



HBIT

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1. Executive Summary

Imagine having a wallet in your pocket where all your assets live. Whether it is fiat, cryptocurrencies or even gold. Imagine being able to transfer funds across borders, instantly and at almost no cost.

Now imagine you're a bank or financial service provider looking for ways you can participate in the fast-evolving world of crypto-based technology. Imagine accessing a new customer base and opening up new revenue streams.

You've just envisioned HBT, as we have.

We noticed a tug-of-war between the traditional financial systems and the fast-evolving blockchain technology. We wondered why that has to be the case and why both these systems could not leverage the strengths of the other.

So, we started looking for ways to bridge this gap and find a solution that would benefit everyone involved – banks, exchanges, financial service providers and individuals. And that was the genesis of HBT, a global network that connects banks, cryptocurrency exchanges and other regulated financial institutions to provide users with a One Stop Service for all their asset-management needs.

Our solution has two critical parts – A Multi-Asset Wallet and the HBT Platform.

HBT's multi-asset wallet will be powerful and flexible enough to allow users to manage all their assets from a single mobile or desktop application. The wallet would have different pockets for fiat, cryptocurrency and commodities (like gold) as well as one to facilitate card payments online. This would be a Personal Financial Passport that is recognized, respected and valued by all the entities connected to the HBT network.

The HBT platform would support a global network of banks, exchanges and other financial institutions, bridging the gap between legacy mechanisms and blockchain technology as well as between traditional markets and crypto markets. The platform would enable individuals to interact with banks and financial service providers and conduct transactions in a fast and easy way.

While facilitating fast and seamless financial transactions worldwide, HBT will ensure full customer authentication and complete compliance with all the legal aspects of each targeted region.

HBT will have a global platform that securely connects all our partners through new standard APIs. This would create a 100% trusted place for customers to manage all their personal wealth and assets, backed by a robust platform that integrates multiple accounts, facilitates monetary transactions within seconds and ensures completely hassle-free compliance across multiple geographies.

2. Abstract

Money is a facilitator. It makes things happen. Yet, regulations enforced by many countries and organizations necessitate a lot of documentation and bureaucratic form-filling, making many monetary-related activities cumbersome, time-consuming and expensive. To add to the misery and frustration, the existing systems are disjointed, and one needs to manage multiple accounts for different assets, regions and financial service providers. You may have a bank account for receiving your salary, an e-wallet for storing cryptocurrency, an account with an online payments processor (like PayPal), an account to transfer money to your loved ones and an online trading account for commodity trading. Managing multiple accounts, and ensuring the KYC requirements for each are fulfilled and all documentation is up-to-date is a harrowing task, with the transfer of funds from one account to the other being both expensive and inefficient.

What if there was a way to connect all these accounts, across different jurisdictions, so that you could manage different activities from one common user interface? What if funds could flow smoothly and swiftly, while still ensuring compliance? Sounds too fantastic to be true? We've envisioned a way to translate this into reality, and we call it HBT.

HBT is developing a Multi-Asset Wallet, which is powerful and flexible enough to allow you to control and manage your assets from a single app and serve as your Personal Financial Passport. HBT creates a network that connects people, banks and financial services both traditional and new.

"There is a crack in everything. That's how the light gets in." ~ Leonard Cohen

A KYC that costs north of \$50 and requires extensive documentation acts as a barrier, keeping many people outside the banking system. This overly cumbersome process is imposed for preventing money laundering, but in fact, it demonstrates the inefficiency of the legacy banking system, burdened by rapidly changing client and market requirements.

Why should an international fiat transfer take days, require so many documents and cost as much as it currently does? The traditional banking system has been vulnerable to evolving technology and customer needs for years. It's just a matter of time before it is disrupted and replaced by a lean process that is customer centric and highly efficient.

Cryptocurrency alternatives have already broken some of these barriers, offering transfers within seconds, with no KYC and no document requirements, based on transparent and safe technology. People jumped at this opportunity and propelled the demand for such alternatives, widening their horizon and increasing their value. As a result, we saw a \$200 billion global cryptocurrency market in practically no time.

The drawback of such alternatives is that they open a large window of opportunity for crime, money laundering and illegal transactions. Some governments are trying to regulate the cryptocurrency market, some are still analyzing the legal environment, and some have simply banned it. All these conflicting actions and uncertain approaches have resulted in a chaotic system that often restricts people's access to new and promising services and offerings, creating delays and requiring high fees and time-consuming

workarounds.

Change emerges from the conflict between the old and new, between conservative and revolutionary. HBT is the alternative designed to address all the above concerns and finally facilitate a comprehensive personal banking and wealth management service, enabling you to instantly and legally store, transfer and convert assets at reasonable costs.

HBT will offer a One-Stop Service that integrates multiple accounts, facilitates monetary transactions within seconds and ensures completely hassle-free compliance across multiple jurisdictions.

3. Financial Markets

Our everyday life is intertwined with digital technology. As technology continues to serve us, we've come to expect a high level of convenience, speed and efficiency from all service providers. This kind of customer service is something that most large financial institutions are failing to provide us with. The reason being that replacing legacy systems is a mammoth task, involving high costs, complexities and risks. It requires extensive collaboration and cooperation across multiple divisions, departments and branches spread across geographies.

Large banks and other financial service organizations have, therefore, been slow in keeping up with the latest technological innovations, which is fast leading them to become their own worst enemy.

HBT intends to ease the interaction between customers and financial service providers, enabling banks, exchanges and other financial service providers to enhance customer experience without disrupting their existing systems.

3.1 Takeaways from the Global Financial Crisis

Financial markets and economies worldwide are still struggling in the aftermath of the global financial crisis of 2008. The crisis highlighted the inherent instability of the financial system, which not only impacted legacy banks, investment banks and insurance companies, but also caused widespread loss of jobs, income and property.

The crisis also highlighted extreme inertia among traditional financial institutions, which are often too large and complex to be proactive or even respond promptly to changes in the external environment.

While the crisis showed us the necessity of enhancing the robustness of the financial system, the crisis made governments and policymakers nervous and regress towards the earlier regime of rigid controls on the activities of financial institutions and restrictions on capital movements. Government agencies responded by tightening market monitoring, hardening regulatory requirements (like European regulators introducing Basel III regulations for banks) and increasing enforcement. The impact of these actions is stifling for parties involved, with a surge in compliance costs and delays in completing transactions. These roadblocks in capital movement affect business growth and cause inconveniences, while also increasing costs. What's more, these high costs to businesses and the community are not correlated to any benefits. Though well meaning, this approach attempts to control the symptoms, rather than addressing the cause of the problem.

Focus should be on innovation. Technological advancements in the past have expanded the range of choices available to people, from trading and investment to insurance and retirement planning.

By lowering barriers to capital movement and making compliance more efficient, HBT can help the existing financial systems become more efficient and agile.

3.2 Compliance with Anti-Money Laundering Regulations

The top priority of financial regulators is to deter money laundering and financing of criminal activity and terrorism.

Financial institutions spend huge and ever-increasing resources every year to prevent fraud and ensure anti-money laundering (AML) compliance. Accenture estimates costs associated with risk management and AML compliance for financial institutions have risen more than 50% between 2013 and 2016. Moreover, 89% of financial services industry executives globally expect continued cost increases in their compliance departments over 2017 and 2018.

These costs are related to inefficient compliance systems and increasing complexity of the risk ecosystem. Firms with less than \$1 billion in assets average around \$850,000 in AML operational costs annually. Mid-tier firms average around \$7.5 million, while larger firms with more than \$100 billion in assets spend an average of \$15.8 million on AML compliance every year.

A report by Research and Markets estimates global spending on AML processes to grow to over \$8 billion by the end of 2017. These costs are transferred to consumers and businesses that use the services of the financial institutions.

The threat of fines and sanctions related to non-compliance continuously looms over institutions. They are forced to spend on compliance, which hinders their potential growth. The need to invest in compliance takes away funds that would have otherwise been invested in growth and development of other areas. According to a survey conducted by the American Bankers Association, over 46% of respondents said they were forced to reduce their product offerings, including loan and deposit accounts, due to regulatory compliance burdens. The survey also found that customer service had suffered because of higher compliance costs.

Financial institutions are preoccupied with finding a balance between ensuring compliance and trying to curtail costs, with customer experience taking a backseat. They need to adopt innovative technology to simultaneously optimize their efficiency and cost-effectiveness.

By integrating banks, cryptocurrency exchanges, commodity traders and vaults from each targeted jurisdiction, HBT will create a global network for these institutions. The APIs used to connect these entities will cover the entire customer life cycle, from opening a HBT account and creating different asset pockets to transacting with the other HBT members. HBT is a One Stop Service, a secured and independent place for customers to manage all their personal wealth and assets. The processes will ensure full customer authentication and full compliance to the respective jurisdiction(s).

Financial services providers will be able to gain access to high-quality financial data, and can offer customers highly tailored solutions. The accuracy of customer's profiles will dramatically reduce the risk of default. Customers can benefit from competitive rates and a host of services at a highly reasonable cost.

4. Future of Personal Banking and Wealth Management

Financial service providers have long since recognized the need to embrace technological advancements. The smaller players in the industry are making serious attempts to reinvent themselves to meet the changing needs of customers. This is essential not only for increased efficiency and cost-cutting, but also crucial for customer retention. Those that fail to adapt will, in the longer run, lose favor with increasingly demanding and discerning customers.

4.1 FinTech is Transforming Banking and Wealth Management

Finance has an important role in the economy - that of an enabler, rather than just a provider of financial products and services. However, innovation has always come from outside the financial industry and is typically driven by technology, retail and even social media. This has led to the emergence of a new breed of enterprises - FinTech - representing the marriage between finance and technology.

Mobile money services have increased financial inclusion among those who had been outside the banking system. This demographic is estimated to reach a payments volume of \$3 trillion. Bankers and wealth managers are beginning to use contextual data and artificial intelligence to offer personalized advisory services.

With a customer's permission, lenders can access historic transactional data to quickly determine a borrower's risk level, significantly shortening loan approval time. All financial institutions collect a large amount of data, but this is typically underutilized due to legacy systems. FinTech has enabled financial institutions to identify the most efficient ways to use data to the benefit of the customer.

FinTech has evolved into an industry with a defined ecosystem. And, this is transforming the banking and wealth management industries. Mainstream financial institutions are embracing FinTech, forging partnerships to increase operational efficiency and meet rising customer expectations.

These partnerships allow financial institutions to outsource R&D in new technologies and bring solutions to the market much more swiftly. Traditional financial services are leveraging FinTech by incorporating single pin-point solutions into their existing operations to enhance customer experience through the entire value chain.

As a result, emerging technologies and new business models have increased efficiency and reduced costs for customers.

Customers have benefited from 24/7 accessibility and real-time transfer of funds. Immediate payment systems and infrastructures are continuously being rolled out to meet their evolving needs. FinTech has also given the end-user control over their data and put them in the driver's seat for making decisions regarding what they wish to share for better services or enhanced products. Moreover, customers benefit from more personalized services than financial institutions can now provide, thanks to the ease and real-time accessibility of accurate data.

The influence of FinTech on banking and wealth management is significant and its prospects are even brighter. In Q2 of 2017, US FinTech companies raised almost \$2 billion in funding. European FinTech companies attracted ~\$500 million, while Asian firms raised \$2.7 billion during that quarter.

4.2 Increasing Adoption of Cryptocurrency and Blockchain Technology

Cryptocurrency and blockchain technology are revolutionizing the financial markets. Cryptocurrency market capitalization reached a record high of \$200 billion in November 2017.

Cryptocurrencies have gained popularity because of their decentralised nature. Transactions in cryptocurrencies do not require any third-party approvals or fees and are much faster and safer than using debit and credit cards for online payments. The fact that cryptocurrencies can't be counterfeited, and that crypto-based technology makes identity theft a thing of the past have also contributed to their growing popularity.

Sending and receiving payments in cryptocurrencies is secure, fast and cheap. This is the underlying reason for the exponential growth in the number of crypto-crypto and crypto-fiat transactions.

Reputed companies have started accepting cryptocurrency as payments for their goods and services. These include names like Overstock, Microsoft, Subway, Whole Foods and Intuit.

Large commercial organizations have started implementing blockchain and its adoption rate is expected to accelerate soon. The reason driving this uptrend is that blockchain has the potential to (a) make the client onboarding process cleaner and faster (b) streamline the management of portfolios (c) ensure clearing and settlement of trades take place within seconds and (d) ease compliance burdens associated with AML and KYC laws.

Backed by such milestones and bright prospects, the cryptocurrency market is attracting investor attention. ICOs have become increasingly popular, allowing individuals and professional investors to participate in this exciting journey. The total amount raised via ICOs in the first ten months of 2017 was a staggering \$3.26 billion.

5. How HBT Works

There are certain strengths in every financial system. Banks have a longstanding reputation. Blockchain technology has proved its mettle in facilitating currency transfers in a safe, swift and transparent way. Similarly, commodity exchanges and payments processing services have streamlined certain transactions.

Our aim is not to disrupt any existing institutions, nor do we wish to compete with them. Our objective is to combine and build on the strengths of each of these institutions, while breaking barriers to facilitate the smooth flow of funds. This is what led us to envision a multi-asset wallet that is in full compliance with the laws of every jurisdiction.

5.1 Creating a bridge between traditional & new financial systems

HBT brings together the best of the traditional banking system, new crypto and blockchain-based platforms, new and traditional commodity exchanges and online payment processing – all housed under one roof. The vision is to make personal money management completely hassle free, efficient and inexpensive. This vision aims to effectively integrate the multiple accounts that people maintain for different purposes, removing barriers for funds to flow across jurisdictions or between different financial institutions and making compliance easy and super-fast.

5.2 The HBT Network

Our aim is to create a network that connects as many banks, cryptocurrency exchanges and other regulated financial institutions as possible, across the globe in order to provide users with a One Stop Service for all their asset-management needs.

When HBT goes live, users will have unified management of all their wealth and assets with a single application and a personal financial passport that is recognized by all the financial institutions that have integrated with the HBT network.

5.3 Financial Passport

When setting up a HBT account, users will be asked to follow a KYC (Know Your Customer) procedure for Anti-Money Laundry (AML) purposes. Once this procedure is completed, users will have created their financial passport, which will be recognized across all the financial institutions and service providers that have integrated with the HBT network. Similar to a travelling passport recognized worldwide, the HBT Financial Passport will be valued, respected and trusted across all the entities connected to the HBT network. This is bound to save time and money for all of HBT network members – financial institutions and users.

5.4 Seamless, cheap and fast execution

No more time wasting. HBT will process any type of transaction within seconds, whether it's fiat to fiat, or fiat to crypto, or crypto to fiat, or any type of transaction. All transactions with HBT will be as easy as sending a text message.

No more unjustifiably large fees for transactions. HBT offers a non-tradable fixed-value cryptocurrency to backup any transaction and protect against volatility.

5.5 Global Compliance

No more hassles with compliance. HBT will use only licensed service providers in each targeted region.

We understand that the banking and financial regulations in each country will be unique. HBT is working with leading legal and accounting firms to map the regulatory regimes and is working closely with local banks and financial institutions to ensure full compliance in each of the targeted regions. We are also taking into consideration all the restrictions and incentives in each region.

This takes massive effort and resources initially, but will streamline compliance and smoothen the process for customers and our partner network of banks, exchanges and other financial service providers.

There are several renowned organizations that can help with our extensive study of each regulatory regime. Organizations, such as PwC and Deloitte, have highly qualified and experienced teams that offer regulatory compliance services to help overcome the challenges and to stay abreast of any changes in the regulatory requirements as well as industry standards and best practices. These organizations provide efficient and cost-effective solutions to manage compliance risk (associated with specific requirements, like AML and fair lending across jurisdictions).

HBT's platform will only integrate licensed financial service providers, and it would be in their best interest to help our team develop an efficient way to ensure full compliance.

5.6 Multi-Asset Wallet Functionality

5.6.1 Security

The pocket policy and the security policy make HBT a 100% trusted and secure place to manage all the customer's personal wealth and assets.

HBT will not hold any asset. In an event that a customer wishes to discontinue the use of their multi-asset wallet, customers' assets remain unchanged in their respective service providers' accounts or crypto-wallets.

5.6.2 Competitive Pricing

HBT will ensure a competitive exchange rate by offering real-time comparisons of exchange rates via trusted network partners. All the transaction/operation fees will also be highly competitive and HBT will periodically show the customer additional options for decreasing the service fees.

5.6.3 Asset Pockets

FIAT Pocket

The FIAT Pocket is designed to hold and manage the balances of all FIAT currencies. After the user sets up a HBT account, the chosen partner bank(s) automatically provide multi-currency IBAN(s). The user can

choose to establish one or multiple accounts at one partner bank or at multiple partner banks, licensed in the user's jurisdiction.

HBT will follow the latest risk-based KYC procedures relating the new HBT account. Any new bank account will be valid for deposits, but restricted for withdrawals or payments until the user complies with KYC procedures by submitting the required documents. If the user fails to submit the requested documents within a specified period or does not meet the KYC requirements, the HBT account will be suspended.

During the HBT account setup process, the user must select a primary currency that will be used as the main transaction unit for the multi-currency account.

HBT will enforce the entire KYC procedure in partnership with the partner bank's specific regulatory requirements, as well as ensuring compliance with relevant international anti-money laundering (AML) legislation. All required documents will be stored accordingly and shared with the HBT network of partners using state-of-the-art technology and real-time API.

The FIAT Pocket allows the user to:

- Receive money from an external account (held or not held by the user)
- Deposit money at any branch of a partner bank
- Transfer assets between pockets

— FIAT Pocket

↔ Card Pocket

— FIAT Pocket

↔ Cryptocurrency Pocket

— FIAT Pocket

↔ Gold Pocket

- Transfer money to an external account
- Exchange currency within the multi-currency account to/from sub-accounts

Card Pocket

The Card Pocket is designed to enable HBT customers to spend their assets in any store that accepts an international payment card.

Following KYC compliance, the partner card issuer will automatically issue the user a VISA/MASTERCARD/AMEX debit card. The card will be issued in the user's name and shipped by mail or courier to the registered address. After receiving the debit card, the user must activate the card using the Card Pocket.

The debit card will debit only this associated card pocket. For security reasons, the debit card shall NOT

debit any other pocket (a FIAT Pocket associated card cannot debit the Cryptocurrency Pocket, for example).

When using the debit card, the user will have access to Card Pocket funds only. The user can easily recharge the Card Pocket by instantly transferring assets from any other pocket.

The debit card might have default daily/monthly limits for security reasons. The user may change the limits from the HBT toolset.

Crypto Pocket

The Crypto Pocket is designed to support all available cryptocurrencies, as well as the KC token, designed to exclusively pay HBT fees. The HBT token functions as an in-app coin or token. Read more on the HBT tokens in the dedicated session below.

Once the user sets up a HBT account, a hierarchical deterministic crypto wallet will be generated and associated

with the Crypto Pocket for each cryptocurrency. All transactions made through the Crypto Pocket can be traced via the blockchain, and will be visible to anyone, as blockchain technology is built on trust and transparency.

The user can access the Crypto Pocket instantly, without any KYC protocol. The Crypto Pocket can be used to send and receive cryptocurrency from the Crypto Pocket to an external cryptocurrency address or wallet. All other transactions, including transfers between HBT Pockets, will be available only after KYC compliance.

HBT will focus on providing customers with the best ergonomic user experience, so that even early adopters who do not fit the classic profile of a cryptocurrency user can easily buy and transfer cryptocurrencies. All transactions using the Crypto Pocket will be performed in a highly secure environment that meets the highest standards and protocols of cyber system security.

Apart from enabling cryptocurrency transfers, HBT will monitor the fees and leverage its exchange network to offer its clients the best exchange rates on the market.

Gold Pocket

The Gold Pocket is designed to manage the user's gold commodity. After the initial launch of HBT, additional commodities will continue to be added.

All gold commodities will be physically backed-up by third-party regulated Vault Partners. The amount stored in the Gold Pocket is always at the user's disposal for trading or for physical withdrawals at the partner's specific storage location, if the user's jurisdiction law and regulations permit such transactions.

The entire gold commodity will be insured by the Vault Partners through a third-party, and stored in secured vaults according to international standards and safety regulations. The user may opt for secured and insured gold shipping to the registered address. In this situation, national legislation may apply, and specific taxes or fees may be charged.

5.7 Permission-Based Value-Added Services

Based on users' request and permission, as required by law, HBT will allow its users to share their financial data with their third-party service providers of choice, which in turn will enable HBT customers to receive a variety of financial services tailored to their financial history, needs and preferences.

Our planned services include:

- **Loans at Competitive Rates:** HBT will partner with leading third-party loan providers to offer its customers competitive terms for funding, financing and even micro-financing. HBT will enable its users to share a continuous stream of highly accurate financial information about their accounts so that they can get the best deal possible with little risk of defaulting.
- **Financial Advising:** Many financial service-providers are taking the initiative to offer customers AI-based "robo- advisors". HBT users will be able to connect to such partners, and share their financial information in order to select their best course of action.

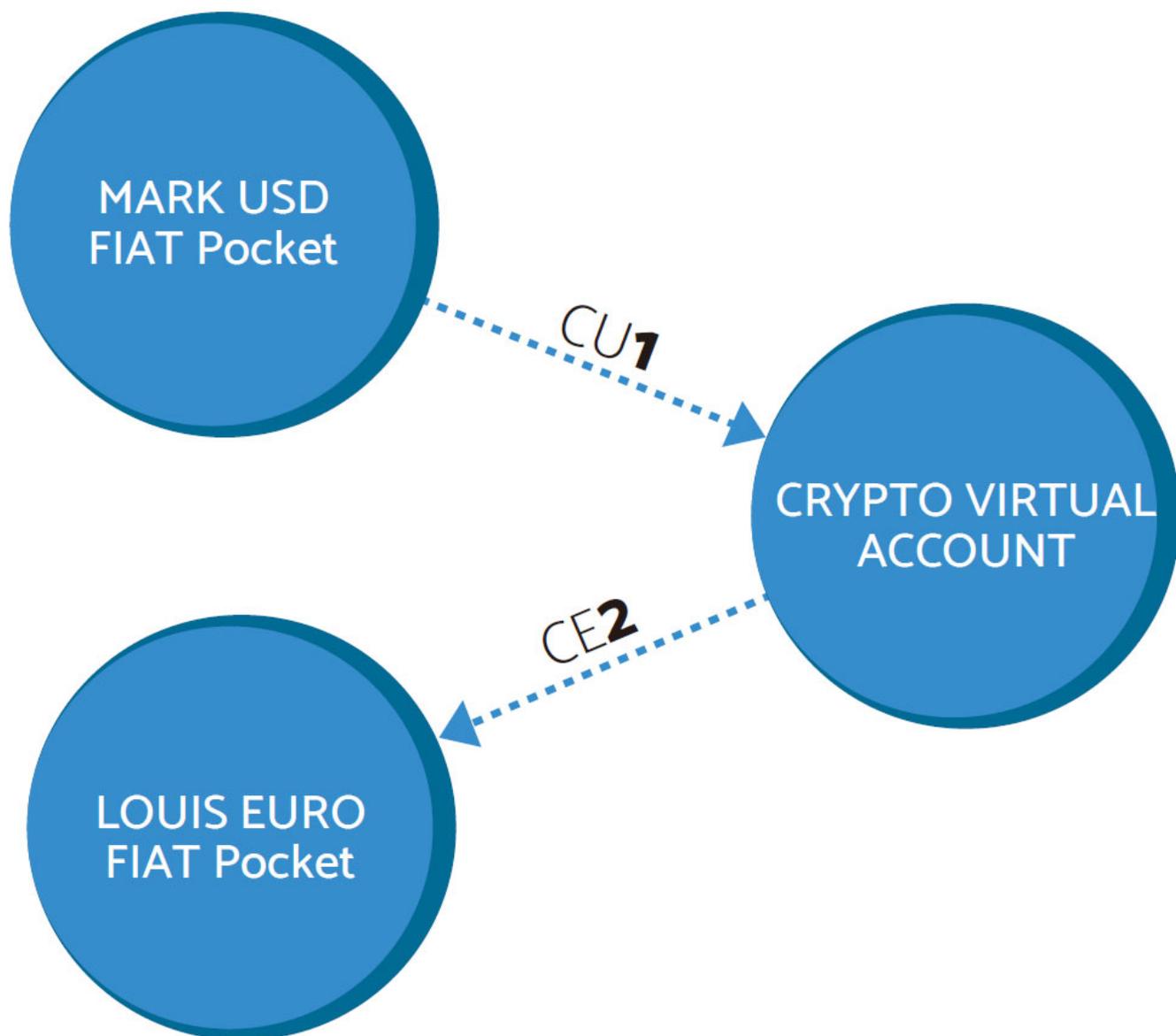
5.8 How It All Works – An Illustration

HBT will integrate Banks, Cryptocurrency Exchanges, Commodity Traders and Vaults from each targeted jurisdiction, as per the below chart.

Jurisdiction	USA	EU	Region 3	...	Region K
Banks	BU1, BU2,...,BUn	BE1, BE2,...,BE _n	BR31, BR32,...,BR3 _n	...	BRK1, BRK2,...,BRK _n
Cryptocurrency Exchanges	CU1, CU2,...,CUn	CE1, CE2,...,CE _n	CR31, CR32,...,CR3 _n	...	CRK1, CRK2,...,CRK _n
Commodity Traders	TU1, TU2,...,TUn	TE1, TE2,...,TE _n	TR31, TR32,...,TR3 _n	...	TRK1, TRK2,...,TRK _n
Vaults	VU1, VU2,...,VUn	VE1, VE2,...,VE _n	VR31, VR32,...,VR _n	...	VRK1, VRK2,...,VRK _n

Mark lives in USA and has a HBT account. He wishes to transfer \$100 to his friend, Louis, who lives in France. Louis also has a HBT account and wants to receive the funds in euro. Mark sends \$100 from his US dollar-based fiat Pocket to Louis' euro-based fiat Pocket. HBT processes this transaction within seconds through the below described mechanism.

HBT will execute the transaction by asking EXCHANGE CUI, licensed in USA, to convert the requested amount of USD into a fixed-value crypto (e.g. Bitcoin) and transfer it to the unique crypto virtual account assigned to the operation. When the unique crypto virtual account is credited by EXCHANGE CUI, EXCHANGE CE2 will be asked to exchange the amount credited into euros for the beneficiary's euro-based fiat Pocket.



The processing time for the transfer between Mark's fiat Pocket and Exchange CUI is a few seconds, as Exchange CUI has an account established at the bank BUI, which holds Mark's fiat currency. The processing time for creating the unique crypto virtual account and crediting it by Exchange CUI is only a few additional seconds.

The processing time for debiting the unique crypto virtual account and exchanging the crypto into euros by Exchange CE2 is a few more seconds. The processing time for the transfer between Exchange CE2 and Louis' fiat Pocket is also just a few seconds, as Exchange CE2 has an account established at the bank BE2, which holds Louis' fiat currency.

Following this process, any user can almost instantly move assets from one pocket to another, or from one user to another, whether it involves fiat-to-crypto or crypto-to-fiat within the pockets. Similarly, the transfer of crypto-to-fiat or fiat-to-crypto between users will also be nearly instantaneous. Moreover, all transactions would be in full compliance with the law of the relevant jurisdiction.

5.9 What HBT Means for Customers

HBT will help customers converge their fiat, cryptocurrency and commodity assets. This will provide a unified system through which users can manage all their wealth and assets without the risk of being locked into a single financial institution.

The multi-asset wallet will belong exclusively to the user. They would be able to move assets from their HBT to another user's HBT within a few seconds, and without the need for extensive documentation or high transaction costs.

Consumers across the globe will use HBT to manage their personal wealth, wherever their assets may be located. The main functionalities of the personal financial passport will include:

- Access to a vast variety of financial organizations around the world
- Competitive exchange rates and fees
- Competitive terms for funding, financing and even micro-financing
- Hassle-free KYC
- Easy personal financial management
- Full control of different asset pockets via direct transactions:

— Fiat Pockets composed of fiat currencies, stored in traditional banks, according to customer preference and regulatory

requirements

— Commodity (Gold) Pockets that protect personal wealth from macroeconomic risks via leading vault providers and enable

easy conversion from gold to any other asset in another pocket, and vice-versa

— Cryptocurrency Pockets that enable secure, personal storage of Bitcoin, Ethereum and other cryptocurrencies, as well as

secure and frictionless transactions

— Card Pockets for funding international debit cards from any one of the other pockets, real time

5.10 What HBT Means for Traditional Banks

HBT opens the door for legacy banks to access a large, currently inaccessible, client base by offering a bridge between fiat and cryptocurrencies.

Consider for example all the Turkish people living in Germany sending money to their families back home. Currently the transaction takes a lot of time and in many cases, it is not possible as they don't have a way to verify the recipient's ID. These are huge volumes that are currently out of reach for traditional banks.

Through its network of global banks, HBT can facilitate a faster KYC process meaning currencies can flow

from one jurisdiction to another with ease.

Cross-border payments contain a large number of challenges for banks. The reliance on corresponding relationships means high costs. Regulations and KYC can often cut out emerging markets and new privacy and security requirements see less agile banks losing market share.

HBT's single-network allows for real-time clearing and settlement across multiple asset types – digital, fiat and commodities like gold. The network creates a secure, efficient and low-cost payment solution that dissolves borders and challenges.

What this ultimately means is gaining access to new markets, assets and revenue streams with low-risk and value-added, competitive offerings, with regulatory compliance including AML.

5.11 What HBT Means for Exchanges

A global HBT network of exchanges will leverage their existing over-capacity. Exchanges would have easy access to customers from across the world and can establish a direct communication channel with any HBT customer. They can also offer customers highly personalized services to increase customer acquisition as well as retention at a very low cost.

Since HBT will enforce the entire KYC protocol in partnership with banks and ensure compliance with relevant international anti-money laundering legislation, exchanges would not have to undertake this costly process. HBT will store and share all required documents using state-of-the-art technology.

HBT makes transactions... Fast. Simple. Secured. Legal. Cost Effective. Transparent.

6. Legal Aspects

6.1 Regulatory Challenges with Crypto-Based Technology

Unlike fiat money, cryptocurrencies are not issued or monitored by a central authority of a country. Just because cryptocurrencies are not legal tender does not mean they are illegal. ³²Although efforts are being made to regulate crypto-based technology, it presents significant challenges to regulators.

Crypto-based technology is decentralised, enabling people to exchange assets without the involvement of any government or central bank. This technology operates beyond borders, without the need for any regulatory permission. Cryptocurrencies are not issued by any government and there is no central authority governing transactions in them. Naturally, this creates a problem for central regulators that have long controlled the size and growth rate of the money supply. By decentralizing the process, the economic system could be transformed in profound ways.

The challenges to regulation also stem from the fact that most government officials lack an understanding

of the cryptocurrency landscape, the prevailing skepticism surrounding its impact on traditional finance and the lack of a clear consensus on the regulation methodology of crypto-based technology.

Adding to the woes of regulators is the experimental nature of crypto-based technology. The possible uses and applications are still unfolding, and the complete extent of this technology's impact is yet unknown.

In light of these challenges, governments have arrived at completely different conclusions about how to control cryptocurrency. Japan has promoted adoption by recognizing cryptocurrency as a form of payment. China, on the other hand, has issued an all-out ban on cryptocurrency that even extends to ICOs. Other nations, such as Russia and Kazakhstan, have announced plans for a state-run cryptocurrency. As the regulatory landscape evolves, market participants can expect new paradigms to emerge in the blockchain and cryptocurrency space.

Despite these challenges, regulation is needed. Since crypto-based technology and cryptocurrencies are not limited to the jurisdiction of any region and people can use the network with complete anonymity, they create opportunities for criminal activities, including tax-evasion and money-laundering.

Such regulatory activities and changes are expected to influence any crypto-based asset, service and/or platform, including the HBT Token and its intended functionalities.

6.2 How HBT Solves This

HBT is based on achieving compliance in an efficient way and not on disrupting existing institutions or skirting the law. HBT offers a multi-asset wallet that is in full compliance with the laws of every targeted jurisdiction. It merely simplifies KYC protocols and makes adherence fast and hassle free. KYC approvals should not take more than 180 seconds.

The platform integrates only licensed service providers. This integration of banks, cryptocurrency exchanges, commodity traders and vaults from different regions ensures full compliance with the laws in all targeted jurisdictions.

When a person opens a HBT account, the latest risk-based KYC approaches are followed. All new accounts are restricted for withdrawals or payments, until the user complies with KYC protocols by submitting the required documents. Users who fail to submit the documents within a specified period of time or do not meet the KYC requirements, end up having their HBT account suspended.

Similarly, a person cannot transfer assets between different pockets, unless his KYC procedure is completed.

7. Integration with Banks, Exchanges & Other Financial Service Providers

Traditional banking institutes are contending with inherent challenges related to the delivery of their product and services. Their vast infrastructure is costly, and they constantly need new customers and new business to cover high expenses. While many banks still do business “the old way”, they are constantly on the lookout for innovative technologies and practices that will protect them from the emerging players who can potentially upend the market.

They actively seek guidance on openness and are looking to implement new regulations like PSD2 that will make banking platforms more open and facilitate inter-bank cooperation.

Neobanks are new banks with no physical branches, offering services on a 100% digital and mobile platform using advanced technologies. Examples of such Neobanks are Atom, Fidor, Starling, Webank and Moven.

The proliferation of Neobanks already in operation has struck a chord with many customers, who have chosen to withdraw from the traditional banking experience. Neobanks appeal to consumer desire for simplicity in handling and using money in our 24x7 smartphone era. Neobanks are appealing to investors too, and they have raised large sums of money that have helped them build their modern and open infrastructures.

In time, successful Neobanks will become just another version of the legacy banks, albeit with better apps. They'll no longer be nimble and agile, or responsive to their customers' changing needs.

Blockchain and cryptocurrency technologies, via 110 cryptocurrency exchanges, are disrupting the banking sector as we know it and slow-moving banks are unable to keep up with the latest technical innovations, from identity and on-boarding to new types of currencies that offer less friction in monetary movement.

The number of cryptocurrency exchanges is rapidly growing, easing consumer access to the new-age digital currencies, allowing them to become an important element in our personal wealth. In the coming years, cryptocurrency exchanges will become a major part of nearly every country's financial ecosystem.

Today customers don't have the flexibility or the information required to monitor and control their fees. Their ability to move from one institution to another is fraught with friction and there is no one to oversee the process or guard them from excessive fees, as such procedures lack transparency. New forces such as Cryptocurrency Exchanges, with significantly bigger data histories of customers, are threatening to enter the banking sector and offer financial services that will cut out many traditional banks from the value chain.

7.1 HBT Will Change the Financial Landscape Forever

HBT introduces a new concept designed to build the first multi-asset wallet and personal financial passport. It will integrate Banks, Cryptocurrency Exchanges, Commodity Traders and Vaults from every targeted

jurisdiction.

HBT is fully based on cryptocurrency rails for transferring assets from one customer to another, regardless of locale or local currency. By building a unified on-boarding process that leverages advanced identity management mechanisms and cryptocurrency rails, HBT will enable ultimate cost-effective transactions, with minimum friction to users in any country, while delivering full security and regulatory compliance.

8. The Token Sale Session

8.1 The Company

The tokens are issued by HBIT company

8.2 The Token

Token Full Name: HBIT

Token Acronym: HBT

Heungno Bitcoin company intends the Token to be used as an in-app, redeemable payment method for transaction fees. For this purpose, HBIT company is engaged with a third-party service provider, HBT Enterprises Limited ("HBT"), which will develop a proprietary electronic multi-asset wallet and application for end-users' management of multiple Cryptocurrencies, FIAT and other assets via the HBT platform (the "Platform").

In accordance with the agreements between the Issuer and HBT agreed to use the Token as exclusive in-app means of payment of fees associated with user's use of the Platform (both HBT Enterprises' fees or its service providers, the "Transaction Fees"). 35

Additionally, HBT Enterprises agreed to employ reasonable efforts and consider attributing a minimum settlement value of USD 1.00 per HBT - all, subject to any regulation or statute (including, among others, pursuant to clause 7.2 of the T&Cs).

Token Settlement Value - since the use of the HBT Token will be available only when HBT launches the HBT Platform, HBT and Issuer agreed to include in the settlement value mechanism the settlement value per HBT Tokens at a fixed ratio (as at the opening of the Token Sale Session 36) against any fluctuations in BTC and ETH, so that at the time of settling the relevant transaction's fees, the higher value from the following will be attributed:

— Upon launching the Token Sale Session, the Issuer will publish a USD-BTC Base Rate and a USD-ETH Base Rate, each attributable to a one HBT Token sold during the Token Sale Session (a "BTC Attributable Rate" and/or an "ETH Attributable Rate").

— (For example, if the Ethereum price on the launch date is \$600 and the value of HBT Token is equal to

\$. then the ETH

Attributable Rate (ETHAR) will be 0.001 ETH [\$(divided by \$600)].

— Thereafter, at a time a user wishes to settle a Transaction Fee, HBT agreed to use only HBT Tokens for this purpose and to attribute a settlement value for each HBT Token (or a proportionate amount of any part thereof) which is the higher of:

— USD 9.00 37 (Nine U.S. Dollars): or

— The ETH Market Value (ETHMV) at the time of the relevant transaction, multiplied by the ETH Attributable Rate³⁸ (ETHAR).

multiplied by three: or

— The BTC Market Value (BTCMV) at the time of the relevant transaction, multiplied by the BTC Attributable Rate³⁹ (BTCAR).

multiplied by three: or

— The HBT Token market value at the time of the relevant transaction.

Other than in connection with the automated Transaction Fees settlement mechanism described hereinabove, in no event may any user be entitled to redeem any HBT Token for any fiat, cryptocurrency or any other means of value or consideration – whether via the Issuer and/or HBT Enterprises Limited or any person on their behalf or with whom they deal.

In consideration, HBIT company agreed to contribute funding to promote HBT' development efforts to provide the Platform application to the users, as well as provide HBT Enterprises with an aggregate of 10,000,000 HBT Tokens to be used for marketing purposes, affiliate programs, community rewards and shareholders benefit. Simultaneously, other commercial players may also accept HBIT company Token as means of payment or settlement of transaction costs

8.3 Token Sale Session – Main Terms

Other than in connection with issuance of the Tokens for the purposes of the Token Sale Session (in such maximum number as further detailed), once the sale session is completed HBIT company will not be involved in Token activity, including trading, market making, issuing additional HBT Tokens etc. As mentioned above, HBIT company will promote and encourage various suppliers and service providers to adopt the Token as means of payment for their services and/or fees, at a minimum rate of USD 1.00 per Token; provided, always, that the future operation of any such minimum settlement rate shall not cause HBT Enterprises (or any other service provider) to become subject to regulation or other statutory obligations which, by their nature, would not have applied to HBT Enterprises (or any such other service provider) had such minimum settlement rate would not have been in effect – at such case, neither one of HBIT company, HBT or any other service provider be obligated to attribute any such minimum amount.

In accordance with the session's smart-contract terms, once purchased and delivered to Sale Session participant, no Tokens may be transferred or traded until completion of the Token Sale Session.

Total Number of Tokens : 4,800,000,000

9. Disclaimer

The provisions of the HBT whitepaper are subject to the disclaimer document, which details the warranties and representations related to this whitepaper. The purchase terms of the HBT tokens are governed by the terms and conditions document. Both documents are located at the HBT website.

NOTICE TO PROSPECTIVE CONTRIBUTORS:

WITHIN THE FRAMEWORK OF REGULATORY, COMMERCIAL AND OTHER COMPLIANCE ASSURANCE EFFORTS BY OR ON BEHALF OF THE ISSUER AND HBT, CERTAIN CHANGES HAVE BEEN MADE TO THE HBT TOKEN SETTLEMENT MECHANISM. PLEASE SEE THE LAST REVISED AND UPDATED T&Cs, INCLUDING WITHOUT LIMITATION CLAUSE 7.2, AS WELL AS SCHEDULE 1 AND RISK FACTORS IN SCHEDULE 2 THEREOF.

IN CONNECTION WITH THE FOREGOING, EACH OF ISSUER AND HBT RESERVE THE RIGHT TO MAKE SUCH NECESSARY CHANGES AND/OR CORRECTIONS TO THE HBT TOKEN, THE PLATFORM AND/OR FUNCTIONALITY OF ANY OF THE FOREGOING (INCLUDING WITHOUT LIMITATION IN CONNECTION WITH ANY SETTLEMENT VALUE THEREOF OR THEREUNDER).