

White paper

Bichip coin “BCHI”

Ver 1.0.2



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Abstract

Bichip Coin is a new stablecoin, backed by BICHIP, a high-tech consortium of Danish-based businesses that has developed an implantable human and animal microchip platform. One of the features of the cloud enabled microchip is storage of digital assets including Bichip coin or encrypted credit card credentials that can reside outside or inside of users' bodies. Bichip stablecoin is built on the ERC-20 standard that runs on the Ethereum blockchain. It is fully collateralized by the US dollar reserve fund held in EU bank accounts, the mother company assets including its IP and by a percentage of accruing profits from the microchip products and services. It is subject to public reporting of the results of financial auditing of the reserves. The coupling of the extra modality of the physical reserve assets with the microchip technology and the related businesses truly makes Bichip coin a novel financial crypto vehicle set to challenge the current dominance of Tether.

What is Bichip Coin?

Bichip coin (*BCHI*) is a cryptographic ERC-20^{1,2} compliant smart token residing on the decentralized and distributed public Ethereum^{3,4} blockchain (*ETHM*). ETHM is one of the top 3 most advanced and robust BLC platforms with the largest developer base and SC application ecosystem. This ensures the fastest technological advancements in the field, safety and availability and consequently the greatest general utility.

As BCHI runs on the ETH ERC-20 protocol it can be listed at any major exchange willing to accept the founder's request and can be subsequently traded or swapped there for available crypto and fiat crosses.

BCHI has developed its own trading platform, which will be released by November 2019. BCHI has pending listing at several exchanges including Binance and Waves at the moment with more applications on the way that will organically grow with BCHI adoption.

There is no mining involved as the issued smart

tokens are capped at 600 million units with fractional division of BCHI permitted. The workhorse behind the ledger encryption is the Proof of work algorithm, but the Ethereum platform will soon be yielding to proof of stake which is less prone to BLC dominance by different power groups and is far less electricity hungry and HW demanding.

BCHI creators do not seek funding as the BCHI smart token is already here. They are looking to spread awareness for this token and for finalizing the initial offering sale in 2019 when remaining unsold tokens will be bought back at market price by Bichip One Aps.



¹ "ERC-20 - Wikipedia." <https://en.wikipedia.org/wiki/ERC-20>. Accessed 23 Mar. 2019.

² "ERC20 Token Standard - The Ethereum Wiki." 4 Dec. 2018, https://theethereum.wiki/w/index.php/ERC20_Token_Standard. Accessed 23 Mar. 2019.

³ "Ethereum Project." <https://www.ethereum.org/>. Accessed 23 Mar. 2019.

⁴ "Ethereum Introduction · ethereum/wiki Wiki · GitHub." <https://github.com/ethereum/wiki/wiki/Ethereum-introduction>. Accessed 23 Mar. 2019.

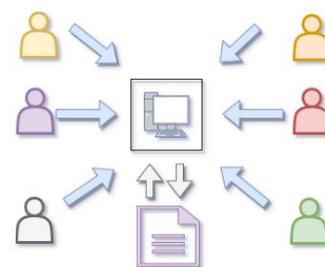




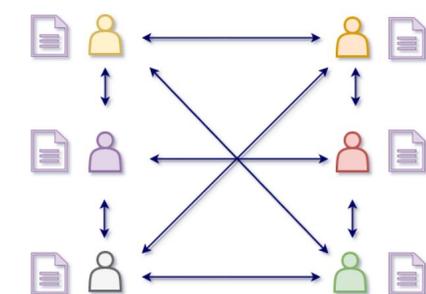
Unsold tokens will be bought back at market price by Bichi One Aps at the end of November 2019

Origins and Utility

Originally the venture into and adoption of the BLC smart contract by Blue holding ApS⁵ (*BHA*) was intended as an innovative platform for optimizing the BHA's internal money flows, key operation and executive information (as signed data packages), including regular legal contracts⁶ between different units and entities (including individuals) within BHA without the need for 3rd party involvement in order to substantially increase efficiency and efficacy of these processes. Such a system could be especially useful for substantial optimization of the company's interactions with thousands of freelance contractors (i.e entities with loose BHA integration) which is the BHA case. The use of BCHI as an internal fiat currency proxy (with its SC also facilitating on-demand settlement into fiat and account balances clearing) translates to considerable savings in banking and accounting expenses, where the same holds true for the effective and



Centralized flow of orders, money, contracts, other data



Decentralized network is also more robust

immutable record of key information flow and self-executing and enforcing legal crypto contracts substituting company legal departments or third party legal services (other features can be added on top of BCHI SC with new iterations).

The ETHM immutable ledger and the virtual network infrastructure enables convenient and noticeably easier financial or other types of auditing (including ISO QMS, GMP and similar applications) or simple verification of a claimed action. All of these features can result in considerable reduction in logistics complexity and tremendous time savings.

⁵ "Blue Holding ApS i Fuglebjerg - CVR API." <https://cvrapi.dk/virksomhed/dk/blue-holding-aps/37315222>. Accessed 23 Mar. 2019; Aps stands for stock company

⁶ Self-executing and self-enforcing, issuing event updates to the stakeholders (e.g. time violation of the contracted time plan) e.g. notifying management about failure to execute a given task, etc.



Superseding initial usage intent

The successful proof of concept and pilot of the BLC SC platform within selected subsidiaries and BHA's sister companies showed exceptional utility of the technology thus leading to the decision of releasing the smart contract as platform for store of value, medium of exchange and/or fiat money proxy outside of the holding's internal ecosystem into broader use by the 3rd party partners and eventually the outside world. By that time it has been already integrated with the BBB's implantable Bichip microchip platform creating significant added value to the microchip platform. This addition has fundamentally augmented and enhanced the microchip business model. The BCHI was born.

The BLC-based SC functionalities of binding contract and information exchange have not been rolled out together with BCHI as their design is more specific to idiosyncrasies of the user entities.

BCHI's smart contract can be supplemented in the future by a linked sister contract implementing such functionalities or even introducing a fee structure for BCHI if deemed necessary.

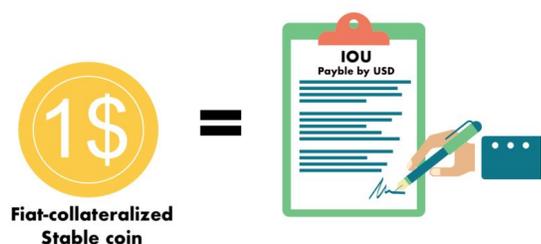


Stack of multiple applications in the implantable Bichip microchip, including crypto wallets.



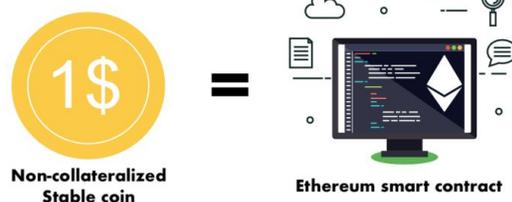
BCHI Stablecoin model

Unlike the majority of the biggest cryptocurrencies and all fiat national money that have no intrinsic value, BCHI has adopted the so-called Stablecoin model. This means BCHI is backed/collateralized by an asset - USD⁷, which is being held in an account in a European branch of The Bank of America.



Other asset-based coin can achieve exceptional stability relative to the underlying asset

The backing fund will be further raised incrementally reflecting demand for the implantable Bichip platform products and services (both the human microchip-Bichip ApS- and the animal microchip, A-Bichip ApS, as well as the developer team and smart contract custodian Bichip One ApS). This means that BHA will annually deposit a fixed percentage between 30-55%⁸ of the annual net profits, coming from the Bichip microchip businesses (BBB) and BCHI platform, into the reserve fund until the 3rd generation of microchips is out in 2022 and the asset covered value of 1 BCHI will be equal to the basic single implantable Bichip KIT.



Without backing asset price is algorithmically regulated and based on market consensus

The fund will be audited by a 3rd party EU licensed financial auditing firm and the results will be made public regularly. As of March 2019, the reserve fund account holds 60 million USD already, reflecting the current sold tokens and the backing assets of the implantable microchip platform developed by BBB.

In contrast to other stable coins such as Tether (pegged to USD⁹ with a fixed amount and a cap of 2.2 billion¹⁰ USD in collateral), the intrinsic value of a single BCHI can grow beyond the intrinsic fiat value of the underlying fund due to the financial influx originating mainly from the profits of the Bichip platform. In case of losses for BBB, the underlying monetary value of the collateral stays unchanged for the given year. All the products and services relating to the Bichip platform can be directly bought with BCHI only. This means all fiat or other accepted crypto currencies need to be traded for BCHI at market price. In the near future, other eligible operational and business activities of the holding may migrate to utilizing BCHI exclusively.

⁷ USD is not backed by any asset itself(used to be gold) but has shown and kept a strong and stable consensus value over the last few decades

⁸ This will be established later during 2019

⁹ Although Tether has been plagued with controversy as failing to produce consistent public audits of the collateral

¹⁰ 2.2x10⁹



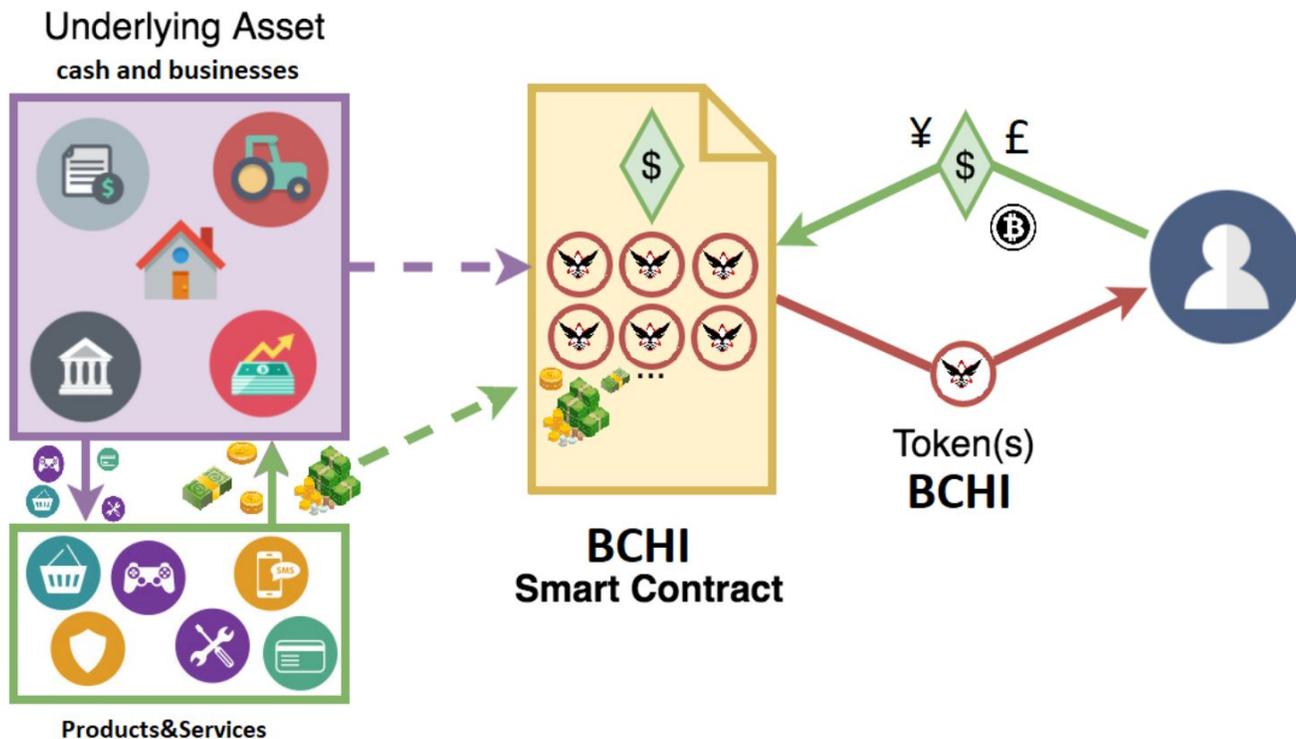
These activities include and are not limited to: real estate, car leasing, industrial and business Software and apps development, cyber security, augmented reality, robotics etc.

The incremental raising of the collateral cash reserves gives BCHI attributes of stock¹¹ security.

This hybrid reserve system makes BCHI really unique among cryptos.

A small transactional fee is charged on top of the standard Ethereum network to all smart contracts running on it.

Some of the BCHI strategic partners are Danske bank, Coop bank, Microsoft, Nordea Bank.



BCHI stablecoin reserve asset structure and dynamics

¹¹ BCHI cannot be claimed as a security as the legislature pertaining to defining securities does not include cryptos nor have there been laid out any new crypto securities specific laws as of yet at either the Danish or EU level

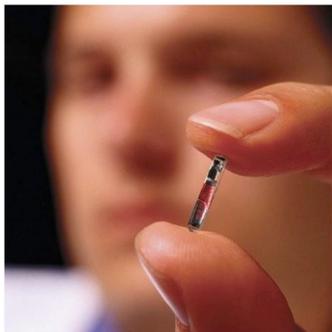


Business value tied to BCHI - about the microchip



One of the key pillars of BCHI is the implantable RFID Bichip microchip product and services platform. The connection to the reserve assets fund for BCHI was explained in the previous section.

The current microchip isn't much bigger than a grain of rice. It is by far the most competitive implantable chip platform on the market as far as the



depth of its software stack, hardware specs and several fold lower price tags than the next cheapest handful of competitors are concerned. The possible uses are manifold. The chips could serve as digital passports, removing the need to carry around a paper version which, let's not forget, now has a chip installed within it anyway. BiChip is the First and the Only Distance readable Human Microchip with Internet Connectivity and a set of subscription cloud services. Bichip has a unique ID for general identification, and can store your Medical data, Driver license, Passport, encrypted passwords and/or other personal secrets. It can also be used as an alternative payment system integratable with cryptocurrency wallets or regular fiat debit cards. One of the chip lines already integrates a thermometer that can be invaluable in industrial animal breeding, monitoring of pets, and chronically ill patients, prisoners, soldiers, workers in harsh environments or just hypochondriacs.

Coupled with other data and AI processing, this modality alone can save hundreds of millions to large firms and national economies by e.g. early illness treatment. With the next microchip



iteration other more advanced sensors such as pH or glucose are in the pipeline, and with the advent of nano sensors and metamaterials, Bichip offers an excellent platform with

relatively low lead time to market with a new sensing capability.

Chipped pets can have their own wallet, with several hundreds of pet stores across Scandinavia being interested in implementing the support for the Bichip wallets (Bichip subscription crypto wallet services extend also to other existing pet microchip platforms that are capable of storing necessary wallet code or wallet private key).

There are already signed contracts for delivering 3 million human Bichip microchips between 2019-2021 and 3 million animal chips just for Scandinavian customers. Each chip KIT comes with a compulsory minimum 1 year subscription. An average human chip will sell for about 19 EUR and the annual subscriptions will range between 10 to 100 EUR.

First animal KITs should come to market in late summer 2019 and by the end of the year the first Human microchips batch will be shipped to big customers.

One of implantable Bichip platform partners is one of the biggest crypto fintech firms Ripple with its wallet already implemented together with other major cryptos including BCHI.



Regulatory environment

As of now the EU regulations for blockchain smart contracts and specifically for crypto tokens and currencies are very immature, non-harmonized and disparate across EU countries. The most advanced subset of regulations are aimed and imposed upon crypto exchanges handling fiat money.

There is no clear classification of cryptos in the eyes of the law yet.

BCHI as other cryptos are treated in the EU, for the purpose of value-added taxation, the same as currencies and are VAT exempt.

It can be expected that in a few years some cryptos may be treated as currencies where others as securities or commodities. This will give cryptos holders an additional layer of protection/peace of mind similar to the regulations imposed by the national and supranational authorities overseeing capital market products and services.

BBB legal and development teams are ready to make the BCHI platform compliant with the 5th AML directive^{12,13,14}.

Team

Finn Rosenkranz, *CEO*

Douglas Mallette^{PhD}, *Project manager*

Flemming Hoffmann, *CIO*

Ondrej Lassak, *Data scientist, Blockchain engineer, System integrator*

Sally Vin Ejad, *CTO*

Sarah Lasso^{PhD}, *System integrator, Blockchain engineer*

and about 30 other souls

¹² "EUR-Lex - 32018L0843 - EN - EUR-Lex." 19 Jun. 2018, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32018L0843>. Accessed 22 Mar. 2019.

¹³ "European Union to Discuss New Rules for ... - Yahoo Finance." 31 Aug. 2018, <https://finance.yahoo.com/news/european-union-discuss-rules-cryptocurrency-140519182.html>. Accessed 22 Mar. 2019.

¹⁴ "European Union to Discuss New Rules for Cryptocurrency ... - CCN.com." 31 Aug. 2018, <https://www.ccn.com/european-union-to-discuss-new-rules-for-cryptocurrency-sector>. Accessed 22 Mar. 2019.

