

Inspired by

“Poverty does not belong in civilized human society.”
Nobel Laureate Professor Muhammad Yunus

Thank you, investors and future users, for your valuable support to BFEX.
We appreciate your trust and opportunity for us to develop a platform that
will tremendously impact those whose lives are in need of new beginning.

Version 0.3

Table of Contents

1. Vision
2. Introduction
3. Project Summary
4. Industry Analysis
5. Technology
6. Team
7. Roadmap
8. Token Sale and Distribution
9. Token Utility
10. Mechanism
11. Marketing Strategy
12. Disclaimers, Terms of Token Sales, and Terms of Service
13. Conclusion
14. Contact
15. Reference

1. Vision

In a world where equally access utility is yet to become everyone's reality, many organizations are paving their paths to making equality their mission. Establishing ourselves as a social enterprise, we intend to tackle the issue of limited access to financial resources. The BFEX team has cautiously chosen the greatest of minds and members of the same value in order to contribute and make a great impact on the

financial industry. We are introducing BFEX, not as merely a business enterprise, but a social enterprise with a personality and a vision to create a world with seamless financial accessibility.

Our mission is to provide equal financial access for all by developing a more widely accessible financial platform, and in turn, disrupting traditional financial institutions. BFEX aims to utilize blockchain technology, big data, and Decentralized Social Trust Credit Scoring (DSTCS) to decentralize peer-to-peer lending.

Our vision is to develop a sustainable financial system where people can freely access the financial pool needed to improve the quality of their lives and contribute positively to society.

2. Introduction

2.1 The Problem

“In my experience, poor people are the world’s greatest entrepreneurs. Every day, they must innovate in order to survive. They remain poor because they do not have the opportunities to turn their creativity into sustainable income.” - Professor Muhammad Yunus for Huffington Post (2012), a visionary who pioneered the concepts of microfinance and was awarded the Nobel Peace Prize in 2006.

In the age of free economy, a foundational factor in initiating any successful business is exceptional creativity. In the meantime, the access to financial resources is also the most significant contributing factor for development and continuity, in order to achieve sustainable growth and prosperity for all parties concerned.

However, when there is a limited access to sustainable financial resources, achieving wealth and prosperity then grows further out of reach. Reliance on existing financial institutions is also difficult due to the restrictions, terms, and conditions applied. According to Vigna and Casey (2015), “Roughly 2.5 billion adults in the world don’t have access to banks, which means somewhere in the order of 5 billion people belong to households that are cut off from a financial system that the rest of us take for granted.¹” (p. 186)

These are conflicting signs as on the one hand, there is the socio-economic attempt to encourage society to seek opportunities and induce progress, but on the other hand, the world’s institutions are not prepared for the resulting exponential growth. The contributing factors, such as the financial resources, are not in line with this opportunity seeking attempt. This is evident in the majority of all the emerging countries around the globe.

2.2 The Solution

Banking Future Exchange (BFEX) is a FinTech company, established with the intention to provide equal financial access for all by developing a more widely accessible financial platform, and in turn, disrupting the traditional financial institutions. This innovative solution was designed by a group of experts in finance, technology, banking, and business management from both developing and developed countries. BFEX aims to support funding under the concept of nano-finance in order to help boost economic prosperity globally. Our operations are conducted via blockchain technology of which its trustworthiness, transparency, and security can be assured.

¹ Vigna P., & Casey, M. J. (2015). *The Unbanked. The Age of Cryptocurrency: How Bitcoin and the Blockchain are Challenging the Global Economic Order.* (186 - 218). New York: Picador St. Martin Press.

While banking institutions are restricted under traditional loaning system, BFEX is determined to develop nano-finance services to meet consumers' demands worldwide. The key features of BFEX are as follow:

1. Decentralized Social Trust Credit Scoring (DSTCS): A credit system which reflects more accurate credibility of nano-finance customers when comparing to the records shown by credit bureaus.
2. Peer-to-Peer Lending Platform: A system which allows the lender and the borrower to interact and agree on terms and conditions of the loan such as the interest rate and payment due date. All the entries are recorded on the blockchain on Hyperledger Fabric.
3. BPAY E-Wallet: Connects users to available goods and services of BFEX business partners from various industries. This allows BFEX users to gain wider options of products and services, along with the privileges of cash back.

3. Project Summary

BFEX aims to achieve the three following goals:

1. To develop credit scoring system for nano-finance industry based on Trust-Based Banking by Professor Muhammad Yunus who received the Nobel Peace Prize in 2006. An imminent part of his concept is "We can remove poverty from the surface of the earth only if we can redesign our institutions - like the banking institutions, and other institutions; if we redesign our policies, if we look back on our concepts, so that we have a different idea of poor people²"

BFEX believes that credit bureau scoring (with reference to the debtor's background and payment history) is not the best scoring method for nano-finance. BFEX saw this opportunity and developed Decentralized Social Trust Credit Scoring (DSTCS). DSTCS uses criteria devised and accepted by people in the community to reflect the credibility of an individual. All the entries are recorded on the blockchain.

2. To develop a lending platform for nano-finance via decentralized peer-to-peer lending. The terms and conditions for lending and all the business transactions linked to the data on DSTCS.

Research has shown that when traditional financial institutions cannot offer microlending services due to the issues with credit bureau, the customers then turn to loan sharks, which usually charge more than 150% interest rate per year³. BFEX aims to solve this problem by developing the peer-to-peer lending platform which easily and effectively connects lenders and borrowers. This creates a win-win situation for both parties. While lenders can access an investment that yields decent returns, borrowers can access financial resources that offer reasonable, lower interest rate than non-institutional loans.

3. To develop the BPAY E-Wallet payment system. BFEX Tokens can be used to pay for goods and services with BFEX business partners. Not only will the business partners be able to grow and expand their markets through their partnerships with BFEX, BPAY users will also receive 50% cash back from the deals BFEX receives from its partners upon the payment made to BFEX

² *Quotes by Professor Yunus.* <http://www.muhammadyunus.org/index.php/media/quotes/453-quotes-by-professor-yunus>

³ Bennett, K. <https://www.kiva.org/blog/loan-sharks-microloans-and-the-highest-interest-rates-around-they-arent-on-kiva>.

Creasy, S. (2011). <https://www.theguardian.com/commentisfree/2011/feb/03/legal-loan-sharks-regulating>.

Howe, M. (2017). <http://www.atimes.com/article/chinas-online-loan-sharks-charging-1000-crackdown-looms/>.

business partners.⁴ This cash back will be transferred into the users' BPAY accounts at the end of each month. For instance, if a BFEX hotel partner offers 20% off from a hotel booking, BFEX will offer 10% cash back to its user while using the remaining 10% for business development.

4. Industry Analysis

Since 2016 FinTech has been in the center of attention, with its platform being utilized as a means of financial transaction and as a versatile platform that covers a wide range of other business transactions. Whether it be for buy-sell purposes or online businesses like E-Commerce, it has been a crucial solution in enabling financial accessibility for the general public. Other functions include complete and secure e-payment transactions, online banking, crowdfunding as well as the world-changing blockchain technology which is the current foundation of cryptocurrency disruptive phenomenon.

One of the revolutionary developments observed in FinTech, a great opportunity for initiating business and a possible high-return investment in the future by many investors, is peer-to-peer lending (P2P).

According to the Director of P2PFA (UK Peer to Peer Finance Association), Robert Pettigrew, peer-to-peer lending platforms have observed distinct growth in 2017 of £836 million by the last quarter.⁵ The significant growth represents BFEX's opportunity to permeate the UK market, due to its wide acceptance and trust in the platform.

Peer-to-peer lending offers more confidence in the financial industry from the public's perspective. The differences between credit management with the use of a credit scoring system compared to data analysis by credit bureaus are as follows. Credit bureau merely collects loan records from various sources, such as historical payment entries and credit status, while credit scoring integrates detailed information or retrieving information from big data including age, occupation, level of education, and place of residence in order to get a more accurate and sensible credit analysis. In other words, the latter system is more likely to represent the actual identity and situation of the borrower.

In addition, the system gathers and generates data by utilizing artificial intelligence and machine learning to verify the identity of each individual (KYC; Know Your Customer). This enables the service provider to see the borrower's spending behavior and accurately assess risk management. This is why P2P service providers have been able to effectively manage their customer bases and perpetually achieve 20-40% annual growth rate according to our analysis.

The development of peer-to-peer lending platform requires a variety of resources and high-technology equipment, which means raising capital is essential for business and technological application development. Creating a similar system would demand not only the financial support and a technological pool of resources, but also a team of experts to utilize and integrate specific systems such as credit scoring and big data for its utmost stability and efficiency.

5. Technology

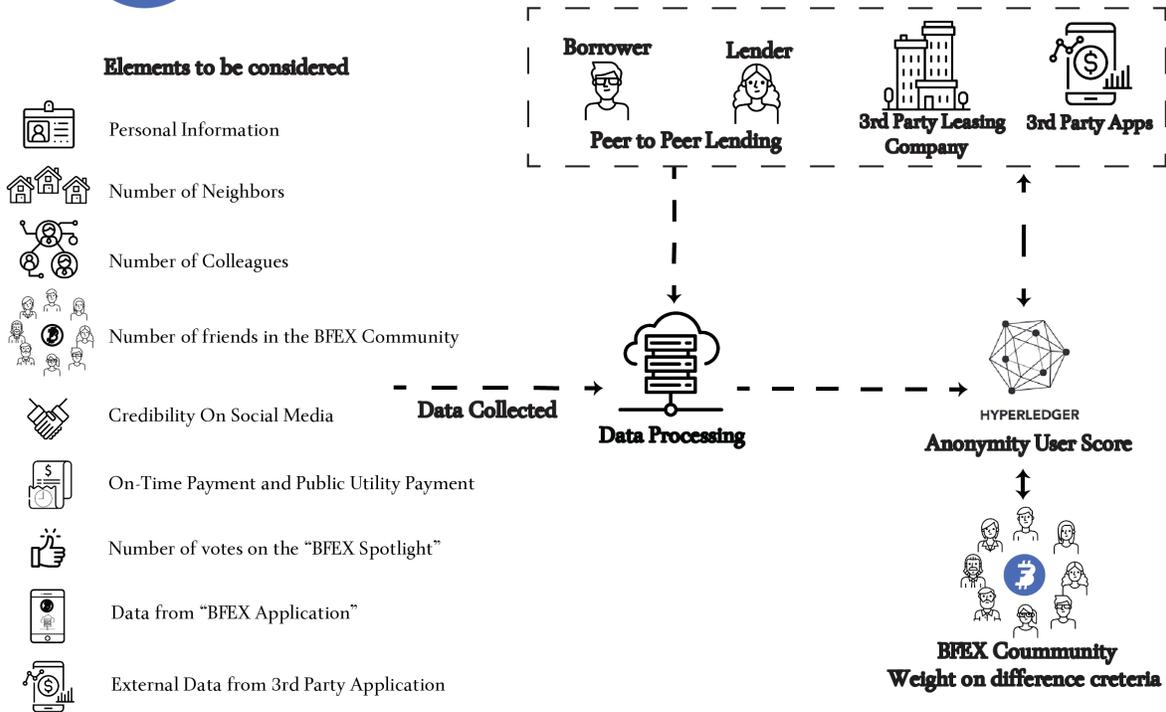
5.1 Big Data

⁴ 50% cash back split between BFEX and user will be calculated from the profit of each usage.

⁵ Alois, J. (2018) <https://www.crowdfundinsider.com/2018/01/127602-uk-p2pfa-peer-peer-lending-tops-3-1-billion-2017-q4-sees-considerable-growth-borrowers-shift-online-lending/>



Decentralized Social Trust Credit System



There are three primary data sources that are counted towards DSTCS - basic data, p2p lending data, and 3rd party data.

- *Basic data* that are counted towards DSTCS include personal information, number of neighbors, number of colleagues, number of friends in the BFEX community, credibility on social media, on-time payment and public utility payment, number of votes on the "BFEX Spotlight", data from "BFEX Application", and external data from 3rd party application.
- *Peer-to-peer lending data* includes the agreement between the lender and the borrower.
- *3rd party data* includes external data from leasing companies and applications.

Data will be collected from these three primary data sources which will be processed before being stored on the blockchain. Data on the blockchain may also be sent to other 3rd party companies and applications.⁶

Proposal for a change in priorities of criteria in credit scoring by the BFEX community is done via BFEX application built on top of Hyperledger Fabric.⁷

5.2 Smart Contract

⁶ See 5.4.2 on BFEX API

⁷ See 10.2 on Elements to be considered

The smart contract written in Solidity follows the standard of ERC223, which is backward compatible with ERC20. BFEX architecture will be built on top of the Hyperledger Fabric.

5.3 Decentralized Social Trust Credit Scoring (DSTCS)

During the past 10 years, the abrupt change of pace in the world has resulted in prominent effects on many aspects of the economy, society, financial industry, banking, and technological development. Technological development contributes as one of the most influential factors for the rapid transformation of businesses and industries, as well as consumers' behavior and their lifestyle.

As time changes, many things that might have worked in the past might not work in the present and the future without modifications. For instance, countries that have implemented credit scoring in their banking and financial systems are now encountering issues. Due to the fact that the existing system is has become irrelevant to the lending process, a transformation is now unfolding. This is seen through the report of credit gaps on SME and individuals' inability to access financial resources which leads to informal debts in recent years for both for households and business sectors. This continuing problem has become a threat to the country's development.

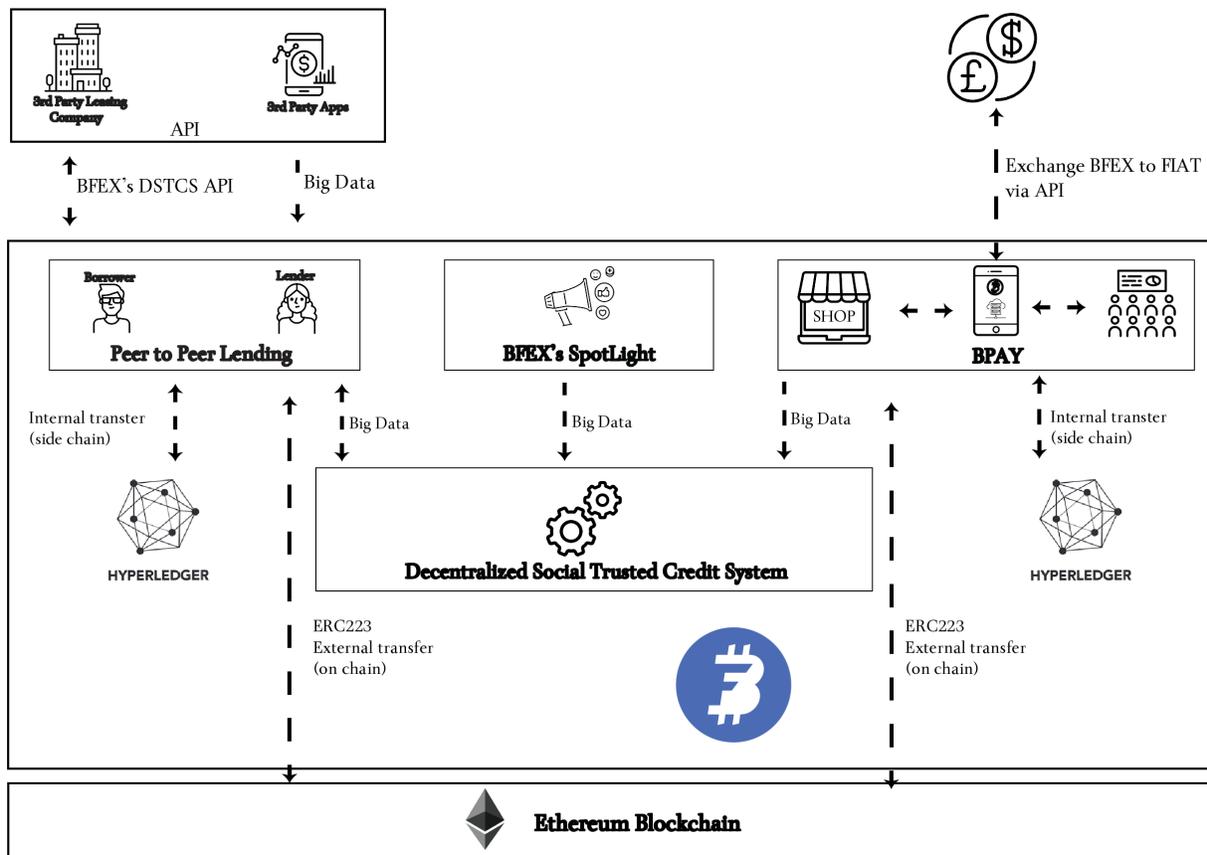
These difficulties have shown that the credit scoring system currently used is not effective, causing many borrowers to turn to loan sharks that charge excessively high interest rates. According to our interview with a financial analyst, the number of people that fall out of the the obsolete system has continuously grown 20% - 40% or more in some countries every year.

One outstanding factor of this distinctive growth is the ability to issue an agreement between the debtor and the creditor. As a result, the chance of bad debt or questionable debt occurring is drastically reduced. However, without the concerned government agencies' supervision, it may negatively affect the overall financial system in the long-term.

Realizing the state of affairs, BFEX has chosen blockchain technology to help ease these problems. With Decentralized Social Trust Credit Scoring (DSTCS), a transparent and open for audit system, both the debtor and the creditor could benefit from using this innovative system. One outstanding feature of DSTCS is its algorithm which enables BFEX users and BFEX Community to design credit scoring criteria by themselves. The system also welcomes other businesses and enterprises, such as loaning and leasing enterprises, wishing to acquire DSTCS data to connect their systems in the future.

BFEX has also considered our Lenders' safety as one of our priorities. Therefore, our platform though allows certain extent of transparency, we do not allow disclosure of our Lenders' full identity for protection of confidentiality. Our Lenders can rest assured that only their social score would be required in the qualification assessment.

5.4 Design and Architecture



5.4.1 BFEX Systems

The BFEX architecture consists of three main systems:

1. Peer-to-Peer Lending
2. BFEX Spotlight
3. BPAY E-Wallet

1. Peer-to-Peer Lending

P2P lending uses Hyperledger Fabric to set up a private blockchain which aims to minimize the issues of scalability, privacy, and transaction fees. While all transactions will be recorded on the blockchain on Hyperledger Fabric, any transaction to the Ethereum Blockchain will also be made possible with sidechain.

DSTCS, which is integrated into the P2P lending system, will be used to match the lender and the borrower. Loaning data will be processed on DSTCS to further generate and update credit scores of users.

2. BFEX Spotlight

A feature of the P2P lending platform which acts as a social media channel where users will post about their goals and activities. All the data collected - including the likes, comments, progress, and accomplishment - will be processed and analyzed on DSTCS.

3. BPAY E-Wallet

A cryptocurrency wallet used to store BFEX Tokens which could be used to purchase goods and services with BFEX business partners. Similar to the P2P lending system, all transactions within the

BPAY Application will be recorded on the blockchain on the Hyperledger Fabric, any transaction to the Ethereum Blockchain will also be made possible with sidechain. Payment history will be processed in DSTCS to further generate and update credit scores of users. As for BFEX business partners, the BPAY Application will make an API request to exchanges to transfer fiat currency to them.

5.4.2 BFEX API

1. With a large amount of data collected and analyzed on DSTCS, BFEX could potentially become a decentralized social trust credit provider. This is particularly useful for users who would like to use DSTCS as a tool to enhance and verify their credits with parties outside of BFEX. This disclosure will only be made with the an individual user's consent. With the consent, BFEX will allow third party services to connect with BFEX DSTCS API to retrieve credit information of BFEX users.

2. BFEX API could connect with third party applications - such as fitness or location based application - that will generate a huge volumes of big data for DSTCS.

6. Team

6.1 Founders

Daniel Jaeger (Co-founder)

Daniel has over 10 years' experience in the implementation of complex financial systems around the globe in all industries such as banks, pharma, and services. As a project manager and consultant, he drives the team to high performance. He is proficient in the areas of financial services at top management and digital transformation with an emphasis on the blockchain.

Joseph Swartz (Co-founder)

Joseph is a lifelong banker who has worked with some of the largest and most prestigious banks in the world. He is a skilled Cryptocurrency professional who works 80-100 hours a week on various cryptocurrency projects, he guides teams to ultimate success in finance and business development with his extensive leadership abilities.

Sam Roberts (Co-founder and CTO)

Sam is a seasoned IT Executive, Technology Strategist, and Digital Workplace Engineer with experience leading transformations within companies of every size, including as Director of a Project Management Office (PMO), Director of an onsite Data Center, and IT Consultant for his own boutique consulting firm 2ndCEO. He is certified in UNIX and ITIL and holds degrees in Organizational Information Systems and Organizational Administration. His ability to implement positive culture and encourage employee innovation while streamlining operations using technology allows him to enable continuously higher levels of business performance and production capability. His entire focus is business transformation through people, process, and technology.

6.2 Advisors

Wilson Thong (Financial Advisor)

Graduating from the University of London with a bachelor's in economics and finance, Wilson specializes in financial analysis and economics. His analytical skills and strategic initiative along with his interpersonal and communication skills make him an expert in his field. Wilson has been dedicating his time to various companies including OTIS, Google, and AXA as a financial consultant.

[Nilanjan Banerjee \(Technical Advisor\)](#)

Nilanjan completed his doctorate degree in theoretical computing from Texas Arlington University in the area of distributed networking. He was a senior researcher at Motorola labs and IBM research for over 10 years before starting his own venture. He is currently a founder and CTO at Onometra, a software solution enterprise focusing on the blockchain, artificial intelligence, machine learning, and IOT. Nilanjan focuses mainly on overall technology vision and architectures. He specializes in artificial intelligence, distributed computing, real-time information management, telecom protocols, converged networks, and unified communications.

[Kaushik Bhaduri \(Technical Advisor\)](#)

With a Bachelor's in Physics and a Master's in computer engineering, Kaushik worked for Microsoft Corporation for over two decades in Redmond. He adorned various hats inside Microsoft, mainly developing systems level components within Windows group. He also worked on device driver stack development and was responsible for building motherboard assisted hardware activation technologies for the Microsoft OEM organization. Kaushik currently works at Onometra where he is responsible for technical scoping of projects and architecting solutions. He is proficient in cloud computing, performance optimization.

[Suman Das \(Technical Advisor\)](#)

With a bachelor's in computer application and a master's in business administration, Suman's expertise is a mix of technical and business skills. He is currently a founder at Onometra. With over 10 years of experience in solution architecture, IT infrastructure management and operation, service delivery, and vendor management, his strengths lie in the area of strategic planning and management, digital marketing, and business development and sales.

[Shankar Biswas \(Business Advisor\)](#)

Shankar has over three decades of experiences in business management, consumer finance, and investment and retail banking. He was one of the founding members of the investment bank FALCOM financial services where he identified new investment ideas and opportunities in the FMCG sector. He is currently the managing director of Pinnacle Science Laboratories International Australia where he oversees the overall performance of the company and the board's overall strategy.

[Huan Johnson Koh \(Business Advisor\)](#)

Johnson is not only the CIO of the AsianIR and the founder of Improved, he is also a board member of two IPO companies. He has over a decade of experiences in project management, digital transformation, big data, IT and technical solutions, as well as investor and media relations.

[Irin Chusuntorn \(International Business Development Manager\)](#)

Irin is a new youth talent who has experiences in marketing with an international government sector and one of Thailand's biggest PLC. Her intercultural communication, marketing strategy, management skill, and her driven motivation of new generational vision will drive BFEX to a successful solution platform.

7. Roadmap

7.1 Project Timeline

Year, Quarter	Month	Plans
2018, Q2	May 1 - June 28	<ul style="list-style-type: none"> ● Pre-sale
2018, Q3	July 1 - August 31	<ul style="list-style-type: none"> ● Public sale
2018, Q3	September	<ul style="list-style-type: none"> ● Listing on exchanges <ul style="list-style-type: none"> ○ Decentralized exchanges <ul style="list-style-type: none"> ■ IDEX.market ■ EtherDelta ○ Centralized exchanges <ul style="list-style-type: none"> ■ Coin Asset ■ Binance ■ Kucoin
2018, Q4 - 2019, Q1	October 2018 - March 2019	<ul style="list-style-type: none"> ● P2P Platform Development ● BPAY Development <ul style="list-style-type: none"> ○ E-Wallet ○ Partnership
2019, Q2	April 1 - May 15	<ul style="list-style-type: none"> ● Alpha Test <ul style="list-style-type: none"> ○ P2P Lending Platform ○ BPAY
2019, Q2	May 16 - June 30	<ul style="list-style-type: none"> ● Beta Test <ul style="list-style-type: none"> ○ P2P Lending Platform ○ BPAY
2019, Q3	July	<ul style="list-style-type: none"> ● BFEX Official Launch <ul style="list-style-type: none"> ○ P2P Lending Platform (Token Model) ○ BPAY
2019, Q4	October	<ul style="list-style-type: none"> ● API Connection with 3rd Party
2019, Q4 - 2020, Q4	October 2019 - December 2020	<ul style="list-style-type: none"> ● P2P Lending Platform (Fiat currency integration)

8. Token Sale and Distribution

BFEX generates its tokens through ERC223 on the Ethereum currency platform, which is the most widely used and secure blockchain network. The BFEX tokens will be developed and used as the common currency for services on the BFEX platform.

8.1 Current Token Supply: 210,000,000 Tokens

Prices range between 0.3 – 0.5 USD / 1 Token
Hard Cap: 36,000,000.00 USD
Soft Cap: 12,000,000.00 USD

Total proportions

Token Sale	: 50% accounted for 105,000,000 Tokens
Reward & Bonus	: 10% accounted for 20,000,000 Tokens
Bounty & Marketing	: 12% accounted for 25,000,000 Tokens
Founder	: 7% accounted for 15,000,000 Tokens
Advisor	: 2% accounted for 5,000,000 Tokens
Development	: 7% accounted for 15,000,000 Tokens
Loan Assurance	: 12% accounted for 25,000,000 Tokens

8.2 Pre-sale (20% Bonus) 9,000,000

Token Sale	: accounted for 45,000,000 Tokens
Maximum contribution per participant	: 500 ETH
Minimum contribution per participant	: 5 ETH
Launch Date	: May 1, 2018; 7 pm SGT
End Date	: June 28, 2018; 12 am SGT

8.3 Public Sale (10% Bonus) 6,000,000

Token Sale	: 60,000,000 Tokens
Maximum contribution per participant	: 250 ETH
Minimum contribution per participant	: 0.1 ETH
Launch Date	: July 1, 2018; 7pm SGT
End Date	: August 31, 2018; 12 am SGT

8.4 Fund Allocation

Research and Development	: 45%
Marketing	: 20%
Operations	: 15%
Partners	: 10%
Legal	: 10%

9. Token Utility

Our BFEX tokens utility can be categorized into two different types of usage.

9.1 BFEX as Equity Token:

Equity tokens are suitable for investors who see the potential growth of the BFEX platform and interested in participating as shareholders.

9.2 BFEX as Utility Token:

Utility Tokens are tokens utilized for purposes of payment for products and services via the BPAY application provided to users.

BPAY Mobile Application: An application which allows BFEX users to utilize BFEX tokens as a form of currency to purchase products and services provided by our partners. Our users will receive privileges, such as cash back, from purchasing with our tokens.

BFEX P2P Lending Platform: This platform developed by BFEX team will allow users to give loans to other users with details being recorded on the blockchain on Hyperledger Fabric. This lending platform utilizes Decentralized Social Trust Credit Scoring (DSTCS) in considering the qualifications of both lenders and borrowers, which generates social trust among community members.

10. Mechanism

10.1 BFEX Community

The BFEX Community is comprised of:

1. Investor: Entities wishing to be part of BFEX. They will be screened by BFEX-KYC in order to be listed as a lender.
2. Borrower: Entities wishing to borrow money via BFEX. They will be screened by BFEX-KYC in order to be registered as a member as well. They are to be assessed by Hybrid – KYC before applying for a loan.
3. Horeca and Retail Segment: BFEX business partners who accept BFEX Tokens as a payment method for their goods and services.

10.2 Elements to be considered

1. Personal information - the most important element
2. Number of neighbors - the second most important element
3. Number of colleagues - the third most important element
4. Number of friends in the BFEX Community - the fourth most important element
5. Credibility on social media - the fifth most important element
6. On-time payment and public utility payment - the sixth most important element
7. Number of votes on the “BFEX Spotlight” - the seventh most important element

Remarks

- A. Proposal for a change in priorities of criteria: Proposal must be endorsed by at least 70% vote count from the community.
- B. Proposal for a change on criteria: Proposal with rationale must be endorsed by at least 90% vote count from the community. All elements proposed must be assessed for their legitimacy via big data for the new criteria scoring. If the new elements can be generated and analyzed by big data or other available sources, the new criteria can then be applied.
- C. Proposal for an elimination of elements: Applicable only for the ones not included in the seven basic elements.

10.3 Criteria for scoring

1. Personal information - the most important element

Members are to submit the following documents:

- 1.1 Photo of identification card or passport
- 1.2 Photo of house registration
- 1.3 Selfie photo of yourself with your ID card or passport placed on A4 paper on which the word BFEX and the date of application are hand-written.
- 1.4 Photo of public utility invoice for address verification (Hybrid – KYC)
- 1.5 SMS identity verification on a mobile phone (Hybrid – KYC)
- 1.6 Document stating your workplace or business
- 1.7 Fill in the 6-digit code shown on the postcard sent by BFEX to your given address (Hybrid – KYC)

2. Number of neighbors - the second most important element
Scoring is based on the average number of the users' neighbors that the users have referred to the BFEX Mobile Application during the past seven days.
3. Number of colleagues - the third most important element
Scoring is based on the average number of the users' colleagues that the users have referred to the BFEX Mobile Application during the past seven days.
4. Number of friends in the BFEX Community - the fourth most important element
Scoring is based on the number of friends on the "BFEX Spotlight".
5. Credibility on social media - the fifth most important element
Scoring is based on the assessment of the social credit analysis system, a reliable 3rd party tool used to assess users' credibility
6. On-time payment and public utility payment - the sixth most important element
Scoring is based on the number of overdue payments. Scores can be negative.
7. Number of votes on the "BFEX Spotlight" - the seventh most important element
Scoring is calculated from the frequency of participation on the "BFEX Spotlight".
 - 7.1 Setting up a mission and updating the progress towards the goal to let all members in your circle know about your self-improvement status.
 - 7.2 The number of people who click "Cheer" in BFEX Spotlight.
8. Public utility payment via BPAY will be scored and counted towards the users' financial credits.

10.4 BFEX Mobile Application

Four main features of BFEX Mobile Application

1. E-Wallet: BPAY
2. Spotlight
3. BackMe
4. Referral

Functions

- 1. E-Wallet: BPAY:** BPAY Digital Wallet used for tokens transaction within members, creditors, and BPAY business partners
- 2. Spotlight:** Space for displaying constructive personal activities with a Q&A section for users. Users asking and answering questions will receive 'Points', which could be redeemed for BFEX Tokens based on BFEX terms and conditions.
- 3. BackMe:** A feature for inviting neighbors and colleagues to become your 'Backer'. Only the neighbors and colleagues assessed by Basic KYC are accounted for.
- 4. Referral:** A feature for referring BFEX to other friends. Those making and receiving referrals will be rewarded with BFEX Tokens.

10.5 BFEX Peer-to-Peer Lending (B-P2P)

Peer-to-peer lending system of BFEX (B-P2P) uses Decentralized Social Trust Credit Scoring (DSTCS) of BFEX as a tool for creditors' consideration in lending. The average score is shown at the end of the borrower's profile.

10.6 Many to Many

B-P2P is a many-to-many platform for both the lenders and the borrowers. Below is the flowchart of this model.

10.7 Procedure for Peer-to-Peer Lending on B-P2P

1. The borrower submits a loan request with details of payment due date and interest rate offered. A minimum of one month interest is required. For example:
 - 1.1 John borrows \$1,000. The payment due date is within 5 days with 10% annual interest rate.
 - 1.2 The system displays a loan of \$1000 + \$8.33 interest along with the payment due date within 5 days.
2. The lender considers the loan request and sets the credit limit and the preference of currency, local currency or BFEX Tokens. The lender earns 0.5-1% of the loan given. For example:
 - 2.1 Jane selects USD as preferred currency and lends \$500 to John
 - 2.2 Jay lends 5 BFEX to John (In this scenario 1 unit of BFEX = \$100)
3. When the requested amount of loan is given by lender(s), the borrower pays 1-2% loan fee, calculated from the total loan, with BFEX Tokens. Then all the terms and conditions as well as the borrower's profile are recorded on the blockchain and disseminated to the lender(s). For example:
 - 3.1 John borrows \$1,000 + \$8.33 interest and the due date payment is within 5 days
 - 3.2 \$500 from Jane and 5 BFEX from Jay
 - 3.3 John confirms the entry and pays 0.2 BFEX loan fee (\$20)
4. After the borrower confirms the entry and pays the fee, the system delivers payment to all parties. For example:
 - 4.1 John receives \$1,000
 - 4.2 Jane pays \$500 and receives 0.05 BFEX
 - 4.3 Jay pays 5 BFEX and receives 0.05 BFEX
5. The borrower can pay back the debt any time before the payment due date. The borrower's DSTCS is increased if the payment is completed on time. After the borrower completes the payment, the system delivers the borrowed money back to the lender(s).
 - 5.1 John pays back \$1008.33 (the loan plus the interest)
 - 5.2 Jane receives \$504.16
 - 5.3 Jay receives 5.04 BFEX

11. Marketing Strategy

Prospect countries with high potential for peer-to-peer lending and popular tourist destinations such as Thailand, Japan, Singapore, Hong Kong, Australia, and South Korea are our main targets for the beginning period of the campaign. BFEX plans to register BFEX Tokens on at least four well known cryptocurrency exchanges, some being among our targeted countries. We recognize that it is very important to investors to know what exchanges BFEX will be listed on and when. We will be very clear in our communication regarding this. The BPAY campaign will not only be introduced to consumers, but also potential partners in major cities around the world.

Our marketing activities would include both online and offline methods such as video presentations, kick-off meetings, public events and reward campaigns.

Our two months long marketing campaign for the ICO pre-sale will commence with building a BFEX community by introducing BFEX via website news releases. Officially introducing BFEX will then be followed by Digital WOM, by utilizing social media channels and providing telegram address where interested users can submit their inquiries to our team. Simultaneously, we are introducing a bounty program with the investment of up to 25 million BFEX Tokens as well as monthly rewarding campaign. The next stage of our marketing campaign would be publishing our identity on ICO listing websites.

The second stage of our marketing campaign would start focusing on offline methods. Once users are familiar with our name and the idea, we would launch our offline roadshows. As previously mentioned, our targeted countries are Thailand, Singapore, Japan, Hong Kong and Australia. We have already contacted and partnered with many of Retail and Horeca Segment business owners in Thailand. By the end of the first month, we expect to have up to 20 partners across the industry, with over 40 by the end of the second month. We will be attending blockchain roadshows and exhibitions in leading countries such as Japan, Singapore, and more if applicable.

Furthermore, we would approach the smart city players in each country to introduce our innovative concept and offer them this opportunity to be one of the pioneers in the revolutionary financial system. With the new Eastern Economic Corridor being developed in Thailand, we consider this as a significant opportunity to establish a model town for this financially disruptive system.

Moreover, we have partnered with the AsianIR, a company in Singapore that focuses on digital solutions, marketing, and creating a community of ICO issuers. All of our customers will be able to gain access to the resources based in Singapore, including the latest trend, or if they are looking for a professional company to support their SMEs marketing. A great opportunity of partnership brought us an agreement to share our platform of tokens transaction, in order to provide a wider variety of usage for our clients and meet their different demands.

12. Disclaimers, Terms of Token Sales, Terms of Service

http://bfex.io/pdf/en/bfex_disclaimers_terms.pdf

13. Conclusion

Lending system plays a crucial role in supporting economic growth by allowing individuals and small and medium enterprises (SME) the access to a financial pool needed to run businesses and cover necessary expenses.

The current financial system does not meet the growing financial demand of the general public and the SME sector due to the inefficient and slow lending process, which is more suitable for large corporations and public companies. Moreover, expensive fees and operational costs of banking systems are often heavy liabilities for lenders.

BFEX is developing the peer-to-peer lending system to support the growing demand of personal loans by utilizing Decentralized Social Trust Credit Scoring (DSTCS) as the measurement of the

borrower's credibility. In order to give the lenders confidence, they are able to see the scoring of the borrower's financial behaviour.

The strongest point of DSTCS is the prioritization of the relationship among users within the ecosystem in order to build trust for each and every person entering our BFEX ecosystem. Furthermore, our potential users will be motivated to improve their social credits for a higher chance in participating on the platform as one of our qualified borrowers. By collecting and/or demonstrating each user's relationship with their connection circle and their discipline of financial behaviour in the past, the borrowers will allow our lenders to observe their credibility before deciding on investing. Moreover, our lenders will gain the interest rate of up to 15% of each investment, depending on each investment's risk. This method differs from the traditional lending system, BFEX does not charge for excessive operational fee alike traditional lending system, which would alleviate the customers' expense on interest rate for their saving and loan.

Aside from the peer-to-peer lending system, BPAY Application will be developed alongside the p2p lending platform. BPAY Application allows users to purchase goods and services from a wide variety of BFEX business partners with BFEX Token. BFEX business partners will also benefit from expanding their customers' base with BPAY payment solution.

Crowdfunding is for the technological, research, business, and systems development, along with supporting the operational and legal costs. The estimated duration of BFEX and BPAY platform and application development spans over a two-year period, beginning from 2018 and ending in 2019 with full system functionality.

14. Contact

Website: <https://bfex.io/>

Email: bfex@bfex.io

LinkedIn: <https://www.linkedin.com/company/bfex/>

Telegram: <https://t.me/bfexofficial>

News via Telegram: <https://t.me/bfexnews>

Github: <https://github.com/bfexofficial>

Facebook: <https://www.facebook.com/bfexofficial/>

Twitter: <https://twitter.com/officialbfex>

Medium: <https://medium.com/@bfexofficial>

15. References

1. Alois, J. (2018). *UK P2PFA: Peer to Peer Lending Tops £3.1 Billion in 2017, Q4 Sees Considerable Growth as Borrowers Shift to Online Lending*. <https://www.crowdfundinsider.com/>

2018/01/127602-uk-p2pfa-peer-peer-lending-tops-3-1-billion-2017-q4-sees-considerable-growth-borrowers-shift-online-lending.

2. Bennett, K. *Loan Sharks, Microloans and the Highest Interest Rates Around (they aren't on Kiva)*. <https://www.kiva.org/blog/loan-sharks-microloans-and-the-highest-interest-rates-around-they-arent-on-kiva>.
3. Creasy, S. (2011). *Legal loan sharks are circling the poor*. <https://www.theguardian.com/commentisfree/2011/feb/03/legal-loan-sharks-regulating>.
4. Howe, M. (2017) *Crackdown looms for China's online loan sharks*. <http://www.atimes.com/article/chinas-online-loan-sharks-charging-1000-crackdown-looms/>.
5. Mourdoukoutas, P. (2017). *Modi's India The World's 4th Fastest Growing Economy*. <https://www.forbes.com/sites/panosmourdoukoutas/2017/06/22/modis-india-the-worlds-4th-fastest-growing-economy/#6ab260164120>.
6. *Quotes by Professor Yunus*. <http://www.muhammadyunus.org/index.php/media/quotes/453-quotes-by-professor-yunus>
7. Vigna P., & Casey, M. J. (2015). *The Unbanked. The Age of Cryptocurrency: How Bitcoin and the Blockchain are Challenging the Global Economic Order*. (186 - 218). New York: Picador St. Martin Press.
8. Yunus, M. (2007). *Banker to the Poor: Micro-Lending and the Battle Against World Poverty*. New York, United States: Hachette UK.
9. Yunus, M. (2012). *How We Can Bring About Change*. https://www.huffingtonpost.com/muhammad-yunus/global-business-summit_b_2070352.html