A transactional social network

White Paper

WHITE PAPER CONTENTS

1- DISCLAIMER AND IMPORTANT INFORMATION

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"Person of The Countries" is defined as a natural person, residing in The Countries, or any entity organized or incorporated under the laws of The Countries.

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2- INTRODUCTION

2.1 Executive summary

The main purpose of this document, is to detail the project denominated "Kleepay" and the requirements for its development. The concept consists in a platform for daily payments, transfers and other financial tools using Blockchain technology, focusing on the Chilean market for a first stage, then Latam and Europe for the scaling stage.

The technologies, software, hardware and licenses to incorporate in the platform, are:

- Private and public Blockchain for financial transactions
- Payment gateway using fiat and cryptocurrency
- ERC20 Tokens and private cryptocurrencies
- Prepaid credit cards (Visa or MasterCard)
- Point of sales (POS) terminals using Blockchain technology
- Financial transactions through NFC devices
- Decentralized mobile applications through Blockchain technology (Dapps)

The financial tools that the platform will offer to customers are:

- Introducing to the market "Digital cash" or DCLP (Digital Chilean peso)
- Merchant micropayments or "Daily payments"
- Peer-to-peer money transfers
- Digital wallet for cryptocurrencies, such as Bitcoin, Eth, DAI and DCLP
- Buy and sale of cryptocurrency through cash and online transactions
- Point of sales for merchant with ERP system
- Encrypted chat
- Api rest for affiliated merchants and e-commerce
- Leisure platform, like gambling, charity, marketplace.

The funds to support spends of the technical development team, legal and founders, besides the stock of physical devices required for the pilot stage, will be raised through a crowdfunding method known as "ICO" or "Initial coin offering".
For this ICO, it has been created a Token called "Klee Tokens", with a total supply of 100.000.000 tokens, which are going to be offered to public in exchange of other cryptocurrencies such as Bitcoin, Eth, DAI, etc. Besides, will be accepted Chilean fiat currency (Chilean pesos).

The price of each token, will depend of the investment round. These tokens will be able to be saved by the investor in a digital wallet, till the moment the company is able to repurchase tokens at a higher price, which will take place at the end of the second stage or "Licensing and MVP stage". Each token will be repurchased to investors at a price of 1 CLP per token and the offering price will depend on the investment round, which will be divided in three stages, as follows:

1) Pre-ICO: previous to the public offering of the tokens, will take place a private offering or "Pre-ICO" for bigger investors of for those who wants to be part of the project in a later stage. In this round, the token price will be offered at a 70% of the repurchasing value, which means: 0,7 CLP per token.

2) ICO: In this round, a public offering for investor from all around the world will take place. In this round, tokens will be offered at an 80% of repurchasing price, which means, 0,8 CLP per Token.
3) ICO second round: Once the first ICO round concludes, there will be a second round (if necessary). The tokens will be offered at a price of 0,9 CLP per token.

Token holders will be allowed to re sell their tokens to a third parties.

The distribution of the raised funds, will be made as follows:

- Platform development: 40%
- Hardware and peripherals acquisition: 9%
- Founders: 20%
- Legal matters: 7%
- Marketing: 15%
- Liquidity: 9%

The project roadmap has been divided into three stages, being the first one the fund rising through the ICO. These stages are detailed as:

1) Development Stage: Fund raising for the development of the platform, including an IOS and Android app (Kleepay), POS with integrated software and peripherals, considering a soft cap of 68.000.000 CLP (90.000 USD) and a hard cap of 90.000.000 CLP (120.000 USD).
2) MVP and licensing stage: Platform launching at beta phase or MVP, including early user's traction. Besides, will take place a second fund raising for Chilean legal matter compliance, liquidity of the stable coin DCLP and operation costs. The amount of this fund raising is estimated in 2.000.000 USD.
3) Operation stage: Official platform launching to Chilean market, start up and massive users and merchants traction.

The goals for the company consider a traction of 500.000 users and 4.000 affiliated merchants by the first year of operation, and projected 2.000.000 users and 100.000 affiliated merchants after 5 years, with a market share between 3% and 9% of Chilean electronic payments market.

The conceptual formulation of the project, has been made through a Joint Venture between the companies:

- Welten Fintech: Company specialized in financial technologies and Blockchain technology that brought to Chile the prepaid credit card concept (Welten MasterCard prepaid Card).

- CriptoPOS: Company that brought to Chile POS terminals with Blockchain technology, and the representative in Chile for PundiX.

THE FUTURE

IS BLOCKCHAIN

2.2 - BLOCKCHAIN

Although it was described during 1991, Blockchain technology was officially introduced to market during year 2009, by the hand of a mysterious mathematician known as Satoshi Nakamoto, who introduced to the world the most famous cryptocurrency so far: Bitcoin. This technology, summarized in a nutshell, can be defined as an electronic, secure and distributed consensus ledger, decentralized and stored among a peer-to-peer network.

As its name suggest, Blockchain is made by a series of linked blocks, just like a metal chain. As in an accounting book, each block contains a quantity of information that was introduced and processed in a certain period of time and connects to the next block through an identifier or "Block hash". In other words, each block contains: The Hash (encrypted information), the transaction information (The Merkle root) and a unique identifier or Block's hash.

There are many types of Blockchains and each one has its own "consensus algorithms" or fundamental rules, which gives them adaptability to be used with different technological purposes. However, all Blockchains generates blocks through a batch process (or discrete in time), where miners (nodes that contain the software) pick up and process new transaction requests from a pool, generating a new block after a certain period of time, for example: every 10 minutes for Bitcoin's Blockchain.
Every time a node finds a solution for a mathematical problem and generates a new block, it is distributed to all other participating nodes in the network and thus is added to the Blockchain, this is how all nodes have the same information all the time. This concept gives the system the toughness and characteristics to be called as a whole revolution of the modern age: Security, liability and decentralization.

This technological concept also brings the perfect feature to be used as a trading coin, because it accomplishes the four basic requirements that is needed to consider an asset as money: shortage, transportability, divisibility and homogeneity.

2.3 Cryptocurrencies

A cryptocurrency is a digital asset that uses advanced cryptography to secure transactions, control the creation of new units and verify the transfer of assets through a ledger. As its name suggest, these digital currencies can be used as a trading coin, given the characteristics that this technology brings. During year 2009, the first cryptocurrency known as Bitcoin, was described at the SourceForge magazine by its creator Satoshi Nakamoto, as "Bitcoin is a new electronic cash system that uses a peer-to-peer network to solve the double spending problem. Bitcoin is totally decentralized, without a central authority neither a central server".
Currently, it can be distinguished two kinds of cryptocurrencies: Speculatives and Stables, whose difference comes from the fact that the first one can vary its value against fiat currency depending on the market, just like stock assets. On the other hand, a stable coin, remains always at a 1:1 parity against the fiat currency that supports it.
This second kind of cryptocurrency is the main axis of this project.

2.4 Stable Coin

A stable coin is a digital asset or cryptocurrency such as Bitcoin or Litecoin. However, its main difference lies in the fact that its value is anchored to the fiat currency of the country where it operates. In other words, its price is always stable, remaining at a parity 1:1 against the fiat currency. This concept is essential and represents a great step forward regarding to the use of money, because this technology gather the best characteristics both of cryptocurrency and fiat money. Thus, we can talk about a "Digitalization" of cash, with great advantages over the type of money we are used to.
Another very important characteristic of a stable coin respecting the traditional cryptocurrencies, is that a stable coin remains always supported by a fiat currency, thus, it can be traded for fiat every time on demand. For all these reasons, we can call a stable coin, a "Digital cash".

"Bitcoin is a new electronic cash system that uses a peer-to-peer network to solve the double spending problem. Bitcoin is totally decentralized, without a central authority neither a central server"

- Satoshi Nakamoto

The advantages of digital cash, regarding both to traditional cash and cryptocurrencies, can be summarized as:

- Stability: Because a cryptocurrency is supported by a financial company, users can enjoy the benefits of digital transactions based on a Blockchain without being tagged to the volatility of most cryptocurrencies.

- Transparency: Fiat reserve accounts are audited periodically to verify that the fund reserves can support the value of the circulating stable coin. Its balance is periodically updated and is public access all the time. Besides, all transactions are registered on the public Blockchain.

- Minimum transaction fees: There is no transaction fee when it comes to a private blockchain, and fees are close to cero when a cryptocurrency runs over a public blockchain. However, it is possible that the supporting company may ask for transaction fees, but it will be always much lower than traditional exchange houses or traditional institutions.

- Borderless: Because a cryptocurrency is a digital asset, it can be traded or transferred to any user around the world instantly, no matter the country or geolocation where the receiver is.

2.5 Digital Wallet

A digital wallet is a platform or software able to support a transactional system, through digital assets. In other words, a digital wallet can support and hold and work with one or more digital currencies, which can be used at any time on demand, without the need of third parties or centralized institutions that authorize transactions.

2.6 State of art in financial market, Chile and Latam

Currently in Chile, there is a delay in financial technological developments or financial tools, it is well known that, for example, Chilean ATMs that are a massive product and highly assimilated by Chilean society, are based on a technology from 20 year ago, without witnessing interest by big companies when it comes to innovation in this matter.
Another example of this, is the fact that foreigners can't access to financial tools if they don't count with a national ID number (called RUT), forcing them to "Become Chileans" to enable them accessing to the mentioned transactional tools. Moreover, many Chilean citizens can't either access to this, because most of financial institutions ask for several requirements that not all population can achieve, such as a minimum income wage, minimum age or simply because literally they don't count with a near branch office where they can ask for services.
Another example of this lack, are the "point of sales" or POS, which its most common design comes to be very old and almost obsolete, considering the existing devices in regions like Asia or Europe, where they can pay through a touchscreen POS, through fingerprint or even by wearables, such as watches or arm rings.
By last and most important, is the monopolization of the market by big companies or banks, which has been controlling the market for decades, preventing innovation by disruptive companies or startups and breaking free competition.

The scene is different in other countries of Latin America, particularly in Argentina, where regulation allows the operation of Fintechs that introduced and offer new kind of services. Moreover, the success of such as these kinds of companies has been so big, that startups like Wilobank, who started as a mobile application (Digital banking), had recently acquired a banking license, competing with traditional banks, with much lower service costs and fees for customers and providing brand new technology.
On the other hand, Mexico has been doing such a thing. Recently, they have released a "Fintech law", which seems to evidence an opening to emerging companies that can introduce new financial technologies.
Not so far from this, we can see countries like Perú or Colombia, where products like prepaid cards are open to be offered by fintechs, bringing more competition to industry, thus giving more benefits to population.

Together with this, we can mention that the biggest bank in the World, JP Morgan, has released its own cryptocurrency, after saying for long time that these kinds of assets were a threat to industry.

However, the creation of JPM coin was made for internal transactions, or at least as a first stage, this action shows the importance of these digital assets and evidencing that this is the direction where the financial industry will go.

In conclusion, Chile is under a not so good situation when it comes to financial technology development. However, there is an incipient pressure from the market to authorities to allow the operation of Fintechs which can introduce new financial technologies, and there is an evidence that big companies have become to collaborate with these startups.

3 - ISSUES AT THE PAYMENTS MARKET IN CHILE AND LATAM

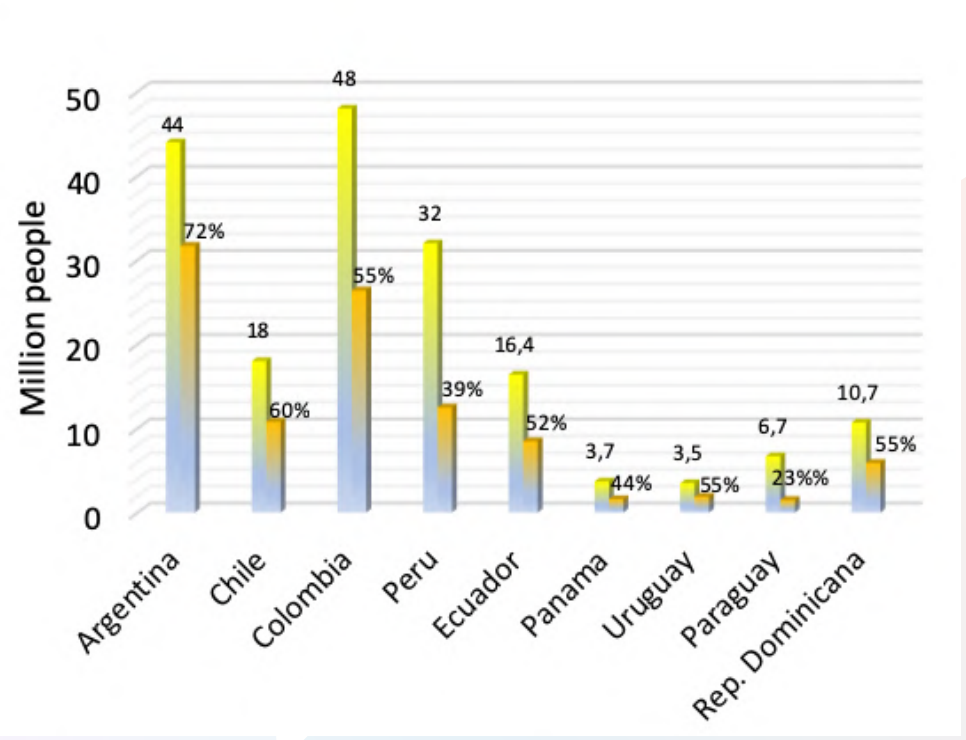
3.1 Monopoly of the payments industry

Chile is a country with a story of financial development very particular. In 1989, a group of banks created what today is known as Transbank, becoming one of the first countries in Latam to count with a transactional banking network operating credit cards. 6 years later, the same company introduces to Chilean market the electronic payments system through debit cards, called Redcompra, being a pioneer and leading fintech development of those years. Despite the benefits that this company bought to Chilean market, its history has been controversial because for decades this was the only payment processor in the country, and this is why we have been talking about a monopoly in this sector, avoiding development of financial technologies through free competition.

3.2 Technological development

This particular situation caused an evident delay in the development of new technological solutions, affecting many aspects in the industrial and social sphere, being one of the most sensible, financial inclusive tools for most vulnerable citizens.
The lack of competition, entry barriers and authorities that forbidden introduction of new competitors to this industry, caused a missing of natural pressure to develop new technologies, leaving away some fundamental aspects to date, like transactions security, speed, variety of services and costs.
Currently, we can see countries like China, or the Scandinavian region making payments through mobiles or QR codes without the need of providing banking data, or even in countries like Denmark, where cash money is becoming to disappear, being able to find merchants that doesn't even accept cash as payment.

3.3 Banking percentage



The previous graph shows the population v/s banking percentage on each country in most of Latin-American countries. From this graph, we can infer that about 80 million people in this region doesn't have access to banking nor financial tools. Particularly, Chile counts with one of the highest rates in the region with 63% at 2016. However, the access for them to financial tools is difficult, explained by the lack of competition between banks and Fintechs and because of the lack in technological development that allows lower operational cost.

3.4 Daily payments issues

Currently, in Chile there are new developments focused to financial market or specifically, “Micropayments” or “daily payments” solutions. One of the most remarkable developments, is the service known as “Pago Rut” by the national bank, through a social development program called “Innovation in financial inclusion”. However, this solution has presenting many weak points and its final purpose regarding to adoption of digital payment solutions didn’t fulfill the goals, mainly because of a lack of an integral digital ecosystem.
One of the most commonly used financial tools in Chile nowadays, are the ATMs, People uses these gadgets to withdraw cash and buying their groceries. Comparing to some other countries like the ones mentioned before, we can see this method is used every time less, trend is to pay with electronic devices online and offline, like mobiles or wearables, using digital cash.

3.5 International transaction issues

An evident aspect for everyone that has traveled abroad and in particular for those who had decided looking for new opportunities in Chile, is the difficulty they have found when it comes to remittance or international transfers, both technical and economic aspects. Nowadays, the most widely used service for remittance, is carrying cash to international exchange or remittance houses asking for an international transfer, which involves high fees and service rates that can go from 5% to 10% and service periods that can go from 24 to 120 hours.

3.6 Lack of integral financial solutions

Financial tools developed by banks in Chile, has been a remarkable input when it comes to offering a financial solution to population. However, because these kinds of solutions have been managed by one entity, has driven to a lack in development of an open integral ecosystem. Nowadays, there are a few options to merchants and customers when using financial tools that brings a solution with the standards of countries in other regions and with competitive service rates. In the other hand, solutions provided by current financial tools are a “one way” tool, which means that each service focuses only in one solution, leaving away the possibility of a “Cross-service” or integral service, like a platform where users can find crossed services such as real time currency trading, savings and daily payments.

4 - OPPORTUNITIES

4.1 New technologies

It is known Blockchain technology is still under development, which means that haven't get its zenith. However, nowadays it offers alternatives that gets over the current technological solutions in industries like financial, insurance, supply chain and others. Its impact is such a thing that experts have called this technology as "Internet 3.0".
Inside their main advantages, we can brief:

- Security: Information contained in a blockchain, is highly encrypted and linked, so if any single character inside a block is changed, the whole chain till date will be affected, making vulnerability of the chain something highly unlikely.
  Moreover, if we take in count the fact that information is updated in periods of time relatively shorts, it is necessary such a high computing power, that makes it considerably unlikely.

- Costs: As has been mentioned before, blockchain is a ledger distributed through a network around the world. To support this network, usually it is stablished a set of protocols of operation or "consensus algorithms". This is a fee distribution system taken from each transaction through the network. These fees are usually much lower than the fees asked by traditional financial services, being even possible to be zero if it is a private blockchain. This brings to the system a strong advantage regarding to the operational costs. We can see, for example, for traditional remittances, rates are about 5% and 10%, meanwhile, through a blockchain network, they can go from 0% to 1,2%.

- Decentralization: Currently, all traditional financial services are centralized, which means that user's funds are managed by a central entity, like a bank. Through blockchain's technology, user's funds are supported by a network spread around the world, making it a truly decentralized process, without any central institution that manages or control resources. This brings a set of advantages, like giving transparency to the system, the possibility to give users the control of their funds all the time and the possibility of a constantly improving system, because of the fact that is an open source technology.

4.2 Digital payments

One of the most important advances that blockchain technology brings, being the main axis of this project, is the service of digital payments.
Through this technology, it has been developed a strong solution to offer the community a digital payment service that counts with all advantages mentioned before. From today, it is possible to count with a digital transactional platform always available, even in zones without internet connection, with such a high security standard that leaves in the past problems like “cards cloning” or credit card data robbery. Plus, it is possible to offer merchants the possibility of managing their sales with sustainable lower fees and even bringing them the chance of passive revenues, just by being part of the supporting network, transforming their revenues in a passive investment.

4.3 Remittances

Given the characteristics of decentralization that blockchain technology brings, if a network user wants to transfer funds to another user, it is totally irrelevant where the receiver of the funds is, because the transfer takes place through a peer-to-peer process, no matter geolocation. This represents a superlative advance for those who wants to transfer money, in particular, to those clients that need to make remittance.
The challenge we can find here, is the adoption by merchants for the case when a client wants to make a purchase with their digital currency. For example, if a user transfer Chilean digital pesos to a relative in Europe, will struggle finding a place that accept Chilean pesos.
However, today we can find developments that solves this problem. It has been introduced remittance technologies through “digital exchange houses”, where currency conversion is automatically made, being even possible that the receiver of the funds can exchange their digital currency to fiat.

4.4 Investments

Given the fact conventional cryptocurrency is speculative, like Bitcoin, it is widely used as an investment asset, this is why it is possible to encourage users to acquire this kind of currency to be stored in their digital wallets, as an investment or savings.
For example, if a client made a purchase of 1 Bitcoin during 2014 at a price of 200 USD, would see revenues about 100 times from investment at lately 2017, when Bitcoin price touched 20.000 USD per unit.
Some analysts say that to year 2023-2025, Bitcoin price will be over 50.000-100.000 USD, which represents a high incentive to invest in this asset.
From the other hand, for all users that counts with a complete node on the Kleepay network, it is possible to gain revenues as a passive income, just because they are part of the supporting network, through a method known as “Proof of stake”.

A SOCIAL NETWORK

WHERE YOU CAN ALSO

PAY AND TRANSFER FUNDS

5 - PROJECT KLEEPAY

“A disruptive, modern and fun platform”

5.1 What is Kleepay?

Kleepay is not only a payment platform, is a whole transactional social network. We have incorporated the last advances in financial technology, to develop an integral platform, focused on the national and international micro transactions, under a disruptive and entertaining environment.
The Ecosystem have an application where users can make purchases, transfers, communicate with contacts and spend quality time. The app counts with a digital multicurrency wallet, being the main one, the DCLP or “Digital Chilean Peso”, a stable coin anchored to Chilean Peso (CLP). The platform also counts with a POS for merchants, where it is possible not only to receive payments by daily sales, but also enables them to buy and sell cryptocurrencies like Bitcoin or DAI, or even exchanging between crypto and fiat. Besides, each POS works as a blockchain node, being able to work as a “Digital strongbox” and getting revenues as a passive income through Staking, just by being part of supporting network.

In addition to the mobile app and the POS, the ecosystem includes a set of peripherals, such as a multicurrency prepaid card, a prepaid credit card (VISA or MasterCard) and wearables.

5.2 An integral service

Kleepay includes inside their ecosystem, a set of integral financial tools. Through Blockchain technology, it is possible to incorporate in one platform different solutions, such as purchasing of goods and services, national and international transfers, currency exchanging, encrypted chat, investment and e-commerce.

5.3 Microtransaction market

The main tool developed for Kleepay, is a micro-payment gateway (Daily payments), where the user can make daily purchases, even with digital cash or using some of the supported cryptocurrencies, like Bitcoin, Eth or DAI. These payments can be made through the mobile app, the prepaid cards or the wearables.
Regarding to merchants who receive payments through some of the supported currencies, it will be possible to ask for the automatic exchange of the earned cryptocurrency for digital cash, enable them to ask for the liquidity of the DCLP for fiat to a bank account.

5.4 Multicurrency digital wallet

Kleepay app includes a multicurrency digital wallet, which means that it is possible to store in a single wallet, funds in different currencies, like DCLP, Bitcoin, Eth, DAI, etc. It is also possible to create several wallets, in order to manage the funds in a better way. For example: One wallet to pay home bills, one wallet for entertainment, one wallet for savings, etc.
It is also possible to transfer funds to peripherals, like the prepaid card and use it as a save out of the network or even to give it to a third party.

5.5 Borderless transfers

As mentioned before, Blockchain technology enables the transfers of funds instantly, through a peer-to-peer network, without the need of a central body that manage the process. In the other hand, and considering the advantage that cryptocurrency like Bitcoin or DAI are accepted worldwide, it is possible to make instant remittance, without the need of going to a traditional exchange house.

5.6 A transactional social network

Kleepay not only includes developments that goes beyond a simple digital wallet for payments, it also includes a platform such a social network, called “Kleeland”, where the user can spend quality time through activities like raffles, buying or selling goods at a marketplace, making charity, etc. The users, thus, can interact with their contacts and all the people around the world that is part of the Kleepay ecosystem.

5.7 Security

Blockchain technology is recognized as a whole informatic revolution and one of the reasons of that status, is the fact that it has high security standards. this technology left behind the days where the magnetic band cards were cloned, where the credit card numbers were stolen or where the bank accounts were victims of informatic criminals.

EARN MONEY

JUST BY HOLDING IT

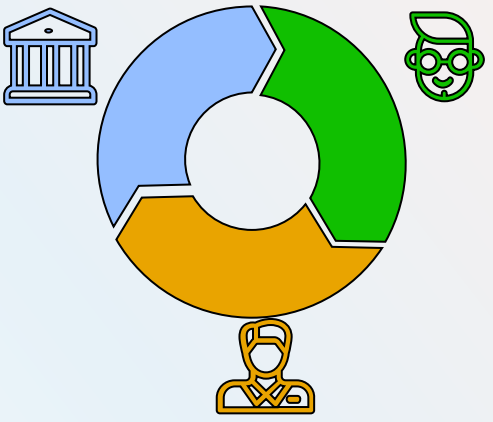
5.8 Traceability

Blockchain can be described as an electronic ledger, discretely stored over time in an immutable way through a decentralized network. This means that all validated transactions are registered in this ledger and cannot be altered, which gives the system a total traceability. This turns out to be highly relevant when it comes to security, regarding to fraud prevention or financing of terrorism, because it is possible to trace the whole transaction history from its roots. In the other hand, it is possible to give additional security standards to users that has been victim of fraud or forced robbery of their funds, giving the possibility to get the funds back.

5.9 Financial Circular economy

In order to give sustainability to the blockchain, there exists the "Consensus algorithms", or fundamental rules of a blockchain. Within these rules, it is stablished a system of rewards or incentives for the participating nodes of the process that support the network. There are many types of consensus algorithms of rewards, being two of the most popular: "Proof of work" and "proof of stake". The second one will be the one used for the Kleepay blockchain network.
The proof of stake consensus algorithm offers a reward to the participating nodes through the distribution of the asked fees to the merchants by their sales, in such a way of the percentage of how much funds have each node.

For example: Alice has 300 DLCP, Bernard has 1200 DCLP and Charles has 1500 DCLP (in total, there are 3000 DCLP in the system). These three merchants are the only nodes of this blockchain. Alice receives a payment for 10.000 DCLP and therefore she pays a fee of 100 DCLP to the blockchain. These 100 DCLP will be distributed as: 10 DCLP goes to Alice, because she owns the 10% of the total amount of the system. 40 DCLP goes to Bernard (40%) and 50 DCLP goes to Charles (50%), independently to the fact that Bernard and Charles didn't make any sale during that period of time.
This represents a great innovation compared to the traditional business models, because, for the first time in Chile, it is introduced the concept of "Financial circular economy" or "collaborative economies", where the participants of the ecosystem are supported by each other.



DIGITAL CASH

FOR THE FIRST TIME

IN CHILE

6 - DCLP

6.1 Digital cash

DCLP stands for “Digital Chilean peso”. This cryptocurrency is a stable coin, which means that is a digital asset, like Bitcoin, but the difference with this coin is that DCLP is not speculative, and the parity between DCLP and CLP is always 1:1.
Because this digital currency is anchored to the fiat Chilean currency, we can talk about a “Digitalization” of it, this is why we call this coin, “Digital cash”.

The characteristics or advantages of the digital cash, both regarding to fiat and traditional cryptocurrencies, can be briefed:

- Stability: Because a stable coin is supported by a financial services company, users can enjoy the benefits of digital transactions based on blockchain without the volatility of the most of cryptocurrencies.
- Transparency: The fiat reserves are audited periodically to ensure that those reserves can support the value of the circulating stable coin. The amount is updated periodically and it has public access 24/7. Besides, all transactions are registered in a public blockchain.
- Minimum transaction fees: Transaction fees, when it comes to transfer funds between different accounts based on a digital stable coin are substantially lower, compared with the ones made with fiat through centralized companies such as exchange houses or banks.
- Borderless: Because DCLP is a digital asset, it can be exchanged or transferred to anyone around the world, instantly, no matter the country where the receiver is.

However, the institution that supports this digital currency, must fulfill with the national legal regulations. For the Chilean market in particular, regulations that rules the operation of the financial institution that support DCLP, is considered in the law number 20.950 that dictates the rules for these kinds of financial companies. The process to fulfill with this regulation is considered as part of the project.

6.2 Functional tokens

Given the characteristics of the cryptocurrencies, in particular, the ERC20 tokens, it is possible to include to the platform, the option of offering functional coins, or addressed to a particular use. For example: it is possible to create a coin for students of a particular educative institution, who can only use those funds for purchases inside that institution, or creating a spending wallet for sales force which can use that wallet to pay affiliated hotels, restaurants or gas stations, but anything else apart from affiliated merchants. This gives a great advantage regarding to the control of the funds from the provider over the one who will spend it.

6.3 Api rest for e-commerce

The technology developed for the digital cash, enables to offer an Api rest for merchants that wants to receive payments with DCLP or Bitcoin from all around the world, with fees that are much lower than other options, in the other hand, funds earned by sales with DCLP, can be used to generate revenues from a passive way, given the characteristics mentioned before.

6.4 CriptoPOS

CriptoPOS is a hardware and software technology that allows making transactions and collecting funds in real time through the Kleepay's Blockchain, enabling merchants and customers to make transactions using digital currencies in any store around the world.

The main advantages and characteristics of the Crypto POS are:

- Instant transactions: Through the Kleepay's ecosystem, it is possible to make instant transactions inside the Kleepay network, in a very secure way and with much lower fees.
- Multicurrency gadget: Through a CriptoPOS, it is possible to manage funds and make transactions using both fiat and cryptocurrencies.
- Modern and intuitive: CriptoPOS is a last generation point of sale hardware, includes the last developments, such as a touchscreen, WIFI connection, 4G/5G, NFC sensor (contactless), Wireless coverage, QR code reader and integrated laser printer.
- Point of sale and peripherals activator: Through CriptoPOS, merchants are able to sell and set up peripherals, like the prepaid card or wearables, maximizing their options of earning funds and loyalty.
- Trading of cryptocurrency: CriptoPOS is not only a point of sales for collecting funds from sales, it also enables merchants to buy and sell cryptocurrency like Bitcoin or DAI, besides, it can work as a DCLP charging spot.
- Digital strong box: All criptoPOS can work as a complete node that support the Kleepay blockchain network, working as a "Digital Strong Box", where the merchant can save their cryptocurrencies and generating profits in a passive way, as a reward for supporting the network.

6.5 Xpass Prepaid Card

The Xpass prepaid card is an exclusive Kleepay plastic and virtual card. With this card, it is possible to top up cryptocurrencies and digital cash in one single unit, which gives to the platform an incredible versatility, because through this card, it is possible to store funds, making purchases without the need of using the mobile app, or giving those funds to a third party as a giftcard, etc.

6.6 Prepaid credit card

Prepaid credit cards are identical to the conventional credit cards, with the main difference that the funds on prepaid ones, must be previously loaded. This format brings a tool that gather the best characteristics both a credit card and a debit card, since it is possible to make purchases all around the world where credit cards are accepted, but without the rates or fees of a credit card.
At the year 2016, Welten Fintech introduced this technology to Chile, bringing new options of services and enabling the financial inclusion. Kleepay incorporates inside their ecosystem a prepaid credit card in fiat (USD), so it can connect the best advantages both of crypto and fiat currencies.

6.7 Wearables

In some years from now, the plastic cards will be gone to make way to wearables. These are gadgets that gather more than one feature, since they can work as a payment device and some other features, besides, they can be used on the body such as a watch, a ring, etc.
Kleepay incorporates inside their ecosystem, wearables for transactions, adding comfort and style in our daily life.

A NEW ERA

IN CROWDFUNDING

7 - ICO

7.1 What is an ICO

ICO stands for “Initial coin offering”. Is a fundraising mechanism that allows a project or startup raising cryptocurrencies as a high liquidity investment, like Bitcoin or Eth but also fiat money like USD or EUR. This is made through a massive selling of a new crypto asset. This is a use case of crowdfunding similar to traditional IPO (Initial public offering). Is a modern method to finance a project or startup by selling small amount of digital assets to a large amount of investors, usually by internet.

The main characteristics of an ICO as a funding source for new projects or startups, are:

- Globality: Using internet as a source of a massive sell, brings the opportunity to anyone around the world to invest in a local or global project without any other restriction than the established by the ICO itself.
- Easiness: Investors can directly trade through the ICO platform without the need of brokers, at any time.
- Flexibility: Investors can make small or big purchases of the offered tokens, limited only by the conditions that the ICO owners did. Big investors can even buy tokens at the pre-ICO stage, securing better margins.

7.2 How does it work

In an ICO, a technology project that search for funds, release a certain amount of a crypto asset or tokens above a previously existing blockchain, such as Ethereum or waves, and offers them to investors in exchange of cryptocurrencies of fiat. This operation is made using smart contracts that are in charge of automating the distribution process of the tokens depending on the requirements stablished by the token creators. Thus, when the payment is made, the smart contract automatically allocates a digital address and sends to the investor the purchased number of tokens. All made by an automatic, secured and decentralized platform.

7.3 DCLP Tokens

DCLP token is a crypto asset created for fundraising of Kleepay project. These ERC20 tokens are supported by the Ethereum blockchain and its total supply is 100.000.000 DCLP.
These tokens will be transferred to the investor in exchange of the accepted cryptocurrencies: BTC, BCH, ETH and DAI.
Besides, will be also accepted fiat money: Chilean pesos.

7.4 Investment process

The investment process is divided in three stages, as follows:

1) Fund raising: At this first stage, the investor makes the purchasing of DCLP tokens paying with the currencies mentioned before. These tokens will be automatically transferred to investor's digital wallet, which will be delivered for free and will be available 24/7 at the investment platform. The investor can purchase tokens whenever he/she wants through the ICO website.

2) Development stage: In this second stage, the startup uses the raised funds for the required development. During this stage, investors can both save the tokens in the digital wallet or transfer them, or even reselling them to a third party.

3) Start up: In this third investment stage, the platform will be totally developed and ready to be launched to the market. Once the operation of Kleepay project begins, the company will count with all technical, legal and economic requirements. Part of the funds raised for this stage, will be destined to exchange the previously offered tokens by the first stage investors, exchanging them for digital cash (DCLP) which will be the official operational stable coin with a 1:1 parity with Chilean peso.

7.5 What are the funds for

Kleepay is a platform that gather all technologies previously developed by the companies involved in the project, and also the experience of the teamwork. The final purpose for the raised funds through the ICO is financing both technical working team (including IT developers), legal matters and the hardware required for the development and the MVP stage.

Technologies, experience, licenses and developments made by the involved companies in this project, will be gathered to create Kleepay app and ecosystem. The main developments to be incorporated are:

- Development of a private Blockchain and stable coin for financial transactions
- Payment gateways through fiat and cryptocurrency
- ERC20 Tokens and private cryptocurrencies
- Prepaid credit cards integration (Visa or MasterCard)
- Point of sales gadgets (POS) using blockchain technology
- NFC gadgets for transactions
- Decentralized mobile applications running over a blockchain network (Dapps)

7.6 Return on investment

The return over the investment, is related with the moment the investor purchased tokens. For that, it must be considered that once the fundraising process ends, the startup that has received the funds will be able to exchange, on demand, all tokens offered to public at a value of 1 CLP per token.
With this, it has been determined tokens offer under the following investment rounds:

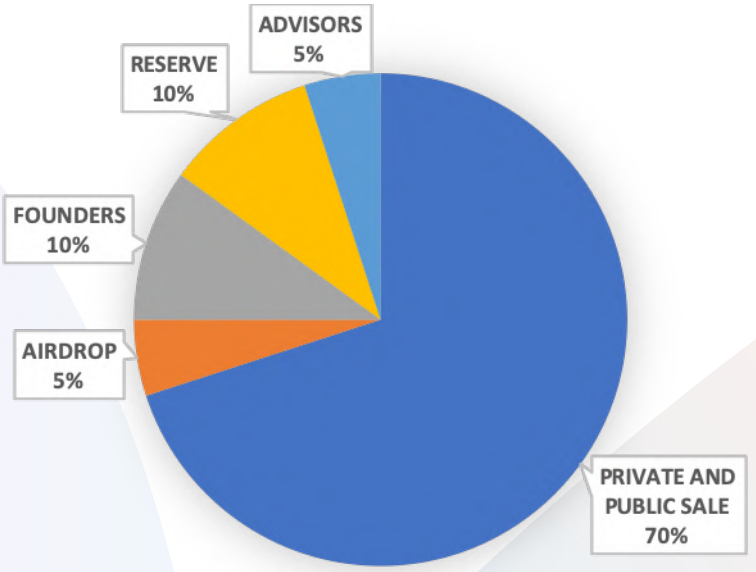
1) Pre-ICO: previous to the public offer, it will be offered a Pre-ICO for investors that are willing to purchase a bigger tokens amount, or wants to be part of later stages of the project. In this investment round, the token offer will be made at a value of 70% of the payback, which means, token price will be 0,7 CLP (Chilean peso) per token.

2) ICO: During this round, a massive offer of the tokens will take place, available for purchasing to anyone around the world. In this stage, tokens will be offered for sale at 80% of the payback value, which means, the token price will be 0,8 CLP per unit.

3) ICO second round: Once first public offer round is over, there will be (if necessary) a second-round stage. Tokens in this round will be offered for sale at 90% of the payback value, which means, the token price will be 0,9 CLP per token.

7.7 Tokens Distribution

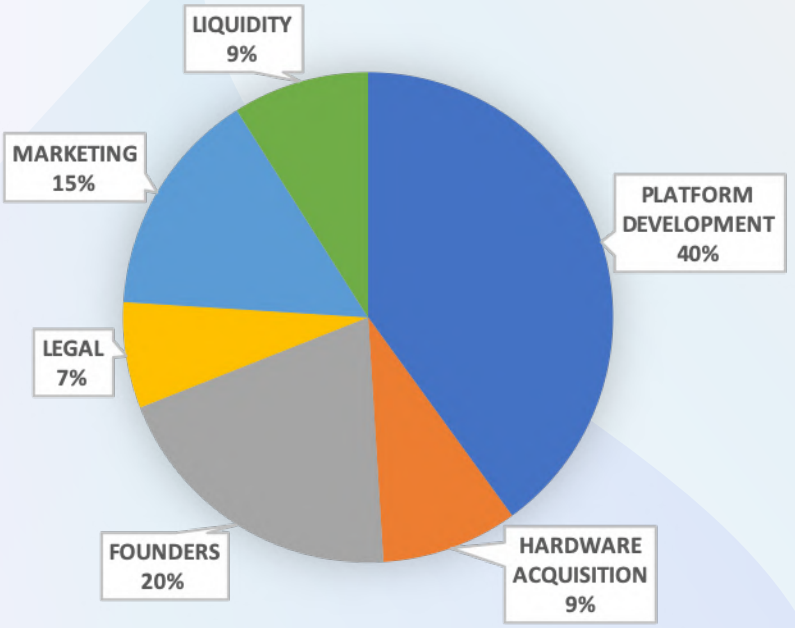
The distribution of the total tokens supply (100.000.000 DCLP) will be made as follows:



All unsold tokens will be destroyed.

7.8 Raised funds distribution

The funds raised by the ICO stage, will be distributed as follows:



8 - ROADMAP

Jun 2018	Initiation of conceptual development of a payment platform through blockchain technology: Kleepay
Mar 2019	End of conceptual development and fundraising pursuit.
Oct 2019	Joint venture between Welten Fintech and Soldi, for the development of a bigger concept of Kleepay platform, including POS connected to currently operating worldwide blockchain.
Nov 2019	Initiation of the ICO development
Mar 2020	Launching of Initial Coin Offering, through a private round
Apr 2020	Public ICO launching
May 2020	Second round of the ICO
Jun 2020	Initiation of Kleepay platform development
Dec 2020	Launching of the MVP and Serie B investment round
May 2021	Kleepay platform market launching and return of ICO investment

9 - TEAMWORK

Alejandro Máximo

Civil metallurgical engineer and specialist in Blockchain technology. 6 years of experience in business development, mainly mining and financial industry. 4 years of experience in Blockchain technology and 3 years of experience leading teamworks, mainly in business area and project management.
CEO and founder at Welten Fintech, company focused in the development of financial technologies.

Benjamín Lattanzi

Business administration engineer with specialization in marketing and sales. Specialist in innovation, investments, new businesses development and blockchain enthusiast.
10 years of experience in event production, 5 years in development and execution of new business models. 4 years of experience in fiat and crypto currency trading.
CEO and founder at CriptoPOS and Soldi, Fintech companies that import, distribute and develop software and hardware for Points of sale.
CEO of DreamBox investment, advising company for technological, financial and marketing solutions.

André Silva

Business engineer, specialist in finances. Entrepreneur with 2 years of experience in financial industry and Blockchain enthusiast.
Cofounder at CriptoPOS and Soldi, in charge of business and legal department.
CEO and founder at SyS Financial, a factoring company.

Ankur Shah

Web and mobile developer. 8 years of experience leading IT projects. 5 years of experience in Blockchain ecosystem.
CEO at Erience Solutions, a software development company, web platforms and Blockchain technology solutions, with ISO 9001:208 certification. Have developed more than 100 ICO platforms and more than 20 payment gateways based on Blockchains, including several web platforms and mobile apps.

10 - LEGAL REGULATIONS

10.1 Chilean regulations in force

Kleepay is a platform that operates under the framework of the named “Pre-funded payment provider companies”, which includes on their service portfolio, customer’s money collecting and saving, financial intermediation, cryptocurrency trading and electronic payments. All these services, are currently regulated by Chilean law, particularly, under the 20.950 law that allows the issue and operation of payment gateways to non-banking financial institutions and also the “Financial regulation compendium, chapter III.J”.

Part of the Kleepay project, is focused to the compliance of these regulations, including the financial assets requested for liquidity of customer’s funds. This process will take place at the second stage of the project development, or “MVP and licensing stage”.

ico.kleepay.cl