

# **B4BIZ White Paper – The Evolution of Commercial Blockchain Interactivity**

J. Parke, 2022

## **Introduction**

It is no secret that the distributed ledger technology (or DLT), more commonly referred to as ‘the blockchain’, has already begun transforming the way commerce is conducted. From a purchase of a humble pizza in 2010 for an eye-watering 10,000 BTC (1) (which, at the time of writing in 2022, is valued at over \$5 billion AUD), to the current state of affairs in which banks, governments and enterprise-scale business are active participants in the development of this new and exciting economy, we are standing on the precipice of a radical transformation of the global financial system and beyond.

With the art (1), gambling (2), and music (3) industries (among countless others) undergoing an empowering shift towards individual ownership of outcomes through effective use of DLT, there still remains a crucial barrier between the present state of affairs and a truly revolutionary level of adoption. - namely, the question of convenience. The DLT sector is awash with projects, from the brilliant to the downright meaningless, which have created as much confusion as opportunity. The emergence of DeFi (decentralised finance), while an incredibly powerful and democratic tool, has served to increase the opacity of the industry to the average consumer. And even for those who understand the concepts powering this shift, the mechanisms of interaction can be obscure, as well as frustratingly cumbersome (ironically, this lack of cohesion is enhanced by the very philosophy underpinning the entire movement – namely, decentralisation).

The other major obstacle facing the sector is that of its integration into existing power and legal structures. While Bitcoin in particular is touted as not merely the evolution of money, but a financial weapon designed to topple the existing financial system and redistribute wealth to the masses, the truth is that not only has it failed to achieve this task (and in fact has reinforced existing dynamics in many ways), but that the systems which are in place have been developed over centuries to facilitate safe and efficient trade between individuals, communities, and businesses. While there are undoubtedly a number of very valid criticisms of the equity and accessibility of some of these systems, it is beyond the scope of this paper to discuss such things.

One thing that has become very clear, however, is that governments and industries with significant clout are not going to 'roll over and concede' when it comes to the management of the global economy. To this end, the past year has seen some very significant steps towards creating a regulated environment for the integration of DLT-enabled platforms and cryptocurrencies. KYC (know your customer) laws, AML/CTF (anti-money laundering and counter-terrorism financing) regulations and more are being required by more and more governing bodies, both to retain control of a sector which is of paramount importance for social stability, as well as for the protection of consumers – many of whom have already suffered unimaginable losses at the hands of bad actors.

It is with these concepts in mind – convenience, compliance, and security – that the B4BIZ platform has been developed. We aim to provide a safe portal through which those with limited technical expertise can enter and explore the cryptocurrency and DLT-enabled space, while still offering levels of functionality and integration which will attract seasoned veterans. By collecting a variety of services in one place (wallet, DCE, directory/marketplace and more), we aim to create an ecosystem which allows a previously untapped depth of interactions for both consumers and businesses.

Similarly, our native tokens B4\$ (B4CASH, our transactional trade token) and B4B (B4BIZ, our utility token) provide both seamless and secure transactability at high speed and throughput, while also incentivising higher levels of interaction and support from our members and holders. B4\$ in particular, being fully fungible and treasury-backed, provides a level of surety which has until now been absent from the space, despite high demand from the commercial and industrial sectors.

Finally, our affiliate reward program helps to build a strong, connected community, while further planned integrations will assist in creating an environment which provides a range of services to cater to the widest possible segment of the market. As a division of Black Tie Digital, we aim to capitalise on network effects to create a platform which truly delivers on its promise of business – evolved.

## **The Platform**

The B4BIZ platform has been designed to provide end-to-end functionality for users to engage with the blockchain ecosystem, whether approaching from a consumer or business background. To that end, there are a variety of integrated applications and features which allow for high levels of interactivity between consumers and the crypto-

enabled ecosystem, as well as a number of systems designed to increase engagement and assist in the growth of our community.

## **The Wallet**

The B4BIZ wallet is the first point of interaction which many of our members have with the world of digital currencies. The wallet is non-custodial, ensuring the highest possible levels of security for our members and ensuring they maintain complete control over their holdings.

While the wallet has been designed exclusively as a mobile app in its initial stages, a future browser extension is planned to utilise Web 3.0 architecture to integrate with existing platforms as required. However, to protect our members, only websites which have cleared a vetting process and are registered on a whitelist will be able to interact with the wallet.

The B4BIZ wallet will hold a number of cryptocurrencies, including our native tokens B4B and B4\$, as well as market standards including:

- BTC (Bitcoin)
- ETH (Ether)
- MATIC (Polygon)
- ADA (Cardano)
- USDT (Tether)
- USDC (USD Coin)
- XEC (eCash)
- DASH (Dash)
- BCH (Bitcoin Cash)
- DOT (Polkadot)
  
- LTC (Litecoin)

As one of the guiding principles of the B4BIZ platform is to create a safe and intuitive environment for our members, there is currently no plan to offer users the ability to add contract addresses and hold other tokens, though this may be subject to change. Should ineligible ERC-20 tokens be sent to a B4BIZ wallet address, the user may export their private keys and access their wallet through another platform such as MetaMask in order to retrieve their tokens.

Through the wallet app, users will be able to perform a range of actions and access a variety of resources, including:

- Buying and selling digital currencies using the B4BIZ DCE
- Checking wallet balances, values and transaction histories
- Chat with other members using an internal chat interface
- Browse B4BIZ merchants via the Directory
- Browse goods and services available for direct purchase via the Marketplace
- Access B4REAL, a Black Tie platform dealing with crypto-enabled real estate

- Register a business within the B4BIZ ecosystem
- Manage inventories within the Marketplace as necessary
- Download marketing material and related collateral
- Receive targeted information around offers of interest based on browsing or location data
- Withdraw B4\$ directly to their bank accounts in AUD

The application will provide for the ability to create wallets with limited transactional ability (receive only), allowing for fund security when in use by merchant staff members. Similarly, subject to compliance with Australian law, multiple wallets will be able to be created within a single account, allowing merchants and consumers to manage their funds in accordance with their financial needs.

## **The Tokens**

B4\$ – our transactional token. B4\$ is a digital asset tied to the Australian Dollar, and as such 1 B4\$ is always worth exactly \$1 AUD. Further, it is at all times backed by \$1 AUD worth of assets in the treasury, to facilitate redemption to fiat as required by our users. Transactions are instant, low-cost, and secure. The treasury backing the asset is subject to a rigorous auditing and reporting schedule to ensure complete transparency and responsibility to our members. The token is classified as a Trade Credit under Australian regulations, and operates in a centralised, secure fashion.

B4\$ transactions are subject to a 3% fee, applied on each side of the transaction. 1% of each side of the transaction is used to fund the ongoing development and maintenance of the platform, with the remaining 2% of each side going towards the Affiliate Rewards program outlined below.

B4B – this is our master utility token. B4B is an ERC-20 token which has various uses within the B4BIZ platform, both current and planned. It is used to provide early adopters and supporters of the project with access to member offers, such as early or exclusive access to goods and services, invitation to exclusive community events, discounted member's rates on certain goods and services, and other benefits. The access to these benefits and utilities will be regulated by the quantity of B4B members possess.

While B4B is not a financial product and should not be looked at as a way to generate a financial return, as a publicly tradeable token it will be listed on external digital currency exchanges in the future in order to more freely facilitate trade between those who desire B4B and those who would seek to dispose of their B4B.

## **The Exchange**

As an AUSTRAC-registered Digital Currency Exchange, B4BIZ is licensed and equipped to handle all matter of remittances and conversions for our members. We intend on performing any internal swaps required on our own volition, and additionally are able to provide fiat on- and off-ramping services. However, for simplicity's sake the platform has strategically partnered with Australia's most progressive DCE. By utilising external liquidity and order books, B4BIZ retains focus on delivering on our core functionality promises.

## **The Treasury**

The B4BIZ Treasury consists of an independently audited account held at the Commonwealth Bank of Australia, a trusted and secure depository, and a selection of digital token wallets utilising a range of security mechanisms, including cold storage and multi-sig authorisation.

The Treasury allows members to withdraw their B4\$ at any point, directly into a bank account. This allows merchants to securely accept digital currency as a payment mechanism, while safeguarding against potential volatility or cashflow concerns.

The Treasury holds assets to the value of the current quantity of B4\$ in circulation. This must consist at all times of highly liquid assets, including at least 66.6% fiat currency, but may also include trade credits and/or other digital currencies. For more information, please view the B4BIZ Digital Asset Holdings Risk Management Policy.

## **The Directory**

The B4BIZ Directory is envisioned as a curated selection of retailers, wholesalers, service providers and other merchants who have chosen to engage with the new commercial paradigm of digital currencies. The directory will showcase these merchants within the B4BIZ app, as well as via a consumer web portal.

Within each merchant's listing, there will be the capability to link directly to goods and services available for purchase through the marketplace (see below), creating a seamless user flow and efficient revenue opportunities for merchants. The directory will be searchable via either an interactive map or a list, and able to be filtered by category, location, and other metrics.

## **The Marketplace**

The B4BIZ Marketplace is a complete solution for engaging in direct commerce within a safe, trusted environment while utilising holdings of digital wealth. Both merchants and consumers will be able to showcase a wide selection of goods and services, available from within the mobile and/or web apps.

Payment functionalities will be integrated directly into the applications. While trade in B4\$ is encouraged and will be incentivized through various reward and promotional mechanisms, our DCE entity allows us to hold a variety of digital currencies and perform swaps at market rates in real-time, meaning that buyers and sellers can choose the respective currency they wish to send or receive. This allows for enviable levels of convenience, freeing members from manual exchanges in order to provide a more immersive experience.

APIs to shipping processors will be available to merchants to automatically calculate shipping costs. Merchants will also have the ability to discount goods based on volume of purchase, as well as manage inventory levels. Finally, merchants will be able to increase reach and visibility by paying to upgrade to a Featured Listing, thereby displaying the offering more prominently in the Marketplace.

### **The Corporate Portal**

The B4REAL Corporate Portal will be the back-end support and administrative web app, allowing merchants to manage their inventories, wallets, listing and account details, and more. Where possible, APIs will allow integration with existing e-commerce providers allowing for mutual recognition of stock levels, as well as easy importation of inventories.

Corporate accounts will be able to perform KYC using AUSTRAC-approved documentation and register as a commercial entity. Further KYC protocols will identify and track individual users and their actions within the systems for complete accountability and record keeping. As a result, the corporate portal will allow for tracking of a range of wallets associated with individual stores, operators, and other sub-divisions.

### **The Affiliate Rewards System**

In order to foster the sustainable growth of a dynamic and engaged community, B4BIZ have developed a affiliate program which encourages and incentivizes members to assist in outreach efforts. By creating a level of involvement and psychological investment within the platform, we aim to stimulate a growth rate which will allow the platform to achieve a self-sustaining critical mass within the shortest time possible.

The B4BIZ affiliate program will be operated by the use of unique join links containing each member's affiliate code. Once one member invites another member who creates a B4BIZ account via the affiliate's unique invite link, the referring member will earn B4\$ rewards calculated from any revenue generated from the invited member.

These rewards are generated from the application of fees to both parties within a transaction (ie a buyer and a seller), totalling 3% of each side of the transaction.

Importantly, the B4BIZ affiliate rewards program operates across three tiers. Therefore, members will be rewarded from the transaction performed by members who they invite (level one affiliates), but will also be rewarded from transactions performed by new members invited by those level one affiliates (who are referred to as sub-affiliates).

For clarity's sake, the member who invites an affiliate is referred to as a level one moderator in the context of that affiliate. In the context of their sub-affiliates, the member is referred to as a level two moderator.

**Program affiliates receive a share of these transaction fees for their affiliate network as follows:**

- One-third of the total fees will be split between the level 1 moderators on both sides of the transaction (1% either side of the buyers and sellers).
- One-third of the total fees will be split between the level 2 moderators on both sides of the transaction (1% either side of the buyers and sellers).
- One-third of the total fees will be retained for use in various stimulus programs, management of the treasury, maintenance costs and corporate social responsibility projects.

This allows members who invite merchants to join the platform to reap significant rewards, by allowing them to benefit not only from the merchant's transactions, but also from those performed by that merchant's customers, thus heavily incentivising members to help grow the network.

As an example of affiliate rewards in action, Alan joins B4BIZ, and signs up Bob, who then signs up Charlie. Daphne also joins, and signs up Erica, who then signs up Fiona.

Then, when Charlie makes a \$100 B4\$ purchase from Fiona:

- Charlie is charged a total of \$103 B4\$, reflecting the value of the transaction plus the 3% buyer's premium.
- Fiona receives a total of \$97 B4\$, reflecting the value of the transaction less the 3% seller's fees.
- Both Bob and Erica receive \$1 B4\$ each, being 1% of the value of the transaction, as a reward for helping grow and moderate the network as level 1 moderators to Charlie and Fiona.
- Both Alan and Daphne receive \$1 B4\$ each, being 1% of the value of the transaction, as a reward for helping grow and moderate the network as level 2 moderators to Charlie and Fiona.

- The treasury receives \$2 B4\$, to fund future stimulus programs and cover maintenance costs.

All affiliate rewards will be disbursed in B4\$.

It is also important to note that any B4\$ disbursed as part of the affiliate rewards program is not eligible to be redeemed for fiat currency, and must instead be spent within the B4BIZ ecosystem. It is anticipated that with the launch of other Black Tie Digital platforms, including B4REAL, that these funds will also be eligible for use within those platforms.

## **Planned Integrations and Features**

As an end-to-end commercial digital currency management platform, B4BIZ will be actively pursuing a range of partnerships and integrations, as well as the development of a variety of intrinsic advanced features. These include:

**BNPL (Buy Now, Pay Later)** – the BNPL sector has boomed in recent years, as younger consumers in particular move away from traditional credit providers. By partnering with established industry participants, B4BIZ aims to allow our members to leverage their digital wealth holdings for increased convenience and cashflow accessibility. Further details are given in the ‘B4B Tokenomics and the Direction of B4B’ section below.

**Tax tracking** – while we have partnered with Fullstack Advisory, Australia’s leading crypto-specialist taxation advice firm, the B4BIZ team are also actively investigating integrating the ability for automated tax obligation tracking, further enhancing usability and regulatory compliance for our members.

**Trading** - while our primary mission is to help digital currencies and blockchain technologies find their feet and increase adoption levels by the general public, we are also highly aware that our members may look at cryptocurrencies as a way to generate wealth via trading. While no form of trading is without risk, we are investigating the opportunities afforded by partnering with established market leaders in the fields of automated trading and copy trading, to provide our members convenience and in some cases a gentler entrance to the volatile world of crypto trading.

**B4REAL** – Black Tie Digital’s forthcoming crypto-enabled real estate marketplace. It is intended that the use of the B4BIZ platform, including the wallet, will be the easiest method of interaction with the B4REAL platform. Further details are given in the ‘B4B Tokenomics and the Direction of B4B’ section below, as well as in the document ‘B4REAL White Paper – Integrating the Real Estate and Digital Currency Markets’.

**B4FINANCE** – as the B4REAL platform is released, high-level lending capabilities are anticipated to be a central functional mechanism enabling digital asset holders to enter into a new market. B4FINANCE is intended to move towards establishment as a separate pillar of the Black Tie Digital ecosystem within a short period of time, and



there are natural opportunities for consumers and business owners who wish to access non-traditional financing opportunities for a variety of reasons. Further details are given in the 'B4B Tokenomics and the Direction of B4B' section below, as well as in the document 'B4REAL White Paper – Integrating the Real Estate and Digital Currency Markets'.

**B4POWER** – currently under alpha development and partnership negotiations, B4POWER is intended as a tokenised renewable energy marketplace, incorporating fractional ownership of off-site solar and bio-gasification projects, which is intended to allow for direct crediting of renewable energy generation through an industry-first partnership with a leading national energy retailer. Naturally, B4BIZ asset management services and transaction capabilities will serve as an operational bedrock for the B4POWER platform.

## The Roadmap

### 2021

- Development and beta launch of the B4BIZ mobile app
- Initial design of platform architecture, functions and operations
- Stress-testing and internal code review of B4\$ transactional currency
- Partnership formalisation with IRTA (<https://www.irta.com/>), the International Reciprocal Trade Association
- Partnership formalisation with Universal Currency (<https://ucci.trade/>), the largest global inter-exchange trading platform for the reciprocal trade industry
- Establishment of social media communities and engagement channels (Facebook, Twitter, YouTube and Telegram)
- Private invitational onboarding of selected merchants across Australia
- Establishment of governance frameworks, development guidelines and internal policies
- Initiation of seed round in conjunction with former branding partners
- Design phase for corporate portal and consumer portal web app

### Q1-2 2022

- Platform rebranded as B4BIZ
- Internal release of governance policies including risk management
- Redevelopment and release of the White Paper
- Code and deployment of B4B utility token
- Continued development of strategic partnerships
- First B4B airdrop conducted to community
- Growth of combined social media reach to over 5,000 members
- Integration of chat functionality to app
- Finalisation of financial licensing arrangements
- Development and testing of consumer web app and corporate portal

### Q3-4 2022

- Deployment of B4BIZ consumer web app and corporate portal
- Initiation of influencer and advertising campaigns
- Testing and integration of B4BIZ mobile and web apps with B4REAL consumer portal
- Conclusion of seed round sales in mid-Q4
- Conduct launchpad sale round, with distribution of allocated tokens between several launchpads and exchanges
- Listing before end of calendar year on Quickswap as well as other CEXs

## **Beyond – Expansion Philosophy**

The B4BIZ platform will be rolled out globally based on the results of commercial feasibility studies in key target territories, as compliance with all national and international regulatory bodies is of paramount importance to the B4BIZ strategy. The platform will be initially focused on leveraging PIM’s extant commercial trade networks across thirteen different countries, with secondary expansion to target the expanded network available through Universal Currency’s member businesses. However, in the near- to mid-term, our concentration will be on solidifying our entrance into the Australian market and establishing a leading position as an entrenched industry leader.

Further platform development will be heavily focused on integration of the B4BIZ mobile and web applications with other Black Tie Digital platforms such as B4REAL and the panned B4POWER renewable energy generation platform. For further information, please see the appropriate White Papers.

## **The Tokenomics**

In order to establish the anticipated tokenomic structure of the B4BIZ platform, and the movement of B4B between its participants, we must first understand the long-term goals of the platform and the intended use cases. B4BIZ does not seek to revolutionise the cryptocurrency industry through advanced technology or new forms of DLT – we are built on the backbone of the Polygon network, itself developed from Ethereum, and we understand and appreciate the efforts of many great minds around the world who continue to develop the core architecture which supports our endeavours.

Rather, we have concentrated on making the advantages of blockchain technology accessible to all, from enterprise-level clients down to individual members with no experience in blockchain to speak of. We are leveraging existing networks and connections within areas such as commercial trade, real estate and retail, and simply finding the most appropriate and efficient ways to enhance these industries and the processes within them.

## **The Token**

Token Name: B4BIZ

Ticker: B4B

Max Supply: 100M tokens

Max Circulating Supply at Launch: 63M tokens (63%)

Allocation:

- 30M (30%) seed round
- 30M (30%) launchpads
- 10M (10%) marketing
- 10M (10%) development
- 5M (5%) community rewards
- 5M (5%) team
- 5M (5%) partnerships, advisors and ambassadors
- 3M (3%) liquidity
- 2M (2%) bug hunts

Pricing:

- Seed round: \$1.00 AUD (30M tokens)
- Launchpad and listing: \$2.00 AUD (30M tokens)

Hard Cap: \$75M AUD

Soft Cap: \$15M AUD

Vesting: all seed round sales vested until 90 days after token listing (Jun-Jul 2022)

Blockchain: Polygon

Mechanisms: 10% of all revenue from B4\$ transaction fees to be used to buyback B4B tokens in circulation, with half of said tokens to be exchanged for trading pool pairs and the resultant assets assigned to liquidity pools. All unsold tokens remaining after seed and launchpad sale rounds burned.

## **The Use Cases and Value Drivers**

### **Early/Exclusive Access to Rewards and Offers**

We envision a demand-generating property of the B4B token to be the harnessing of both consumer demands for innovation, exclusivity and social primacy, and businesses' demand for access to competitive edges. B4B may be used to assign access to special offers for both consumers and business, allowing them to reap rewards within fields which hold significance in their personal or business lives.

An example of early access rewards for our members who join us as consumers would be in the field of fashion. Through our global networks of strategic partners, we have access to several notable fashion retailers. We are in the process of negotiating with them for our B4B-holding members to be provided with early access to new lines of fashion – for example, access to a winter line of clothing before distribution through other sales channels, such as in-store. The intention is for this access to be tiered, so that those members who hold larger quantities of B4B will be provided with the earliest access, and thus the greatest social cachet.

As research shows, 46% of fashion consumers desire early access to sales<sup>1</sup> as part of a loyalty program – and by utilising access to multiple labels and bringing our pre-existing influence to bear to facilitate even more exclusivity for our members, we believe that we can increase that level of desirability even more. This is just one example in a single industry of how we anticipate leveraging our existing and growing connections within the global trade community to provide benefits to our members.

Another alternative would be to examine this from the point of view of a business owner. Through our strategic partnerships, we already have arrangements in place with supply-side companies and organisations globally, including in notable manufacturing regions such as China and India. On occasion, these suppliers may find themselves with an excess of stock, which they are prepared to dispose of for discounted rates.

These discounted rates may be offered exclusively to our B4B-holding members who have expressed an interest in being contacted in relation to such offers, with the members holding larger quantities being contacted first. In this way, holding B4B again unlocks a tangible benefit for our members, by allowing them early access to options on a product or service of benefit to them.

Finally, B4B will be used to offer our members exclusive offers on some of our internal products and services, based upon our members' held quantities. As shown by the lockup contract under which we have placed the Founder's Coins, we are committed to the continued growth of the B4BIZ Platform over the next decade and beyond. Part of this development is intended to include the release of other tokens, serving various other purposes within the platform as the scope of our abilities and licensing/regulatory status expands.

While B4B in no way confers upon its holders an expectation or a right to financial reward or returns, it will be used to unlock tiers of access to offers in the future, providing a discount on options to purchase other tokens. Details on these tokens will be released as we acquire the necessary licensing in each territory in which we operate.

## **Micro-financing, BNPL and Fund Remittance**

The modern economy is increasingly fuelled by non-traditional forms of financing and fluidity in fund custody, particularly among younger consumers. We aim to offer our members the convenience of these alternative funding structures, and to incentivise their use while rewarding our backers through innovative application of the utility of the B4B token.

Firstly, the international movement of money as captured by the digital remittance market stood at \$16.28B USD in 2020<sup>2</sup>, with compounding growth expectations of 13.3% pa over the next eight years. As B4BIZ expands into various overseas territories, we anticipate strong use for our stable token B4\$ as asset-backed trade credit within the remittance field.

As the only fees associated with our international remittance are our standard 3% each to sender and receiver for B4\$, we believe that we can offer a highly competitive solution in an increasingly important market segment.

B4B will not be utilised in this process, but it is important to understand the direction in which the platform is moving, as it will assist in the adoption and utilisation of future features.

The buy-now-pay-later (BNPL) industry, according to the RBA, processed approximately \$10B AUD worth of transactions across Australia and New Zealand alone in FY 2020<sup>3</sup>. This figure has been increasing by approximately 55% pa, a staggering rate of growth, in reaction primarily to consumers' demands for flexibility and convenience.

The rate of growth in the valuation of companies offering this service (such as Afterpay) was already impressive before the start of the COVID-19 pandemic, and has increased drastically since then, with little prospect of diminishing in the immediate future as the world transitions to a future in which remote shopping and digital payments are a seamlessly integrated part of life.

By offering our members the same flexibility, coupled with pre-approved access to our significant range of national and international businesses and an app-integrated end-to-end shopping experience, we believe we can make sizable inroads into the BNPL economy and capture valuable market share from established industry providers, particularly as the demographics of users of BNPL users correlates quite strongly with the demographics of holders of cryptocurrency<sup>4,5</sup>.

We can also offer our member B4B holders unlockable benefits, by utilising their B4B holdings as collateral at a favourable LTD (loan-to-deposit) ratio as compared to fiat or other digital currencies. For example, a member may be offered BNPL services to a limit of \$500 if the line of credit is uncollateralised, and at an LTD ratio of 2:1 or similar if utilising their Bitcoin or other crypto as collateral (to a maximum allowable value); however, we can reward our B4B holders by offering them a 5:1 LTD ratio if using B4B as their collateral. Even better, we can reduce the fees associated with such a service for our B4B holders. In this way we again provide attractive benefits and use cases in a day-to-day setting for our members and holders.

Similarly, the field of micro-financing is also ripe for disruption by entrepreneurs within the digital payments industry. With a total market value of \$134.35B USD, growing at a CAGR of 12.6%, this financial services segment (already disruptive in nature) is projected to reach almost \$345B USD by 2028<sup>6</sup>.

B4B may be used by our micro-finance members as a method of repayment and in doing so attract a lower rate of interest on the loan. Alternatively, B4B may be bundled with micro-financing loans with zero interest payable, instead attracting a flat processing fee and rewarding members for utilising our cashflow to help realise their business goals while also holding B4B for future utility.

Leveraging our existing networks connections within the lending industries and our associations with enterprise-level financial services providers, combined with our range of additional services such as international fund transfers and access to an existing marketplace, we anticipate being able to significantly assist in the penetration of this empowering form of finance, and to establish a strong niche position within the industry in doing so.

## Crypto-backed Lending and Staking

The proliferation and adoption of digital currencies over the previous decade has encouraged a radical shift in the landscape of traditional financing. The rise of neo-banks and digital currency exchanges (DCEs) offering a variety of services directly to consumers, or facilitating P2P financial services, has requisited a reassessment of the traditional vehicles of growth and their roles in the new financial system.

The third utility pillar for B4B helps bridge the gap between B4BIZ and the established cryptocurrency economy. Through innovative internal structuring and future partnerships with third-party DCEs, we anticipate (subject to satisfying regulatory and licensing requirements) being able to provide an avenue for the crypto-wealthy to leverage their holdings into an immediately available supply of liquid assets in the form of B4\$, an inherently usable and globally accepted Trade Credit.

Globally, there are over 100,000 Bitcoin addresses controlling over \$1M USD of BTC each<sup>7</sup> – and Bitcoin is only one of the 46 cryptocurrencies with total market capitalizations of over \$1B USD<sup>8</sup>. By offering loans at competitive interest rates, which we can variably offer as determined by overall LTV using members' crypto holdings as collateral, we can unlock the power of our members' crypto without triggering a tax event. This enables our members to begin utilising their wealth as an immediate liquidity stream with no inherent capital loss, meaning they can choose to invest, speculate or indeed dispose of their funds as they see fit – ideally generating enough return to close off their loans (B4BIZ will retain the right to issue margin calls as necessary to mitigate market volatility and potential loss of collateral value).

We aim to give B4B the utility to unlock access to this ability, by requiring members to possess a certain minimum quantity in order to become registered as a borrower. This quantity is likely to be in direct correlation to the amount of collateral we are willing to accept, in effect creating a ZTD (B4B-to-deposit) ratio which will in effect need to be assessed as a measure of 'membership level' before the LTD (loan-to-deposit) ratio determines the size of any potential loans.

In addition, we aim to reward our members and early adopters by having their B4B unlock highly competitive rates when utilised as the mechanism of repayment. Our original intention was for B4B to be the exclusive currency for repayment, but after industry and market consultation it has become apparent that consumers in the 21<sup>st</sup> century desire flexibility in all areas of their finances, and thus we have elected to aim to offer the ability to repay loans in a variety of digital and fiat currencies. However, we will aim to provide our members with favourable terms by offering reduced interest rates and higher ZTD and LTD ratios when using B4B as collateral or as a repayment mechanism.

We also recognise however that digital and cryptocurrencies are, in their pure forms, designed as a way to enable the democratisation of finance, and a way to empower the general public by means not only controlling the storage of their wealth, but also generating wealth. We are an invitation-only community because we intend for that community to be built on a foundation of trust and self-moderation, not because we aim to be exclusionary for its own sake – and certainly not on a financial basis. Therefore, we also intend to build into our platform ways for those whose cryptocurrency portfolios are only beginning to grow (or even regrow after market-induced losses) to leverage the power of their holdings to generate revenue streams.

The widespread acceptance of DeFi (estimated at 1.36M users globally<sup>9</sup>) and in particular DEXs (decentralised exchanges) has led to several innovative redefinitions of traditional financial products. Consumers have traditionally lent their fiat holdings to banks and other financial institutions in exchange for payments of interest, for example in fixed term deposits. DAOs (decentralised autonomous organisations) have allowed digital consumers to perform similar functions, with the added bonus of complete transparency due to the nature of blockchain technology.

One such service which has become unmistakably popular in the new economy is staking, or the process of depositing cryptocurrency into a smart contract to receive tokens as a reward. These staked coins act as a form of collateral to enable various functions, which range from validating transactions on the network, to providing financial collateral in order to mint new tokens, to providing liquidity to enable P2P trading on decentralised exchanges in exchange for a percentage of fees paid by users.

By partnering with existing and emergent DEXs, we aim to offer our members the flexibility of choice and potentially maximise any yields they stand to receive, while retaining the convenience of having all options under a single roof and in a single app. Similarly, by partnering with automated trading platforms utilising both AI and human-generated trading protocols, we can also offer our members an easy way to take advantage of both the latest in technology and the cumulative wisdom of decades of trading experience in this nascent and often volatile marketplace.

The long-term goals of this aspect of the platform are to enable seamless P2P decentralized lending, but we anticipate interacting with a number of external exchanges in order to give our members choice and flexibility, as well as decreasing initial liquidity requirements.

Similarly to our lending protocols, we aim to unlock these features for our members by means of their B4B holdings, though in this instance we will simply require a fixed holding of B4B in order to activate this particular utility within the platform. We also aim to create a feedback mechanism in which we can benefit those users who choose to receive their staking rewards in B4B by offering a more attractive yield, which will in turn unlock and stimulate usage of other B4BIZ platform features – thus leading to potentially greater quantities of digital funds being staked through the platform.

The key to success in this competitive segment of the digital and cryptocurrency economy will be our flexibility, choice and convenience, offering our users a seamless end-to-end user experience in which all the pillars of our platform align to create an overall use case which is as simple and understandable as it is powerful.

## **Crypto and the Real Estate Market – B4REAL**

One cornerstone of the future development of the B4BIZ Platform which is already in development is the B4REAL Real Estate Platform. The real estate market has long been ripe for integration with the burgeoning cryptocurrency world, but developments in this space have been limited and relatively inconsequential, owing in a large part to a perceived lack of trustworthiness in both cryptocurrency and its users, and an unwillingness to change from legacy platforms and providers with a vested interest in maintaining the status quo, leading to a dearth of vendors willing to participate in this potentially game-changing market.

We aim to establish a dominant position in this space by utilising our strong existing relationships with established major property developers, all of whom are experienced and comfortable with accepting alternate currencies as payment due to their long histories with our strategic partners in the Trade Exchange industry.

Currently, the number of properties available for purchase in the United States (the traditional home by volume of crypto, accounting for by far the greatest concentration of traders<sup>10</sup> and accumulated holdings, particularly in Bitcoin) according to readily available figures<sup>11,12</sup> may be estimated in the low hundreds at best, with the number of brokerages advertising cryptocurrency-based property vending able to be counted on one hand<sup>13</sup>.

In Australia, when a property is either advertised or sold for cryptocurrency, it is a rare enough event that it still creates news<sup>14</sup>. And the only known property development in Australia advertised as accepting cryptocurrencies as payment, Dakabin Crossing, has moved back to exclusively accepting fiat<sup>15,16</sup>.

However, the market has made it clear that the demand is there, once both volume and trust can be achieved. With an estimated 93K Bitcoin wallets globally holding between 10-500 BTC<sup>17</sup> (a demographic likely to include a significantly higher number of speculators and retail investors than those with >500 BTC, and with greater likelihood of using BTC for real estate transactions than those with <10 BTC), an emerging 'crypto middle-class' is looking for ways to spend their new wealth.

This is evidenced by the increase in revenue for payment facility providers upon their enabling of cryptocurrency payments – PayPal, for example, reported an 11.8% increase in revenue after enabling such a feature<sup>18</sup>. For cryptocurrency holders looking to diversify their newly grown portfolios, entering the relative stability of the real estate market is already proving an attractive reinvestment strategy.

The acceptance of cryptocurrencies as trusted and mainstream by consumers is a gradual process which will reflect the efforts of the entire blockchain industry. However, the acceptance of cryptocurrencies as a trusted payment mechanism by property developers and real estate vendors will rely on the concerted efforts of a minority of actors within the blockchain space, and B4BIZ aims to be pre-eminent among that number.

Our strategy is simple – to leverage our existing connections to create an online platform in which is focused on providing crypto-centric real estate transactions. Fortunately, we are well established in this space.

Through our founding strategic partner, Progressive Investment Management (PIM), we have an immediate entrance as a trusted participant to a network of over 200 property developers across Australia, with roughly a further 300 developers globally to join as we expand, all of whom have previously or are currently accepting digital currencies on a selection of their stock. This network also includes a large number of independent and franchised vendors, giving us the supply-side critical mass we need to attract consumers.

Our confidence is built on experience, as PIM have successfully closed over 5,500 property acquisitions in the 24 months previous to August 2021 – a significant number, particularly given that almost half of these deals involved varying amounts of digital currencies in the form of Trade Credits<sup>19</sup> – and as our B4\$ is a fully fungible trade credit in the form of a digital currency, we anticipate even stronger engagement from industry participants.

Similarly, the fact that the B4BIZ Treasury is maintained onshore in Australia at the Commonwealth Bank, as well as all B4BIZ entities (including our DCE) being registered in



Australia and being subject entirely to Australian financial regulations, we believe helps to engender a great deal of trust among both vendors and purchasers, as well as ensuring that all transactions are AML-compliant.

Lastly, there is also a natural and very powerful synergy between the crypto-backed lending operations described under the previous heading, and the operation of a crypto-centric real estate market, the dynamics of which are discussed in the Anticipated B4B Inter-User Movements section.

The future of the B4REAL platform, once established, is also to lead the transition to blockchain-based property settlement, with all transactions performed in the format of smart contracts. We aim to begin feasibility assessments and to begin strategizing acceptance strategies in 2022 in line with our USA platform launch, as the interoperability of American real estate legislation between states lends itself more readily to such a solution – Australian real estate laws vary much more significantly between states.

Regarding the utility of B4B within the B4REAL platform, we anticipate several use cases. As B4REAL will allow our members to transact for property using a multitude of digital and fiat currencies, B4B will come into its own as a transactional token bound to the B4BIZ Platform via B4REAL. However, as we aim to charge fees to sellers on the platform (all buyers fees will be removed), we also will incentivise the use of B4B to pay said fees by decreasing the total cost to vendors who pay their fees in B4B.

## **LEGAL**

All users and merchants of B4BIZ will have to agree to legal terms of use when using the platform and also must agree and acknowledge that:

- All interactions within the B4BIZ network are governed by the B4BIZ terms and conditions which are set out in the B4BIZ application and website; these terms and conditions may need to be varied due to changes in any applicable law or government policy in any jurisdiction.
- Users will be solely responsible for any decision to enter into a transaction in the B4BIZ network, including the evaluation of any and all risks related to any such transaction;
- Any speculation in respect of tokens is extremely risky and that tokens may have extreme price volatility, and that a user may suffer significant loss, including total loss, of any value held in Tokens;
- Users engage in any transactions entirely at their own risk, and the platform will be provided on an 'as is' basis and that B4BIZ does not make any representations or warranties as to the security or availability of merchants or B4B, B4\$ or any future digital currencies or that the user's access will be uninterrupted, timely or secure at all times; and

- B4BIZ is not providing financial advice with respect to any tokens that any users, purchasers or merchants within the B4BIZ network must do their own due diligence and obtain their own advice as to their conduct in the B4BIZ network.

### ***Know Your Client / Anti Money Laundering (KYC/AML)***

AML/CTF compliance is a crucial aspect of B4BIZ's regulatory compliance. Users must cooperate with B4BIZ and provide any information requested by B4BIZ to comply with AML/CTF requirements. B4BIZ reserves the right to suspend any user's account who does not comply with this.

### **General**

This document is a white paper detailing the current and future endeavours of B4BIZ. The contents of this document are for information purposes only and are not a guarantee or promise of future conduct. Unless expressly specified otherwise, the products and innovations set out in this paper are currently under development and the features included in those products will change as the project evolves. You warrant that you are not a citizen, resident in or domiciled in a jurisdiction in which it would be unlawful for B4BIZ to offer any of its products and services.

Any information provided by B4BIZ is provided for general information purposes only and B4BIZ does not give any warranty as to its accuracy or completeness. B4BIZ does not provide advice about legal, tax or financial matters. Any opinions expressed reflect the current judgment of the authors of this paper. The opinions reflected herein may change without notice.

Digital assets are inherently high risk assets and you should seek independent legal, financial, taxation or other advice before making any decision in relation to B4BIZ tokens or any arrangements offered by B4BIZ. You acknowledge that you are responsible for making your own inquiries about any risks involved in B4BIZ's offerings and that you have made such inquiries.

B4BIZ, its directors, employees, contractors and representatives do not have any responsibility or liability to any person or recipient arising from any statement, opinion or information, expressed or implied, arising out of, or contained in, or derived from, or omitted from this paper. By acquiring any of B4BIZ's tokens, you acknowledge and agree that neither B4BIZ nor any of its affiliates shall be held liable for any direct or indirect loss or damage caused by such changes.

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