



LIGHT PAPER

RELEVANCE OF SOLVING PROBLEM

Introduction

Digital money has penetrated into everyday life: We can provide any operation, from payment for utility services to currency contract. However, the growth of the popularity of payment services did not allow ensuring the security of e- payment as required.

PROBLEM

We cannot always make instant operations with own money. However, the cost of e-operation is often incomparable to its utility. As a result, there is a need for universal systems with instant payments and low cost.

In response to this problem the new type of digital money was created - crypto currencies which technological basis is blockchain. It provides reliability and consistency of the data, that significant means are spent in fiat system. Decentralized mechanism of cryptocurrency excludes the necessity of presence of intermediary controlling the payment data in the transaction that pulls down its cost

PROBLEM

At the moment, there are not enough tools for the operation of the cryptocurrency sector similarly to traditional fiat monetary system. To understand the problem it is enough to say that there is NO BANK working with cryptocurrency. Zodiaq project bank, which has SWIFT bank identification code, obtained the license to work with crypto currencies in 2017.

An important event of the last decade in the financial sector was adoption of the European directive PSD2 which obliges providers of financial services to provide free of charge access to any authorized side to its settlement accounts.

New functions of the services giving to clients an opportunity of remote payment, will be initiation of payments on the instructions of clients,

This implies substantial decrease of payment systems relevancy like Visa and MasterCard (for example, such large players as Amazon will be able to make direct payments for purchases without their participation).

In this regard, even now, at the stage of financial sector modernization, EU directive puts in legal terrain new categories of financial intermediaries: Payment initiation services (Payment Initiation Services Provider – PISP) and Account information service (Account Information Service Providers – AISP). Payment initiation services (PISP) certify and transfer orders about money transfer on behalf of the client. Account information services (AISP) receive information about the accounts, tools and services of the consumer on his behalf in different banks.

Directive provides for the possibility of performing these functions by non-bank market participants.

PROBLEMS

- Banks hardly quickly adjust to new rules and calmly give the key role of remote banking service.
- Obstacles of technical character. Integration, like any service automatization, - long, time-consuming and costly process

Solution of these problems Zodiaq covered in realization of the project.

ZODIAQ PLANS TO REALIZE OWN FLEXIBLE PLATFORM ON BASIS OF THE OPEN API AND DEBUG THE SOLUTION IN THE CONTEXT OF COMPATIBILITY WITH HOUSE BANK

Zodiaq currently has its house bank, having a license for account opening and providing any operations (account management, performing transactions) both in crypto and in fiat currencies, as well as its own cryptocurrency exchange.

Zodiaq is planning to realize own flexible platform on basis of open API and to debug the solution in the context of compatibility with its house bank. Purpose of this process - to provide a ready-made solution to other banking sector players, the implementation of which will require minimal resources, allows fin-tech companies to become an independent link in the daily transactions of Zodiaq's customers to create their own infrastructure solutions without the need for development from scratch.

The use of blockchain technology at the heart of the system will increase credibility to service. This technology functions without the centralized management, therefore, is not subjected to influence on cost and terms of transactions.

Zodiaq strategic aim is formation of new financial infrastructure, which will replace classical banks as a managing service for implementation of transactions between contraparties.

Due to the widely developed infrastructure of relationships with a large number of financial services and the formation of its own foreign exchange reserves, post-trade processing consumer services will be launched within core business units of Zodiaq system. This mechanism will allow instant cashless transfers in the local currency ZOD for counter obligations between users and companies for sold and delivered goods, financial instruments and services performed, based on clearings within the ecosystem contour.

ZODIAQ system's structure of income.

Zodiaq project as any infrastructure project has a commission structure of income.

- Transaction banking
- Processing of payments;
- cryptocurrency acquiring;
- Card programs;
- Currency exchange;
- Arbitration;
- Brokerage service;
- Liquidity lease.

Within the last year the ZODIAQ team has been actively developing a financial platform that can combine traditional financial operations and operations with crypto currencies. Development of basic functionality is at a closing stage. ZODIAQ ecosystem consists of the following components:

01

Cryptofiat bank

Launch in 2018
License is received

This is perhaps one of the first crypto banks in the world with a real banking license on the right of conducting transactions with cryptocurrencies, namely:

- Open accounts in any cryptocurrency.
- Take deposits in any cryptocurrency.
- Provide loans in cryptocurrency. Company name: Crypto Bank Limited
License number: L15624/CBL, company number: 15624
FATCA: TVFQ2C, GIIN: TVFQ2C.99999.SL.174, SWIFT/BIC: CRYTKMK1

02

Financial institution

About 100% complete

The working financial institution based on the Swedish trust fund, finance company. Swedish financial institution has all the necessary attributes of the European financial company that allows opening accounts for entities and persons, making money transfers for and on behalf of the third persons, customers.

Authorized capital is above 4.5 million EUR

- SWIFT/BIC: NOHRSES1XXX.
 - Global Intermediate Identification Number
Of intermediary — GIIN (Global Intermediate Identification Number), RDZHJZ.99999.SL.752
 - FATCA: RDZHJZ, AML / CTF directed against money laundering and terrorist funding
 - Settlement account in Wells Fargo bank
- To date, the structure is ready for transactional operations.

03

Cryptocurrency exchange

Launch in Q3 2018

Stock exchange trading system is developed. Works in test mode. Preliminary launch date is Q2 2018. About 80% complete.

04

Hedge fund

Launch in Q3 2018

The interface of filling of currency reserves is developed, the passive control algorithm for managing the fund's portfolio according to Buy and Hold strategy is implemented. Big Data in complete volume is brought together, infrastructure on collecting and the analysis of price and fundamental data is created.

05

Payment operator / aggregator

The planned launch - 2020

Launching own payment operator / aggregator in accordance with the European directive PSD2 for providing customers with the opportunity to operate funds on their bank accounts in any bank. The beginning of development - the beginning of 2019.

ISSUE PARAMETERS

The emitted quantity of tokens 300 000 000 pcs
Initial cost of token 1 ZOD = \$0,1
Token Standard: ERC20
Hard cap 104.719 million dollars.
Soft cap 1.5 million dollars.
Unshared tokens are destroyed by a smart contract.

Zodiaq project is based on four fundamental objects, each of which is a separate stage with a certain sales value.
The following rounds realizations with following parameters are expected:

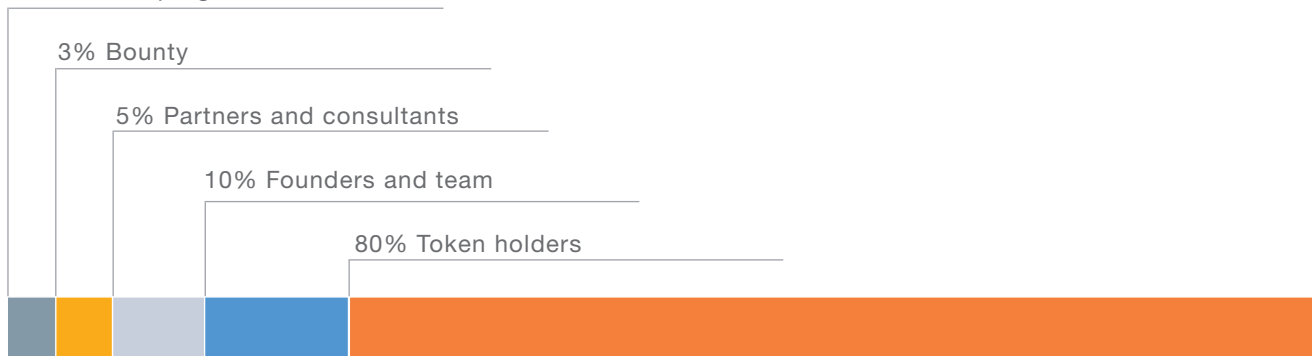
Round	Cost of token, USD	Date held	Hard cap
I Pre-ICO	0,1 USD	21.05.18 - 10.06.18	5 743 000 USD
II Bank	0,2 USD	08.07.18 - 07.08.18	24 535 000 USD
III Exchange	0,75 USD	04.11.2018 - 03.12.2018	23 901 000 USD
IV Payment System	1,5 USD	03.02.2019 - 02.03.2019	14 540 000 USD
V Hedge Fund	2,0 USD	02.06.2019 - 01.07.2019	36 000 000 USD

After fund rising at every step ZODIAQ begins to implement the corresponding structure unit. The cost of token increases with each new round, and the share of investment risks decrease, while the value of token grows due to the development of infrastructure and the launch of services.

In the event if all tokens intended for implementation within the current round will be sold in advance, the project reserves the right to perform sale of tokens of the subsequent rounds with preserving multiplying co-efficient of the cost.
Thus, the number of actually conducted rounds can be reduced up to one.

Distribution of the emitted tokens

2% Referral program



The funds raised during the Pre-ICO will be expressed as a percentage as follows:

Distribution of funds collected on Pre-ICO

- 50% Marketing
- 20% Development
- 10% Security
- 10% Legal support
- 5% Infrastructure
- 5% Operating expenses

Disposition of funds collected for ICO

- 30% Development
- 30% Infrastructure
- 20% Marketing
- 10% Security
- 7% Operating expenses
- 3% Legal support

If according to the fact of the and ICO, at declared hard drive of \$ 104.719 million, all or most tokens are sold, and the remained tokens are not enough for a covering of all pools, in this case, the contract provides a function that can only be worked off at the conclusion of the ICO and to provide missing tokens. After that, the additional issue of tokens becomes unavailable at all.

Tokens putting on hold

For certain groups of ZOD tokens holders there are time limits for the secondary implementation. These usage time limits are forced into application in order to serve interests of project participants, are specified in the code of the smart contract and are not subject to change.

- buyers - tokens sold on Pre-sale and Pre-ICO (I round) are blocked until the end of the II round, in turn, the tokens of the II round are blocked until the end of the III round, etc.;
- founders and team - 24 months;
- partners and consultants - 6 months;
- bounty - 1 month.

Legal status of the token

ZOD token is not a digital currency, a security or any other type of financial instrument. ZOD does not give any other rights in any form, including but not limited, any property, including but not limited, profit, redemption, liquidation, property, including all forms of intellectual property or other financial or legal rights, different from those described in White paper.

Limitations

Limitations on buying of ZOD tokens apply to citizens of the following countries: USA, Switzerland, Singapore, and Canada. Policy KYC, requiring passing necessary personal identification is applied on all others jurisdictions. In case of identification of violations of these limitations by residents of the listed jurisdictions, the invested funds are subject to obligatory return.

Use of a token

Token is designed without any signs of securities and is involved in the system of rewarding user activity. Token is provided with project services and facilities, acts as universal acts as universal tool of settlement for conducting operations on Zodiaq platform.

The section «Distribution of bonuses» is devoted to use of a token as encouragement of user activity.

Cost of Transactions

All token transactions of the ERC20 standard are accompanied by an Ethereum network commission and depend on network utilization. This factor does not depend on the activities of the project and requires consideration of possible connected risks. Ethereum platform will eventually be replaced with a self-developed blockchain, which will take all transaction costs,, as well as possible risks of using third-party systems.

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Also at the end of the ICO, 25% of volumes of the sold tokens as a reserve fund one-time in addition are produced. Reserve fund tokens may be needed for possible additional funding it the future, or for commission fee payment or for compensation of the lost tokens during the ICO Company.

Token value for holders

- Settlement payments within certain Zodiaq services;
- Participation in loyalty programs and getting icing on the cake;
- Reduced commissions up to first cost.

Bonus Distribution

Each tokenholder takes part in the distribution of bonus tokens.

The distribution of bonuses among the tokenholders has several determining factors:

- balance of tokens;
- date of tokens possession;
- privilege of the tokenholder;
- The commission payments paid by tokenholder to the project.

Between all groups the quantity of bonuses, equivalent 20% of a gross margin (gross profit margin) is distributed. The gross margin in accordance with international financial reporting standards is calculated as the gross proceeds (volume of the purchased currency) minus first cost (the volume of the sold currency + Stock exchange fee for exchange transactions).

Balance of tokens is actual token quantity on tokenholder account.

Date of token possession is the number of clear days during which the tokens were on the balance sheet of the tokenholder.

Privilege of the tokenholder

Group	Average monthly balance of tokens	Group share in bonus
A	≤ 1	5%
B	$1 < \leq 1000$	10%
C	$1000 < \leq 100\ 000$	35%
D	$> 100\ 000$	50%

Payment of fees, paid by a tokenholder to the project

Essential factor for monthly charging of bonuses is not only the average monthly balance of tokens, but also the use of the services of the system. Monthly, the system operator calculates the amount of payment fees, made by users of each group.

For performing charge of bonus tokens and their payment the user's personal contribution to the result of his group is taken into account. Bonus tokens are distributed in proportion to the personal contribution of the user.

Calculation formula of bonus tokens: $X = Z/Y$, where X - the amount of bonus tokens to charge, Z - the amount of the commissions paid by a tokenholder for use of the services Zodiaq, Y - the amount of the commissions paid by group of a tokenholder for use of the Zodiaq services.

Risks

It should be taken into account that the use of the ERC20 standard token implies the dependence on the load on the Ethereum blockchain network and the associated possible increases in the cost and time of transactions.

In case of lacking sales amount of own company services there will be a situation at which Zodiaq will be forced to purchase tokens at the exchange to make payments to users. It is necessary to foresee the consequences of such influence on token stock exchange quotation.

The market is saturated with projects that offer to register a bank, or an exchange after the ICO.

ZODIAQ differs from similar projects in that there are already implemented banks, the exchange and a hedge fund.

They are running and working in test mode.

We deployed an automated banking engine with a built-in transaction accounting module in cryptocurrencies, got banking license, with the right to carry out transactions with cryptocurrencies, became participants in the international Swift system, received Fatca, Giin and other attributes of a full-fledged bank.

We developed an interface for the automated management of the Hedge Fund. We developed the centralized exchange trade system.

<http://sso.zodiaqbank.com>

Log in to the test version of the personal account of the bank user. It has already implemented opportunity to register and perform the following common action:

- Open accounts in fiat currencies: USD and EUR.
- Wallets creation: BTC and ETH.
- Transfer in fiat currencies between the users (P2P).
- Transfer in cryptocurrencies between the users (P2P).
- Crypto-fiat p2p exchange between users.
- Purchase and sale of cryptocurrency for the user.
- Input and output of fiat currencies.
- Input and output of cryptocurrency.

It is important to realize that given functionality is currently a demo version of the system and cannot be used as a working tool.

User works in the bank personal account. Its interface is presented below.

<http://cabinet.zodiaq.io>

There is a personal account of the user at this address. After registering, you can purchase tokens, leave an application to buy tokens at an earlier stage at a discount, to watch news of system and new releases

<http://exchange.zodiaq.io>

The site of the ZODIAQ Cryptocurrency Exchange (ZODEX). The functionality of trade system is tested.

WHAT FOR IS ICO IS CARRIED OUT?

ICO is carried out for the purpose of adaptation already functioning system, putting it into operation.

After ICO carrying out we should solve the following problems:

- Infrastructure development, that includes the opening of correspondent accounts, many know that for maintenance of minimum required balance some banks ask to keep up to \$ 1 million
- Company registration, preparation of necessary allowing documents, approval documents with regulator, passing attestations and certification, obtaining missing licenses.
- Software development
- Team building for the solution of the tasks facing the Zodiaq project: developers, lawyers, accountants, marketers, pr-specialists. Qualified staff with experience in similar projects is required for us
- Opening of offices
- It will be required to attract a large number of clients for short periods for point of return quickly reach. It requires an intensive marketing company.

Development plan

Q3/4 2018

In the second half of 2018, we plan to launch the following cases:

- Opening of settlement accounts of multiple cryptocurrency accounts, allowing to keep on a single account cryptocurrency assets and traditional currencies.
- Traditional banking services in combination with crypto-currency banking operations; (a banking license has already been received, contracts with partner banks are at the conclusion stage).
- Purchase and sale of all types of cryptocurrencies quoted on our exchange and partner exchanges and many others).
- Cross-currency and multicurrency operations.
- Placement of cryptocurrency on deposits.

2019 +

Until the end of 2018, we plan to implement the following solutions:

- Cards supporting operations in cryptocurrencies.
- Service of cryptocurrency acquiring, NFC payments and POS terminal.
- Cryptocurrency exchange
- Mobile cryptofiat bank, Including server and client part for Android, iOS platforms.
- Context for development of computer assisted trading systems.
- Hedge fund for management of cryptocurrency assets.
- Payment Company and money transfer system.
- Gadget. Wallet for cold storage of digital assets..
- Opening offices for PSD2 system in European jurisdictions.

In 2017, more than 50% of all ICO projects that collected more than \$50 million, accounted for the share of projects in the field of fin-tech

CONTACTS

Due to the continuous development of the project, ZODIAQ reserves the right to supplement and modify this document, as it will try to inform in a timely manner. This document serves for information purposes and is not a public offer.

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