NFC) technology to complete mobile transactions.”

That is not to stop where it is when there is mobile app payment coming into the picture. Across the world, the payment has evolved ever since millennials (or Gen Y) joined in. Today, Gen-Zs are also integrating into the payment and we are seeing a demand for a freelancer platform ever stronger than before.

#### Mobile Wallet in reality

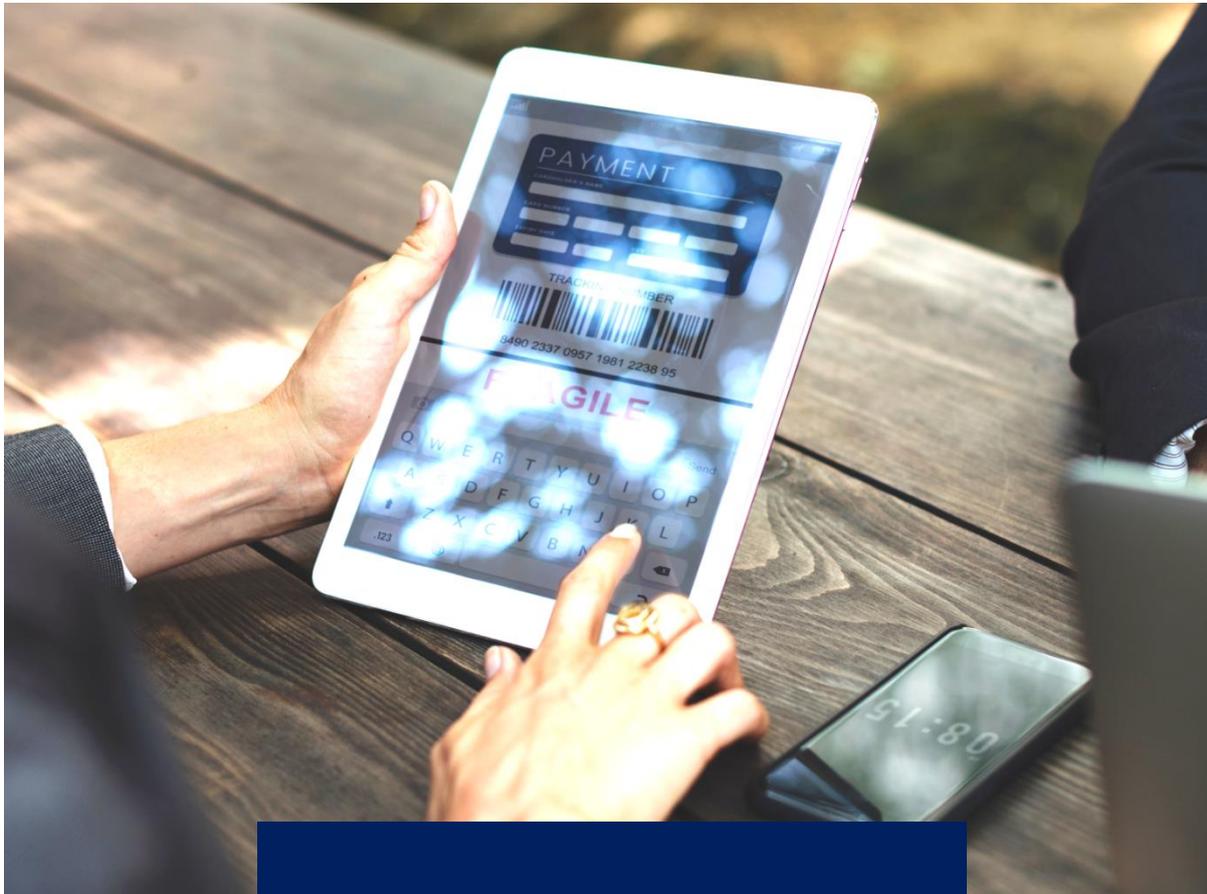
Even though mobile wallet has already been around for a good few years, there are still some notion we need to grasp and accept.

#### Mobile Wallet Payments Hype Versus Reality

Hype	vs	Reality
All emerging players with a mobile wallet solution are widely adopted by merchants and consumers.	↔	Mobile payments are still in the early stages of development; Many emerging players will not survive.
All consumers are comfortable making mobile payments with non-banks. One can easily scale as many people have mobile devices	↔	Consumers are still comfortable conducting financial transactions through their financial institution's mobile channel. They have yet to warm up well with non-bank mobile payments
If there is availability of mobile proximity payments, consumers will surely adopt such payments.	↔	Adoption for mobile payments are still low. Many consumers look for extra benefits for making mobile payments.

Consumers are engaged in mobile payments even as the media is focused on talking about their adoption of mobile proximity payments. They are already paying themselves, paying others and paying billers.

To see a wide adoption of non-bank mobile payment solution, it is truly something to reckon with. We believe there are more room to grow with mobile payment and how it can be further integrated into consumer lives **through blockchain**.

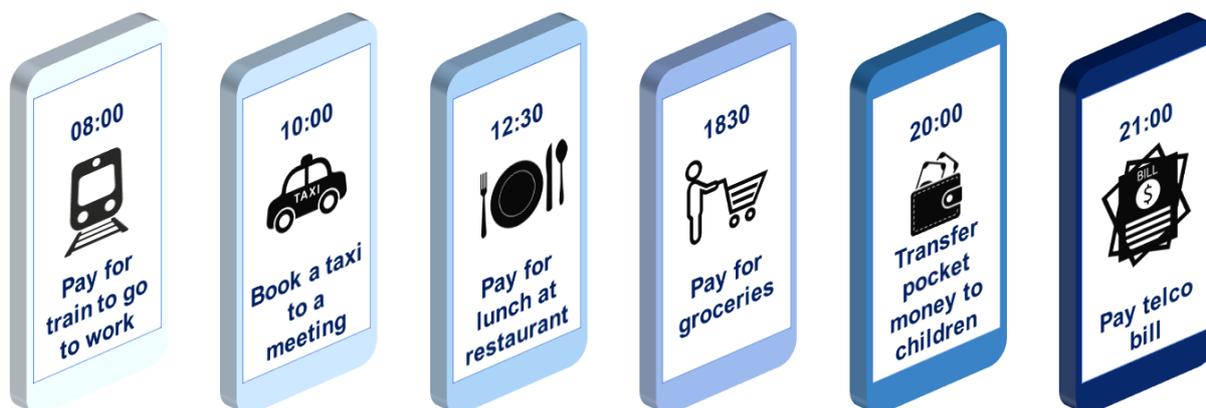


***XNS platform has a wallet for each user that will overcome any form of payment delays.***

## 4.2 OPPORTUNITY

### XNS Wallet

XNS mobile wallet enable transactions to be initiated by a mobile device at a point of sale (POS), online or in-app. P2P transaction can also be done as users do transfer money to one another frequently.



In Metropolitan cities, consumers are constantly online on their mobile. Convenience has drawn in new habits from consumers in the way they leverage on their mobile device for almost anything in their lives. We envision that in the near future, you can pay for anything with through your mobile device. You no longer need to commute unnecessarily

Our mobile wallet is designed to be used for an in-app mobile purchase. Unlike purchases made using a specific merchant's native mobile app, this wallet model uses her own in-app payment system. XNS's wallet model pays with participating merchants in direct payment without having to go through their native mobile apps or mobile browsers. Consumers authenticate themselves and authorize a payment with a biometric or passcode. Such system allows wallet user to send or receive payments peer-to-peer as well.

To pay, the consumer scans the QR code on the merchant's XNS app and pay. Consumers do not have to log on to merchant's app or website in order to make their purchases. All they need is XNS Wallet

### Digital Checkout Wallet

XNS payment offer digital checkout wallets or digital acceptance services to both issuers and merchants. Online merchants can add the digital checkout wallet payment option to their mobile browser or mobile app checkout cart. Consumers can make payment through XNS on the things they purchase from the online merchants.

## 5. MARKETING & STRATEGY

### 5.1 NETWORK EFFECT

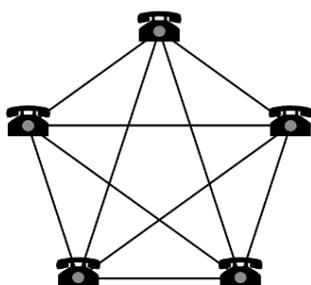
#### Metcalfe's Law's Network Effect

XNS' decentralized trust system enables us to create a network effect strategy. We will then begin with niche and familiar market and move on to broader markets.

1. **Partnership:** We will partner with payment providers and commerce platforms that can give us instant scale of supply. That is where our pioneering merchants will come from.
2. **Educate merchants** the initial client base in the existing crypto community. Main value proposition is the decentralized trust system with no credit card network fees.
3. **Market education** and adoption: As XNS is accepted in even more locations globally, supply will also increase, and thereby exposure.
4. **Trust ratings.** Merchants accepting payments through XNS will be guaranteed to be trustful by decentralized trust system. More people will come as they see merchants being well trusted.



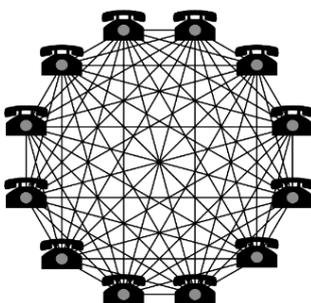
**Network effect** is very well illustrated in the diagram on the left.



For example:

One telephone alone is useless. Two people with telephones can only make one connection, while five telephones make 10 connections and twelve telephones make 66 connections.

The supply side will drive the demand which in turn drive another tranche of supply.



Network effect: the more users there are, the more valuable it is. This rapid adoption is then self-perpetuating as both sides value the access to a bigger network of users coupled with the improved trust in each user's transaction experience.

Looking at the Network Effect of Metcalfe's Law, it is not too difficult to imagine how the ecosystem can grow quickly with every element in place. That is how, in most cases, marketplaces and ecosystems are being built expand seamlessly.

*The more users there are, the more valuable it is*

### 5.2 LOYALTY PROGRAM

We will also be running an extensive marketing campaign to attract users to the platform. To encourage network effects and create an ecosystem for XNS token, we are going to introduce a loyalty program for clients. As most loyalty programs are facilitated by merchants themselves, a loyalty program by payment provider will help users earn more incentives.

Every purchase made via the XNS payment system will reward the client with small % of the value of the transaction in XNS tokens from the loyalty pool. This happens regardless of the type of merchandise or services the user buys or where the merchant and client are based.

Loyalty tokens can also be used during any purchase using an XNS wallet

## 6. IEO DETAILS

The XNS IEO and the corresponding token creation process will be organized around smart contracts running on Ethereum. Participants willing to support the development of the XNS Project can do so by sending Ether currency to the designated address. By doing so, they are purchasing XNS Tokens (XNS) at the rate of **USD \$1 per 1 XNS** which are sent instantly to their wallet.

- The accepted currency for this IEO is Ether.
- The creation will be capped (Soft Cap) upon receipt of ETH Equivalent to USD \$5million. This amount may be subjected to changes before the Token Creation event.
- Token Creation period will last 31 (Thirty) days, if Soft Cap is not achieved before the set date.
- If Soft Cap is achieved before the 31-day period, additional contributions may be accepted for 120 hours in case some contributors missed the XNS creation window.
- Token Creation has a Hard Cap of \$10million. If the Hard Cap is achieved, Token creation will stop and no further contributions will be accepted.
- Tokens that are not sold during the IEO will be burnt automatically.

## Token Information

<b>Initial Price</b> 1XNS = USD \$0.13		<b>Bounty (Hard Cap)</b> 3,000,000 XNS
<b>Soft Cap</b> 5,000,000 XNS	(Private Sale) 22 April 2019	<b>Hard Cap</b> 8,000,000 XNS
8,000,000 XNS	(Pre-Sale) 15 May 2019	13,000,000 XNS
13,000,000 XNS	(Main Sale) 15 June 2019	55,000,000 XNS
<b>Initial Total Supply</b> 100,000,000,000 XNS		<b>Circulation</b> 79,000,000 XNS
<b>Total Supply After Burning</b> 300,000,000 XNS		<b>% Circulation</b> 29.33%

Type: Ethereum, ERC20

Token Tracker: <https://etherscan.io/token/0x79c71d3436f39ce382d0f58f1b011d88100b9d91>

Contract: [0x79c71d3436f39ce382d0f58f1b011d88100b9d91](https://etherscan.io/address/0x79c71d3436f39ce382d0f58f1b011d88100b9d91)

Decimals: 18

## 7. TEAM



**Richard D.**  
Technical Advisor



**Nikolas B.**  
CTO, Consultant



**Adrian N.**  
Strategy Consultant



**Yaroslav Skriaga**  
Community and  
Country Manager



**Louis H.**  
Project Lead, Head of  
Communications



**Angel Lee**  
Project Lead

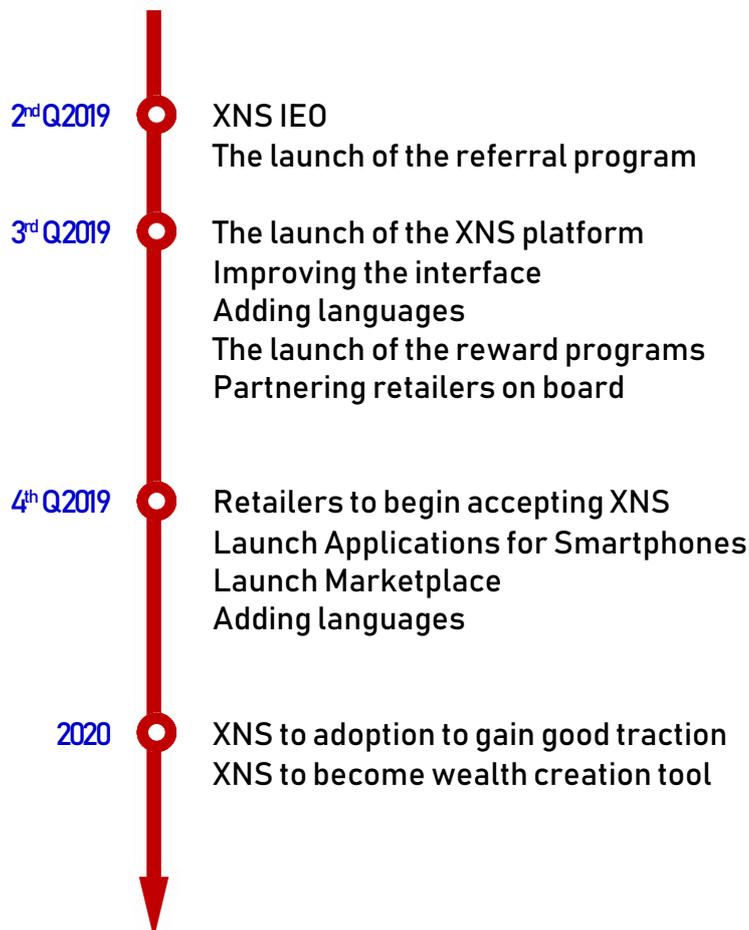


**Edwin Kitonti**  
Social Network Online  
Marketer Advisor



**Thuhoa**  
Regional Business  
Development Advisor

## 8. ROAD MAP



## FAQ

### 1. What is XeonbitToken (XNS)? And Why?

XNS is a substance that allow transactions and trading to take place effectively on ecommerce platforms. The market needs a cost-saving payment solution that can enhance quick transaction for every person.

### 2. What is the difference between Xeonbit (XNB) and XeonbitToken (XNS)?

XNB is the Proof of Work minable cryptocurrency that has been released in 2018.

XNS is an issued Token based on Ethereum ERC20.

### 3. What is the purpose of Xeonbit Project Team releasing XeonbitToken (XNS)?

XNS is for IEO, and is aligned with what the market needs in 2019 and beyond; where the market is already ready for crypto tokens to be used as a medium of exchange.

