Fundx.io

Secondoary Markets on the block chain

Abstraction: A digital token used to purchase future provides individuals and organisatiosn a method of sydicating into secondary markets, and specifically small business financing in a specific currency. With an approach which opens opportunities which where prior limited to private institures or invested, while creating a auditable global ledger and the block chain. Which means performance, calcuations and token value is complete secure and transparent to all parties. Taking advantage of this technology allows token holders to deversify and also increase wealth in less volatile currencies. We propose a method of using market rates, smart contracts, distribution and ledgers as well as user friend tools to provide access and reliability into accessing these purchases. As well as complainace.

Context

1 Overview of BlockFundx Project

1.1 Vision and Core Features

BlockFundx is a method to control the value of your digital assets against secondary market while receiving returns for the growth of the market.

The vision of this product is to provide access via a decentralised digital currency to create wealth through future value of a specific currency at the same time hedge risk against your existing digital currencies.

As well as create residual returns over time, ensuring continual wealth creating.

Given that any transactions are via the block chain there is 100% transparency of how funds are managed and executed, through the use of smart contracts. Which provide true transparency in the market and the ability for individuals and companies to syndicate in secondary market investment which may have not been feasible with other methods.

It is our vision to achieve the following goals
1. Provide clear and transparent methods of allowing people to avoid fluctuations in the bitcoin market
2. Growth their funds based on returns of investments
3. Develop a platform for evaluating and performing transaction with smart contracts
4. Contraction of smart contracts deployable to the block chain
5. Allow for Future style contracts to lock in stability

2 What is BlockFundx

BlockFundx is a process which allows end users to syndicate into future receivables of an operation of a business.

What this means is that the funds provided through blockfundx will be associated with a fiat currency[1]. As part of a syndication of fund. The funds will be used for the purchase of future receivables [2] of a business, organisation or legal entity.

These funds are in general are used to provide funding for business operations which needs funds for the purpose of improving liquidity in their business to improve liquidity of finance to grow, expand and invest into specific aspects of their business.

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[1] https://en.wikipedia.org/wiki/Fiat_money in general this will be USD
[2] http://legalbeagle.com/6455464-definition-receivables-purchase-agreement.html
https://fmx.cpa.texas.gov/fmx/pubs/afrrptreq/gen_acct/index.php?section=receivables&page=borrowings

2.1 Use of Funds

The funds once used in BlockFundx, in general will be used for the following activities

Factoring Finance
Bridging Funds
Line of Credit
Small Business Financing
Purchase of Receivables
Property and Development [3]

2.2 Why is BlockFundx structured this way

1. Professional: Currently we have a proven track record of origination of small business and alternative financing for business, delivering a potential value of $7 Million a day[4].
2. Compliance: BlockFundx is explicitly purchase funds of future receivables. Which means we are not a security, investment or a loan company.
   a. Usury Caps: BlockFundx can bypass limitations applied by Usury caps[5]
   b. Investment Advance[6]: BlockFundx provides access to performance of funds through ledgers and distribution. Which we provide tools for analysis and transparency
3. Growth in Hedging: Fundx is providing ongoing and investment into its own token. Without providing value to a token over time the value of a currency [7]and in relationship to a token decreases. The model of BlockFundx as utilised in future receivables, the value of the token is increasing relative to the fiat currency.
   a. In simple terms for example, if you hold $100 for 1 years, and inflation is 3% you will still hold $100 but your purchasing power is now $97 a year ago. BlockFundx growth is relative to future receivables. So if

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[3] Note: Structured as a fund purchase for development for future sales

[4] Potential value is estimated at an average deal value of $30K, with our origination being on average 250 new potential customers per business day

[5] https://thrivest.com/blog/usury-caps-factoring-future-receivables/

[6] Fundx takes no fees, benefits or commission or provides investment advice to any party as per definition noted at
http://www.investopedia.com/terms/i/investment-advice.asp
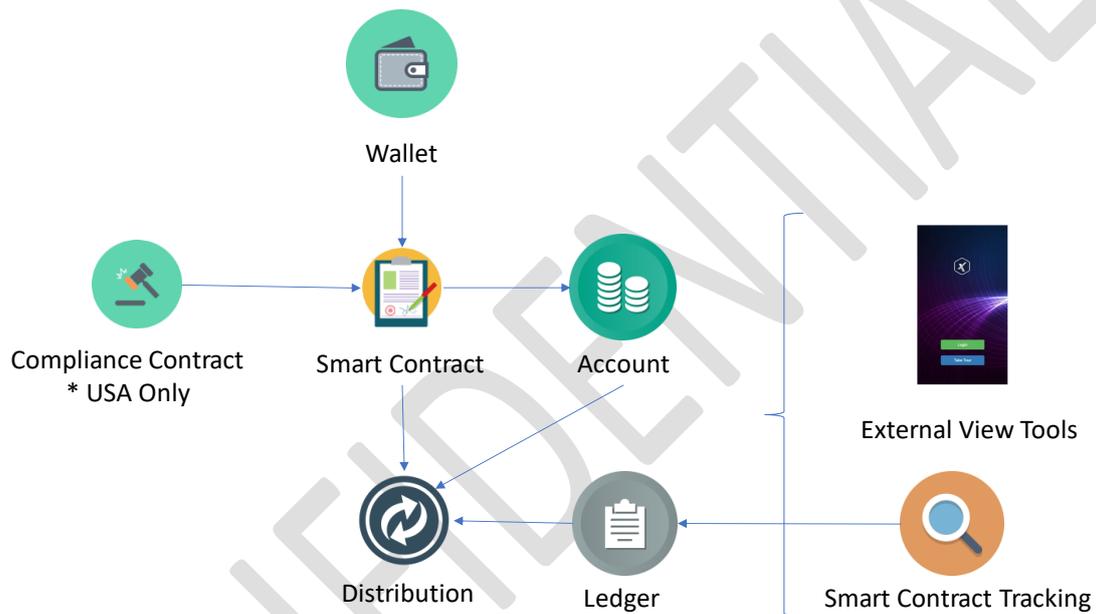
[7] http://www.investopedia.com/articles/03/082703.asp

future receivables over a year work out to be 14% the value is at $114 over 1 year.

4. Regulatory: All entities are registered and legal entities and compliant. Please refer to the web site about the organisation entities and the setup[8].

3 BlockFundx Architecture

Wallet

Compliance Contract
* USA Only

Smart Contract

Account

External View Tools

Distribution

Ledger

Smart Contract Tracking

3.1 System Architecture

The smart contracts allow for the investments to come in as a structured format.

There is 3 core areas which are used,

Compliance Contracts[9]: **USA Only**, the compliance contracts ensures that the appropriate documents are submitted priority to the processing of the smart contract.

Funds Smart Contract: The smart contract contains the type of funds receivable the terms, risk, specific details and a signature.

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[8] As crypto currency and legalities are changing our legal time is advising us on the best structure. Please check the web site for regular updates
[9] For US citizens to use fundx, ref website on roadmap and compliance

These smart contracts can be used to place tokens and executed once in place.

Ledger: The ledger is sitting on the block chain, the value of the ledger is providing a history and the performance associated to a smart contract. As well as calculating the value of the contract when the terms are completed.

This ledger is created from a secured site through an oracle[10] (oraclize) the our site is providing a consolidated view which is derived through a collective value of the future receivables.

To ensure true and accurate information, oraclize will ensure the information is coming from the original site. The information processed is a consolidated view of funds received. Although the specifics of the funds are confidential to the third party. The transactions of the consolidated funds and the responsibility of the collection agency[11]. Whom provide a corresponding digital signature of transaction for the verification of true and accurate information that corresponds to the ledger.

Providing this transparency ensures that the value of the funds receivables is true and reflected as accurate.

Distribution: The distribution is the process of evaluating the relative smart contracts and their expiry and reimbursing the funds to the originator on the smart contract.

Advance Contract:

Position Contracts: This type of contract is where you wish to preserver the token volume of the investment over the currency volume of the investment. Which would require a counterpart to hold the difference for the during of the contracts for a fee banking on the movement of the token value

3.1.1 Smart Contract Structure

The structure of the smart contract would consist of, but not limited to the following structure:

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[10] www.oraclize.it

[11] https://www.veem.com/ proposed collection agency with digital signature

Token Volume: The number of tokens in which to fund into the smart contract

Country Code: The code and contract in which you will be your relative financial base. This is only required for USA residence.

Compliance Reference: The compliance requirement is only for USA

Terms: The Length of the smart contract term. 3 month, 6 month, 9 month,12 month, 2 years.

Return Option: The return of the tokens can either be in the originating token, either *(check spelling) and potentially other methods of returns.

Hold Token: The variable of hold tokens is that when the token is to be represented in the value of the smart contract (for example USD) or alternatively held as a token value.

Hold Token Value Fee: The percentage of commission you willing to pay to hold the token value.

The hold token value would require another contract to take the volatility of value changes at the fee stated.

During the contracts period, the monitoring of the value of the ROI will be monitored and evaluated through the distributed ledger and viewable by the Backoffice system.

### 3.1.2 Smart Contract Expiration

On the expiration of the smart contract, the contract will payout based on the determined payout method selected. Either to a wallet or accordingly.

The calculations performed on the standing value will be the value of the tokens based on the return of the future investments.

To determined the final value the system it will look up the ledger book for the final clearing of the value. Once the value is determined and verified, an amount owed on that contract will be set in the ledger and the amount owed with be distributed back to the originator.

This will be the currency or commodity value of the smart contract, the principal value with the additional of the future return value calculated for the asset.

4 System Workflow
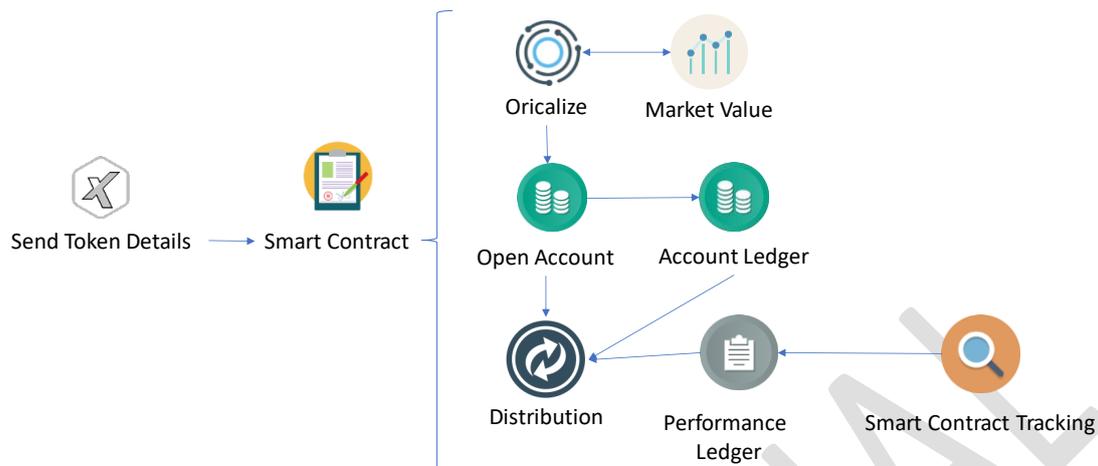
4.1 Smart Contract WorkFlow

The workflow of the smart contract will provide a series of stages in which it will go throw till the completion of the execution.

The first is the initialisation of the workflow. This involved passing of token and the details of terms in which you want to enter into. See the above details for the specifics of entering into the terms.

Evaluation Stage: When the contact starts off, the token value is sent to the market place. Using the oracle it will return the true buy/sell rate of the token to the fiat currency. This is the value that will be used as the contribution.

Given the terms provided and the value, the account ledger will create a record which will calculate and record the market value at the point it was initialised, as well as the terms provided.

In the contract length of contract and other attributes are available, the value of your contribution will be calculated on these factors. All calculations are provided in the smart contract, hence full transparency of the value will be provided.

Contract Details: The exact contract details will be stored, this will contain a few details such as the terms of the contract, the calculations to perform the ROI calculations, the day of clearing of the contract and any other agreements associated with the specific contract.

During the holding period of the contract, a performance ledger will be updated with the current performance of the smart contract. This can be used to evaluate the effective amount of future receivables for the smart contract. This performance ledger will ensure that you can calculated and track the performance at any time. The Ledger is sitting on the blockchain, which enforces a true and accurate representation.

The contract expire process goes through a series of stages, first on the expire of the contract. The calculated funds value of the contract value. This will work by using the fiat amount when the contract was initially open, and the processed based on the contribution of the fiat amount against the syndicate of the fund and the amount recorded in the performance ledger.

Once completed, a closed recording of terms will be recorded with the calculation and clearing.

Using the oracle again, the value of the clearing will be performed and returned with the accumulated associated value. To the originator of the workflow.

4.2 Hold Position Workflow

In this workflow, the difference is when a contract is placed, it is not actually open until a counter part is willing to hedge against the currency transaction.

This means the principal is tokens will be purchased in the currency or value that is being presented in the contract, as well as an associated fee for the contract.

The hold position workflow follows a similar process to above, but instead of the principal being returned relative to the currency of the investment. The principal is returned in tokens according to the original investment of the contract, and to the counterpart will be returned tokens to the value relative to the currency of the contract.

5 External Tools

The development of the external tools, are to provide users the ability to assist end users understand the smart contracts, monitor the performance and the calculations associated with the tool.

5.1 Sample Screens
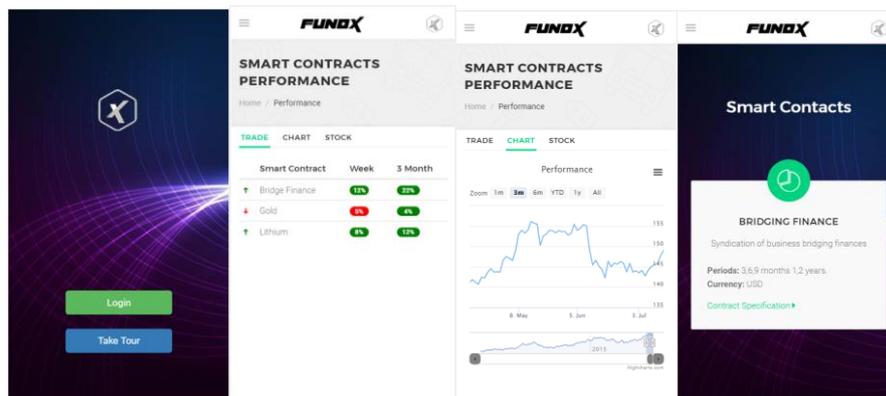
In the sample screen shots and application there is a variety of tools.

Smart Contract Viewer: The smart contract viewer is design to assist in viewing and understanding what is going into the smart contract in terms of what it will be used for, what are the variables, how the variables effect the smart contract, how the interaction works.

Performance View: The performance works in two way. It can be set up to view any performance of any smart contract. The information and the ledgers are sitting on the block chain are visible to all.

Tracking: Given the performance view, you would be able to track any open account on the ledger. This would allow you to enter and exam how specific open accounts are performing, as well as the term of completion of the contracts.

6 Roadmap

6.1 Phase 1

Creating the investment environment exist, but an implementation of the system via a portal initially allowing for individuals to use other digital currencies to invest.

The system will be developed in solidity as a proof of concept using current systems in place.

Allowing for early stage of crypto currency users to invest their crypto currency at an early stage, and to prove the workflow.

The accounting would be duplicate accounting to ensure the currency behaviour of any smart contract and ensure it is correct

6.2 Phase 2

The legality stage is to protecting our customers will be the priority. All the technical working and agreements will exist on the web site, and also accessible on the website.

Specialised documents will be available for individuals who are in the USA. To ensure the correct processing.

6.3 Phase 3

The tokens will be deployed, as well as the smart contracts. This will be limited to the smart contracts, without the hold position available.

The tokens will be available in stages, providing enough liquidity in the market and value to ensure a return on the investment

Designed to ensure that the tokens value is stabilised in the markets for logical investments.

6.4 Phase 4

Holding Contracts will be deployed, allows for a fix fee style of investment. And the ability to view and purchase this contract will become available.

7 Disclaimer

The following above white paper is a working version of the technical and business solution. The sole intention is to provide educational understanding of the blockfundx system and associated parties. For Legal terminology and definitions, please refer to our web site and our associated documents. In no way is this whitepaper intended to represent any legally binding documentation.