



# RusCoin

White Paper

[ruscoin.io](http://ruscoin.io)

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## Investment Disclaimer

**\*Investment in crypto assets is associated with the following risks:**

- ✓ Risks relating with engaging in business activities in particular jurisdictions,
- ✓ Risks relating with economic conditions,
- ✓ Risks relating with competitive environment,
- ✓ Risks relating with fast-pace technological and market changes,
- ✓ As well as with other factors that may result in significant deviations from the anticipated financial performance.

**\*RusCoin does not accept investment from US citizens in United States Dollars and other fiat money; however, US citizens may invest cryptocurrencies (Bitcoin, Ethereum, etc.) in RusCoin *at their discretion* and *entirely at their own risk*, as the blockchain technology does not stipulate for the identification of nationality.**

**\*RusCoin disclaims any responsibility for any illegal actions by US citizens or citizens of any other countries, since by virtue of using blockchain technologies RusCoin has no way of knowing about any such actions.**

**\*The abovementioned factors suggest that actual performance may significantly vary from any assumptions or forward-looking representations as contained in this document.**

## 1. Abstract

Thanks to the revolutionary invention of Professor Yuji Ijiri in 1989 - Triple-Entry Bookkeeping<sup>1</sup> - and the blockchain based on that invention there are a growing number of new exciting opportunities for the financial sector and real economy.

**RusCoin** is a Fintech project aimed at investing assets raised through ICO in various business projects in the Russian Federation and worldwide as promoted by Russian founders with an Internal Rate of Return >35%.

We use Waves, a decentralized blockchain platform, in order to attract investors in our projects via ICO<sup>2</sup> mechanism ('Initial Coin Offering').

Buyers of RusCoin tokens thus become co-owners of real and existing businesses and/or readily obtainable assets, while the blockchain technology provides for complete transparency and traceability of all our transactions and investment projects by RusCoin token owners. A mechanism known as Smartcontract<sup>3</sup> is one of the tools to ensure such transparency.

## 2. Problem

The Russian financial market is substantially undercapitalized.

RIA Rating agency conducted its annual rating of 100 largest Russian public companies as of the beginning of 2017. According to the rating<sup>4</sup> capitalization of top 100 Russian companies grew 58% over the past year, i.e. by USD 233 billion to USD 635 billion as of December 31, 2016.

By comparison, the capitalization of Apple Inc., the world's most expensive public company as of early 2017, approximately equals the total market cap of a hundred largest Russian public companies (USD 630 billion as of January 23, 2017). At the same time, the growth potential of the national stock market is uncapped with many Russian companies remaining dismally undervalued.

Sectoral economic sanctions introduced by the United States and a number of Western countries against Russia put restrictions on funding entities related with this country.

## 3. Solution

The mechanism of ICO allows for legitimate circumvention of these restrictions, i.e. ICO helps raise crypto assets in order to fund business projects linked to Russia. At the first stage of RusCoin project, most of the funds raised will be used to buy up a blocking stake (25% + 1 share) of PJSC Moscow Exchange (MOEX, moex.com/en). This will enable the RusCoin project to introduce blockchain-related products and companies on Moscow Exchange.

## Product

### Why Buy Shares of PJSC Moscow Exchange?

- High Level of Free Float: ~57%
- High Dividend Yield: ~10% p.a.
- Enormous Growth Potential: ~5-10 times the current price
- Moscow Exchange earns its transaction fees, regardless of whether markets grow or shrink
- Buying up the blocking stake (25% + 1 share) allows to introduce Blockchain-related products and companies on Moscow Exchange
- In case of a targeted buy up of shares of Moscow Exchange the MOEX share price will grow from approximately RUB 110 (\$1.8) to RUB 1,000 (US\$16.6), and RusCoin price will then grow approximately 9 times to US\$450 taking all expenses into account

### Again, Why Moscow Exchange?

Source: Moscow Exchange Official Website, <http://www.moex.com/s1414>

### A Global Industry Leader

- A leading exchange for trading a wide range of assets including equities, bonds, derivatives, FX, commodities and money market instruments
- Resilient business model that performs well throughout the economic cycle
- Robust centralized post-trade infrastructure that enables provision of clearing, settlement and depository services
- Leadership in a global context:
  - No. 2 in terms of trading volumes of bonds among world's exchanges in 2016, according to the World Federation of Exchanges;
  - No. 4 in terms of the number of derivative contracts traded in 2016, as per the Futures Industry Association;
  - FX, index, and commodity derivatives traded on Moscow Exchange are among the most liquid derivative contracts globally based on the data collected by the Futures Industry Association

### High Growth Potential

- Undemanding valuations of the Russian equity market imply there is potential for growth
- The Russian financial market has ample room for further development as reflected by the low market capitalization to GDP and debt to GDP ratios

### Strong Financial Performance

- One of the highest EBITDA margins among global exchanges (77.1% in 2016)
- Impressive growth history:
- CAGR of net income of 32.0% in 2012-2016

## Attractive Dividend Policy

- The dividend policy establishes a payout ratio of no less than 55% of consolidated net profit under IFRS
- The actual payout ratios exceeded the level specified in the dividend policy for 2012-2016:
  - 35.4% vs. minimum 30% for 2012
  - 46.8% vs. minimum 40% for 2013
  - 55.1% vs. minimum 50% for 2014
  - 58.2% vs. minimum 55% for 2015
  - 69.4% vs. minimum 55% for 2016
- The Supervisory Board approved interim dividend payout for H1 2017

## Successful results of infrastructure and regulatory reforms

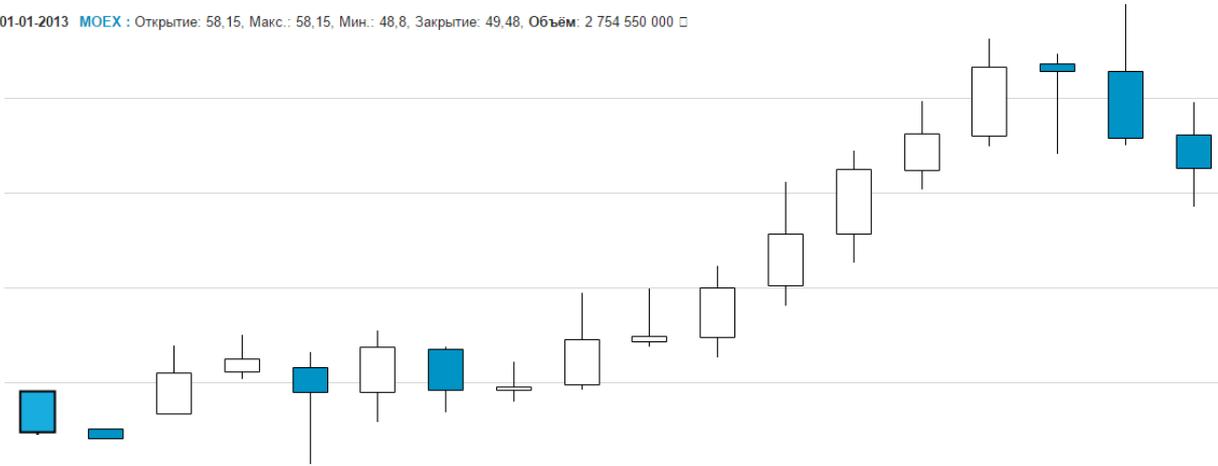
- Transition from T0 to T+2 for equities and to T+1 for government bonds
- Establishment of a fully functioning CSD and an integrated CCP
- Introduction of access to Euroclear and Clearstream, international securities depositories
- New Russian corporate governance code and MOEX Listing Rules aligned with international best practices
- New incentives for retail investors and Russian pensions funds to invest in securities
- New laws on insider trading and market manipulation adopted
- Amendments in the legal- and tax regulation of retail investors and private pension funds

## High level of transparency and adherence to stringent standards of corporate governance

- No controlling shareholder; 57.5% of shares are part of Free Float (as of July 2017)
- 6 out of 12 of the Supervisory Board members are independent
- The Company's corporate governance code aligned with best international practices
- Alignment of management and shareholder interests through a long-term share-based incentive program
- Transparent and timely financial and operational disclosure

## PJSC Moscow Exchange Share Price Movement From January 1, 2013 Until July 1, 2017\*

01-01-2013 MOEX : Открытие: 58,15, Макс.: 58,15, Мин.: 48,8, Закрытие: 49,48, Объем: 2 754 550 000 □

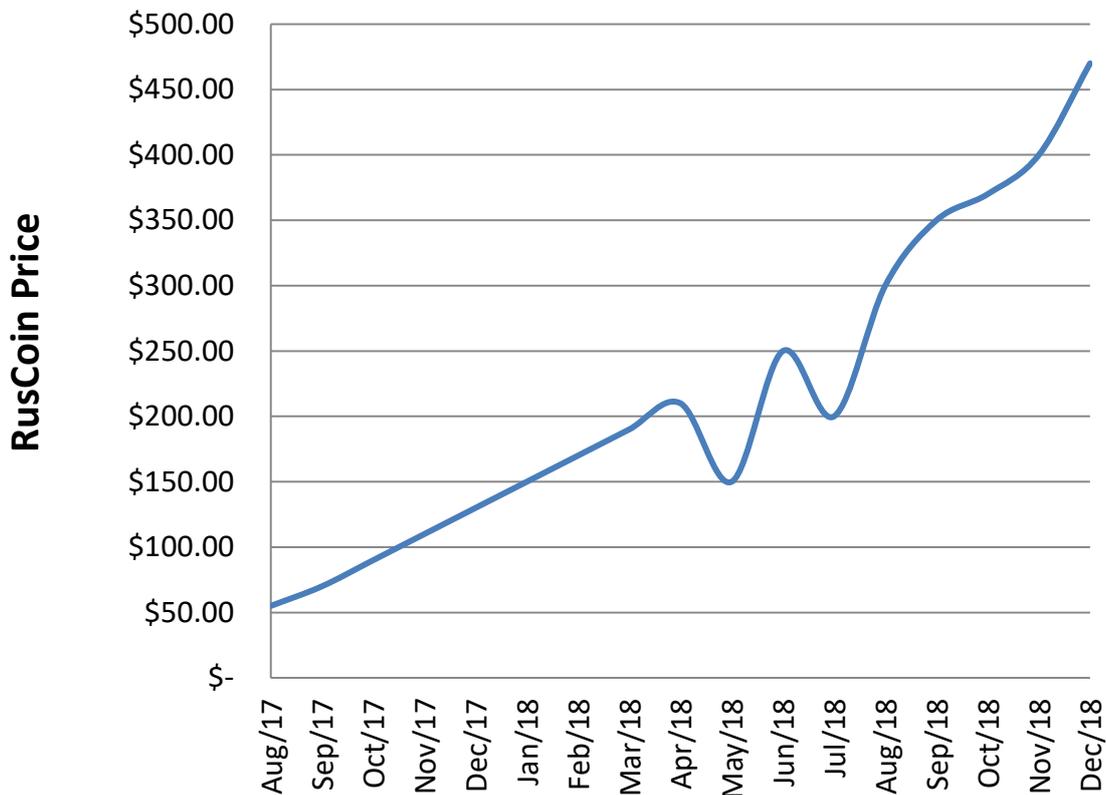


\*Source: Moscow Exchange Official Website

### The RusCoin Appeal

- The hype around cryptocurrencies helps raise funds from retail and corporate investors from around the world;
- High rate of return thanks to existing profitable businesses and transparent investments;
- Cryptocurrencies and blockchain technology are recognized by a growing number of countries, for example, at 2017 St. Petersburg International Economic Forum it was announced that a 'crypto Ruble' would be introduced by 2019;
- Clear investment model using the funds raised;
- Highly experienced and professional project team;
- Reputable ICO agent;
- RusCoin can be used for international payments without intermediate banks (p2p model);
- In addition to the MOEX share buy up project RusCoin will partake in other profitable international projects

## Forecast of RusCoin Price Chart, US\$



## Business Model

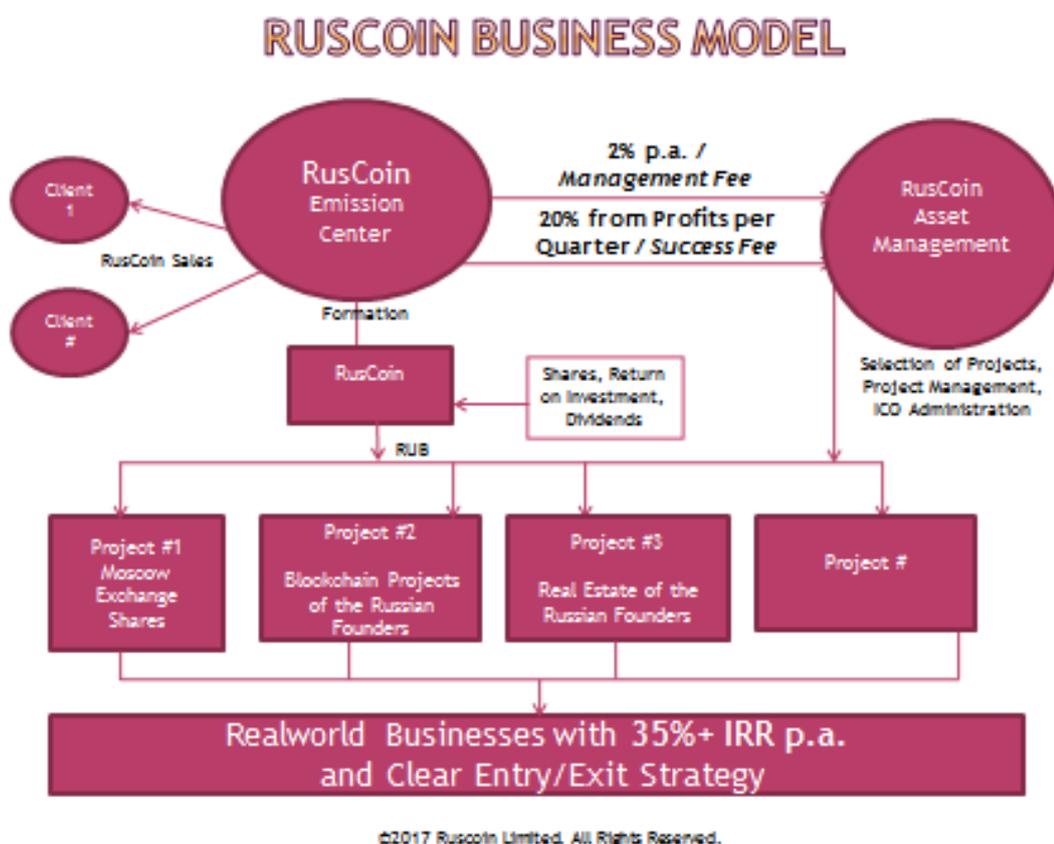
The RusCoin emission center invests funds raised via ICO by way of acquiring shares and/or establishing new companies together with Russian founders.

The management company RusCoin Asset Management is engaged in the selection of eligible investment assets and projects, as well as subsequent management of such assets and projects.

Employees of RusCoinAssetManagement are seasoned investment professionals who possess in-depth knowledge of the Russian financial market.

The management company RusCoin Asset Management is paid 2% Management Fee per annum from assets under management (AUM) and 20% Success Fee quarterly from profits from investment activity.

Any and all current information about companies in the investment portfolio of RusCoin Asset Management, operational data, etc., will be available on the website <http://www.ruscoin.io>



## Investment Criteria

The key investment criteria of the management company RusCoin Asset Management include investment in existing business entities in Russia and internationally with an Internal Rate of Return (IRR) of 35%+ p.a. and a clear entry/exit strategy.

## 4. Roadmap

### CurrentStatus

- We put together a highly professional team of managers, financial analysts, investment bankers, lawyers, coders, and PR experts;
- 21 Million RusCoin Tokens are registered on Waves platform;

- Legal grounds of the project have been elaborated. The underlying documents include the White Paper, Terms & Conditions, Privacy Policy, Formal Offer, and Investment Raising Mechanism;
- RusCoin website <http://www.ruscoin.io> is operational;
- Since June 30, 2017 RusCoin Tokens are available for sale at \$25/RusCoin during pre-ICO;
- Detailed plan of allocation of funds raised through pre-ICO is in place;
- Preliminary talks conducted with the leading cryptocurrency exchanges with regards to RusCoin placement;
- RusCoin token is now traded on the internal exchange of Waves DEX platform <https://waveswallet.io/>. The token identifier is: EMdiF8uaySswfCdMxc114rSfzUsAKCtK9d8eSx6ruKP4

## Allocation of Funds Raised through Pre-ICO

Section	Description	Direct Costs, US\$ '000	
<b>Amount</b>		<b>1,035</b>	
<b>Process Architecture</b>		<b>28</b>	<b>USD</b>
	Requirements List	6.5	
	Requirements for Proof-of-gold	15	
	Technical Documentation	6.5	
<b>Outsourced Development</b>		<b>69</b>	<b>USD</b>
	Website Development	8	
	3 Basic Blockchain Smart Contracts	35	
	Ether		
	Dashboard	18	
	Security Audit	8	
<b>Public Documentation</b>		<b>30</b>	<b>USD</b>
	White Paper	10	
	Articles and Materials for Publication	20	
<b>Marketing</b>		<b>131</b>	<b>BTC</b>
	Social Media	35	
	Press Releases	5	
	Videos	7	
	Interviews	3	
	Email Marketing	3	
	Bounty Campaign	10	
	Blog	3	
	Conferences	25	
	Blockchain Media and Mainstream Media	35	
	Design and Visual Perception	5	
<b>In-house Team</b>		<b>130</b>	<b>USD</b>
	Advisory Board	40	
	Management incl. CEO	50	
	Developers	40	
<b>Investor Relations</b>		<b>15</b>	<b>USD</b>
<b>Finance</b>		<b>12</b>	<b>USD</b>
	Business Models	6	
	Bonuses	3	

	ICO Structure	1	
	Cost Validation	2	
<b>Arrangements with Exchanges</b>		<b>85</b>	<b>BTC</b>
<b>Legal</b>		<b>100</b>	<b>USD</b>
	Company Registration	70	
	Contract Drafting	30	
<b>Other</b>		<b>45</b>	<b>USD</b>

## Go To Market Strategy

### Milestones

#### Phase One

- ICO launch (Start date: August 1, 2017; end date: November 1, 2017)
- Formation of RusCoin Emission Center (Singapore) - before November 21, 2017
- Formation of the management company RusCoinAssetManagement(Singapore) - before November 21, 2017
- Formation of the operator company Ruscoin LLC (Russian Federation) - before November 21, 2017
- Listing on the world's leading cryptocurrency exchanges - before December 20, 2017
- Buy up of a blocking stake (25% + 1 share) of PJSC Moscow Exchange - after November 22, 2017
- Promotion and marketing (Start date: August 1, 2017 - indefinite)

#### Phase Two

- Search for projects that meet the RusCoin investment criteria; Start date - August 1, 2017 - indefinite
- Investing in newly selected projects; Start date: August 1, 2017 - indefinite

#### Phase Three

- Introduction of blockchain-related products and companies on Moscow Exchange - after May 1, 2018

## 5. Token Model

### ICOMain Parameters

Promoter:	RusCoin (RSC)
Platform:	Waves
Total EmitttedVolume:	21,000,000 RusCoin
Offering Price:	US\$50/RusCoin
Initial Capitalization:	US\$1,050,000,000
ICO Placement Agent:	MirafoxLimited (Hong Kong) and others by tendering
ICO Start Date:	August 1, 2017
ICO End Date:	November 1, 2017

### Use Cases

RusCoin token is used exclusively for funding business projects selected and undertaken by the management company RusCoinAssetManagement.

### Incentives for Investors

Main cryptocurrencies (BTC, ETH, Waves) may be used as payment for RusCoin tokens, taking into account the Investment Disclaimer.

RusCoin token investors become co-owners of real business entities with a consistent operating surplus.

Considering RusCoin's high liquidity its owners may choose to sell their RusCoin on decentralized exchanges(DEX) at any point by placing a RusCoin sales quote.

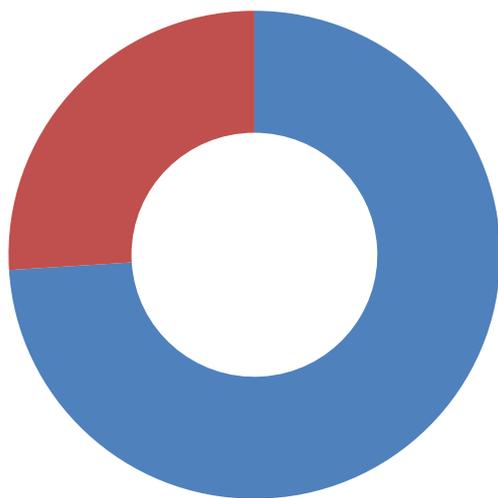
100% of the monetary assets will be used for buyback transactions after anine-month lockup period, i.e. effective May 1, 2018 all such assets will be used for buyback less the relevant transaction costs, Management Fees and Success Fees.

## Restrictions for United States Citizens

RusCoin does not accept investment from United States citizens in US Dollars and other fiat money; however, US citizens may invest cryptocurrencies (Bitcoin, Ethereum, etc.) in RusCoin *at their discretion* and *entirely at their own risk*, as the blockchain technology does not stipulate for the identification of nationality.

## Allocation of Tokens

RusCoin Tokens



■ Public Sale

■ Team

Public Sale: 74%

Team: 26%

## 6. Team



**Alexey Bykov**  
*Project Lead*

Alexey holds Ph.D. in Economics. Since 1994 he has been professionally engaged in equities market trading. In 2014, Alexey won Russia's Best Options Trader Award (Moscow Exchange). Mr. Bykov runs a private hedge fund.

<http://www.trade-advisors.com>

<http://www.alexeybykov.ru>

<http://www.alexeybykov.com>

[Facebook](#)



**Konstantin Kuzin**  
*Operations Director*

In 1998, Konstantin graduated from Novosibirsk State Academy of Economics and Management, and since 2000 he has held senior management positions in a number of Russian industrial and trading companies.

[Facebook](#)



**Ilya Trifonov**  
*Business Development Director*

With over 20 years' experience working for the leading Russian and multinational corporations in managerial roles, Ilya is a serial entrepreneur who co-founded Magtoapp, Inc., a developer of optical recognition technologies. He also consults aspiring startups that develop disruptive technologies, such as blockchain, AI, and machine learning.

[Facebook](#)



**Michael Trifonov**  
*Web Designer*

He has over 16 years' experience in media design. Michael is proficient in Adobe After Effects, Photoshop, Illustrator, and Flash, among other software tools.

[VKontakte](#)



**Valery Kuznetsov**  
*IT Consultant*

Valery is a successful investor, co-founder of several Russian business entities that operate at the junction of information technologies, catering, and food delivery. He founded a number of globally oriented startups focusing on eCommerce and IT Development.

[Facebook](#)



**Vera Pronkina**  
*Advisor*

VerareceivedherMBAfromSkolkovo Higher School of Management. She founded an IT company that specializes in the educational systems of Russia and CIS countries. She has extensive experience in international business and investment activities.

[Facebook](#)

## 7. References

- [1] Momentum Accounting & Triple-Entry Bookkeeping, Yuji Ijiri, 1989
- [2] [https://en.wikipedia.org/wiki/Initial\\_coin\\_offering](https://en.wikipedia.org/wiki/Initial_coin_offering)
- [3] [https://en.wikipedia.org/wiki/Smart\\_contract](https://en.wikipedia.org/wiki/Smart_contract)
- [4] <http://riarating.ru/infografika/20170131/630054676-print.html>

## 8. FAQ

### Waves FAQ

[How do I install my Waves wallet?](#)

[List of accepted countries and documents for verification](#)

[How to buy tokens on Waves decentralized exchange?](#)

[How to trade tokens on the DEX?](#)

[Why can't I create an order in Lite client?](#)

[Can I directly transfer my Bitcoins into my Waves wallet?](#)

[Can I deposit Bitcoin Cash in my Waves wallet?](#)



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