

DISTRIBUTED BLOCKS

White Paper

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Executive Summary

Crypto-currencies, based on blockchain technology, have the potential to become a new asset class and disrupt existing markets across multiple industry sectors. To date, much of the hype generated by crypto-currency has been speculative. People have seen Initial Coin Offerings and BitCoin forks generate extreme gains.

Now, the market is changing. Existing businesses and start-ups alike are moving from speculative hype to building real, supply and demand driven token economies that will build the next generation of on-line businesses. This new wave of distributed, de-centralised, disruptive applications requires a new level of blockchain platform and a new delivery model.

Distributed Blocks is proud to provide that model. We believe that combining a 3rd generation blockchain platform with enterprise-grade support and technology processes will enable a new wave of crypto-currency innovation.

We have taken the leading edge, open-source SkyCoin blockchain and delivered it with a range of tools and processes that allow any business to rapidly and confidently deploy their own crypto-currency with all of the support and customer processes needed for an end-to-end application.

The solution includes:

- Next generation blockchain platform with no mining, no transaction fees and highly encrypted security
- Business logic definition within the platform (similar to Ethereum smart-contracts) that enables distributed applications and trustless execution
- Secure desktop and web-based wallets
- Exchange interfaces and support
- OTC tools for coin sales and distribution
- Coin launch support, with future plans of DIST trading platform
- Secure, web-based account and platform administration and management
- Data vault and storage (centralised or distributed)
- User on-boarding and management tools including KYC, AML, etc
- Customer management tools
- Technical support and issues resolution processes

Distributed Blocks can support established businesses and start-ups to create utility coin and security token ICOs and to develop and grow their blockchain-based ecosystem.

Projects are submitted to the Distributed Blocks Team for review in the form of a white paper. If the project is accepted, the proposer will be asked to pay 50% of the fee in BTC and 50% in DIST, the underlying coin of the platform. The minimum fee is the equivalent of 15,000 USD. Distributed Blocks will retain 5% of the newly issued coins and will reserve the right to sell the coins during the first period of the initial coin offering for an equivalent value of up to 100,000 USD. Specific terms are discussed with each project owner on a case-to-case basis.



The total supply of DIST is 100,000,000. Of this supply, 50,000,000 DIST will progressively be offered to the public in exchange for Bitcoin, Ethereum and Skycoin. A limited amount of 5,000,000 DIST will be sold at a price of USD \$0.20 through private sales. Pre-ICO will have a supply of 15,000,000 DIST and coins will be sold at a price of \$0.30. The remaining (30,000,000 DIST) will be offered during the ICO at a price of \$0.50. The leftover coins will be allocated to community bounties, treasury reserve, founders, advisors and key partners.

The Problem: Launching a Coin and Building Distributed Applications is Complicated

Blockchain distributed ledger technology - and the crypto-currencies built on it - are disrupting industry after industry. By cutting costs, removing middle-men, increasing efficiency and transparency and simplifying processes, token-based platforms and distributed applications are creating value and driving innovation around the world.

Distributed applications (dApps) and whole new tokenized digital eco-systems are appearing in use cases across payments, trading, communications, logistics and supply chain, entertainment, gaming, gambling, commodities, insurance, file storage... the list goes on. In many instances, new digital asset classes are being created linking digital tokens with real-world asset.

The technology itself is evolving at lightning speed and deeply innovative technical solutions come on to the market at a pace that is almost dazzling.

The vast majority of businesses that want to create dApps are not building their own technology. Rather, like databases, web sites and cloud applications before, they are seeking to enhance their value proposition and service offerings through this new technology. In other words, most users of blockchain are not technology innovators and their core business is not creating software.

For normal businesses wanting to implement dApps, the development process can be confusing, time consuming and expensive. Currently, there is a proliferation of base platforms (Ethereum, Neo, etc) and promises of new ones that are supposed to be fantastic by are not really ready yet (Cardano and IOTA for example) or are yet to be operational (EOS, Hashgraph). It's very difficult for non-experts (ie almost everyone) to work out which platform to adopt.

However, when a platform is adopted, there are other issues that come to the fore regarding supporting tools and customer support. In general, a platform like Ethereum provides the blockchain and smart-contract layer, but other tools have to be integrated. Functionality such as wallets, teller (the ability for people to buy coins from the company), referral systems, KYC (know your customer identification tools), AML (anti-money laundering), user management and "off-chain" data storage all need to be integrated with the blockchain.

Most of the platforms are provided by foundations and run by hackers (in the good sense - very technical programmers who don't necessarily think about the ordinary users' experience), powered by open-source software communities and operated for the greater good, not for profit. This is a cool way to get complex systems developed quickly but it doesn't work terribly well for companies and people who are not programmers and who require easy support and trouble shooting, decent documentation and agreed service levels for fixing problems

Distributed Blocks Solution: 3rd Generation Block Chain Technology Stack “In A Box”

For a business, having many of the components of an application distributed over multiple locations and decentralized is very appealing. It lowers costs, improves security and can cut out centralized middle-men such as banks, trade finance, insurance, wholesale, etc. A dApp can create engaged user communities and generate a functioning economic system.

However, there are management and administrative functions of any eco-system that need some form of centralized control if they are to be operated by a commercial enterprise. Distributed Block provides the admin platform to deploy, manage and develop decentralized applications with appropriate levels of control.

Distributed Blocks puts all the components needed to create distributed applications in one place, making the development and distribution process for ICOs and digital economies fast, efficient and cost-effective. We are bringing together the best of breed 3rd generation blockchain platform with awesome 3rd party tools, robust help and support and service level agreements to provide a single platform that delivers dApps for the enterprise.

Our aim is to reduce the headaches and challenges of getting coins issued and providing corporate level support, help desks, reporting, billing and administration services via an easy to use management dashboard.

Our vision is that ICO issuers and dApp providers will have a single log-in that gives access to manage, maintain, report and support the entire process.

Productizing Sky Fiber

The core of the Distributed Blocks offering is the 3rd generation Sky Fiber blockchain platform from SkyCoin (<https://www.skycoin.net/>).

The key benefits of Sky Fiber are that: it's here now, super-fast, massively scalable, free near-instant transactions, low energy consumption and no mining (because it features an efficient consensus algorithm called Obelisk).

The BitCoin and Ethereum networks consume massive amounts of power to run inefficient “consensus” mechanisms. These mechanisms slow down transaction processing and incur large fees. They also limit the scalability of those networks for real world applications.

SkyCoin has spent over 7 years developing the Fiber platform via a huge pool of developers around the world. It is an awesome piece of technology. (More information is found in the Appendix)

What's missing from Fiber, as with most blockchain platforms, is the support, documentation and administration functions that corporate and business users require and expect. Distributed Blocks is providing all of that support and infrastructure.

Making the ICO Process and Technology Build Easy

Most token delivery platforms (including Ethereum) allow users to create coins but don't actually give them the ability to run their ICO or build out actual, working dApps.

Distributed Blocks offers anyone who wants to launch a coin and operate a token economy the opportunity to launch their initial coin offering using the unique features of the Skycoin blockchain and the tools needed to run a crowdfunding campaign, monitor its progress, deliver coins and build out the technology platform that will operate the business.

Curated ICO Launch Platform

Distributed Blocks will help businesses that want to create an ICO and launch their token economy via distributed applications.

Part of the role of Distributed Blocks is to curate the projects wishing to make use of the platform to ensure that they represent legitimate projects that will create genuine token economies. Prospective clients will undertake an application and due diligence process in order to on-board on the platform and issue their coins.

This process will protect investors and participants in the projects that operate via Distributed Blocks. It will also ensure companies have available all of the information and background that investors would expect to receive when considering participation in an ICO.

In order to be eligible to use Distributed Blocks services, the user must submit his/her project for review in the form of a white paper. The white paper should include an executive summary, feasibility study of the business, token economy and allocation with soft and hard cap, project timeline and team members description. The Distributed Blocks team will review the document and send a response.

Business Model

Once a project is approved, the Distributed Blocks Team will contact the project owners to subscribe a contract. Payment is divided in two parts: 50% in Bitcoin or Ethereum and 50% in DIST, the underlying coin of the platform. The minimum fee is USD \$15,000. In addition, Distributed Blocks will retain 5% of the newly issued coins and will reserve the right to sell the coins during the first period of the initial coin offering for an equivalent value of up to USD \$100,000. Specific terms are discussed with each project owner on a case-to-case basis.

Full Technology Package At Your Service

Distributed Blocks offers anyone who wants to launch a coin and operate a token economy the opportunity to launch their initial coin offering using the unique features of the Skycoin blockchain and the tools needed to run a crowdfunding campaign, monitor its progress, deliver coins and build out the technology platform that will operate the business.

Customers have a dashboard that lets them manage and access all of the modules, reporting, user management and billing from a single screen. As new capabilities are added to a customer's account, they appear in the dashboard.

Distributed Blocks Technology Modules

The Distributed Blocks technology package includes:

Coin Issuance

The user can decide the total supply and the initial distribution (i.e. total supply 100,000,000 coins distributed in 100 addresses each with 1,000,000 coins). The coin comes with 3 decimals (the smallest unit is 0.001). The coin is generated and the source code is stored in an online repository.

Dedicated Desktop Wallets (Windows, Mac and Linux)

The user will receive a dedicated desktop wallet, which can be personalized with a color code, coin name and logo. Three different versions are created (Windows, Mac and Linux).

Coin Explorer

The user will receive a coin explorer, which consists of a web page where transactions and balances can be tracked.

Over The Counter (OTC) Tools For Coin Sale And Distribution

The user will receive a webpage where customers will be able to exchange the newly created coin for commonly traded cryptocurrencies (Bitcoin, Ethereum and others).

Referral Program Tool

The user will receive a webpage where customers (referrers) can create a personal url linked to the OTC tool. When another customer (referred) sends a contribution through this url, the referrer receives a bonus in his/her wallet.

Blockchain Analysis Tools

The user can receive upon request reports containing numerical analysis of their blockchain. Reports include: complete list of addresses with their balance, cumulative number of addresses over time, cumulative number of transactions over time, etc.

Optional Features

Know Your Customer (KYC) and Anti Money Laundering (AML) online tools

The user can request an online KYC and AML service to verify the identity of his/her company contributors.

Future Developments

The Distributed Blocks platform will also offer business logic definition to those companies interested in building applications on top of Skycoin blockchain.

CX/ CXO Development Framework

The Skycoin ecosystem includes its own programming language and immutable object system. These provide the foundation for application logic and data distribution.

The CX programming language was developed by the Skycoin team as a deterministic language that can build more than just smart contracts, while also providing greater security and versatility. CX can be used to create decentralized applications, video games, and program FPGA chips.

The distributed content sharing protocol CXO enables peer-to-peer replication of structured data that can only be modified by the publisher. With CXO, a publisher creates a data feed and signs it with their private key. Other nodes can subscribe to this data feed, making it available to the broader network. Other nodes however cannot alter the data feed without the publisher's private key, and therefore ensuring data integrity can be trusted even if the file is not directly downloaded from the publisher's original node. In effect, CXO combines the immutability associated with blockchain and the scalability of a content distribution network (CDN). This is useful in cases where content needs to be easily available and verifiable, but not necessarily stored on the blockchain. For example, storing all of the content for a social media platform directly on the blockchain would lead to bloat as the platform gains adoption. Using CXO to store and distribute the content completely avoids this issue.

The roadmap includes capabilities for:

- Exchange integration
- User account management
- Marketing support

DIST Trading Platform

The Distributed Blocks platform will offer the opportunity to list coins on its exchange, which will be developed starting from the end of the first investment round. The exchange will offer BTC pairs as well as pairs between the major coins of the platform.

Coin Economics

The DIST token is a utility token that provides access to the Distributed Blocks platform to launch ICO and dApp projects. DIST is also used to make recurring payments for various components of the platforms such as on-going access, KYC, etc.

Supply of DIST is fixed at 100,000,000 tokens.

The demand for DIST will increase as the number of projects grows and as those projects use an increasing range of services. This increasing demand will put upward pressure on supply-demand dynamics.

After the ICO, DIST will be available from Distributed Blocks via an OTC platforms. The tokens will also be listed on a select number of utility token exchanges.

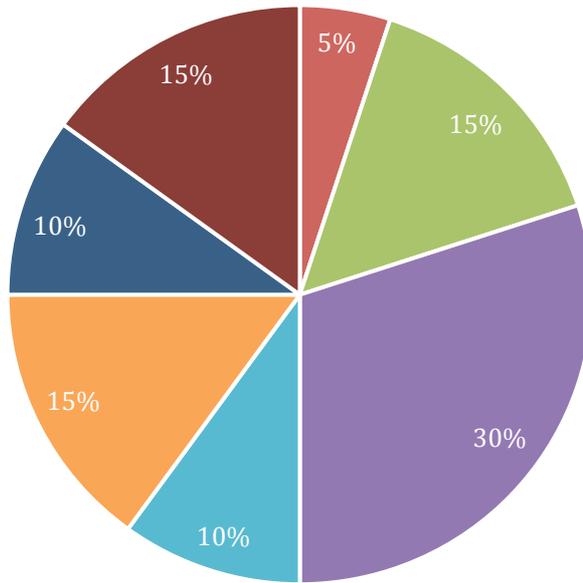
Coin Allocation

The total supply of DIST is 100,000,000. The allocation of these coins can be seen in the table below.

DIST Coin Allocation	Coins	% of Coins
Private Sale	5,000,000	5%
Pre-ICO	15,000,000	15%
ICO	30,000,000	30%
Bounties	10,000,000	10%
Founders	15,000,000	15%
Advisors & Partners	10,000,000	10%
Treasury Reserve	15,000,000	15%

Any unsold coins from the ICO, they will be frozen for good.

DIST Coin Allocation



DIST coin price during the sale events will be:

- Private sale: 1 DIST = 0.20 USD
- Pre-ICO: 1 DIST = 0.30 USD
- ICO: 1 DIST = 0.50 USD.

Total to be raised: USD \$20,500,000.

Use of Funds

Funds will be used as per the table below:

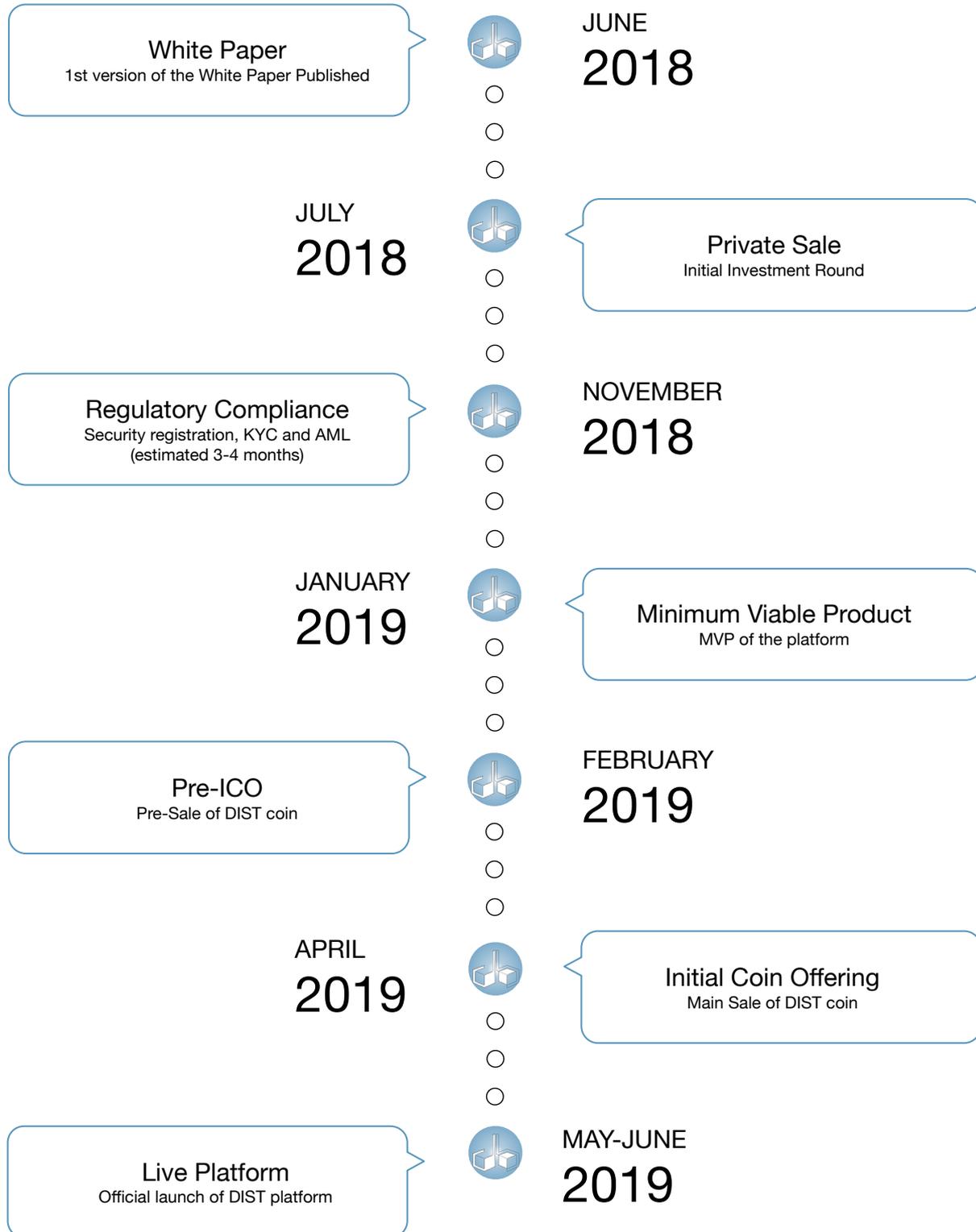
Use	Funds	% of Funds
Technology & Platform Development	\$3,000,000	15%
Community Development	\$3,000,000	15%
Business Development	\$3,000,000	15%
Marketing & PR	\$3,000,000	15%
Regulatory and Legal	\$2,000,000	10%
Staff	\$2,000,000	10%
Contractors, Outsourced Development	\$1,500,000	5%
Cash Reserve	\$3,000,000	15%

As the DIST token allocation will be operated as a utility token sale, citizens of jurisdictions that do not permit such sales including the US and China will be excluded from participation in the ICO.

ICO Use of Funds



Funding Timeline & Key Dates



The Team

Core Management Team



Dr. Carlo Maragliano

Executive Director & Founder

Dr. Maragliano is an engineer and entrepreneur, with strong expertise in blockchain technologies and applications. Dr. Carlo successfully completed multiple ICOs. Dr. Maragliano holds a Ph.D. degree from Masdar Institute and studied in prestigious American colleges like MIT and Boston University.



Alex Jost

Executive Director & Founder

Alex Jost has extensive experience in marketing, operations, and research and analysis in the technology and blockchain/ICO sector. A political scientist by training, Mr. Jost has worked in analysis and operations for a number of technology start-ups and companies, including a developer of high-efficiency solar modules, and has contributed to the successful completion of multiple ICOs. He holds a degree from the University of Oxford.



Mr. Mark Bainbridge

Chief Technology Officer

Mr. Bainbridge is a technology and forensics specialist, with range of high-profile technology implementations for aerospace, technology and banking clients.



Mr. Monark Agarwal

Chief Developer

Mr. Agarwal is a brilliant developer with over 3 years of experience in the field of blockchain and cryptocurrency. Monark holds a bachelor in computer science from GLA University, with a minor in sustainable technologies. Mr. Agarwal is responsible for php, net and node js scripts development.



Ms. Nelli Ukhova

Marketing Manager

Ms. Ukhova is a Marketing Manager with 3 years of experience in Branding and PR Marketing. Having accomplished multiple internships in international companies in Europe and Middle East, Nelly has become fluent in 6 languages and developed a strong skill set in communication and human behaviour.

Advisory Board



Synth

Synth, one of the earliest contributors behind Bitcoin, started Skycoin 8 years ago with the vision of creating a flawless blockchain technology. He sits on the advisory board of several successful cryptocurrency projects. Synth has a background in mathematics, Distributed Systems and symbolic logic



Prof. Stefan Brunnhuber

Prof. Brunnhuber is a professor in finance, medicine and sustainability. Prof. Stefan is a member of several international working groups, including the Club of Rome, the European Academy and the EU Commission. Prof. Brunnhuber is also one of the 15 German members of the World Academy of Arts.



Mr. Jeremy Samuel

Co-Founder

Mr. Samuel has a strong background in digital startups and a demonstrated track record in funding and growing technology. Jeremy is an expert in ICO fundraising and regulatory compliance. Mr. Samuel holds an MBA and two Computer Science degrees.



Mr. Alfred Jost

Co-Founder

Mr. Jost is an international entrepreneur and expert in market economy and corporate business. As a former investment banker, Alfred successfully founded and managed more than 10 companies, with cumulative profits greater than \$100 million.

Appendix: The Skycoin Blockchain – 3rd Generation Blockchain

(re-adapted from <https://solarbankers.com> and <https://skycoin.net>)

Distributed Blocks is the first project that offers to the public the opportunity to use the **Skycoin** blockchain (<https://skycoin.net>) in a corporate, delivery focused offering combined with key technology stack tools focused on coins issuance and distributed application delivery.

Skycoin is unique because it makes use of a novel type of consensus algorithm that replaces both **Proof of Work (“PoW”)** and **Proof of Stake (“PoS”)** used by BitCoin, Ethereum and other leading blockchain and dApp platforms.

The stated aim of the developers of the Skycoin blockchain was to correct the major security flaws and “centralizing tendencies” associated with blockchain networks in which consensus is based on PoW or PoS algorithms and coin creation is linked to a mining process. Skycoin is therefore trying to create a cryptocurrency that better fulfills Satoshi’s original vision of a fully decentralized digital currency system.

In doing so, Skycoin technology creates a blockchain network with no mining requirement, fixed supplies of crypto-tokens, 10-second transaction times, and greater security. In a system in which the connection between coin creation and control over the network is severed, crypto-tokens lose their political function and begin to act more like a form of digital property in the straightforward sense.

**The third generation
of cryptocurrency.**

Restoring control to the users



 Skycoin

Proof of Work and the Bitcoin system

It was a fundamental miscalculation in the early programming of Bitcoin that the mining process would produce an economic incentive structure that would promote decentralization. In fact, the link between consensus and hashing power incentivizes the purchase of ever increasing processing capacity to control the consensus network.

The Bitcoin network, for instance, is de facto controlled by three for-profit mining pools, which have been able to concentrate a large part of the network's hashing power on its servers. These pools have begun to act as a cartel, splitting hashing power among each other by agreement. The link between mining and control of the network was already identified by Satoshi as the main non-cryptographic threat to the stability of the network. It allows actors who accumulate sufficient processing power and achieve a majority hash rate to falsify or revert transactions on the network in a 51% attack. Some argue that this vulnerability has become less pressing in an environment where hash power is highly centralized with actors who have invested large sums in the Bitcoin network and depend for their survival on the high value of the coin. Yet the power to influence the network is still highly concentrated, defeating the purpose of a distributed ledger-based cryptocurrency.

The Bitcoin network's PoW algorithm thus introduces security and monopoly problems by placing power over the network with the actor capable of mobilizing enough economic resources to control the mining process.

This also implies that the operation of the network is both economically and environmentally inefficient. The continuous input of processing power required by the mining process uses up large amounts of electricity, incurring monthly costs in the tens of millions. These costs can only be offset with an exponentially growing influx of new capital along with new users. Only a very small number of well-established coins, like Bitcoin and Ethereum, will be able to attract enough users to achieve such a continual flow. In the case of most other PoW/PoS-based coins, as the developers of Skycoin argue, "the cost of PoW/PoS mining is [...] paid for in a lower market valuation as money is bled out of a coin by mining costs until the coin is abandoned." They further state:

"Right now the Bitcoin economy consists of new users putting their money in and then the money being thrown in a pit and burned in a sacrifice ritual to the mining electricity costs. If the average user had to pay the miners' electricity cost directly as transaction fees, instead of it being robbed from them through inflation by the creation of new coins, then each Bitcoin transaction would cost more than \$50. It would be more expensive than an international bank transfer."

The centralizing tendency of Proof of Stake

Although Proof of Stake algorithms tackle the security issue of 51% attacks, they are arguably even more vulnerable to centralization than PoW networks. In PoS, the size of network participants' holdings of the cryptocurrency in the network determines their authority and voting power to implement technical changes in the network. Participants are able to mine an equivalent portion of their stake regardless of processing power.

This principle significantly increases the economic barriers to launching a 51% attack because the financial cost of acquiring the majority of tokens on the network in the open market is very likely to exceed the potential gain. If an attacker ends up as the majority stakeholder in the network, he will suffer most from the impact of the attack on the stability of the network or the external value of the cryptocurrency.

Yet, although raising the barriers to human-led attacks on the network, PoS creates a centralizing impulse which is as strong as, if not stronger than, in the case of PoW. As Joseph Young summarizes in his comparison of the two systems at coinfox.info, “A system where the major stakeholder enjoys extensive control and authority over both technical and economic aspects of the network creates a major monopoly problem.” While in PoW voting on the implementation of technical changes to the network “is divided among miners, developers and other crucial members of the community,” in a PoS system “major stakeholders have a technical ability to make any changes they like without considering the will of the community, businesses, miners and developers. This centralisation of voting power and, essentially, control of the network defeats the purpose of a distributed ledger-based cryptocurrency since it contradicts its entire principle of distributing all elements within the network to avoid the presence of a central authority.”

Obelisk: a distributed consensus algorithm

To tackle this centralization problem, the Skycoin technology moves beyond PoW/PoS. It uses a distributed consensus algorithm, called Obelisk, which distributes influence over the network according to a “web of trust”. In essence, every node has a list of other nodes that it subscribes to, and the density of a node’s network of subscribers determines its influence on the network. Each node is assigned a personal blockchain, which acts as a “public broadcasting channel” on which all of a node’s actions are visible and publicly recorded. As all consensus decisions and communication occur through the personal blockchains of each node, the community can very easily audit nodes for cheating or collusion. How decisions on the network are made and which nodes influence those decisions is completely transparent.

The public record left by each node’s personal blockchain allows the network to react to defections by severing connections with less trustworthy or malicious nodes, contracting the network to a smaller and denser core of trusted nodes. Hence, in principle, if the community does not trust the nodes representing them or feels that power within the network is too concentrated (or not concentrated enough) the community is able to collectively shift the balance of power in the network by collectively changing their trust relationships in the network. The accountability of nodes to the community and 3rd party audits as well as the transparency of consensus strengthens collective decision-making and thus introduces a highly democratic and decentralizing element to the network.

This system provides for a digital currency system with nearly instantaneous transaction times, no mining requirement, and greater security.

Coin Hours: free transactions for all

Holding Skycoin in a Sky wallet automatically generates Coin Hours at a rate of 1 Coin Hour per

Skycoin per hour. The most prominent feature of Coin Hours is that they keep the network free of transaction fees. This means no fee jacking by miners for profit, as commonly seen with Bitcoin. It also means that a virtual cat game can't skyrocket the network transaction fees up 1600%, a recent issue the Ethereum network had to grapple with. Users will never have to pay in Skycoin or fiat currency to access and use the network. Coin Hours will take care of that for you.

Coin Hours aren't just for maintaining zero transaction fees on the network, they will also be used to purchase services, play games, and more. Because they will be transactable in various use cases, Coin Hours will also have a monetary value that is set by the market.

So... It's Like NEO?

NEO is a close example, but not quite there.

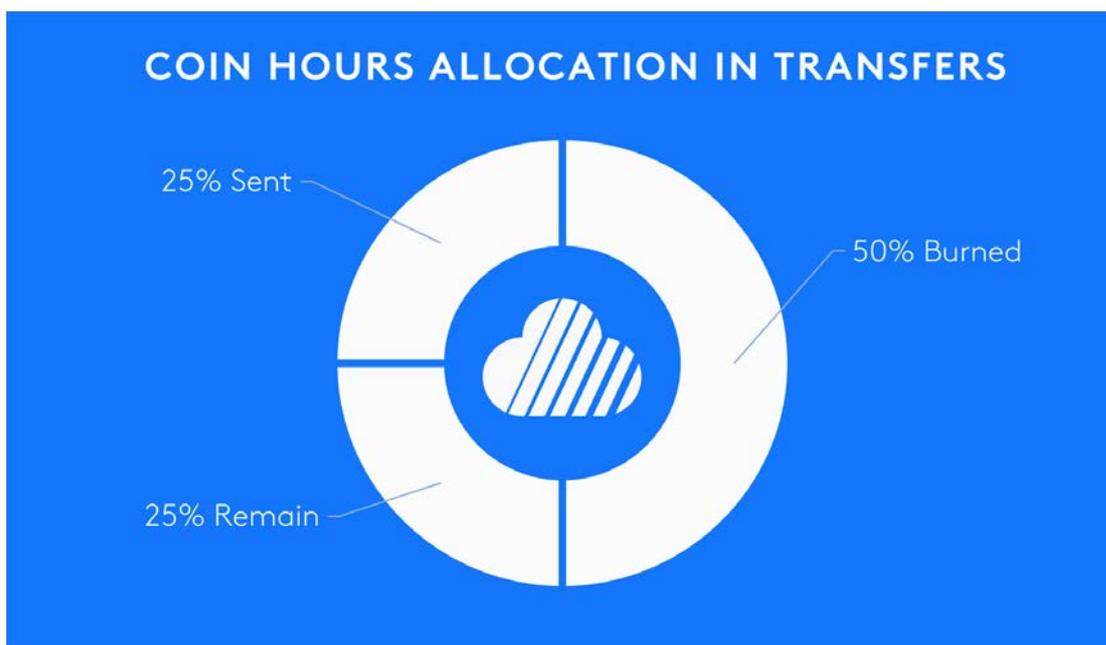
One could compare Sky's Coin Hours to NEO's GAS, and they wouldn't be wrong. They both facilitate transactions in a manner that allows you to keep all of your base cryptocurrency, and they're both earned passively and for free by parking your cryptocurrency in their respective wallets.

Coin Hours have the advantage of being used for many different features on the Skywire network, and are much more than just GAS.

Whether its for utilizing Coin Hours to access a VPN service, expedited packet forwarding, playing online games built on the network, or using them as movie tickets to stream video on sites like Popcorn Time, Skycoin and the Skywire network support these services and more.

In addition to accessing resources and features of the network, **Coin Hours will hold a monetary value which will eventually be decided by the market.** The value will also be maintained by an OTC buy-back program for a time, which will allow holders of Coin Hours to trade them in for more Skycoin.

If Coin Hour holders wish to trade their Coin Hours for other cryptocurrencies, when Skycoin's Decentralized Exchange comes online to the Skywire network that will also be possible.



Unlike Bitcoin or Ethereum, Skycoin users do not need to give away part of their balance as incentive for miners to process their transaction.

Instead, they use Coin Hours as fees. A transaction requires a minimum percent of input Coin Hours to be destroyed. The maximum number of Skycoins that can be produced is 100 million. Therefore, the theoretical maximum number of Coin Hours that can be produced is 100 million per hour. Although this number will not be reached for decades, and if no transactions ever took place on the network, the number of Coin Hours would not exceed a uint64 for centuries.

Every time Skycoins are spent, 25% of the Coin Hours in your wallet from any unspent outputs are transferred with them to another wallet. In addition to this, 50% of the accumulated Coin Hours from the unspent outputs that are used are then burned when transferring Skycoins around. This calculation is based on “unspent outputs”, and is therefore challenging to calculate and predict.

Thankfully, the node automatically figures out which outputs are optimal and required to make the payment and ensures that the maximum possible number of Coin Hours remain in your wallet after the transaction.

So, where can I spend my Coin Hours?

Coin Hours will be used in many different ways, and many new use cases are being tested and experimented with right now to encourage spending and ensure they remain valuable and useful.

Coin Hours will be used to pay for **services on dapps** built on the network. Coin Hours can also be used as currency and will be **tradable** on the Sky DEX for other cryptocurrencies when it is available. When the privacy protocol **CoinJoin** is implemented Coin Hours will be used as collateral during the merging and mixing process, discouraging users from backing out or slowing down an ongoing CoinJoin operation. Other use cases are being tested right now and will be announced after they are fully developed.

Independent ledger: no more network congestions

Skycoin is built on a unique blockchain and its network is not affected by the traffic associated with other coins. Differently from ERC20 tokens, which share the same ledger, Skycoin and all the other Skycoin-based coins are built on independent registries. As a consequence, increased transaction volumes for one coin does not affect operations for other coins. This ultimately guarantees that the success of a digital asset is not affected by the failure of others.

High scalability and low-energy consumption

By design, the Skycoin algorithm is a scalable and computationally-inexpensive alternative to proof-of-work, therefore both the consensus algorithm and block-making can be run on a budget hardware that have low price and low energy consumption, thus making the cryptocurrency network more robust to possible centralization attempts (i.e. via node being affordable to general public).

WHAT DO YOU THINK ABOUT BITCOIN?



We all **love Satoshi** but what Bitcoin has become is not what he intended. Time and growth have highlighted the limitations of Bitcoin and there is no easy fix.



Bitcoin is NOT decentralized. **Three mining pools** control all of Bitcoin.



Transaction speeds can take **hours** or even **days**.



Because of the **centralization**, Bitcoin is highly vulnerable to a **51% attack**.



\$40 transaction fees and **climbing!**



Nodes can be **arbitrarily taken over**.

Skycoin achieves true decentralization with **Obelisk** - a revolutionary consensus algorithm.



Transaction speeds are **faster than Visa**.



No block reward, but also no transaction fees.



It's easy to audit and identify **malicious nodes**.



Learn more at skycoin.net