FOUNDCHAIN: LEADING A TRUSTLESS REVOLUTION

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ABSTRACT

FOUNDCHAIN: Leading a Trustless Revolution.

FoundChain is a decentralised network supported by Master Nodes (MN) and Proof of Stake (PoS) consensus mechanism. FCHAIN is the digital token ticker for FoundChain. Our vision is the establishment of a trustless ecosystem with multiple Special Purpose Platforms as sidechains to the FoundChain decentralised network.

Special Purpose Platforms may be similarly structured as Special Purpose Vehicles whereby they are ring-fenced as separate legal entities. This arrangement will assist in raising capital, regulatory compliance and reducing other risks.

The focus of the sidechains will be to distribute trust on platforms by placing governance rules in smart contracts and other algorithms in such a way that users of the platform do not have to trust to use it. Focus will also be on seamless interactions on the platforms that empowers users. The aim also includes bridging gaps between platforms that may provide new offerings.

These creations are positioned to have improvements and unprecedented offerings that may provide greater opportunities that will make its users lives easy.

Examples of typical platforms as sidechains that can be created in FoundChain ecosystem include: Sharing platforms; Multi Sided platforms, Investment platforms; Gaming platforms; Exchange platforms amongst many others.

The FoundChain Community is the bedrock of its ecosystem and is initially comprised of FCHAIN holders across the globe who run nodes or stakes FCHAIN in their wallets. This process provides transparency and trust by validating blocks of transactions. For their commitment, they receive regular rewards in FCHAIN. In addition, FCHAIN holders may be given the opportunity to invest in Special Purpose Platforms.

DISCLAIMER

This is a lite paper giving oversight of FoundChain and its proposed ecosystem. No information, message provided on FOUNDCHAIN website or any other message or information communicated on any of its medium of communication channels or platforms, by its founders, community, developers or contributors should be considered legal, financial or investment advice.

With rapid advancement in technology, there may be need to make changes including that of the underlying technology to mitigate risk among other factors. The roadmap, litepaper or whitepaper whenever provided is always as guidance. All effort will be placed in ensuring milestones are achieved. However, the activities, timing of those activities or milestones may change without notice.

Contents

1. BRIEF INTRODUCTION OF MAGIC MONEY

1.1. **History of Money:** Money has been a part of human history for almost 3000 years [1]. Money has gone through many forms including commodity money that has value other than as money alone such as beads, shells, car wheels, cigarettes; fiduciary or metallic money made up of some valueless substance such as paper which can be redeem on demand in a commodity money such as gold or silver; and fiat money which does not promise to redeem in commodity or fiduciary money but may be legal tender. Other forms also includes private money created by a centralized issuer with a specific or limited use within communities or firms such as games (monopoly) or funfair tokens [2].

1.2. **Global Economic Downturn:** In the wave of global economic downturn in 2009, a person or group by pseudonym Satoshi Nakamoto publishes a white paper that will take the world aback. Bitcoin termed Magic money in a film documentary [3] was born. A revolutionary innovation since the internet and some may refer as far back as the introduction of the steam engine. A pure peer to peer electronic cash system [4] which is decentralised and supported by economic incentives. It can do for the nearly free and frictionless transfer of assets what the internet did for the nearly free and frictionless transfer of information.

1.3. **Blockchain Early Days:** A revolution only in its infancy yet rapidly evolving spinning out new forms of decentralised networks and systems with new features and new ways of creating value [5]. Thousands of cryptos have cropped up with some introducing among many other features, significant advancement enabling smart contracts, enhanced privacy and new means of community collaboration. The underlying technology called blockchain has so much promise and combining with other technologies, theories and new business models, it is believed to touch and disrupt many industries and not just the obvious ones [6].

1.4. **Middleman Economy:** The internet has provided numerous entities the opportunity to start up and to become huge within a short period. In recent times, there have been focus on new models and combinations with the emergence of new concepts such as multi sided platforms and the sharing economy. These new concepts are usually based on platforms that are centralized: the middleman economy [7].

1.5. **Autonomous Agents:** According to a medium article, “Big businesses will always drive innovation and the rise of blockchain based smart contracts turns blockchain into a middleman to execute all manner of complex business deals, legal agreements and automated exchanges of data. A trustless system does not mean it is a system you cannot trust, it is quite the opposite. The blockchain verifies each transaction through PoW as in bitcoin, this means no trust is required between participants in a transaction” [8].

1.6. **Potential Opportunities:** The blockchain technology with its evolving features and combination with other rapidly evolving technologies provides means by which the usual ways firms, enterprises, businesses and communities are organised to create value by relying on a central actor, may be disrupted and unprecedented new ventures may be created. This is basically what FoundChain’s vision is about - “Leading A Trustless Revolution”.

2. SOME BURNING ISSUES, OPPORTUNITIES AND POSSIBLE SOLUTIONS

2.1. Digital Identity Crisis:

2.1.1. Ownership - "Are you the owner of your identity or do you have any control over it?" In sub-Saharan Africa, less than 50 % of children under 5 years have no identity as their births are unregistered according to the United Nations [9].

2.1.2. Control - The fragmentation of personal data online makes it very difficult to know who has your data; where it is kept and what it is used for, let alone control it. If you think you own your data online and can control it, please think again.

2.2. Digital Labour Platforms:

2.2.1. Freebies - "If it is free online then you are the product". Any service that you use online that is free including all Google services (Docs, Gmail, Search) all social media services (including Snapchat, WhatsApp, Twitter, Facebook and Instagram), your data is the product.

2.2.2. Meta data - This is not confined to the data you enter, it also includes the data you "tread" into arriving at the platform such as purchases you've made and the searches you've conducted [10].

Burning issues	Opportunities	FoundChain Solutions
➢ Recent high profile data breaches [11]. ➢ Lack of user control and rights over user personal data distribution. ➢ Over collecting and over sharing of personal data. ➢ Exclusion or restriction of certain people without formal identification [12] ➢ Huge amount of rent from adverts received by these platforms using your data, yet most users do not get paid for it.	➢ Blockchain tech with smart contracts enables building of reputational personal data that is portable, reusable, flexible, secure, inclusive and empowers data owners. ➢ Systems built from these enables leaps in trustless settings, helping more people to thrive and providing many new opportunities [13]. ➢ Enabler of all kinds of collaboration with other platforms, providing users and suppliers with additional value.	➢ There are currently a number of blockchains that provides portable reputational protocols. ➢ Platforms originated within FoundChain ecosystem may create their own reptutional system or leverage one already available and suitable for purpose [14]. ➢ Users can own their personal data, control it and make money or receive rewards when they choose to share. Basically empowering you, the user.

3. FOUNDCHAIN POTENTIAL USECASES AND VALUE PROPOSITION

3.1. Special Purpose Platforms (SPP) in Smart Technology Niche Market:

3.1.1 Three Use Cases - Social Media + Ecommerce + Investment Platforms

3.1.2 United Nations Population forecast - By 2050, the current world population of 7.3 billion is expected to increase by 33% to 9.7 billion. Africa is expected to account for almost half of that population increase. Along with such growth are many challenges as well as opportunities for achieving sustainable developments [15].

3.1.3 Potential Sustainable Development - Some of the areas in which smart technology may make a difference in achieving sustainable developments includes:

3.1.3.1 Smart Farming - such as precision seeding, automatic irrigation, robotic weeding and cultivation are empowering farmers[16].

3.1.3.2 Smart Health - such as telemedicine and smart wearables in preventing health conditions from worsening and providing quality of life thereby empowering patients [17].

3.1.3.3 Smart Energy - systems including smart grids and smart meters that directly empower consumers to better understand, control, produce and earn from energy. This may enable consumers to become equal partners within the energy value chain [18].

3.1.3.4 Smart Enterprise - drivers empowering businesses includes smart data analytics, smart work space, augmented intelligence and collaborative communities [19].

3.1.3.5 Smart Home - is not only providing convenience but also empowering users to assist disabled family members [20].

3.1.3.6 Smart Communications - empowers all kinds of users by enabling different types of smart devices.

3.1.3.7 Smart factory - where cyber physical systems control, monitor processes and make decentralized decisions in data driven digitized workflows environment [21]. Smart factory market is expected to increase by 70% from $211 billion in 2017 to $358 billion by 2023.

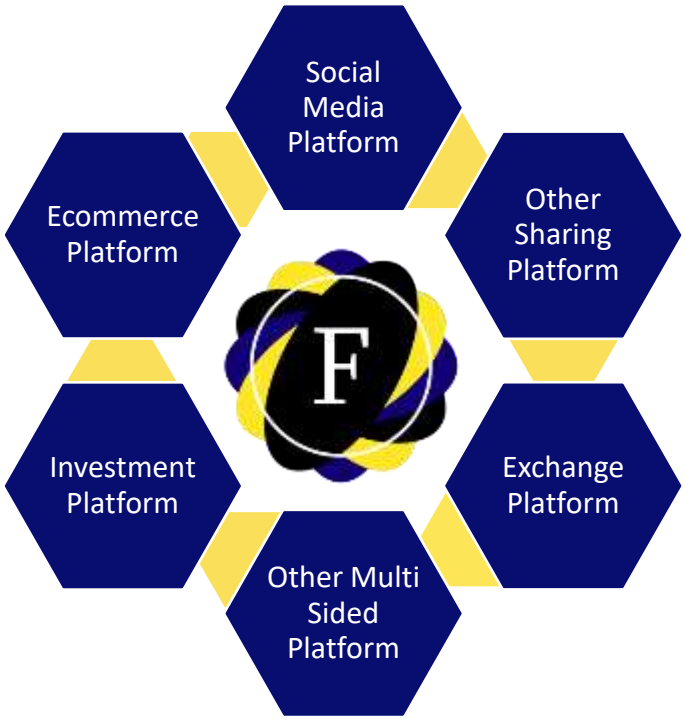

Fig1. Typical example of FoundChain Eco-System with sidechains as Special Purpose Platforms (SPP).

3.2. Benefits of Special Purpose Platforms in Smart Tech:

3.2.1. Bridging Gaps - provide complementary platforms covering different aspects of smart technology which may involve multiple sidechains including social media, ecommerce and investment.

3.2.2. Awareness Program - provide awareness by allowing providers to showcase their offerings. Buyers and other users can also provide a review.

3.2.3. Blockchain Tech - provide transparent ledgers of truth whereby all relevant parties with required access can verify that transactions have occurred as they should.

3.2.4. Internal and External Collaboration - enable all kinds of collaboration between users who may also be providers as well as collaboration with other platforms or parties.

3.2.5. Slice of net income generated - enable all eligible active participants to get a slice of wealth generated.

3.2.6. Leap Frogging - enable sourcing of innovative smart tech information; leverage on others including expert and peer opinions as well as a means of raising finance to acquire smart technologies. This is particularly very useful in assisting developing nations to leap frog by relying on smart tech.

3.3. Special Purpose Platforms (SPP) set up:

3.3.1. Separate Legal Entities - Special Purpose Platforms may be registered as separate legal entities to ensure regulatory compliance, raise finance and mitigate other risks.

3.3.2. Partnerships - may be formed with specialist firms to assist with Special Purpose Platform(s) setup and administration. Partnerships may also be formed with manufacturers, suppliers or other providers from the outset.

3.3.3. Separate New Token - Special Purpose Platform as sidechain may have its own token.

3.4. An example of Investment Opportunity:

3.4.1. To illustrate as an example below:

To create a Special Purpose Platform as sidechain may require the following below.

(Please read terms of sale document on website before buying a Masternode):

- 6 – 10 BTC (raised ideally from pre-sale stage 2) to design Minimum Viable Product. Due to this, ***special consideration may be given to those that purchase Masternodes (MN) at pre-sale phase 2 stage for investment in the first platform only. It is very important to purchase MN's only through formal channels.***

- 150 - 250 BTC to create the minimum viable Special Purpose Platform. 1,250,000 new (sidechain) tokens may be raised for the specific Special Purpose Platform.

- ***Up to 100,000 of new (sidechain) tokens may be allocated to a pool which may be swapped for FCHAIN (1:1) without any further payments representing the number of FCHAIN masternodes purchased at pre-sale stage 2 phase only.***

- Price of new token may be 1FCHAIN + 0.0005BTC with discount given for bulk purchase of new token.

- trust protocols whereby smart contracts and other algorithms are embedded in codes with own oracle governing the Special Purpose Platform.

- Up to 75% of income generated on platform may be shared among new token holders of the platform. Up to 10% may be allocated to marketing and other expenses. Up to 5% may be allocated to social and enviromental good causes . Up to 10% held as reserve for future developments.

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