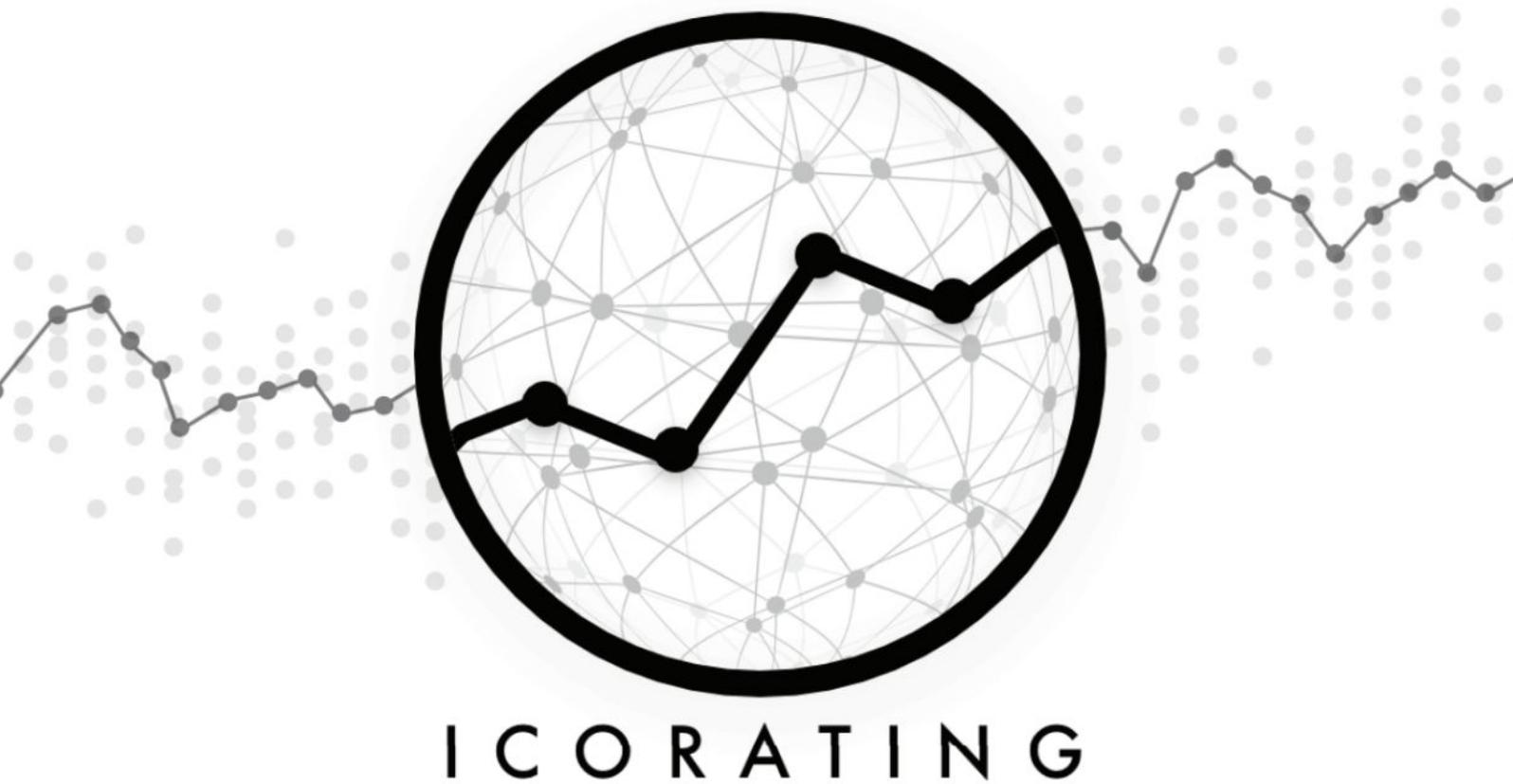


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## CHRONOBANK Project Review (chronobank.io)

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Web: [icorating.com](http://icorating.com)

Email: [info@icorating.com](mailto:info@icorating.com)

Twitter: [@IcoRating](https://twitter.com/IcoRating)

<b>1. PROJECT DESCRIPTION</b>	<b>3</b>
<b>2. BUSINESS MODEL</b>	<b>4</b>
The general concept	4
Description and trends Labor Hire market in Australia	4
Pressure Points of the Labor Hire Industry	8
Chronobank Business model	9
First phase	9
Second phase	10
Partners	11
Types of tokens in Chronobank's infrastructure	11
TIME tokens' description	11
Description of LHT tokens	12
Competitors	13
Conclusion	13
<b>3. THE TECHNICAL ASPECTS OF THE PLATFORM</b>	<b>15</b>
Blockchain	15
Tokens	16
TIME tokens	17
Labour hour tokens (LHT)	17
The Chronobank Entity (CBE)	18
Minting	18
Liquidity Reserve	19
Insurance Fund	20
Redemption	20
Exchange and market-making	21
LaborX decentralized marketplace	21
Github	22
Escrow	22
ICO	23
Supply	23
Bonuses	24
Roadmap	24
Bounties	24
<b>4. TEAM</b>	<b>25</b>
Proof of developer	25
Experience	25
Founders	25
Tech	25

Marketing	27
Consultants	28
Operations	28
Conclusion	28
Activity	29
<b>5. LEGAL</b>	<b>29</b>
Risk of legal prosecution	29
Guarantees to investors	30
Legal team	30
<b>6. SOCIAL MEDIA</b>	<b>30</b>
Feedback	30
Marketing	31
Media	31
Announcement	31
Bitcointalk	31
Website	32
<b>7. SUMMARIES</b>	<b>32</b>
Advantages:	32
Disadvantages:	33
Rating assessment	33
Rationale	34

# 1. PROJECT DESCRIPTION

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Chronobank is an innovative blockchain-based platform which aims to modernize the current infrastructure of the labor market and relations between employers and employees, while removing intermediaries (recruitment agencies).

This idea was born in the HR recruitment agency [Edway Group](#), which acts as one of the project's co-founders. The company specializes in Labour Hire, a popular system in Australia that provides outsourcing of skilled and unskilled employees for short-term work.

Chronobank's infrastructure is blockchain-based and is designed to solve the urgent problems in this sector both for employers and for employees.

## 2. BUSINESS MODEL

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### The general concept

Chronobank is designed to improve the recruitment process for temporary work in Australia (and later, worldwide) on the basis of Labor Hire in which employees perform as independent contractors and are not officially formalized into the company's staff. In addition, Chronobank aspires to solve a number of issues that arise frequently between contract parties.

The model of relations between employers and workers via Labor Hire is very popular in Australia due to the legal aspects that accompany an official recruitment process.

When hiring a new employee officially, the company takes responsibility for the life and health of the employee and is responsible for calculating and paying taxes and other social costs. The employer must create a wage fund for a period of one to three months in advance for that employee's wage which negatively affects the working capital of the company.

If a company hires an employee for the long term, all these details are acceptable, but, if it needs to find employees for temporary work (ex. construction and maintenance of public facilities, cleaning, transportation, manufacturing and mining, and many other types of unskilled labor) these aspects can create a lot of problems. It's very difficult and unprofitable to execute and organize the complete list of obligations for the employee who will only work two weeks. The firing process is also associated with a number of legal nuances needed to justify the closure of the employment contract. It is in these "pressure points" that the Labour Hire industry was born in the country.

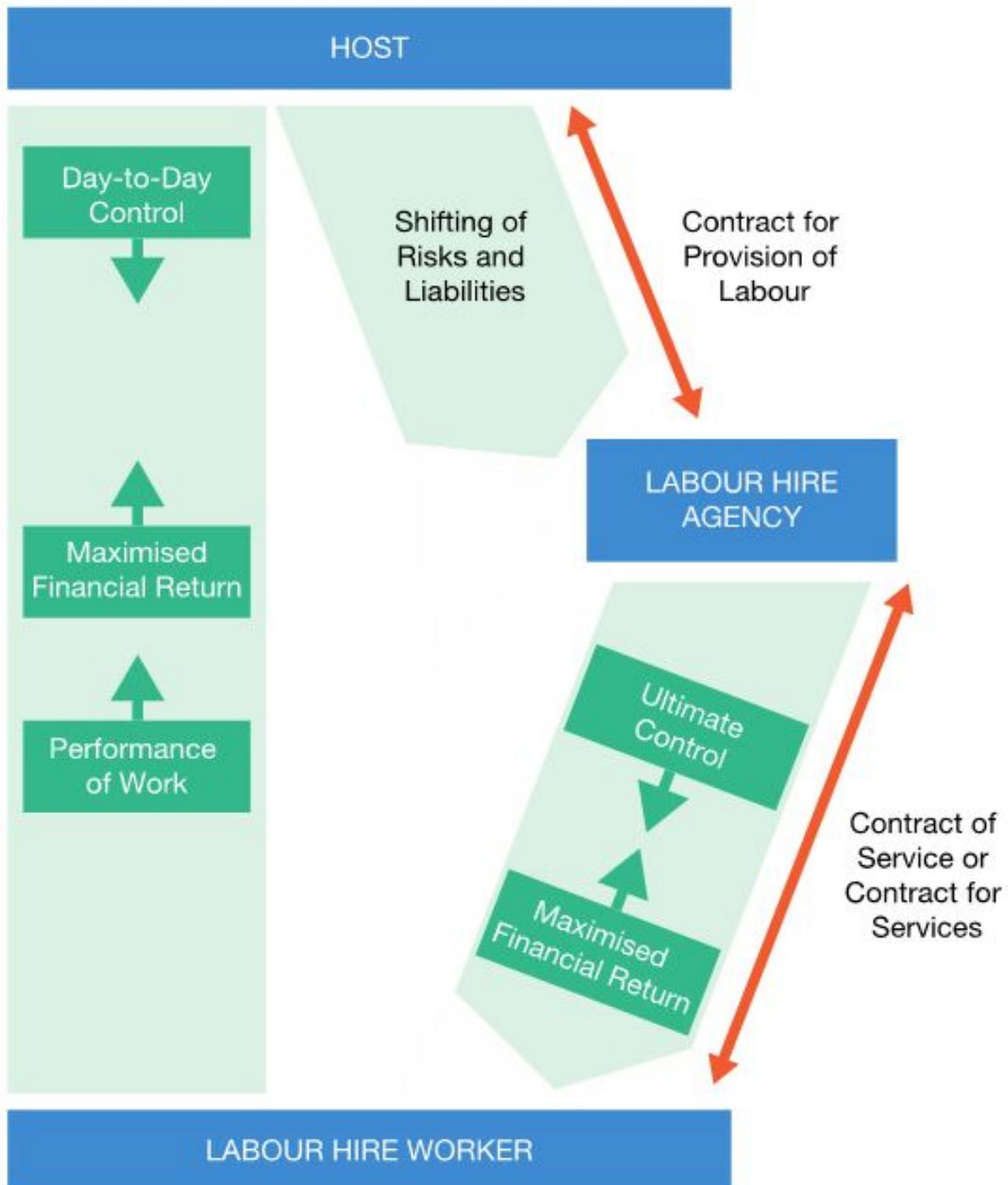
### Description and trends Labor Hire market in Australia

Labour Hire employment arrangements typically involve a 'triangular relationship' in which a Labour Hire agency supplies the labour of a Labour Hire worker to a third party (host) in exchange for a fee (labour hire employment arrangement). In a Labour Hire employment set up, there is no direct employment or contractual relationship between the host and the Labour Hire worker. Instead, the worker is engaged by the Labour Hire agency, either as an employee or as an independent contractor.

The company from the Labor Hire segment usually assumes the following duties:

- Work history reference checking;
- Ministry of Justice checks on every candidate;
- Comprehensive Health and Safety inductions;
- Drug and alcohol screening to national standards;

- ACC injury history investigation in association with a physical impairment questionnaire;
- Numeracy and literacy testing;
- Site Safe training.



Labour Hire employment arrangements have been a feature of the Australian labour market since the 1950s in the form of ‘temping’ agencies to fill short term vacancies for hosts. However, from the late 1980s and throughout the 1990s there was dramatic growth in what

has been referred to as the 'pure' Labour Hire industry, which offers contract labour as a flexible alternative to ongoing employees or workforces across a wide range of industries. This industry has become well established in Australia in the past two decades.

In May 2016, IBISWorld published its latest industry report on Temporary Staff Services in Australia (Temporary Staff Services Report). It describes the industry as follows:

- Operators in the industry provide temporary staffing solutions for client companies for a fee or contract basis. Temporary staff services companies provide their own staff to client businesses to carry out temporary assignments. These temporary staff members work under the control of the client at the client's work site for operational purposes, but remain legally employed by (and are paid by) the temporary staff provider.
- The main activities of the industry are described as: contract labour services; labour on-hiring services; labour staffing services; labour supply services; and temporary labour hire services.
- The industry is distinguished from employment placement and recruitment services which are businesses that provide employment placement services or recruit staff for permanent positions for client companies.
- The Temporary Staff Services Report notes that the growth in temporary staffing industries over the past two decades has been fuelled by a general trend towards outsourcing of non-core activities. While growth in the past five years has slowed, it remains moderate due to comparatively low unemployment, increasing client demand for a flexible workforce and labour market confidence amongst employees switching jobs.

Features which affect demand for temporary staff services include:

- The national unemployment rate: increased demand for temporary staffing services corresponds with a decline in the unemployment rate.
- Demand from business process outsourcing in Australia: an increase in business outsourcing means more companies require staff from the industry, and more independent contractors are available to work for client companies.
- Demand from information media and telecommunications, construction, mining and health care and social assistance: these industries are major users of temporary staff services.

A significant feature of the industry is that market share concentration is low. The top four operators account for less than 22% of the total industry market share, and the industry includes a large number of small firms. Given that, internal industry competition is high as a large number of small operators each compete for clients and workers, entry barriers are low (it is relatively inexpensive to establish a company in the industry) and net profit margins are typically small. This intensified competition has put pressure on pricing levels and contributed to a decline in profit margins over this period despite growing revenue.

The low barriers to entry into the industry have also contributed to strong growth in the number of enterprises within the industry over the past five years. This growth has included increased operations in regional areas.

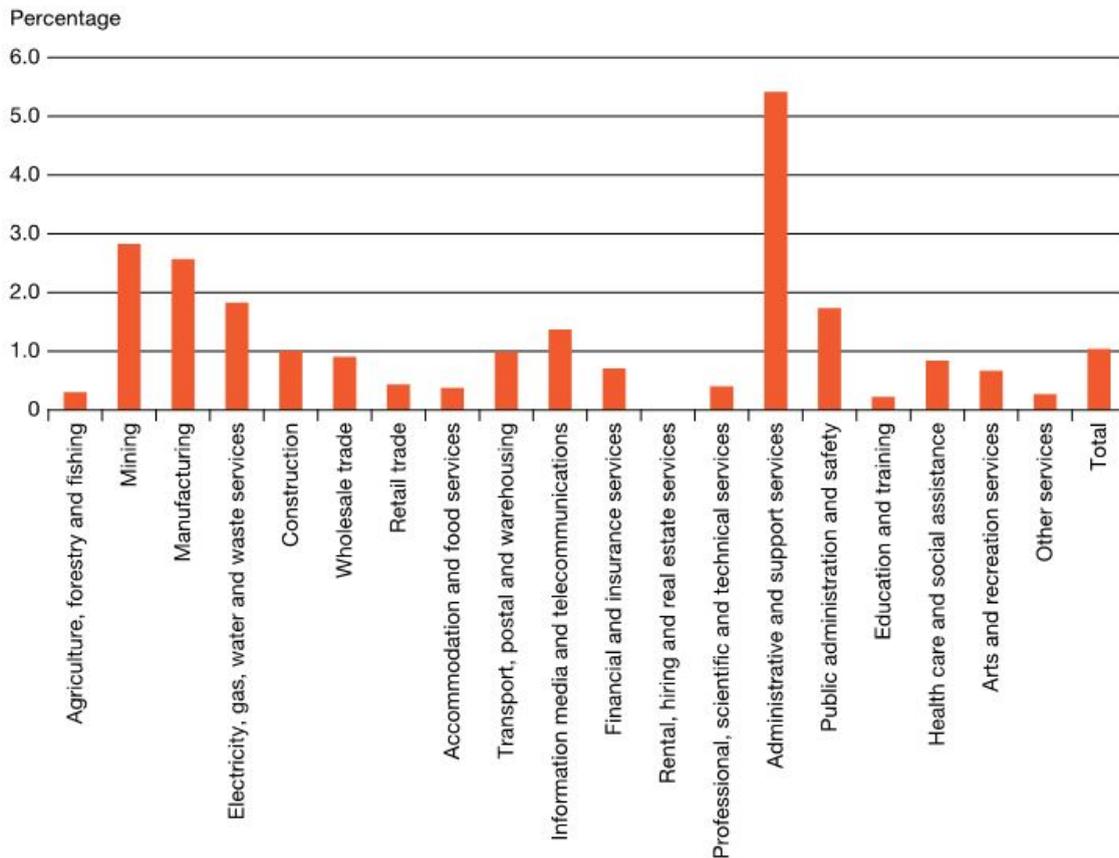
For the 2014/15 year, it is estimated that there were 6,332 businesses within temporary staff services industry across Australia. Table 2.1 shows the growth in numbers of enterprises, and employees, between 2006/7 and 2014/15, across Australia. Significantly, the number of enterprises grew by approximately 12% between 2012/13 and 2014/15, although the number of employees engaged in the industry grew by only 3.2%.

<b>Table 2.1: Key statistics - temporary staff services industry in Australia, 2006/7 to 2014/5</b>				
<b>Year</b>	<b>Revenue (\$m)</b>	<b>Enterprises (Units)</b>	<b>Employment (Units)</b>	<b>Wages (\$m)</b>
<b>2006-07</b>	16,703.6	4,416	275,300	10,463.3
<b>2007-08</b>	17,100.6	4,744	287,800	10,997.0
<b>2008-09</b>	16,519.9	4,816	303,800	11,640.2
<b>2009-10</b>	16,606.7	5,129	293,700	11,181.6
<b>2010-11</b>	16,872.1	5,350	302,100	11,476.0
<b>2011-12</b>	17,565.1	5,690	305,300	11,995.2
<b>2012-13</b>	18,379.1	5,582	314,500	12,602.3
<b>2013-14</b>	18,468.9	5,876	319,700	12,879.8
<b>2014/15</b>	<b>18,993.6</b>	<b>6,332</b>	<b>324,900</b>	<b>13,133.6</b>

Data released by the ABS about the characteristics of employment in Australia provides an indication of the number of people, in particular industries and occupations, who found their job through and were paid by a Labour Hire firm or employment agency. If a person has found their job through such firms/agencies and then continues to be paid by them, this category of worker can reasonably be construed as a 'Labour Hire employee', meaning the hiring agency becomes the employer (although the work being paid for is undertaken for another business/organization).

Data in the graph below demonstrates the estimated presence of Labour Hire employees, as a percentage of the Australian workforce within specified industries. This was notable in the following industries:

- administrative and support services (5.4%);
- mining (2.8%);
- manufacturing (2.6%);
- electricity, gas and water services (1.8%);
- public administration and safety (1.7%);
- information, media and telecommunications (1.4%).



Source: ABS Catalogue No. 6333.0

## Pressure Points of the Labor Hire Industry

Describing the basic principle of Labor Hire Market briefly: there are Labour-Offering Companies (LOC) (providers of the workforce) that has a base of workers which they sell by the hour to other companies (consumers of services). Thus, companies - consumers of services get rid of the responsibility of hiring people who may be subject to a potential accident, pregnancy, problems with the dismissal and other labor and social costs.

It's worth noting a number of problem areas in the Labor Hire industry in Australia: LOC shall pay workers' wages every week to two, depending on the type of work. At the same time the companies that order the workforce are paying a LOC for working only once a month / over

six months. Naturally LOC has a constant “need for short money”, and the term of availability of working capital until final settlement of the customer can be up to six months. Today this problem is solved either by the restriction of the LOC size or by loans from relevant organizations. The price of such loans is around 10-15% today with an official refinancing rate of 1.5% (which is very expensive).

These borrowing costs are justified by risk that the company cannot pay for the service of the LOC. To solve this problem, there is insurance that can add another 1.5% to the cost of the loan.

As a result, it becomes evident that any given LOC wants to get their money cheaper. LOC clients (users of labor) want to reduce their responsibilities to workers, while at the same time continuing to pay for LOC services in Australian national currency.

Chronobank’s innovation is that the infrastructure of this project solves the problems described above and removes the intermediaries that further create costs for the entire Labor Hire market of approximately 30%. The project intends to reduce the rate for working capital for the LOC to 7% (according to the founders of the project), which is almost two times less than the current rate: this is one of the basic and the main advantages of the project.

## Chronobank Business model

The founders plan to launch the project in two phases:

1. Issuing of Labour Hour Tokens (LHT) for settlements between Labor Hire market counterparties.
2. The launch of the decentralized platform LaborX.

### First phase

For the first stage Chronobank plans to release LHT which are intended to be the primary means of payment between the users of the the labor and its suppliers (LOC).

The concept of the first phase is as follows: one party needs cheap and fast money (LOC), the other: a stable payment tool that is protected from inflation.

LOC is paid by the customer that needs labor, wherein the customer determines the exact conditions of workers’ payments most comfortable for them. Typically, customers pay to LOC after work is executed. This is disadvantageous for the LOC because it will need to pay the workers' wages immediately.

In the Chronobank model, the LOC becomes the source-provider of employees and issues LHT on the market using Chronobank Entity (CBE), as an obligation to perform a certain amount of work (currently or in the future). LHT are sold on the stock exchange. Money is

transferred in favor of the LOC, the LOC will receive "money today," which is better than "tomorrow's money" which automatically solves the problem of working capital.

The customer that orders the work, when planning out their goals for a certain period, comes to the market and buys a certain amount of LHT which can be spent directly on performing the necessary work or postpone it until later when necessary (ex. it may be called upon in a month, two or six). Given that the cost of labor is constantly growing due to objective market reasons, this step allows the price of work to be fixed for a period in the future without the worry of price increases.

The CBE provides liquidity (in fiat currency or LHT) for the LOC. The LOC then uses this money to pay their workers. After that, some time passes and the customer that ordered the work transfers the money to the LOC (in any form, depending on the agreement with the LOC) for the performed work. Then LOC can pay off the CBE for the issued "loan".

Basically, customers are interested in protection against inflation: they want to buy a certain amount of work and get exactly what they want for that amount rather than revising their entire financial plan due to increased prices. This point in the case of LHT is ensured by linking it to wage averages in a particular region.

Chronobank has developed a kind of "risk hedging" from the growth of labour market value, while at the same time making it possible for the LOC to obtain the necessary liquidity for a cheaper price.

After the end of the contract with the CBE, the LOC buys out all the LHT issued under contract. It buys them out with fiat currency at the current market price. All LHT of one region will be the same.

As a result, the launch of LHT for the first stage is designed to solve the objective problems of suppliers + users of manpower labour in the outsourcing market.

Monetization of the platform is planned to be carried out by commissions within the system.

## Second phase

For the second stage Chronobank is developing a full LaborX decentralized platform on which workers will themselves have the ability to sell their labor directly to customers.

The platform is designed to solve the following problems of the labour market:

- eradicate intermediaries in the form of recruitment companies whose commission in some cases can reach up to 40%;
- attempt to implement a stable cryptocurrency for circulation in the real economy sector;
- minimize the risk of employers deception of workers by utilizing smart contracts that will automatically translate a wage for certain types of work done in per hour payment intervals.

In addition, a blockchain will store all the information about job seekers and companies, including: experience, achievements, types of work, reviews and much more.

## Partners

In order for any cryptocurrency has been successful as a means of payment, it is necessary for users to have a desire to exchange it. The project founders seek to solve this problem by using a labour base of its parent company, Edway Group.

To stimulate workers use of LHT as means of payment, Edway Group offers its employees and partner employees a debit card wage in LHT. Moreover, in the first stage for introducing debit cards, workers will receive, according to the founders, a bonus, which is intended to get them to start using LHT-cards. By considering that Edway Group has about 400,000 workers, this has a good chance of success.

## Types of tokens in Chronobank's infrastructure

The project will release two types of tokens: the first are traditional share analogues (TIME) which are designed to finance the project, and the second, for making payments between the parties of the employment relationship (LHT) within the infrastructure area.

### TIME tokens' description

Time tokens will be available during the ICO. They give the owner a right to share in the commission system (a reward from operations with LHT) and to vote on important project issues (can be understood to be a kind of action). In other words, investors are interested in these tokens.

There are two types of income in the form of commissions for TIME token holders: commission for LHT transactions at 0.15% and commission for the release of LHT at 3% with a gradual decrease to 1%. There are no other ties with LHT.

Benefits of owning a TIME token are as follows:

- Making a profit by selling it at a higher price than the price during the ICO.
- Receiving a regular income after the project's start.

After the ICO users will no longer receive TIME tokens anywhere other than the open market. The number of TIME tokens will not increase, that is, only by growing demand will the cost of TIME tokens go up.

### Description of LHT tokens

LHT tokens (Labour Hour Tokens) shall be issued after the ICO and run of the project. LH is a "stable coin," tied to the average hourly wage rate in the region in which the token is released.

In fact, LHT is a cryptocurrency, for whose exchange you can get an expert's labour time.

As planned by the founders, the uniqueness of this project will consist of the following: "The price of LH tokens is not speculative. This should be one of the few coins which will have real support and a stable exchange rate. Because fluctuations are unacceptable for the customer it will be convenient to use this currency. "

LHT's stability rate will be ensured by pinning the token's value to the average wage paid in those regions where the service is used. By pinning their value in this way, these tokens become even more stable than if pinned to gold's exchange rate:

- gold :  
<http://www.nasdaq.com/markets/gold.aspx?timeframe=10y>
- real average wage:  
<http://www.pewresearch.org/fact-tank/2014/10/09/for-most-workers-real-wages-have-barely-budged-for-decades/>
- data for all countries:  
[https://stats.oecd.org/Index.aspx?DataSetCode=AV\\_AN\\_WAGE](https://stats.oecd.org/Index.aspx?DataSetCode=AV_AN_WAGE)

LHT rate stability is also provided for by a market maker (CBE) which will buy and sell the coins at a specified price in order to minimize deviations from basic, average-rate wages.

Besides contractors engaged in the infrastructure of Chronobank (suppliers and customers of the workforce) LHT may be of interest to:

- Traders: fixing means via altcoins exchanges between trading sessions.
- For users who keep funds for the long term and want to avoid inflation, especially in the context of low interest rates (hence, liquidity trap and negative interest rates).
- A tool for crypto payments: a stable token for money transfer using cryptocurrency.

Features of LHT:

- LHT will be created by measure of request from the LOC (service providers).
- LHT is a an obligation to work-time redemption in terms of a hourly rate weight. At redemption, they will be destroyed, meaning they are disposable.

Pinning the tokens' value to an average, hourly-rate wage is provided for by the various obligations of the LOC. This pinning is stable and suggests the possibility of exchanging LH tokens for fiat money or other cryptocurrency according to a basic, average-wage rate.

LHT is like a debt obligation ([IOU](#)), according to which guarantors are companies involved in the labor market.

Motivating employers of labour in purchasing LHT is stability as is the annual indexation of the cost of the worker's labor which is incorporated into the LHT.

In an effort to motivate workers they will receive a salary, or part of their salary, in LHT tokens that will automatically grow in price with an increase of value per the average level of wages in the region.

Another incentive is that the LOC, at the conclusion of the contract, will immediately get tokens for the promise of a job, like a type of free credit.

The rate volatility of LHT tokens will be offset by using market makers. For this task, Chronobank will create a special liquidity fund for necessary market intervention. Up to 3% of the issued LHT will be deducted from the liquidity fund depending on the country.

## Competitors

Many may think that competitors of Chronobank are the various freelancer sites such as Upwork, FL.com and similiar. This is not true for the first stage of the project.

Chronobank initially focused on offline professions, often belonging to the low-skilled labor category. That is, the starting model is aimed at disrupting the labour hire market in countries where it is most developed: in Australia, the USA, UK and EU. At the same time, Labor Hire markets and platforms for freelancers are completely different things.

As for the second stage of development, it is to run a decentralized platform called LaborX which will allow customers and performers to interact directly, making the project directly competitive to freelancers sites.

At the same time, from the perspective of traditional Labor Hire markets in Australia, the competition is large enough. But, given that the co-founder of Chronobank, Edway Group Company, is one of the leaders of this industry, the problem is much less severe.

## Conclusion

The following aspects can be distinguished among the strengths of the project:

- The idea was born in one of the leading companies in the Australian Labour Hire market, which has existed for almost 10 years. The labour market issues are real, not hypothetical, given objective market factors. This makes the Chronobank project one of the most unique on the market especially for a young ICO whose idea was born within a real business, not an artificial environment.
- The presence of a large user base from Edway Group (about 400,000 people) creates a foundation on which to test ideas and first-introduced concepts to the market without problems of finding consumers services.
- The project has significant potential for scalability and expansion of its basic functionality as part of the labour market.
- The concept of hedging increasing the cost of manpower which can be very useful for businesses.

- The project founders have provided enough detailed plan for the use of borrowed funds and the development of the project.

The weaknesses of the project are noted as:

- At the moment, the idea of pinning the value of LHT to an average wage cost within a particular region is not clear. It's also not clear whether the liquidity fund would be enough so that the market maker can support possible causes of force majeure. At the moment, there is no universally accepted cryptocurrency with reference to some fundamental factors that would be used in large quantities.
- The Labor Hire market in Australia at the moment is in a rather stable condition without any sharply increasing dynamics. However it's worth noting that that the current size of the market is big enough to ensure the company, given a successful implementation of their system, will continue to grow into a major innovative player in the labour market.

LHT can not be called on the whole a series of decentralized tokens. In the case of provision of LHT, Chronobank will have to sacrifice some elements of a complete decentralized infrastructure to achieve their stability.

LHT is like a debt obligation ([IOU](#)), according to which guarantors are companies involved in the labor market.

This point may be negative for active investment prospectors, but it's positive in its attempt to create a stable cryptocurrency that is tied to certain macroeconomic indicators. If LHT confirms its relevance and stability, its use can go far beyond the calculation tool for the labour market.

The project is interesting, considering the problems it is trying to solve. The probability of a sharp rise in the cost of TIME tokens at the beginning of its use in the secondary market is minimal. It's more tailored to long-term profits in the form of an original dividend.

If we consider the size of the market, the investment rate of return can be considerable, although there are no exact figures.

The main risk of the project lies in whether or not the developers can maintain the stability cost (exchange rate) of LHT tokens.

It is worth noting that Australia is one of the most progressive countries for studying and implementing blockchain technology, so this makes it a good candidate for the project; Britain and the United States are also at the forefront of this trend.



### 3. THE TECHNICAL ASPECTS OF THE PLATFORM

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#### Blockchain

ChronoBank is a multi-blockchain project. ChronoBank will issue tokens on all major blockchains. If a new blockchain protocol emerges and dominates the market in the future, ChronoBank will create tokens and decentralized applications on this platform to meet the market's evolving demand. The preliminary list of supported blockchains includes: Ethereum/ETC, Waves, Lisk and Bitcoin itself.

Initial implementation will be developed on top of an Ethereum blockchain, other blockchains will be left for future releases. At the moment, this looks reasonable as an ethereum blockchain is currently the most popular for dapp creating. In addition, relatively high transaction speed transmission will be achieved (depending on the speed of the blocks found on Ethereum blockchain; at the moment the speed is about 17 seconds).

ChronoBank will create decentralised applications (dapps) on an **Ethereum blockchain** for token users and issuers, with a user-friendly interface and secure transactions using escrow smart contracts.

As soon as it is safe to do so, decentralized exchanges will appear on an Ethereum blockchain, and Chronobank dapps will be integrated with their smart contracts and APIs.

**ChronoWallet** is a Mist/Parity dapp for the safe and convenient use of ChronoBank tokens.

Features include:

- Buying/selling tokens with one click. It will be possible to trade LH tokens in a safe and decentralized way using escrow smart contracts
- Sending/receiving tokens
- Redemption of tokens
- Easy-to-use interface with balances in LH and valued in terms of national currencies

**ChronoMint** – is a dapp for companies to issue and redeem tokens.

In addition, ChronoBank will develop market-making software to ensure minimal spreads and maximum liquidity. This will be done to facilitate the exchange of LH to any liquid ERC20 tokens.

This set of dapp will be sufficient to operate the entire Chronobank infrastructure on an Ethereum blockchain after launch. In the future, other systems will be added such as LaborX.

As soon as the **Waves platform** is ready, ChronoBank will create similar dapps with the same functions for the Waves blockchain. This will allow for fast and secure trading between LH tokens and any other Waves token for which there is a market.

Assuming there is demand from the crypto-community, it will be possible to create LH tokens on **Bitcoin's blockchain**. Bitcoin was the first blockchain and remains the most secure and reliable. Implementation of time-based money will be achieved using the Omni Layer platform, using means similar to those which created MaidSafeCoin, Synereo and Tether. Users will be able to use LH with any Omni Layer-enabled wallets like Omniwallet or HolyTransaction.

After running Chronobank on several blockchains, it's worth asking the question of how tokens will interact across multiple platforms.

Tokens on different platforms will not interact with each other. The owners of TIME tokens purchased at the time of an ICO on an Ethereum platform will receive a commission for transactions on other blockchains manually via CBE (Refers to the global Chronobank entity which exists off the blockchain and does various real-world tasks that may include interactions with smart contracts).

## Tokens

Chronobank will use two main types of tokens: TIME tokens purchased during the ICO and LBH tokens that will be the main tokens of the platform.

### TIME tokens

There are two types of income in the form of commissions for TIME token holders: commission for LHT transactions at 0.15% and commission for the release of LHT at 3% with a gradual decrease to 1%. The rewards contract will allow TIME token holders to retrieve their rewards at regular payout intervals defined by some parameter. In-between payout intervals, TIME token holders will be required to lock their TIME tokens into the rewards contract in order to claim their share of rewards. During any particular payout interval there will be a withdrawal period, where TIME tokens can no longer be locked into or unlocked from the rewards contract.

TIME tokens will be developed utilizing the Ethereum ecosystem, specifically leveraging the ERC20 token standard.

Ethereum Specifications:

- TIME tokens will inherit the base ERC20 token structure but require a few extra features.
- They will have a divisibility of 8 decimal places.
- They will have voting functions that enable holders to submit YES/NO and numeric value votes. (The mechanism of voting is left for future work, i.e how many votes to pass, etc).

- The reward payouts will be completed once a month by the CBE.

#### General Specifications

- The reward payouts will be completed once a month by the CBE.
- The transaction fees for LHT will be divided equally per TIME token. (The automated smart contract for reward payout will be left for future work).
- The fees will be initially taken by the CBE in LHT, from which the CBE will then manually and transparently distribute the rewards to TIME holders.
- TIME tokens will be freely traded on major exchanges, with rewards given to holders at the time of payouts.
- TIME holders will initially be required to register an account to be paid rewards (until an automated contract allows them to withdraw the rewards using their tokens)

Thus TIME tokens will be tokens that will pay dividends to investors, as well as allow them to vote on future, important changes to the system.

#### Labour hour tokens (LBH)

These are non-volatile tokens used to ‘tokenize’ labour hours. These coins will have stable value pegged to the average wage of a given region. The unique benefit of these stable tokens is backed by legal agreements to fulfil work. This cannot be stolen or tampered with and risk of the currency collapsing is minimal. These tokens will provide a non-volatile, inflationary resistant digital storage of wealth. These tokens will be utilised in future systems, such as LaborX. A fee will be taken on every transaction that uses LHT.

A Labour-Hour Token will be derived from a standard Ethereum ERC20 token and will be tradeable on all major exchanges. The ChronoBank system will ensure that these tokens will always have a 1-to-1 mapping with legally bound promises of labour-hours from various Labour-Offering Companies (LOC). As such, token holders may also redeem these tokens at any given time for their real-world, labour-hour counterpart.

#### The Chronobank Entity (CBE)

This is the centralized company managing the creation, redemption and destruction of LHT tokens. This entity interacts with LOC to trade legally binding offers of labour hours for LHT. In practice however, the CBE will mint new LHT and sell it on exchanges, giving the resulting fiat currency to the LOC thereby removing the complexity of dealing with cryptocurrencies for LOCs.

#### Minting

To mint LHT, the CBE will need to run strict checks of the LOC wishing to participate in the Chronobank system. Once checked, the CBE and LOC will enter a legally binding contract where the LOC provides labour hours in exchange for LHT (or the fiat equivalent).

During the minting, the CBE will retain a percent of the LHT minted. That percent will be decided upon an economic feasibility study, and will vary per LOC. Among other factors, it

will be dependent on the LOC's reputation, the current state of the Chronobank system and statistical projections of the Chronobank's insurance and liquidity funds.

The percent held by the CBE will be immediately subdivided into the following portions:

- A fee charged by the CBE for services provided.
- The issuance fee which will go to the rewards contract for TIME token holders.
- A portion to be sent to the Security Guarantee Fund (SGF).
- The total portion sent to the Liquidity Reserve.

The legal contract between the CBE and LOC will have an expiry date negotiated by the two parties. At the end of a contract, an LOC has a number of options. It can renew its contract, re-negotiate it or terminate it. If a LOC decides to terminate their contract, they will be required to buy back any remaining LHT that has not been redeemed by the LOC. In practice, they will pay the CBE the fiat equivalent and the CBE will purchase the LHT on their behalf. The CBE must then destroy these tokens to ensure every token in existence maintains its 1-to-1 relationship to its backed Labour hour.

#### Ethereum Specifications of Minting

- A minting function has super-user privileges and is accessed by key(s) which are held by the CBE.
- The function will include a parameter to increase the balance of a specified address (for future automation of liquidity and insurance funds).
- No LHT should be stored in any contract initially.
- A destruction function allowing LHT to be destroyed. Simply put, balances are allowed to be deducted and not transferred.
- A hash of the legally binding document will be stored on the blockchain, with a copy of the document stored online, for transparent history and verification of backed LHT.

#### Liquidity Reserve

This will be an offline fund which will be a temporary storage of funds held by the CBE. It is the first fund that LHT gets transferred to during the minting process. This fund performs a number of services for the Chronobank system.

Initially, during the minting process, a percent of the LH promised by a LOC gets transferred to this fund. LOC companies take a risk when joining the Chronobank system in that they hope their contract work is not immediately redeemed. If so, they would lose the percent of the value of their committed Labour, which is taken by the CBE. The liquidity fund mitigates this risk by re-reimbursing the LOC in case of this event.

The second vital function of the liquidity reserve is to ensure the fixed price and liquidity of LHT. The percent initially stored in the liquidity fund during minting (the amount that is not required to cover the risk of immediate redemption or sent to the insurance fund) will be sold on exchanges by the CBE. The purpose of this is to maintain a fixed base value of LHT (in that anyone will be able to buy LHT at this price) and to provide liquidity (anyone can trade

LHT back for crypto-based currencies) for LHT tokens. The price at which LHT is sold, will be based on a region's average wage.

#### Ethereum Specifications

Initially these processes to be off-blockchain. However in an automated system the following features would be required.

- Two stores of LHT, redemption funds and liquidity funds.
- Time based mechanism or "withdraw"-like function which gets called monthly to transfer funds from Liquidity reserve (redemption funds) to insurance fund.
- Multi-signature keys accessible to the liquidity funds for market-maker bots to trade.
- Overall super-user like access to the CBE in order for manual intervention and to pay out redemption fees.

#### General Specifications

- Initially the selling of LHT to pay LOC's may be difficult. Chronobank will therefore contribute some of the raised ICO funds to the liquidity reserve which can be used to initially convert the newly minted LHT to fiat/cryptocurrency.
- Market-maker bots will be used to stabilize the price of LHT to various currencies.
- This fund doesn't deplete and can grow by choosing a percentage of tokens going into the Liquidity Reserve. It will hold volatile currencies, but this volatility can be mitigated through the variation of percent, i.e if the Liquidity fund starts decreasing due to a devaluation of held currencies, it can be grown again by increasing the percent during the minting process.

#### Insurance Fund

This fund is also an offline storage of wealth held by the CBE. Its primary purpose is to cover any lost labour hours promised by companies that become insolvent or unable to fulfil their contractual obligations. The amount stored in the insurance fund at any given time should be maintained to a statistically calculated percentage of existing LHT to cover LOC's defaulting. The existing LHT is a measure of Labour Hours that is contractually obliged by LOC's. The maintained percentage should be primarily a factor of the expected probability of LOC's defaulting on their contracts. This is expected to vary for different regions and hence the insurance fund should hold different amounts. The statistical study to estimate these values will be conducted after the ICO.

In the event that a LOC defaults, the CBE will be required to use the insurance fund to destroy LHT to the equivalent value of LH that were outstanding by the LOC's contract. This process is required in order to maintain the 1-to-1 relationship of LHT to backed LH. The Insurance fund will store LHT to avoid volatility and to easily destroy required LHT tokens.

## Redemption

LHT will be redeemable vouchers for labour provided by issuing companies at current market rates from their price lists. Prices in price lists are quoted in fiat money and average labour hours.

Because labour-hire costs grow with average hourly rate costs, prices in LH will be very stable in comparison to prices in fiat currencies.

Redeemed LH are converted according to the agreement between the user and the labour-hire company that provides the labour force of selected professions, and which accepts LH tokens as vouchers for payment for their services.

LHT tokens can be redeemed for labour hours from LOC companies. A holder of LHT tokens may request LH from the CBE at any given time. This request will include specific details such as labor-type, duration, work location etc. In doing so, the holder will deposit their tokens into a smart contract held by the CBE. The deposit is required to prevent recurrent and multiple requests which consume CBE resources. Once the deposit has been made, the CBE will search its database of current LOC's to find suitable candidates for the request. If possible, the CBE will return 3 LOC candidates and quotes given the LOC's initial contracts during minting. The LHT holder can then choose one, and the CBE will notify the chosen LOC. In the event that work cannot be provided (i.e due to labour-type or location restrictions) the deposit will be refunded back to the LHT holder.

## Exchange and market-making

With the help of ChronoBank, issuing companies will act as market-makers for LH, or will use the services of professional third-party market-makers to ensure LH are as liquid as the most tradeable cryptocurrency pairs.

It will be possible to convert LH to Bitcoin, Ethereum or fiat-pegged coins in at least two ways:

- Within the ChronoBank wallet, with a very low bid/ask spread;
- On independent cryptocurrency exchanges using third-party market-makers who will create maximum liquidity.

## LaborX decentralized marketplace

The second stage of ChronoBank is to create LaborX, a decentralized marketplace where those in real-world professions will be able to sell their man-hours for LH tokens or other cryptocurrencies on a fully decentralized basis.

LaborX will incorporate a rating system whereby holders of LHT can identify fair trades by examining the quality and/or specialization of the labour provider, given their history on the platform. By enabling direct exchange of LHT with labor-hours, the system's dependency on contractual arrangements with LOCs is significantly reduced. This potentially reduces the cost and increases the stability of the system as a whole.

The ChronoBank project is backed by Edway Group, a large company in Australia with 400,000 customers on its books who will be the first potential users of LaborX as a testing ground. LH tokens will act as a substitute for payments in fiat currencies and will enable people to be rewarded for their work on a decentralized basis but without the signature volatility risks of cryptocurrencies. Workers will receive a card with accounts linked to them filled with LHT tokens. These cards can be used like regular payment cards, as well as to pay for services using LHT tokens.

LaborX has been designed with great care to present a low-friction system optimized for ease of use and to make sure that the exchange of labor time for LH tokens (and vice versa) is efficient and straightforward.

The key to ChronoBank's distinctiveness and its appeal over traditional timebanking is the use of a reputation system. Reputation is assigned to each participant, allowing them to secure appropriate compensation for their hours of work. The better the individual's reputation, based on feedback for previous work, the more they will be able to command for their next hour. Initial reputation will be set based on the individual's experience within the partner company. For those who have not participated in the system in any previous capacity, a nominal, average reputation is assigned. Care is taken to encourage the user to increase their reputation and maintain it at its highest level.

LaborX will therefore represent a truly global and free market approach to timebanking by leveraging the fully decentralized architecture of a blockchain, with the additional benefit of significant initial adoption by key labor-hire companies.

One major problem this mitigates is that of the network effect. This has hampered cryptocurrency adoption to date, the main issue being that a given technology is often not worth adopting by newcomers until a critical mass of people already use it. By 'bootstrapping', ChronoBank, with the help of Edway's labor force, is able to bring in significant users and utility to the system. This, in turn, promotes a liquid market for LH tokens on LaborX, minimizing slippage and other inefficiencies of thinly traded markets; it also brings wider benefits to the cryptocurrency community.

## Github

The code for Chronobank will be open source, and the repository will be provided once the ICO is complete.

Presently you can view part of the contact code and specifications on [Github](#). The contracts code has already been written and tested; a specification for dapp was also developed.

Documentation is made at a high level, there are several documents that fully describe the project:

- [White Paper](#)
- [Business Outline](#)
- [Development plan](#)

## Escrow

Since different currencies are accepted for Chronobank's ICO, an escrow wallet will be created for each of them and will have 3 to 4 signatures. At least two escrow signees will keep a signature for each wallet.

Below is the list of escrow wallet-holder signees:

Ransu Salovaara

CEO of Revoltra.com and TokenMarket.net.

Ransu is also a co-founder and CEO of Revoltura, the company behind BitcoinETI, Europe's first bitcoin-backed exchange traded instrument. BitcoinETI is listed in Gibraltar Stock Exchange and traded at Frankfurt Stock Exchange.

Sasha Ivanov

Founder and CEO of WAVES Platform.

Physicist by education, Sasha Ivanov has been involved in Internet payment systems software development and neural network prediction software for financial markets. After the emergence of blockchain technology he launched the first instant cryptocurrency exchange coinomat.com, the first fiat blockchain token coinoUSD, the first tradable cryptocurrency index coinoinindex.com, and WAVES Blockchain Platform

Oleg Khovayko

Vice-President at Jefferies & Company.

Oleg is one of the creators of EmerCoin and a technical wizard. He has a strong background in the realm of finance and specializes in technological aspects of blockchains and cryptographic algorithms.

Jeff McDonald

Project manager of NEM.

Jeff works as part of the NEM Core Team and as the project manager of Apostille. He is an Assistant Professor at Keimyung University in South Korea. He is also a blockchain enthusiast following Bitcoin and NEM.

# ICO

## Supply

All TIME tokens purchased during the crowdsale will constitute 88% of the total TIME tokens generated during the initialization of the ChronoBank system. The remaining 12% of tokens will be split with 10% given to the ChronoBank's team (for ongoing research and development) and 2% going to advisors and early adopters of the system.

Chronobank will use a fixed rate for TIME token during ICO 100 TIME = 1 BTC.

During ICO the following currencies will be accepted: BTC, LTC, ETH, ETC, WAVE, XEM. Exchange rates for each of cryptocurrency shown in the picture.

### EXCHANGE RATES PER 100 TIME

 BTC:	1.00000
 LTC:	189.90683
 ETH:	91.81725
 ETC:	1019.95023
 WAVE:	2509.41029
 XEM:	197238.65878

The payment address for all currencies will be available after ICO launch. The personal account for the ICO has a 2FA. The ICO has no maximum limit on the funds raised.

## Bonuses



## Roadmap

Noted the main milestones. Dates are not final and are subject to change.



## Bounties

- Blogs & news websites
- Newsletter and ICO registrations
- Artistic Translations & Local Community Management

More information [here](#).

## 4. TEAM

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### Proof of developer

The team is not anonymous and active on a few social networks.

### Experience

All information provided is given according to the project's official website, public sources, as well as team members' LinkedIn and GitHub profiles.

### Founders

Sergei Sergienko ([LinkedIn](#)) - Chief Executive Officer

- The Co-Founder of Edway Group P/L, a group of companies that includes labor hiring, manpower training, vocational rehabilitation and habilitation services, app development and other businesses. Edway Group includes Edway Labour Hire (hiring agency), Edway Training (construction, health and hospitality industries training), Training Aid, Edway Painting (residential, commercial, industrial and strata painting) and Edway Apps (Development of Software, Web and Mobile Applications). According to his LinkedIn page, Edway Apps have developed more than 100 software projects. Chronobank is also part of the group.
- Edway Group is listed as a Co-founder of Chronobank and according to the team, the companies share some resources; Chronobank might occasionally get help from the Edway Group team.
- A venture called Edway Extreme, a Jetpack and Flyboard company, was also part of the group, but is now apparently frozen.
- He also founded Salesaroundme, an app that is described as “a revolutionary system, think Groupon on steroids in real-time”, but apparently is now defunct.
- Previously Sergei was a Manager at Interactive Projects and at Ross Mitchell and Associates, where he worked with project costs.

He has extensive business experience, but no recorded blockchain experience.

### Tech

Lucas Cullen ([LinkedIn](#)) - Ethereum Developer

- A Board Member at Bitcoin Association of Au and a Bitcoin Consultant & Developer at Bitcoin Brisbane, which provides integration of financial services in crypto currencies.

- Previously he worked as a Software Engineering Team Leader at Bank of Queensland for almost three years.

#### [Github](#)

Joined on 11 Aug 2014

He actively wrote the code from the date of registration, increasing the activity every year. Most of the projects in which he was involved are associated with the blockchain.

Rating: 1 star; repositories 41; 316 contributions during the last year.

Has technical and blockchain experience.

#### Greg Mikeska ([LinkedIn](#)) - Smart Contract Developer

- Was a Software Engineer at Rapid7, a provider of security data and analytics solutions; also previously worked with Tech, Web and Information Systems Support at various companies.
- According to his LinkedIn, he's been consulting start-ups nationwide on Web Development & Blockchain Technology (although no specific start-ups are mentioned). He also was named Rootstock (Smart Contract System) Ambassador.

Has a technical background. His recorded blockchain experience is limited by consulting and managing a small Ethereum-related subreddit.

#### Paul Hauner - Smart Contract Consultant

According to the official website, he participated in the development of several "critical software systems in banking, government, military, health and corporate sectors" and "has an extensive knowledge of Ethereum technology." He doesn't have a LinkedIn account.

#### [Github](#)

Joined on 12 Feb 2014

Active since Nov. of 2015. He is most active with the following projects: The Solidity Contract-Oriented Programming Language and Poloniex API wrapper for Python 2.7 & 3

Rating: 15 star; repositories 10; 809 contributions during the last year.

#### Sigma Prime

According to the official websites, "Sigma Prime provides consulting services in the blockchain and information security space. It's is responsible for the development of ChronoBank's White Paper and for providing expert blockchain technology consultancy".

The company was created to optimize the processes aimed at reducing tax burdens and apparently, ChronoBank is its first project.

### Luke Anderson ([LinkedIn](#)) - Blockchain Consultant

- Currently he's a Director at Luke Anderson Information Technology, where he does IT consulting for various companies and also Director at DarkByte Pty. Ltd., a company that provides customized IT solutions and web services.
- He's an Advisory Board Member at emondo, a secure platform for form completion, digital signatures, online witnessing, and document certification. He also is involved in lecturing, working as a Ph.D Candidate & Lecturer at University of Sydney and an Information Security Lecturer & Tutor at University of Technology Sydney, where he examines current uses of blockchain technologies.
- Previously he was a Business Intelligence Analyst at OneSteel (now Arrium), an international mining and materials company, a Security Engineer at Freelancer.com and Technical Lead at Hagglr Pty Ltd, a group ticketing platform.
- He wrote a few scientific papers on blockchain tech. According to the official website he "has experience performing detailed analysis of the Ethereum network and securing large web applications with over 20M users". He's also an organizer of monthly SydEthereum Meetup at Sydney.

He has technical and blockchain experience.

### Adrian Manning ([LinkedIn](#)) - Smart Contract Consultant

- Currently he's a PHD Student University of Sydney and previously tutored Physics there for a year. The name of his PhD thesis is "Quantum Field Theory in Curved Spacetimes".
- He also was a Data Analyst/Mathematician Programmer at Unkown. His [GitHub account](#) includes some Ethereum-related projects.

### [Github](#)

Active since March of 2014; mainly worked on cryptocurrency-related projects.  
Rating: 1 star; repositories 7; 130 contributions during the last year.

He has some technical and blockchain experience.

## Marketing

### Alexander Rugaev ([LinkedIn](#)) - Chief Marketing Officer

- Previously he was an Investment Advisor at P2P Lending Italia, a Peer-to-peer lending fund and Senior Advisor at private Ethereum/Bitcoin mining company.
- He also co-founded "Museros", a now-closed erotic museum.
- He also has technical experience, working for 9 years as a Senior Software Developer / CTO at PINK RABBIT a retail chain that describes itself as a #1 pleasure retailer in St-Petersburg, Russia.

Has has business experience (mostly erotic industry-related) and mining-related experience.

## Consultants

Paul Glover ([Official Website](#)) - Consultant and Ideologist

- Founded [Ithaca Hours](#), the concept that ChronoBank is based on.
- Previously he was a professor of urban studies at Temple University. He also provides consulting services on community economic development.
- He ran for a few positions as a candidate from the Green Party.

He has extensive experience in local currency systems.

Ash Han ([Official Website](#)) - Strategy Advisor

- He's a founder of several blockchain startups including [Finector](#), the research & consulting firm for institutional blockchain applications in Korea.

He has blockchain-related consulting experience.

## Operations

Jared Abrahamse ([LinkedIn](#)) - Operations Executive

- He previously worked as a State Manager at Edway Group, Sales Representative at ClearView and Account Manager at Hollard Financial Services Pty Ltd and Dawson Media Pty Ltd

He has experience in account management and customer relations. He has no recorded blockchain experience.

Deirdre Gallagher ([LinkedIn](#)) - Key Account Manager

- Deirdre is going to connect new "real-life" companies to the ChronoBank.io ecosystem.
- She currently works as a Director at Mofair Consulting Pty Ltd, a company that provides various consulting services to business across Australia.

She has business management experience, but no recorded blockchain background.

Danielle Reid ([LinkedIn](#)) - Recruitment expert

- She worked as a Human Resources Officer at Hurstville City Council and as a Human Resources Coordinator at Stamford Hotels & Resorts.

She has Human Resources experience, but no recorded blockchain background.

## Conclusion

The founders of the company have business and human resources experience. The company has a strong technical team with a blockchain background. They are consulted by the founder of a concept which serves as the bases for their product.

## Activity

The team is active on [Slack](#), [Facebook](#), [Bitcointalk](#), [Reddit](#) and via e-mail, answering most users' questions. We were able to talk to Chronobank's founders over e-mail and Skype and they answered our questions.

CEO of the company gave an interview to [NewsBTC](#), [Coin Interview](#), [Crypto Core Radio](#) and [Phoenix Group](#).

They also have an active [blog](#).

## 5. LEGAL

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According to the founders, they plan to register the company in the near future with the holding company in Singapore and subsidiaries in Australia, EU, USA and Marshall Islands.

### Risk of legal prosecution

According to the founders, they have all necessary registration and licences to launch in Australia within the first stage. As we can see from numerous examples of companies, including Uber and Ripple Labs, companies that attempt to change labor relations and financial procedures often face strong resistance from the government, including stricter regulations, fines and even banning. Founders of Chronobank realize that their company might face legal problems at the second stage; they plan to take time during the first stage to prepare for these potential problems.

According to the team, part of the software will be partially decentralised, and they will implement all necessary procedures. However, examples of Uber, Ripple Labs and other companies show that this is a very difficult process.

### Guarantees to investors

The only guarantee to investors that they will receive their tokens after the ICO and that the project will continue to develop in accordance with the roadmap is via escrow.

### Legal team

Chronobank is assisted by the Australian legal company [Gilbert & Tobin](#). Blockchain projects [are](#) amongst the interests of this firm.

## 6. SOCIAL MEDIA

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### Feedback

#### The Crypto-community

Chronobank launched ANN thread on Bitcointalk recently: on Nov 14, 2016. According to the team, they planned to launch the ANN earlier, but encountered some problems. The project has received considerable attention, getting 1270 replies throughout a month. The comments are almost exclusively positive, many of them about the bounty program.

### Marketing

Alexander Rugaev is in charge of Chronobank's marketing. Besides social media marketing and press coverage, the team spends a considerable amount of money on advertising on various crypto-media outlets.

They also have a bounty program for blogging, registrations, translations and local community management.

### Media

The company has extensive social media presence:

- [Facebook](#)
- [Twitter](#)
- [LinkedIn](#)
- [Instagram](#)
- [Telegram](#)
- [YouTube](#)
- [Reddit](#)
- [VK](#)

Community. It is difficult to say at the moment since comments are mostly positive, but there's too few of them since the ANN thread on Bitcointalk was launched only recently.

Media attention. Chronobank has received wide press coverage from various crypto and financial media outlets such as [Nasdaq](#), [The Huffington Post](#), [Contagious](#), [Cointelegraph](#), [Bitcoinist](#), [Cryptocoinsnews](#), [The Blockchain](#), [Bitscan](#), [ForkLog](#), [NewsBTC](#), [Bitcoinchaser](#), [News.coincap.io](#), [BtcManager](#), [Btc Echo](#), [Criptonoticias](#), [PRNewswire](#), [Bitcoinbazis](#), [36kr](#), [News.Blockchain.hk](#), [Mt.sohu.com](#), [Toutiao](#), [News.btcfans](#), [News.huobi.com](#) and [Blockvalue](#).

Chronobank was also mentioned in a Forbes Russia [article](#) about the Waves platform and a Due [article](#) about the impact of blockchain technology.

## Announcement

### Bitcointalk

- Account - Jr. Member
- Non Self-Moderated Announcement Thread

### Website

- Has a detailed and professionally designed website available in both English and Chinese
- There is a financial plan and business outline.

## 7. SUMMARIES

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### Advantages:

- The idea was born in one of the leading companies in the Australian Labour Hire market which has existed for almost 10 years. The labour market issues are real, not hypothetical, given objective market factors. This makes Chronobank's project one of the most unique on the market, especially for a young ICO whose idea was born within a real business, not an artificial environment.
- The presence of a large user base from Edway Group (about 400,000 people) creates a foundation on which to test ideas and first-introduced concepts to the market without the added problems that come with finding consumers services.
- The project has significant potential for scalability and expansion of its basic functionality as part of the labour market.
- The concept of hedging increasing the cost of manpower which can be very useful for businesses.
- The project founders have provided enough of a detailed plan for using borrowed funds and the development of their project.
- Strong marketing strategy will allow the project to quickly gain a critical mass of Chronobank's infrastructure userbase.
- Multi-blockchain implementation. If a new blockchain protocol emerges and dominates the market in the future, ChronoBank will create tokens and decentralized applications on this platform.
- Elaborated technical model, including interaction of system components. There is a detailed explanation of the interaction of the system components, as well as specifications for tokens, contracts, dapps.

### Disadvantages:

- At the moment, the idea of pinning the value of LHT to an average wage cost within a particular region is not clear. It's also not clear whether the liquidity fund would be enough so that the market maker can support possible causes of force majeure. At the moment, there is no universally accepted cryptocurrency that could be used in large quantities due to certain fundamental cryptocurrency factors.

- The Labor Hire market in Australia, at the moment, is in stable condition without any sharply increasing dynamics. It's worth noting that the current size of the market is large enough, but this does not give an absolute guarantee that the company, even after a successful implementation of their system, will continue to grow as a major innovative player in the labour market.
- In the second phase of the project, the company is very likely to face a large number of legal issues for many of which there are currently no solutions.
- The payment of dividends on Ethereum blockchain will take place in manual mode, and its implementation through smart contract is postponed. Dividends for TIME Tokens owners from other blockchains will take place only in manual mode.
- Some of the mechanisms of the platform work related to the second phase are not fully explained. For example, voting amongst tokens TIME owners.

## Rating assessment

Our evaluation for *Chronobank* is "Stable". If the company will do the following, we may assign a higher rating for the project:

- The project will confirm its ability to keep a stable rate of LHT tied to the average wage cost in the region it's used in.
- The matters regarding the legal justification of the project will be more specific.
- At the moment only the co-founder of the project - Edway Group acts as a LOC. As the number of participants of the platform grows, it will be able to confirm its relevance to the market which will have a positive impact on the rating.
- It's necessary to make sure that a number of technical aspects of the platform will be implemented properly: ex. voting amongst TIME tokens holders and the dividend payment process.

## Update on Chronobank's Investment Rating - 12/20/2016

ICORating decided to raise Chronobank's investment rating from stable to stable + thanks to the following events: on December 15 [AXL Strategic Partners](#), a company which specializes in the evaluation of start-ups and high-risk business investments, invested \$ 1.1 million in Chronobank.

AXL Strategic Partners is part of AXL Group Holdings which specializes in areas such as a juridical and legal support (<http://axllegal.com.au/>), assistance in investment deals for Australian and international investors, loans and investments in real estate (<http://axl.financial/>).

AXL Strategic Partners was founded in 2006 and was [registered](#) on [the ASIC](#) (The Australian Securities & Investments Commission, the only Australian state financial regulator that controls all financial market participants, including companies and individuals.)

To date, it is a unique case when a third-party institutional investor invests in the project during the ICO stage and chooses to buy tokens instead of shares of the company.

This move demonstrates the fact that the potential of Chronobank's business model was valued not only by the crypto-community, but also by traditional venture capital investors. In more traditional investment terms, AXL Strategic Partners participated in the seed investment round on the general ICO conditions by buying TIME tokens. This demonstrates the confidence of the investment fund in the infrastructure that was created by Chronobank founders.

With further development of the project, the presence of an institutional investor at the seed stage will make it easier for the founders to find other venture capital investors which may raise interest in the project from the traditional players in the venture capital industry. This can have a positive effect on the value of TIME tokens sold during the ICO. This can bring other benefits primarily to the investors that were included in the company's capital at the current stage.

It should be noted that by increasing the rating this does not imply that a number of risks inherent to the project have been removed altogether, but it does reduce their probability.

The history of Chronobank's ratings:

01/12/2016 - Project was rated Stable.

20.12.2016 - The investment attractiveness rating for Chronobank was upgraded to Stable +.

Rationale: The participation of institutional investors in the ICO for the amount of \$1.1 million.

Below is a table of investment attractiveness ratings, developed and used by ICORating to assess projects:

CATEGORY	RATING	INTERPRETATION
Investment category (high-quality assets)	Positive +	Recommendation to buy, and if possible, build up positions on company assets
	Positive	Recommendation to buy, and in prospect to build up positions
	Stable +	Recommendation to buy, there is a possibility of positive changes in the future and the rating may be increased
	Stable	Recommendation to buy with minimum speculative opportunities
Speculative category (Risky assets - highly speculative)	Risky +	Waiting position, there is a possibility of positive changes in the future and the rating may be increased
	Risky	Waiting position, the project raises many questions
Non-investment category (Very high investment risk, highly speculative)	Risky -	Waiting position, high probability of negative changes, the rating may be lowered
	Negative	Do not buy an asset, many red flags
Credit default category (The project is close to the default or is already in default with little chance of funds returned even partially)	Negative -	The project is close to default
	Default	The project is in default

"Plus" (+) or "minus" (-) signs may be added to current ratings to indicate the relative differences in the level of investment attractiveness within the major rating categories.

You can read more about ICORating's methodology and rating system [here](#).

## Rationale

The Chronobank project is built on innovation and solving a number of problems in one of the fundamental sectors of the market economy - the labour market in Australia (one of the largest economies in the world). This, plus the fact that the project has grown from a recruiting company with almost 10 years experience in the market makes it unique to the ICO market. However, most of the ideas in this segment are theoretical and were born in artificial conditions, but not in practice.

The relevance and validity of the problems which can be solved using the infrastructure built on the blockchain technology makes this project attractive for long-term investment.

The scalability of ideas, plans to enter markets outside of Australia (UK, US, EU), an experienced management team from Edway Group's founders and a team of blockchain developers significantly increases the chances of this project being successful.

It should be noted that as with any innovative idea, the project may face a number of difficulties: first and foremost are the legal aspects of the second phase, specifically during product launch (Uber still faces this problem in many countries, and its model is much

simpler than Chronobank's). Also, the project still needs to prove its ability to maintain a stable value for the tokens tied to the actual macroeconomic indicators and demonstrate quality implementation of many other technical aspects.

This project should be interesting, first of all, for investors that are focused on fundamental investments for the medium and long-term time period. It would not be reasonable to expect sharp speculative growth when the tokens enter the secondary market. The Chronobank model implies regular dividend payments, which makes the Time tokens more like traditional stocks, especially given the possibility of voting on issues the project encounters during development.

Considering the scale of the project and the size of the market in which it operates, the long-term potential of the TIME tokens' cost growth could be very significant. Given that the founders plan to at some point in the future hold another round of investment within the traditional venture capital industry, the first wave of investors may at this stage withdraw from the project with serious profits, but it would not be very reasonable.

These type of investments usually pay off by the time the project reaches "critical mass", i.e. tokens quotations may be stable for a long time and at some point began to show impressive growth.

As a result, the project can be attributed to this investment category and is primarily attractive for long-term investments.

The information contained in the document is for informational purposes only. The views expressed in this document are solely personal stance of the *ICOrating* team, based on data from open access and information that developers provided to the team through Skype, email or other means of communication.

Our goal is to increase the transparency and reliability of the young ICO market and to minimize the risk of fraud.

We appreciate feedback with constructive comments, suggestions and ideas on how to make the analysis more comprehensive and informative.