



WHAT IS FOODCOIN BLOCKCHAIN?

Contents



Background for the concept creation

“ Why not to use existing currencies and platforms to solve the various tasks?

Blockchain as a concept was created because people were having a hard time trusting others. This may be acceptable when creating separate instruments of interaction without others, but it is impossible and unacceptable to build a new world in harmony and in collaboration with others based on distrust.

FOODCOIN blockchain was created as an ecosystem for people, who want to interact with other users of this ecosystem in a respectful way. The FOODCOIN ECOSYSTEM is based on the mechanism of interests balance.





PRINCIPLES OF THE CONCEPT

Principle

1

Total trust

Each user of the ecosystem must initially trust every other user, until someone proves otherwise

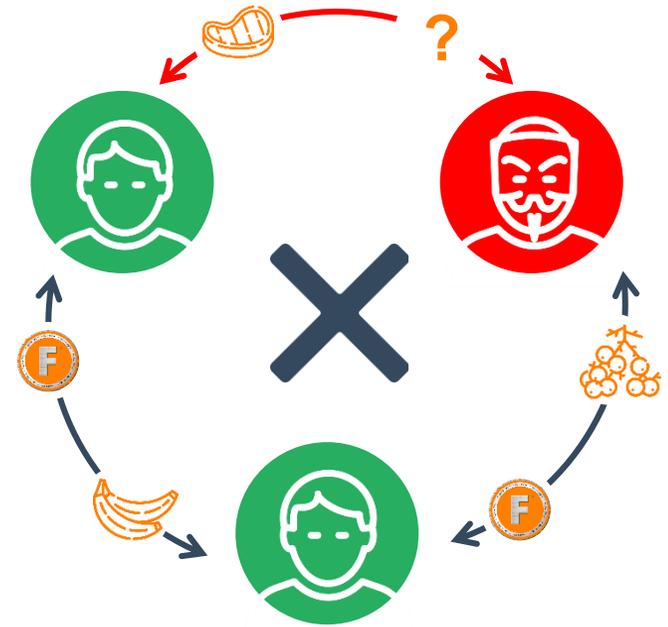
We assume that trust is a powerful instrument of creation that cannot be ignored. The weaknesses of this instrument must be compensated by protective mechanisms that are controlled by the whole ecosystem society.



Guaranteed protection of "trusted" users



This model assumes that trust is the easiest and the "cheapest" way of interaction. However we understand that our ecosystem will exist in the real world and the real world is built on the principles of competition and struggle. This means that there will always be those who wish to use "trusting simpletons".



2

Double protection of transactions. Miners plus Guarantors

FOODCOIN ECOSYSTEM is a blockchain with a two-level transaction confirmation system. Miners + Guarantors

Special tools that will guarantee protection of "trusted" users will be integrated in the FOODCOIN blockchain.

Double confirmation will work with the help of users-miners and users-guarantors.



3

Who can be a miner and Guarantor?

Only verified user of the ecosystem who installed the software for mining or use it as SaaS and received the miner's license from FOODCOIN Ecosystem can become a miner.

Also Only verified user of the ecosystem who installed the software for "Guarantors" and received the "Guarantor`s license" from FOODCOIN Ecosystem can become a Guarantor.

Miner will receive a commission for confirmation and reward from the system until the number of coins comes to the **amount of 530 000 000**.

When all FOODCOINs are "mined", the miners will only receive commissions from predetermined transactions, which were determined previously at their own discretion. To be confirmed, the transactions must be added to the block by miners.

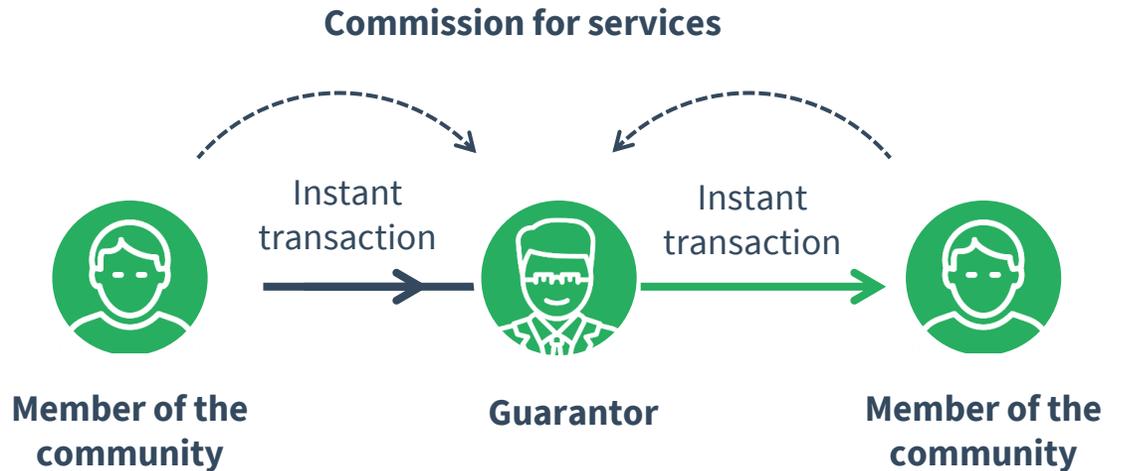
Why do we need Guarantors?

As with any blockchain, the PoW/PoA/PoS methods of mining are the most effective. However they are not applicable when using instant payments. FOODCOIN blockchain creates a new subject like "Guarantors". It means Proof of Guarantors (PoG). Therefore, the FOODCOIN blockchain consensus is combination of PoA (Proof of Authority) mining and PoG as a doublechecking mechanism.

PoA does not depend on nodes solving arbitrarily difficult mathematical problem but instead uses a set of "authorities" - nodes that are explicitly allowed to create new blocks and secure the blockchain.



These will be the people that have the unconditional trust and respect from the FOODCOIN community. They will have special privileges for the confirmation of transactions. For example, they can **confirm an instant** transaction and then request an additional commission for their services.



How do the Guarantors work?

FOODCOIN will be the first and the only Guarantor and Verifier that will be created without preliminary verification. All subsequent Guarantors will undergo an obligatory verification procedure. Thus, the Guarantor can confirm transactions which equals the volume of their fund -10% (minus 10%).



100%

Guarantor Fund



10%

Penalty Fund of the Guarantor



90%

The amount of funds which an owner will use for transaction confirmation

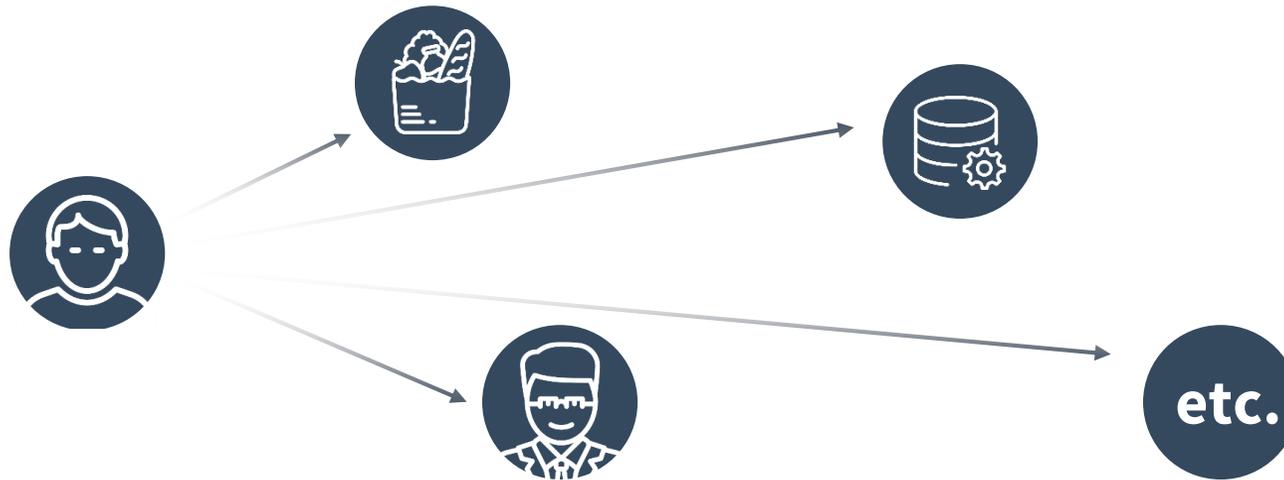
If Guarantor`s Fund (GF) is **1M FOODCOIN**, it means that the owner of such a fund can confirm transactions for the amount not exceeding 1M -10%, i.e. **0.9M FOODCOIN** at a time. 10% is the penalty fund of the Guarantor. If an insured event occurs, funds from GF will be used to compensate the compromised transaction, and 10% of this amount will be additionally removed from the GF and burned irrevocably.

Principle

3

User can become anyone

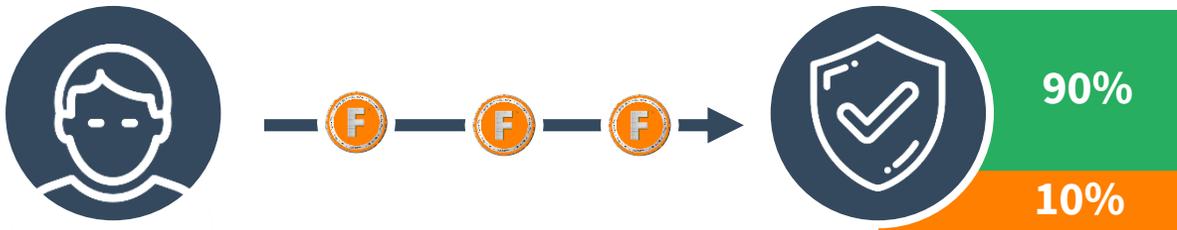
The verified user can be anyone, as long as the community allows it



How to become a Guarantor?

FIRST WAY

A verified user can independently designate himself as the Guarantor and independently increase his fund.

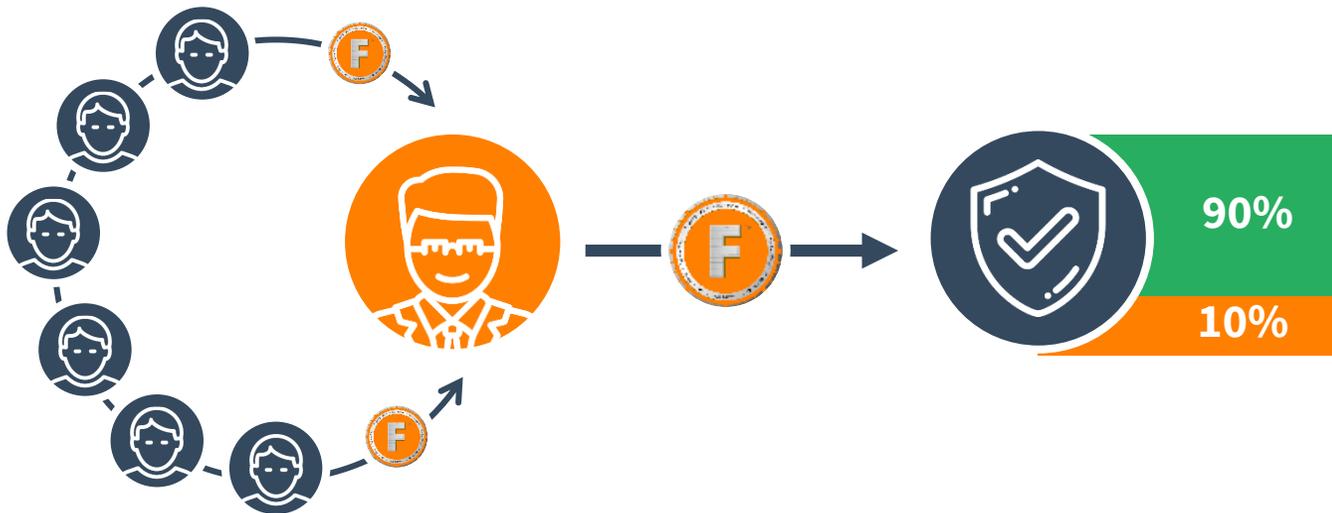


In this case, the blockchain will contain a record of the number of contributors of this fund: 1 contribution and the amount of ### FOODCOIN.

SECOND WAY

A verified user can independently designate himself as a Guarantor and ask his followers to increase his Guarantor Fund (GF)

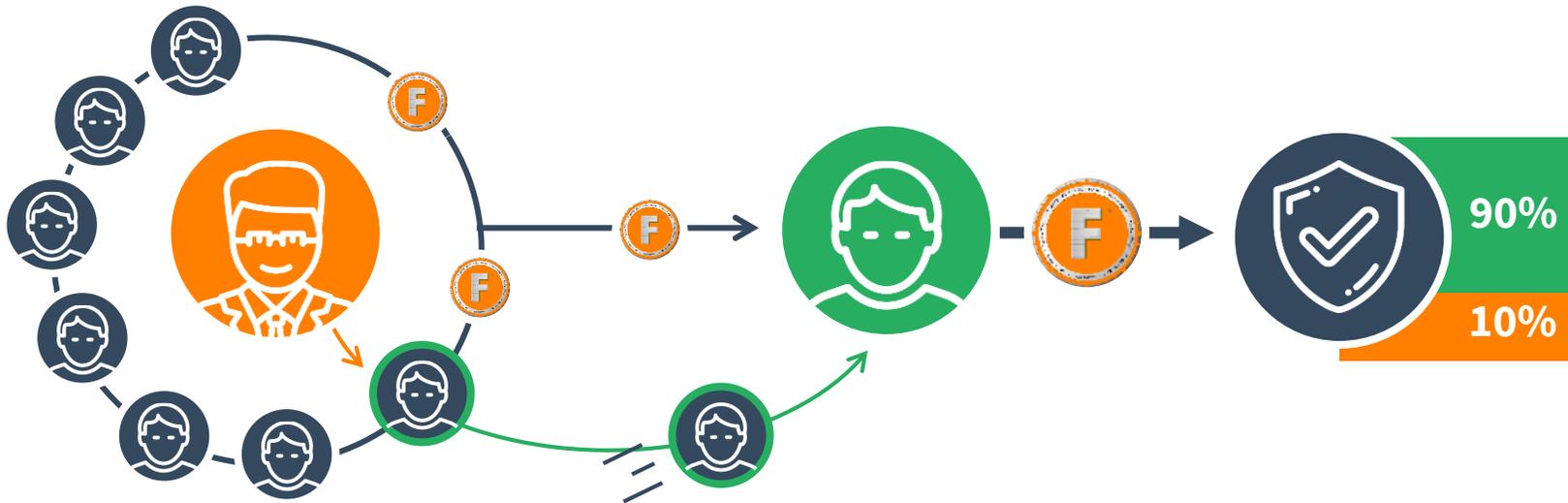
For example, a large food chain or a popular food blogger can ask one million of their customers to contribute 1 FOOD to their GF fund, and for doing this the user will get the right for special privileges to transactions confirmed by this Guarantor.



In this case, the blockchain will contain a record of the number of contributors of this Guarantor 1M contributions: ### FOODCOIN.

THIRD WAY

A verified user can endorse another User as a Guarantor and organize an "elective" campaign among other members of the community, in order to increase the GF of his candidate

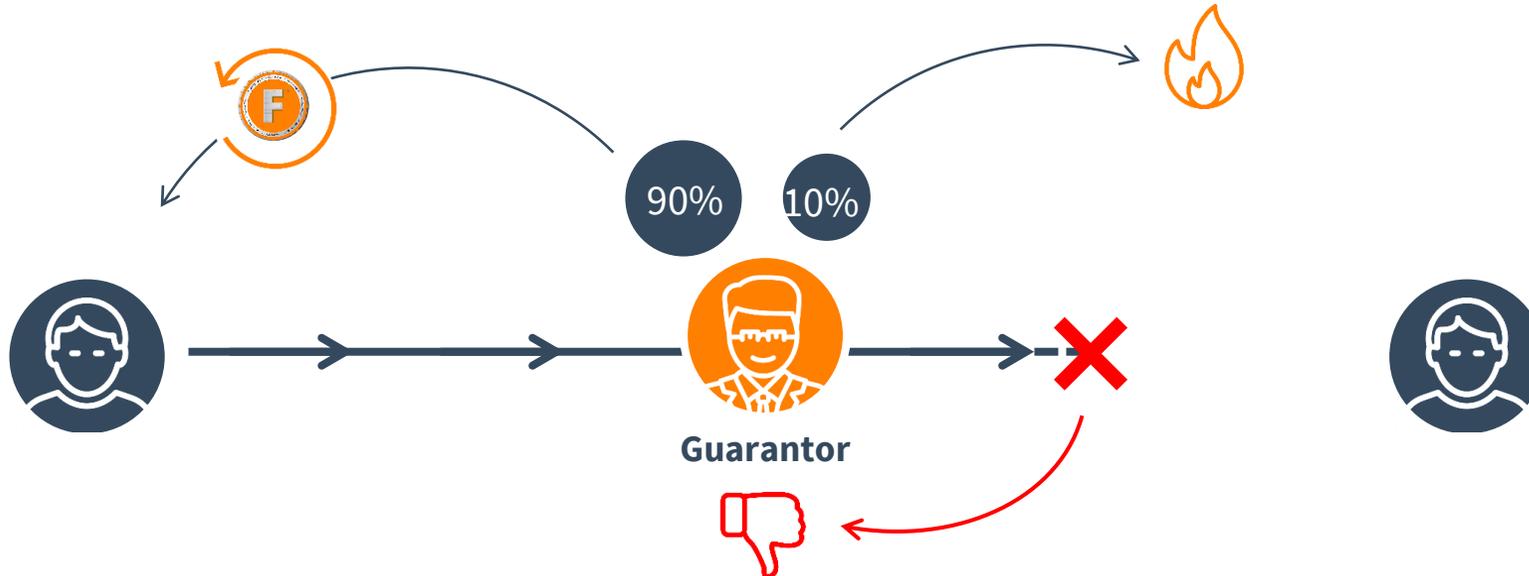


In this case, the blockchain will contain a record of the number of the contributors of the fund ### contribution/s: ### FOODCOIN contributed. Nominated by user ###

Trust is expensive

If a Guarantor gets compromised as a result of an insured event, he will be marked as a Guarantor who has confirmed false transaction, and the coins from his fund will be automatically directed to compensation for damage to the injured party.

Another 10% of the insured amount will be withdrawn from the GF as a fine and burned irrevocably. Thus, the formula "Trust is expensive" will be proved.



4

Verification and verifiers

In order to become a Guarantor and to create a Guarantor Fund (GF), it is necessary to undergo the verification procedure conducted by the Verifier.

Only a legal entity that has a licensed agreement with FOODCOIN GROUP AG on the provision of user verification services of FOODCOIN ECOSYSTEM users can become a verifier. The first and only verifier that does not have this permission will be FOODCOIN GROUP AG.



Banking



Notary



Telecom



Insurance

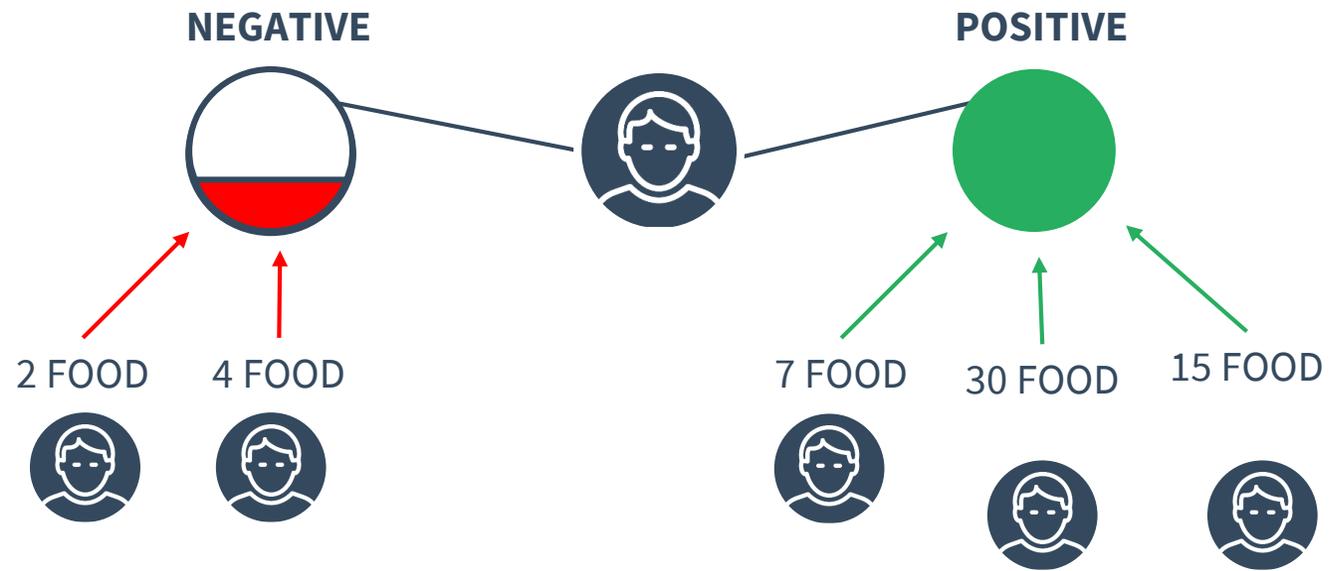
State-granted licenses issued for the following activities will be priorities for obtaining the status of verifiers

5

Reputation is the most valuable asset

Every verified user will automatically receive 2 additional addresses at the time of verification

Any user of the system can transfer any amount of FOOD to any of these funds. Thus, the users will impact the reputation of the verified user in either a positive or negative way. However, any user can withdraw his voice from any fund at any time by initiating a new transaction.



6

Stability is the key to development and prosperity. FOODCOIN FRANC

FOODCOIN ECOSYSTEM is designed for real business. The most important criteria of existence and development of a real business are stability and predictability.

The internal stable currency FOODCOIN FRANC (FCF) will be created to carry out high volume transactions. The FCF rate will always be 1 Swiss Franc (CHF).

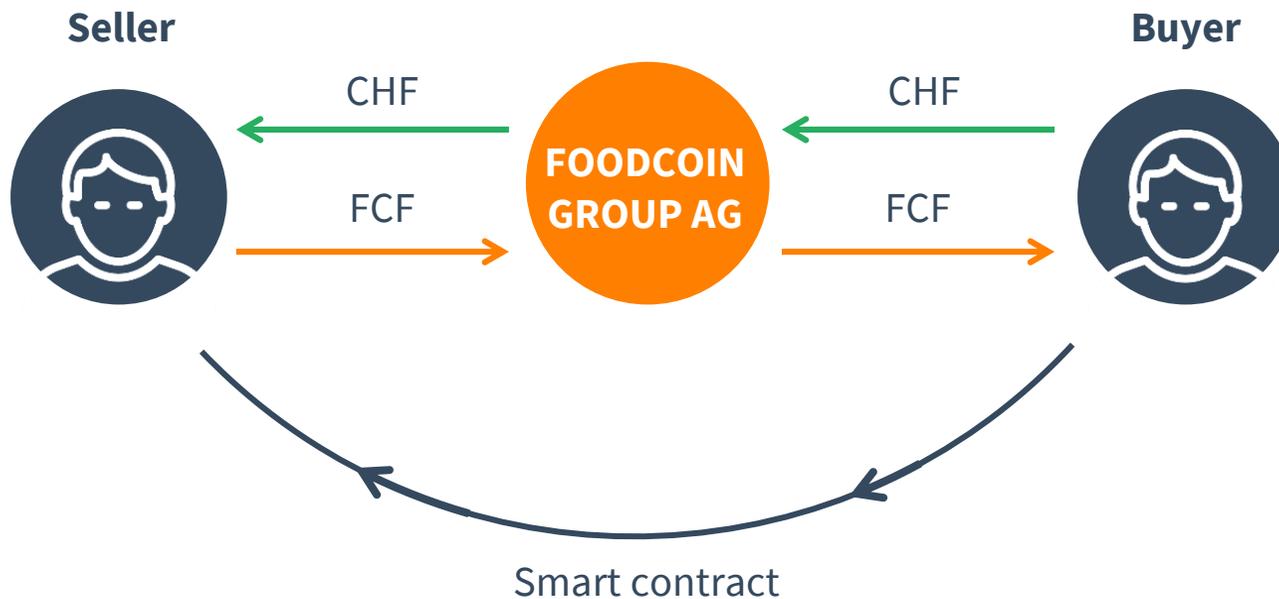
**1 FOODCOIN
FRANC (FCF)**



**1 SWISS
FRANC (CHF)**

Who will guarantee the stability of FOODCOIN-FRANC?

FOODCOIN GROUP AG in cooperation with regulated and authorized exchanges and banks will become the guarantor of FCF. The amount of FOODCOIN FRANCS in turnover will always coincide with an equal amount of Swiss Francs on a special closed account of FOODCOIN GROUP AG. On the first request, users can convert CHF to FCF and vice versa.



FCF will become a currency only for high volume transactions, a stable cryptocurrency with guaranteed value.

In the future, the following currencies will be created by analogy with FCF (pegged at the rate of 1:1):

- FOODCOIN DOLLAR (FUSD)
- FOODCOIN POUND (FGBP)
- FOODCOIN EURO (FEUR)
- FOODCOIN YUAN (FCNY)
- FOODCOIN YEN (FJPY)

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