



THE MONEY REVOLUTION

AN INTRODUCTION TO DIGITAL CURRENCY EXCHANGE

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Disclaimer and Disclosure

The Money Revolution is an introduction to Digital Currency Exchange, and presents the case for Coinport: an Australian online platform for the exchange of digital currency.

This is not a White Paper or Prospectus, is not composed in accordance with, and is not subject to, laws or regulations of any jurisdiction, being designed to protect investors, and does not constitute an 'Offer'.

Anyone considering investing in Coinport should seek independent financial advice before investing.

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Introduction

“Once a superior technology emerges, it is only a matter of time before it dominates...”

[Robert Salisbury - Coinport]

Just as the Internet changed our lives, Digital Currency is about to change it again. Its superiority over Old Money, and underlying Blockchain technology, represent an epoch defining step forward for the biggest commodity on the planet: Money.

Antony Jenkins, Former Chief Executive of Barclays Bank, warned that banks ought to:

“Wake up to the new technologies or experience their “Kodak moment.”

[# Reference 3]

The future holds growth, dramatic change and unforeseeable riches. No one will win without seizing the day.

Trace Mayer on explosive growth of Digital Currency Exchanges:

**“Coinbase [USA] were adding 200,000 new accounts per day
Bitstamp [USA] were adding 100,000 new accounts per day
Krakken [Europe] were adding 50,000 new accounts per day
Krakken has a backlog of 80,000 new accounts waiting to be processed. “**

[# Reference 23]

There is a revolution in Money taking place and Coinport will play its part.

1. The Money Revolution

1.1 What is Digital Currency

Digital Currency is computer based money.

In October 2008, Satoshi Nakamoto first described a “*peer-to-peer electronic cash system*”, that would eliminate the need for banks and people, by automating all transactions. Record keeping would be held on a ledger, duplicated on a de-centralised network of computers: called a blockchain. Account holders would be anonymous, as their identity would be encrypted. Hence, Digital Currency is also known as *Cryptocurrency*.

Bitcoin was the world’s first digital currency. Mined into existence, January 2009, it has grown into a globally recognised asset class worth a staggering \$US 100 billion dollars. It is not alone. There are more than 2000 Digital Currencies, each, with their own innovative story and purpose.

Digital Currency is radically different from Old Money:

- | | | | |
|------|-------------------|---|-----------------------------------|
| i. | No notes or coins | - | replaced by digital ledger |
| ii. | No banks | - | replaced by miners and blockchain |
| iii. | No staff | - | human-free automation |

Today, the world uses 180 national currencies, with the US dollar being the most widely used, and the British pound being the oldest, it dates back to 774 AD. But, this Old Money does not take full advantage of the technological advances made over the past decade.

1.2 Technological Superiority

The technology behind Digital Currency has implications beyond money itself. It has systematic differences which make it superior to Old Money: it transacts at digital speed, settles automatically, without human error, or the possibility of political interference, it is protected from hacking and virus by being duplication on a decentralised ledger. It is not controlled by a Central Bank, has no interest rate, and is free from constraints of border or national currency: it is truly global.

Blockchains that service Digital Currency offer a vast resource of processing power and storage capacity, that are exploited by some of the most innovative Apps powering the FinTech revolution.

Digital Currency does things Old Money cannot do:

- | | | | |
|------|-----------------|---|---------------------------------|
| i. | Smart Contracts | - | contracts built into payments |
| ii. | Data Capture | - | innovative monetisation of data |
| iii. | Encryption | - | party anonymity |

1.3 Profit, Opportunity, and Exponential Growth

Just as Facebook collects and monetises your data, Digital Currency collects data surrounding your transactions; what you buy; how you spend, where, etc. This data can be worth more than the money itself. Old Money cannot do this.

i. Smart Contracts

Smart Contracts can be built into Digital Currency. They require pre-set criteria to be met, before payment can be made. Execution of legally binding contracts are, therefore, achieved by making payment. This will disrupt proof of identity businesses [legal profession, solicitors, conveyancers, real estate, etc.].

ii. Tokens

A Token is a representation of an asset or utility, recorded on top of another blockchain. ERC Tokens are stored on the Ethereum Blockchain. They can represent any asset fungible or tradeable for something else: think loyalty points, air miles, reward cards, in digital form.

a. ERC 20 – Ethereum Request for Comments [ERC] tokens, are agreed rules for applications, wallets and basic monetary functions in a token. 90% of tokens issued on the Ethereum platform are ERC 20.

b. ERC 721 – is a Non-Fungible Token [NFT] – meaning they cannot be exchanged for one another, each token is a unique digital asset. ERC 721 tokens can represent and therefore commodify assets: real estate, cars, policies, unique assets, etc.

iii. Micro Payments

Digital Currency is uniquely suited to Micro payments [transactions below 75 cents], which can be used to trigger decisions worth millions of dollars. Imagine a Micro Payment made to confirm someone's credit record, one that might lead to the approval of a loan, for the purchasing of a house. While Old Money only buys products and services, a payment of Digital Currency may be made for the sole purpose of triggering information. This is not possible to achieve with Old Money.

We have only just begun to consider the possibilities presented by these aspects of Digital Currency.

Early gamers used Bitcoin to pay for features within computer games.

Since 2009, when it was worth \$US 1, Bitcoin has grown by 600,000%

2. The Need for Digital Currency Exchanges

2.1 Creating a Market Price for Australia

A Digital Currency Exchange is a platform for exchange between Digital Currencies and Old Money [Australian Dollar]. Since ownership of Digital Currency is anonymous, and there are no banks, the Digital Currency Exchange is the default Market Maker for pricing Digital Currency in Australian dollars.

Largely driven by Early Adopters, there are over 100 Digital Currency Exchanges worldwide, Daily trade in Bitcoin ranges from \$ AU 380 million – 1.73 billion.

2.2 Digital Currency Exchanges in Australia

Australia is home to a dozen Digital Currency Exchanges [# Reference 16], none of which, offer all Digital Currencies tradable in Australian dollar. Many companies hold a Digital Currency Licence as an adjunct to their core business. The chart below shows variance in the price of Bitcoin offered by Digital Currency Exchanges in Australia. Their fees and commissions vary too.

Exchange	Bid Price	Ask Price	Spread	Volume
 BTC Markets	\$8,267.31	\$8,291.88	\$24.57	฿154.5
 Independent Reserve	\$8,314.10	\$8,314.29	\$0.19	฿89.15
 Quoine	\$8,299.55	\$8,350.18	\$50.63	฿0.56
 CoinSpot	\$8,480.00	\$8,499.00	\$19.00	---
 ANX	\$8,220.96	\$8,510.20	\$289.24	฿12.17
 ACX	\$8,562.66	\$8,632.30	\$69.64	฿106.73

[Extract from bitty.bot/au – dated 27.06.2018]

Coinport will major on Digital Currency Exchange solutions, with commissions and fees optimised for growth or profit towards its Three Year Plan.

2.3 At the Start and Heart of the Money Revolution

Investment in Digital Currency has attracted the biggest and best:

- i. Forbes Rich List - [Reference 11]
- ii. Goldman Sachs - [Reference 16]
- iii. Richard Branson - [Reference 7]
- iv. Westpac VC - [Reference 4]
- v. Australian Banks - [Reference 15]

Digital Currency Exchanges offer:

- i. Explosive Growth - on trades to and from currencies
- ii. Opportunity - those in first will consolidate
- iii. Market Stake - ownership in a booming economy

They are attracting investment because they offer attractive results. Startup Digital Currency Exchange Binance out-performed Deutsche Bank:

Company	Staff	Established	Profit
Deutsche Bank	100,000	140 years	\$148 million
Binance [DCE]	200	1 Year	\$200 million

[# Reference 2]

Digital Currency is at the start and heart of the Money Revolution. As it continues to evolve and expand the call for Digital Currency Exchange services will grow and deliver Coinport growth, opportunity and profit.

“This is about enabling platforms, of open, anti-global, human economic coordination and trust minimisation and censorship resistance and decentralisation”

[Vitalik Buterin - Ethereum]

The Ethereum Blockchain is not the most efficient method of transaction, but like most Digital Currencies has unique aspects, which make it superior for certain assets. Here are a few reasons why:

- Censorship Resistance - resistance to government interference
- Fraud Resistance - exit scams - no centralised control
- Transparency - interactions are visible
- Robustness - works even if one computer fails
- Interoperability - open to anyone to interact with

3. Regulation & Security

3.1 Why the Australian Tax Office needs Digital Currency Exchanges

The Australian Tax Office [ATO] has defined Digital Currency as a 'Commodity', and has determined that it is subject to Capital Gains Tax [CGT].

[# Reference 9]

In order to assess tax liability the ATO needs to know the Market Price for all Digital Currency, at any given time, as measured in Australian dollars. Currently, there is no Digital Currency Exchange in the world that can do this for all Digital Currencies.

Since the Digital Currency Exchange is the main mechanism for offering a Market Price on Digital Currency, it is important, from the ATO's perspective, that they exist. The need for a Digital Currency Exchange offering a market price in Australian dollars for a comprehensive range of Digital Currency, therefore, becomes an important component of government taxation.

Coinport will meet this demand and be apart of the solution to this problem.

3.2 AUSTRAC issues Digital Currency Exchange Licence

The ownership of digital currency being anonymous on the blockchain, presents national governments with a problem. How can they monitor each and every trade of Digital Currency so that they may tax any profits owing.

In Australia, AUSTRAC have issued guidelines for the regulation and awarding of licenses to Digital Currency Exchanges. They require the implementation of:

- i. Know Your Client [KYC] procedures: proof of identity
- ii. Anti-Money Laundering and Counter-Terrorism Financing [AML & CTF]
- iii. recording all deposits, trades and withdrawals for each identity

These measures will ensure that Digital Currency Exchanges feed the ATO with the information they need to assess tax liability. Digital Currency Exchanges become Agents of Government, collecting data of their users, who would otherwise remain anonymous.

Since AUSTRAC and the ATO only have jurisdiction over Australia, they only award licences to Digital Currency Exchanges in Australia, dealing with Australian Banks. Limiting overseas exchanges, [US Coinbase, Hong Kong Binance] is likely to result in growth for Australian licensed Digital Currency Exchanges.

Therefore, Regulation, is seen as a positive measure: strong arming business towards Australian based, licensed Digital Currency Exchanges, like Coinport.

3.3 A Secure Environment for Digital Currency

Regulation provides a Best Practice for the operation of Digital Currency Exchange in Australia. This offers Clients and Customers assurance, and a framework within which legal redress or assessment maybe formed.

The evolution of National and International Regulation of Digital Currency is expected to be the catalyst for major institutions to invest in Digital Currency.

While some countries have banned Digital Currency, or limited some aspects of it, [China – IPOs], the more progressive economies have embraced it. Japan, South Korea and the US are at the forefront of this, with complex regulations, laws and taxation in place.

Despite the current situation of disarray, internationally, it is expected that Digital Currency will gain greater acceptance and that consensus over its regulation, will emerge.

As a hub for expertise in Digital Currency Exchange solutions for Australia, Coinport sees benefit from any move towards Regulation and Mass Adoption.

4. A Big Future for Coinport

4.1 Mass Adoption for Digital Currency

Two billion people don't have bank accounts. Many live in poor regions without banks. However, they can still transact digital currency on their phones.

Mass Adoption of Digital Currency is progressing, and will depend on:

- i. Liquidity - ability to spend on goods and services
- ii. Fungibility - exchange between Old and Digital currency
- iii. Regulation - enforceable rules of Best Market Practice

4.2 How Coinport makes Profit

Coinport will profit from the following:

- i. Commissions - Buy and Sell of Currencies
- ii. Fees - Transfers and Withdrawals of Currencies
- iii. Margin - The spread on Currency Spot prices
- iv. Principal - Margin on Currency owned by Coinport
- v. Listings - Cryptocurrencies pay fees to list on Exchanges

As a holder of a Digital Currency Exchange [DCE] License, Coinport will be in an excellent position to add other areas of business for profit, including:

- i. ICOs - Initial Coin Offerings
- ii. Funds - exchange for Funds Management
- iii. Merchanting - exchange solutions for commerce

Since all operations or subsidiaries, that receive or exchange Digital Currency need regulation, the holding of a Digital Currency Exchange license will offer Coinport the ability to exploit partnerships and new areas in this sector.

[# Reference 19]

4.3 Coinport's Three Year Plan

The Three Year Plan, aims to make Coinport Australia's 'go to' portal for Digital Currency Exchange Solutions.

Coinport's Three Year Plan will be published in a White Paper.

5. Investors, Players & Partners

5.1 Our Founders and Board

Co-Founders, Robert Salisbury and Sherif Gamal met in September 2017, at a Meetup, where they were both speakers on the subject: *The Rise of Cryptocurrency*. They formed Coinport Pty Ltd. in April 2018, with the vision of creating Australia's 'go to' hub for digital currency exchange solutions.

- i. Robert Salisbury - Head of Operations

Robert Salisbury is an ex-London Licensed Equity Dealer, with over 20 years experience in small business: running operations in Land, Boating and Property. He is passionate about innovation that can change the way we do business.

- ii. Sherif Gamal - Head of Development

Sherif is a software engineer with strong background in computer security and machine learning. He has always been fond of technologies that are meant to change humanity for the better.

- iii. The Board - 5 executives

Coinport will be run by a board, consisting of its Founders, Institutional Investors, professional investors, and experts from within the industry. The Board will determine future policy and major financial and strategic decisions, based on the objectives of its Three Year Plan.

5.2 Our Clients and Customers

Our Customers are those buying, selling & exchanging through the Coinport platform. Our Clients are Institutional and / or Professional Investors.

Coinport will consider partnership with enterprises that share our objectives or who will offer Coinport a competitive or profit advantage.

5.3 Investors in our future

Coinport has identified Investors who may take an equity or debt stake in the company. Investors will not exceed 50% until the company has met its core objective. [# Reference 18]

Partnerships maybe considered, but only with Board approval and only where the arrangement is in line with a profit or strategic alliance towards the objectives of the Three Year Plan. [# Reference 19]

Conclusion

We are at the beginning of a Money Revolution:

- Since 2009 Bitcoin has grown by 600,000%
- There are over 2000 digital currencies,
- Australia is issuing Digital Currency Exchange Licences
- Digital Currency Exchange is proven to be highly profitable

There about a dozen players in Cryptocurrency, with 5 being main competitors. Our of those, only 3 are serious.

Only one platform is aiming in the direction that Coinport is aiming to go. And they have expensive fees, inflexible spot prices, no app and they do not, categorize their coins.

When food, music, films are sold, they are presented in categories. This makes the choice easier for the buyer. Likewise, shares are listed in their different market sectors: Media, Miners, Financials, Services. It is anomalous and indicative of how young the Digital Currency market is that exchanges have not yet presented coins in their relative category.

Coinport will lead in this aspect, and become the first exchange in Australia to categorise coins. This will help buyers learn about the 2000 odd coins and tokens they currently do not know enough about, to make a judgement to invest in.

Coinport will also be first to work through Web, andriod and ios Apps.

This will help to make Coinport Australia's "go to" platform for digital currency exchange by:

- the first in Australia to categorising coins by industry sector
- first in Australia to offer service in web, and both andriod and ios App.
- offering the widest range of digital currencies
- develop a simple user-interface
- exchange solutions for commerce

A White Paper is imminent.



Register www.coinport.co.au

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17. Australian Digital Currency Operators

acx.io	Australian Crypto Exchange Level 1, 89 - 91 City Rd, Southbank, 3006, Victoria, Australia		VIC 3006
btcmarkets.net	BTC Markets Pty Ltd AUSTRAC licenced cointelegraph.com/press-releases/btc-markets	(ACN 164 093 887)	VIC 3121
buyabitcoin.com.au	Global Internet Ventures 1300 289 282 support@buyabitcoin.com.au P.O. Box 2393, Richmond,	(ACN 160 820 315)	VIC 3121 VIC 3121
bitcoin.com.au	Global Internet Ventures 1300 204 802 support@bitcoin.com.au P.O. Box 2393, Richmond,	(ACN 160 820 315)	VIC 3121 VIC 3121
coinloft.com.au	Rhino Loft Pty Ltd. 2017 Rhino Loft Pty Ltd ACN 155153530 Suite 504, 365 Little Collins Street, Melbourne	(ACN 155 153 530)	VIC 3000 VIC 3000
cointree.com.au	Cointree Pty Ltd pros and cons – they cannot purchase digital currency instantly,	(ABN 36 167 203 303)	VIC 3000
coinspot.com.au	Casey Block Services Pty Ltd Russell Wilson [founder]	(ABN 19 619 574 186)	VIC 3000
independentreserve	Independent Reserve Pty. Ltd. CEO Adrian Przelozny and Lasanka Perera. Opened in 2014. 25% Investor: Mike Tilley [Chairman of Latitude Group] with KTM Ventures	(ABN 46 164 257 069)	NSW2060
livingroomofsatoshi.com	Living Room of Satoshi Pty Ltd, CEO Daniel Alexiuc	ABN: 47 620 066 748 [Launched May 2104]	QLD 4159
coinjar.com.au	CoinJar Pty Ltd AFSL 480649	(ABN 43 163 543 824)	UK HQ
easymarkets.com.au	easyMarkets Pty Ltd AFSL 246566 - David Anthony Armstrong	(ABN 73 107 184 510)	NSW 2000
plus500.com.au	Plus500AU Pty Ltd AFSL 417727	(ACN 153 301 681)	

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