

SOCIAL **M**ASTER

BRANCH

Decentralized Blockchain that Connects
Dual-Cryptocurrencies into the Real World

AGENDA

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1. SUMMARY

Bitcoin, announced by Satoshi Nakamoto in 2008, presented a new paradigm of 'electronic money transactions between individuals that do not require third parties to intervene', despite limited usability and technical limitations. Bitcoin began as an attempt to solve problems such as centralization of the financial system, high fees, and slow transaction processing speed. In addition, it opened the possibility of providing financial services to the financially underprivileged. Bitcoin is more than just a currency and is evaluated as an important example that symbolizes the development of blockchain technology and the transformation of the digital economy.

After that, in 2013, Vitalik Buterin published a white paper containing Ethereum's ideas. Designed as a platform to expand the possibility of using blockchain, the Frontier version, the Ethereum main net, was officially released in 2015.

Through this, a new way of business that breaks the existing business framework can be implemented through blockchain technology, which provides scalability and flexibility beyond the limits of Bitcoin, and expands the possibility of blockchain technology through smart contracts and DApp. This is evaluated as an important opportunity to lay the foundation for a decentralized Internet (Web3) and a new digital economy ecosystem.

However, many years have passed since new blockchains such as Ripple, Solana, Polygon, Avalanche, and ADA appeared, but the reality is that it is still lacking as a substitute for real finance.

Blockchain technology and cryptocurrency that have emerged so far have evolved more than previously started and designed blockchains, and are highly innovative, but the reality is that technology and speculative assets are recognized for technicians due to the value safety of digital assets and high entry barriers for smart contract technology application.

SMB Coin, which we are trying to implement, goes beyond just 'faster than existing blockchain' and 'better than existing cryptocurrency', and wants to create and provide real-world services with blockchain technology itself.

The purpose is to make sure that users use it as if they are just using a general service without having to know whether this is a service with blockchain technology.

SMB Coin can implement better functions and more services, but first of all, we want to prove this by implementing services that anyone can use and feel right away and making them practical.

Since then, we would like to add more services and functions with the absolute transaction processing speed and secure scalability of SMB Coin.

SMB Coin intends to introduce the concept of Master & Branch coin so that it can be used as real currency by introducing not only technology but also the fundamental problem of cryptocurrency, which is the problem that it cannot be used like real currency.

To implement this in practice, SMB Coin intends to first conduct a crypto card-linked business that can be used through SMB platform Vander and build high-competitive logistics and distribution services through various affiliated partner malls to achieve blockchain of the global crypto ecosystem through an innovative prosumer model.

In addition, through the expansion of the blockchain ecosystem, we intend to expand to Web3 technology and strengthen the SMB platform with highly usable services.

SMB Coin will develop a structure that stores existing track projections at a high speed to build a chaining technology that links them, and based on this, implement the business to enable the most practical and practical crypto credit economy model.

2. SMB COIN INTRO

SMB Coin aims to implement blockchain and cryptocurrency that can be used in real life.

No matter how good the technology, no matter how good the business is, there is no place to use it, and if there is a difficulty to use it, no matter how high the current value of cryptocurrency is, it is not the cryptocurrency we are after.

SMB Coin wants to create a cryptocurrency that can be used easily and conveniently anytime, anywhere, and has no price volatility, so it can always make stable transactions.

To this end, we tried to solve the limitations of cryptocurrency that it is difficult to process transactions in real time and that it cannot function as a currency that can be used in real time due to excessive volatility.

To this end, SMB Coin is creating a new physical transaction processing environment for the blockchain, and by separating cryptocurrency into Master coin and Branch coin, it is possible to meet both the value assets and actual currency functions of existing cryptocurrencies.

Users no longer need to know what kind of blockchain technology and what kind of cryptocurrency the payment method they use is.

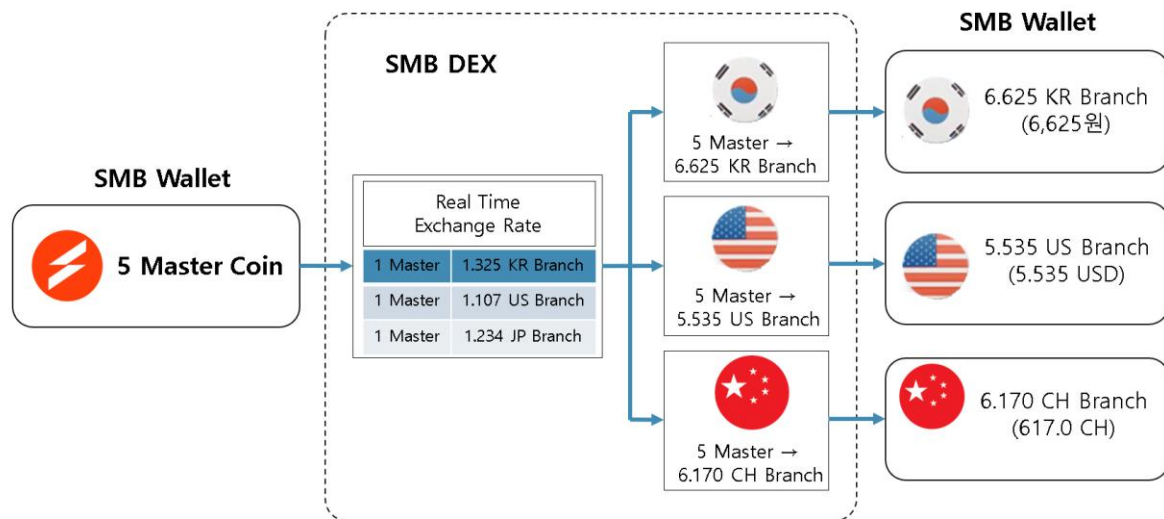
You can use it anytime, anywhere as needed, just like using a regular debit card. This is the user environment that SMB Coin is pursuing.

For example, SMB Coin users will overcome restrictions on remittances and exchange through linked payment systems in the card network, such as VISA and MASTER CARD, and operate a buffer of equity capital to become a virtuous cycle through lower fees and rewards through stacking of assets.

SMB can be used all over the world. You can exchange SMB Master coin directly with your smartphone into your country's Branch coin. And with that Branch coin, you use it like a card or cash in your country.

The remaining Branch coin left after use in the country can be exchanged for Master coin again and stored, and the same can be used anywhere in the world as the current currency.

This is what the SMB wants to create.



[Fig. 1] SMB DEX EXCHANGE

The possibility of such a service is due to SMB's new blockchain technology.

SMB Coin's blockchain is currently several seconds into block generation, and it aims to operate on a high-frequency processing basis by processing the transaction processing speed based on DPOR (Deleted Proof Of Reputation) so that it operates on a global distributed transmission of 1 million TPS.

Through this, SMB Coin wants to create a service that can process real-time transactions.

SMB Coin, which is also the name of cryptocurrency, means Social Master & Branch Coin.

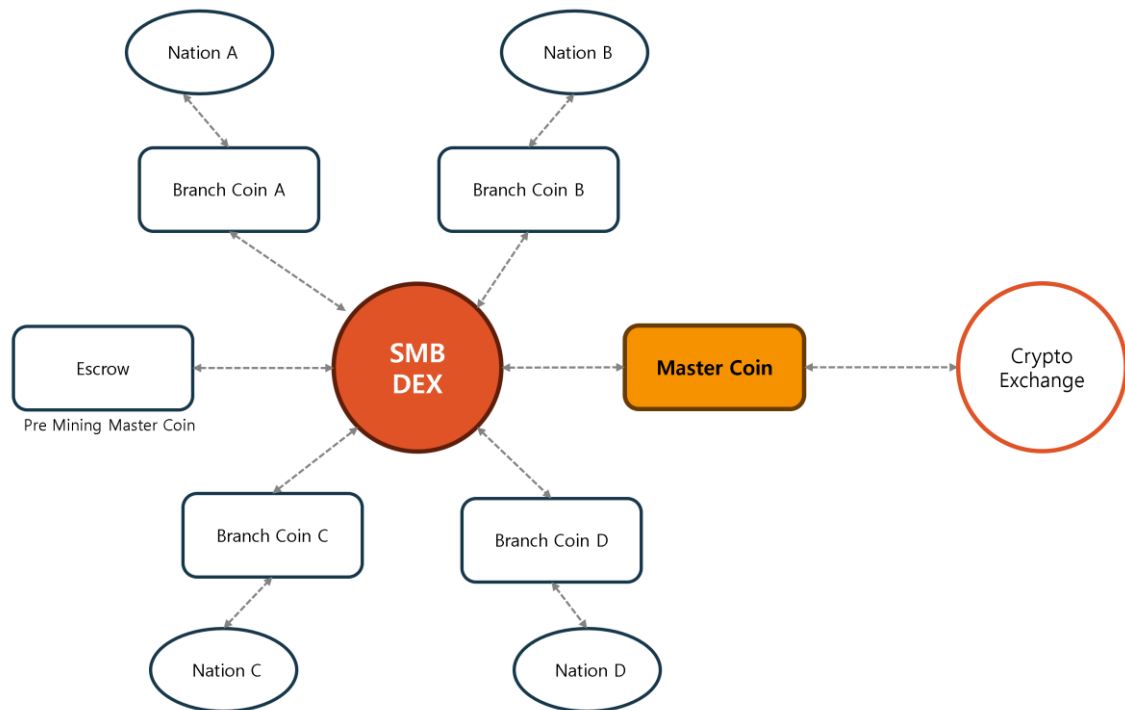
Master coin serves as the key currency for Branch coin used in each country and, like other cryptocurrencies, can be traded on existing cryptocurrency exchanges.

Branch coin is set for the currency of the country or region and is used directly in that country or region.

This branch coin is linked 1:1 with the country's legal currency, and the monetary value guarantee for this is that SMB created a contract by duplicating coins in advance for stable payment network operation and a virtuous cycle of token economy, and SMB Swap was listed on Uniswap, a decentralized exchange, to form compensation and exchange value through nodes of the

blockchain to create a coin liquidity environment for the SMB project in advance. Existing token economy models are guaranteed by Escrow by 2 billion master coins pre-mined through ICOs and IEOs.

Master coin and Branch coin can be exchanged at SMB DEX (Decentralized EXchange), where the exchange rate is applied at the time of exchange.



[Fig. 2] SMB DEX Flow Diagram

SMB Coin uses fast transaction processing speed and Master & Branch coin to first apply it to various logistics networks and distribution malls to provide services to online platform operators to be an optimal operating model.

MASTER COIN

Master Coin is traded on an existing cryptocurrency exchange and will act as a reserve currency in the SMB Coin system.

Master Coin is used as a key asset for blockchain networks. It serves as the foundation for network operation.

The main role is to complement network operations and SMB's business.

It is paid as a reward for blockchain network verification and is used in the process of block creation and agreement.

In addition, like Bitcoin, it is bought as a means of storing and transferring value, which is traded on external exchanges and serves as a basic utility token for the network. It is also used to execute smart contracts or to pay Gas Fees to execute DApps.

And it plays a role in managing the platform ecosystem. It is used in blockchain network governance (e.g., voting, decision-making), which plays an important role in the policy or upgrade decision process of the blockchain network.

BRANCH COIN

Branch Coin will be linked 1:1 with each country's legal currency and will not be traded on existing cryptocurrency exchanges, but will be exchanged by Master coin on SMB DEX, SMB's own exchange, and will also be exchanged between Branch Coin and be available as the country's legal currency.

This is a token used in a specific DApp or project and can be thought of as a regional or community-based utility token, such as purchasing in-game items and paying service fees. Designed to meet specific use cases or local needs, it is used for example, supply chain management, loyalty programs, etc., and induces user participation.

It also rewards users or encourages specific activities. For example, it is used to reward content creation or incentives for contributing activities. Through this, Branch Coin stimulates the economy within the platform and, in combination with Master Coin, supports various activities within the ecosystem.

Through this, a small economic system is established within the blockchain network.

3. PROBLEMS AND SOLUTIONS OF EXISTING CRYPTOCURRENCIES

Existing cryptocurrencies cannot be used as currency because their value fluctuates too much, and they are difficult to use in real time due to problems with transaction processing speed, and are mainly used only in a limited environment called online.

TROUBLESHOOTING TRANSACTION PROBLEMS

Existing cryptocurrencies such as Bitcoin and Ethereum do not have a high TPS (transaction processing speed per second), so as the number of users increases, the problem of overloading transactions occurs.

SMB is solving the most fundamental transaction problem by fundamentally improving the physical processing environment. Currently, the initial block generation time is around 5-10 seconds, and the TPS is 20,000 to 30,000 per single consensus node group, which is modeled to achieve 1 million TPS by processing multiple transmissions if the global node group has about 30 groups by establishing a dual consensus network between localized consensus nodes.

ADDRESSING PRICE VOLATILITY

The price volatility of cryptocurrency can be said to be a function of giving value to cryptocurrency, but it is also a prime example of how cryptocurrency cannot be used as a real currency.

As an alternative to solving these problems, SMB Coin intends to solve the problem by developing Master coin, which is traded as proof of SMB Coin's value on existing cryptocurrency exchanges, and Branch coin, a price-fixing cryptocurrency used in each country.

CREATING AN ENVIRONMENT FOR USING CRYPTOCURRENCY

Cryptocurrencies are resistant to use or development due to various environments internally and externally. By linking with social contribution activities using Branch coin, linking with local currencies of each country, supporting underdeveloped countries, and establishing a convenient and safe cryptocurrency use environment, we intend to reduce resistance to cryptocurrency and establish a use environment system that contributes to the development of cryptocurrency.

Since 2015, various cryptocurrency exchange markets and services have been spread, and various blockchain models have been applied to the market with Web3 and smart contracts, but due to financial risks and global virus (corona) issues, the service has not yet been properly used.

Moreover, Ethereum is still processing only about 30 transactions per second (TPS), network congestion occurs when numerous users request transactions at the same time, and there are soaring fees and delays, but the limitations of processing these transmissions are forked with various other blockchain models, and they are growing as the stage of trust is further subdivided through the Layer 2 model.

However, since the way to link the cryptocurrency economy system and the payment network, which is still realistic in the market, is in the beginning stage, the token economy will develop only when the demand to overcome these limitations is addressed.

Existing cryptocurrencies have several limitations, such as scalability, energy consumption, security, and regulatory issues, but various technological and institutional developments are being made to solve these problems. If these solutions are successfully applied, cryptocurrencies will contribute to building a safer and more efficient decentralized financial ecosystem.

4. SMB BLOCKCHAIN APPLICATION TECHNOLOGY

SMB Coin aims to build a wide range of user-friendly services by dramatically improving transaction processing speed problems and service scalability problems that have been raised as limitations of blockchain technology so that blockchain technology can be used universally in more diverse fields.

To this end, SMB Coin presents a new type of hardware model that nodes participating in block generation should have, and through their connection, it implements an improved user environment that is incomparable to services that have limitations of existing blockchain systems.

SMB Coin dramatically improves block generation speed by deriving a fast consensus process by connecting between optimal hardware equipment, thereby providing convenience for users by securing the highest transaction processing speed and sufficient scalability for services.

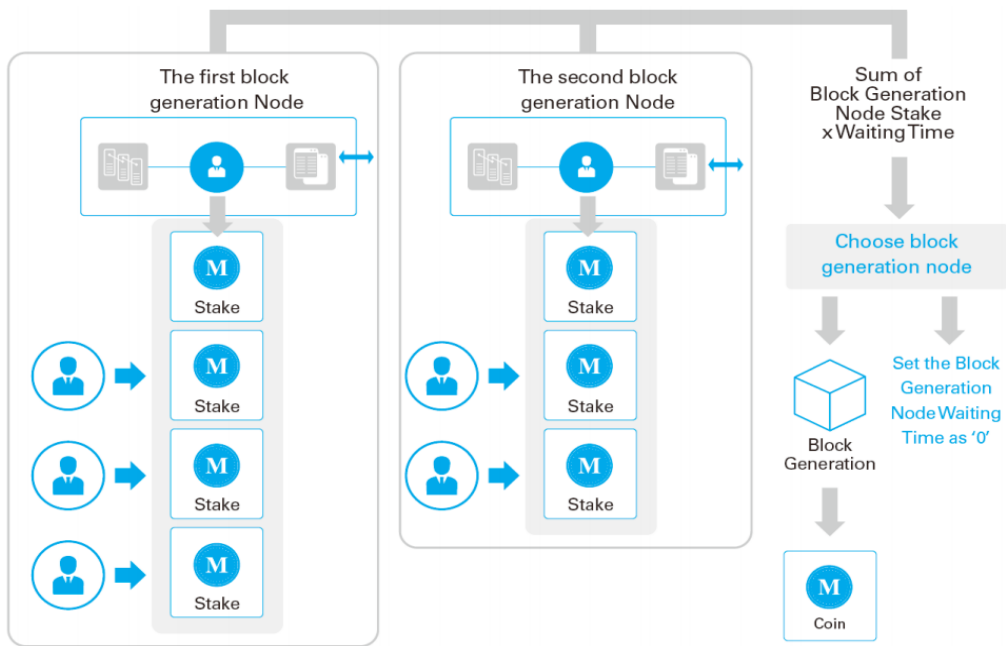
BLOCK CREATION PARTICIPATION NODE

Block creation participation nodes, which are the core nodes of SMB Coin, are nodes that collect transactions that occur in the SMB network and generate them as blocks and have the following hardware conditions.

Block creation participation nodes enable high-speed communication between nodes, and storage capabilities for collected transactions may also ensure transaction processing speed, thereby minimizing processing time delay due to storage speed.

This hardware configuration ensures that the following three conditions are met.

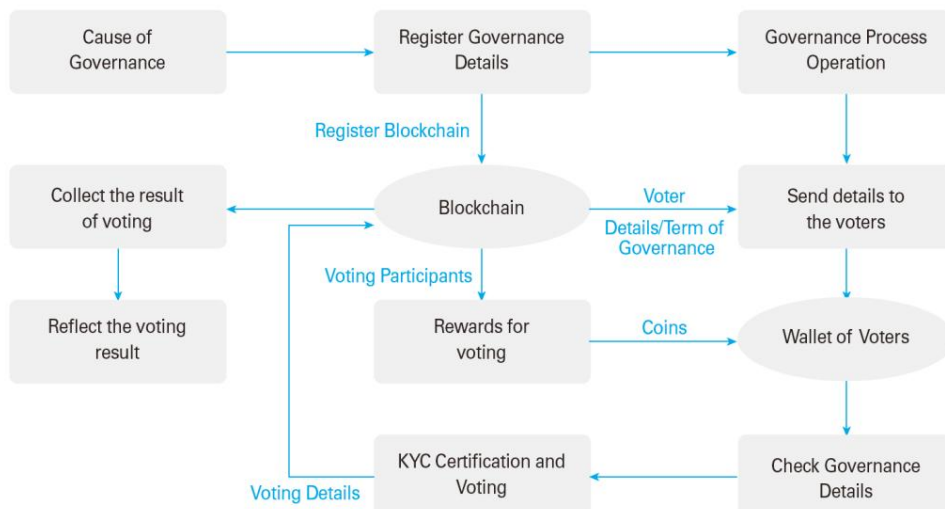
- Network Accelerator Card: A network card that performs decoding/encoding that enables high-speed communication between participating nodes in block generation
- Hyper Storage: repository for real-time storage of collected transactions
- High Speed Communication Network: High Speed Communication Network Connecting Block Generation Participating Nodes



[Fig. 3] Block Creation Participating Node Hardware Configuration Chart

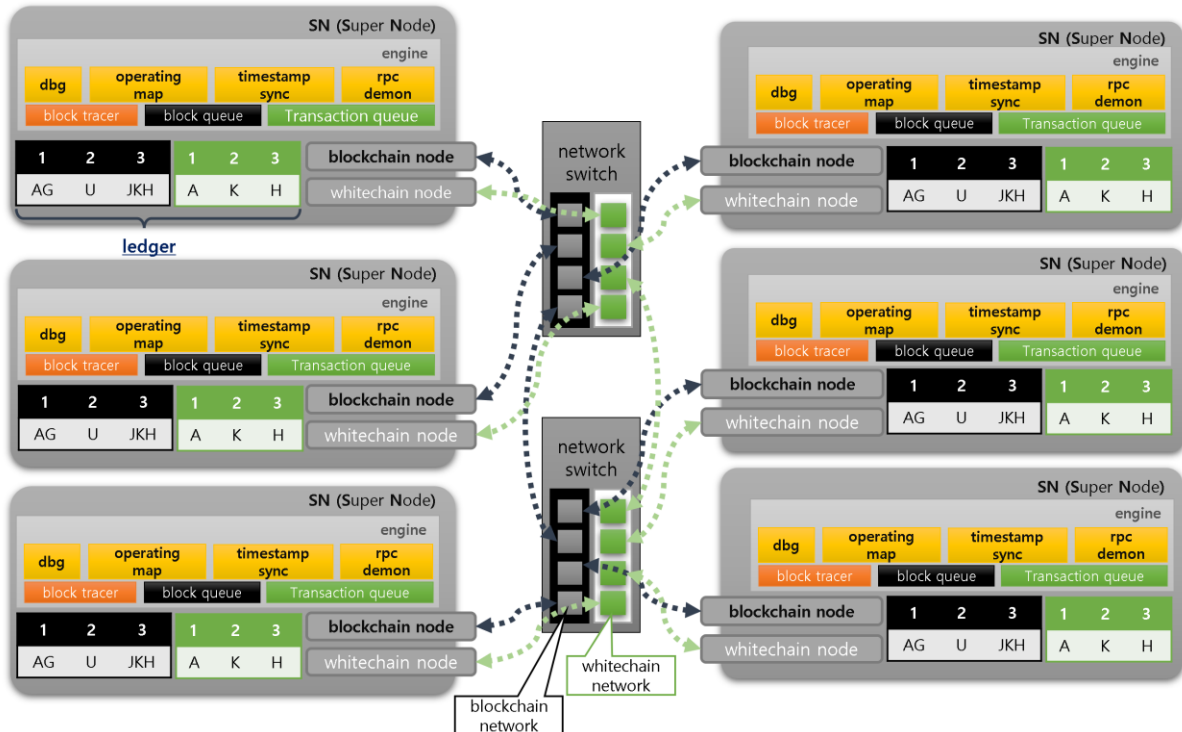
Block creation participation nodes are connected through a high-speed network, allowing data to be exchanged with each other in real time.

These connected block generation participation nodes form a block generation association based on high network speed, through which a new block is created.



[Fig. 4] Block creation participating node governance

If the specified hardware conditions are satisfied, anyone can become a block generation participation node, so that they can participate in block generation, and the participation of each node is controlled through the Network Switch.



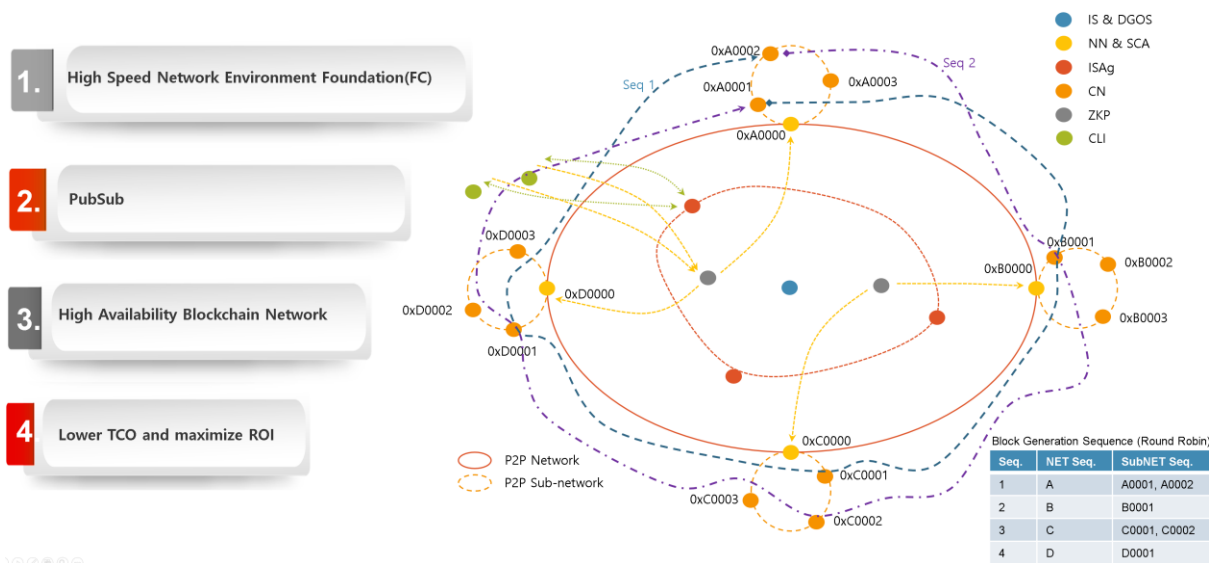
[Fig. 5] SMB Blockchain Network Chain Relation

The blockchain system to be implemented by SMB Coin introduced a new concept of blockchain technology that fundamentally improves processing speed by combining optimal hardware equipment with existing software-based blockchain.

Through this, SMB Coin wants to implement the fastest transaction processing speed among the current blockchain technologies.

(SMB Coin aims for transaction processing speeds of more than 1 million TPS, which exceeds DPOS processing speeds such as Solana and ADA.)

In addition, in the case of the DPOS blockchain, only a certain number of (delegated) block generation nodes participate in block generation, so there are concerns about centralization, but in the case of SMB Coin, anyone can participate in block generation as long as there are hardware conditions, so higher reliability and safety can be secured through the participation of more nodes.



[Fig. 6] DPOR OF SMB BLOCKCHAIN

SMB Coin wants to move to the future blockchain technology by implementing all 3S, the fundamental implementation goal that the current blockchain wants to achieve.

- Security (security): In addition to the security of the existing blockchain against forgery/alteration, the user can secure the reliability and security of the transaction by himself/herself as the transaction is completed with the immediate user response that other blockchains cannot implement
- Speed: Implementing the highest level of transaction processing speed that exceeds the transaction processing speed of existing blockchain technology. (Current target of over 1 million TPS)
- Scalability: The overwhelming transaction processing speed ensures sufficient scalability of the existing blockchain, which is no longer possible to add services at a certain time due to increased transaction throughput compared to the initial service launch.

SMB Coin's blockchain ensures the following environment, increasing the reliability of the blockchain.

1. Trusted Execution Environment (TEE)

TEE is a hardware-based isolation environment that processes, stores, and protects data from external attacks. Features provided by major hardware platforms (e.g., Intel SGX, ARM TrustZone, etc.) ensure that sensitive data and code are executed safely.

Run Smart Contracts

The execution of the smart contract is handled by the TEE to ensure the integrity of the results and to prevent external nodes from intervening or manipulating the execution process of the contract.

When verifying transactions, block verification is executed within TEE to block malicious activity of nodes, increase reliability during the data verification process, and protect data privacy.

Sensitive data can be processed by the TEE and verified without being disclosed to the entire network.

This enhances reliability, minimizes operability with hardware-based verification, prevents sensitive data exposure through data security and increases scalability, reducing the verification burden on the network.

2. Hardware Security Module (HSM)

HSM is a dedicated hardware device that safely generates, stores, and manages encryption keys and performs encryption operations. Through this, encryption keys are managed to secure private keys of blockchain nodes or user wallets, and even if the key is physically stolen, it is not directly accessible within HSM. In particular

Through the acceleration of signature operations, HSM is used to increase speed and efficiency in the process of signing and verifying transactions, and security of consensus algorithms is strengthened. Data encryption is performed in node-to-node communication and the integrity of the consensus process is guaranteed.

This reduces the centralization risk of key management by providing strong key security, accelerates hardware-level encryption by maintaining high performance, and improves durability against physical and software attacks by increasing reliability.

3. Trusted Platform Module (TPM)

TPM is a hardware chip that supports encryption and trust-based computing, ensuring the integrity of data and devices. Through this, node identity authentication is performed, and TPM is used to verify the validity of the blockchain node. It prevents malicious nodes from participating in the network and ensures data integrity.

It verifies that the data transmitted between nodes is not manipulated, and continuously measures and authenticates the state of the node through TPM to increase reliability, and transaction signatures are performed using TPM-based keys to create optimal reliability.

This adds powerful security elements, enables data and identity protection at the hardware level, and makes it lightweight and efficient to operate due to low overhead.

4. Hardware-Based Oracle (Trusted Hardware Oracle)

Oracle, which uses reliable hardware to safely deliver external data to smart contracts on the blockchain, guarantees data reliability and prevents manipulation while external data is delivered to the blockchain. This enables off-chain data operation, allowing hardware oracles to perform complex operations and then deliver the results to the blockchain, reducing the computational burden within the blockchain.

This increases data accuracy, allowing external data to be delivered securely to the blockchain, and increases smart contract efficiency, allowing complex calculations to be processed off-chain.

CONSENSUS

SMB Coin sought to implement the highest level of transaction processing speed beyond the limits of existing blockchain systems based on optimal hardware performance and the latest network technology.

For faster transaction processing speed, SMB Coin is based on hardware trust-based proofs that are not present in existing consensus algorithms and uses a hardware trust-based equity proof agreement algorithm (DPOR) that also uses a stake proof to determine block creation authority. This is a method created by focusing more on the hardware authentication base of the algorithm proposed by Finalchain, and Layer 2 expansion is advantageous in the trust network of equity proof.

The generation of blocks in the SMB coin consensus algorithm takes place at nodes that have proven optimal hardware performance, which is called a block generation participation node.

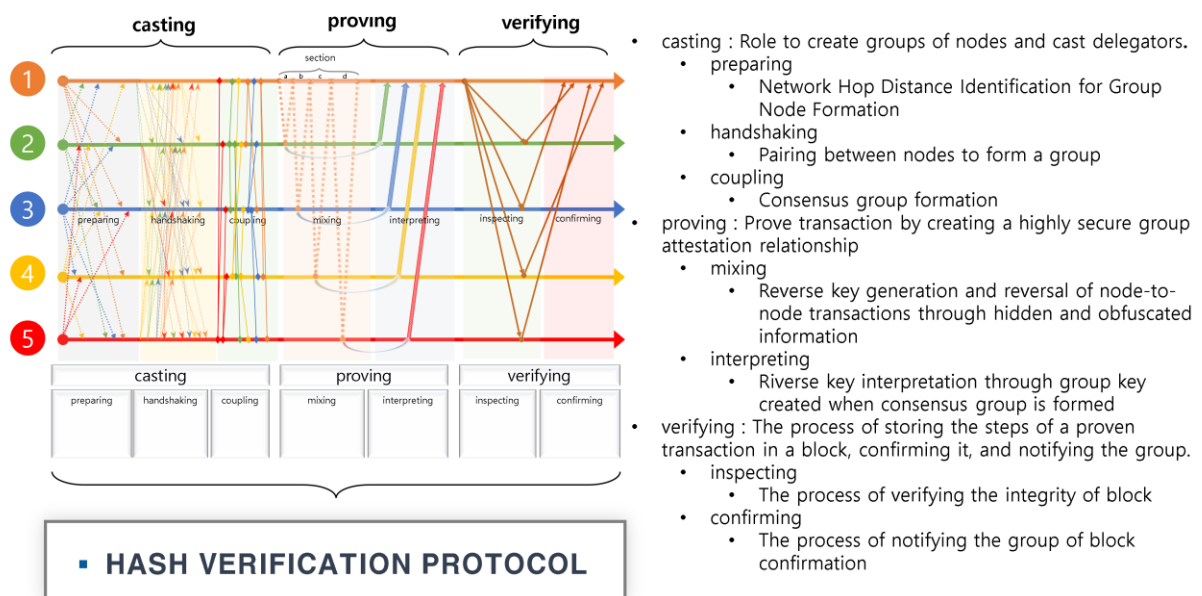
Block creation participation nodes have that much authority because they play an important role in creating blocks, but if blocks are generated incorrectly, they must be held responsible for them, so they must secure more than a certain amount of equity.

This collateral stake is also used to determine the order of block generation rights, but it is also used to apply penalties for erroneous block generation.

The consensus algorithm based on such hardware proof has a problem of centralization of power or wealth because only nodes with hardware participate in block generation.

Because of this problem, POPS allows ordinary nodes to participate in the block generation process using their own shares.

Normal nodes can participate in the block generation process by selecting one of the block generation participation nodes that can generate blocks and participating in their shares together, thereby increasing the block generation authority of the selected block generation participation node so that the node has more block generation opportunities.



[Fig. 7] DPOR(Delegated Proof of Reputation) Processing

In POPS, the block generation authority is determined in the following way, excluding the hardware proof part that all block generation nodes have the same and instead determined by the sum of the shares of each block generation participating node.

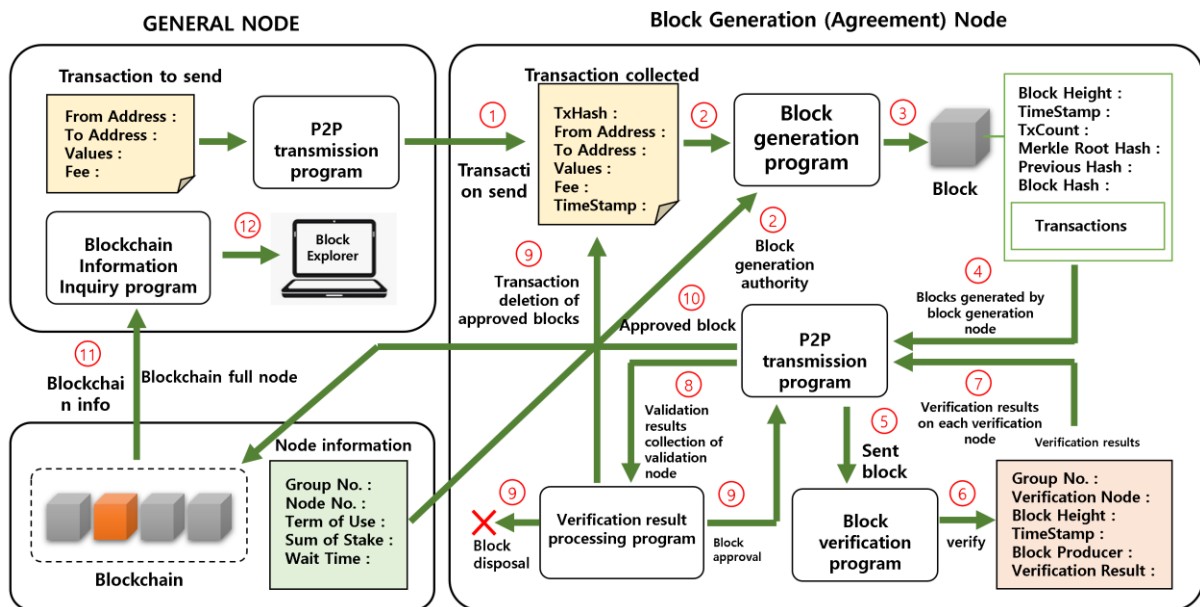
$$\text{Block creation permission} = (\text{Trusted node proof operation level}) * ((\text{Stake of block creation node}) + (\text{Total of general participant shares})) * (\text{Block creation waiting time})$$

The block creation authority is determined by the sum of the shares of the block creation participating node and the time it waits for block creation, and once the block creation node

participating in the block creation is set to '0', it moves to the last standby order immediately after block creation.

After that, as the waiting time increases, the block creation authority increases by the sum of the shares it has, and when it finally has the highest block creation authority, the block is created again. Therefore, the more block creation participation nodes with a larger total of shares, the higher the block creation frequency.

Compensation for block generation can be divided into hardware compensation, equity compensation, and system operation funds. Since the block generator is a block generation node with optimal hardware equipment, compensation for hardware is given priority, and each node will be compensated for equity participation for the remaining compensation, and the remaining compensation will be used as funds for system operation.



[Fig. 8] Compensation for block creation

The system operation funds will be used to maintain the blockchain system and will be used to revitalize the SMB Coin ecosystem, such as conducting SMB Coin business and compensating for content.

The general node's equity participation system allows general nodes to indirectly participate in block generation that cannot be directly participated by contributing to increasing the block generation authority of block generation nodes selected by their equity.

When a regular node participates in a stake, participating in a block-generating node with a large stake unconditionally may seem advantageous for obtaining rewards due to more block-generating opportunities, but because the amount of compensation received at a time is constant, the ratio of compensation is lowered by that amount, eventually balancing the share participation compensation ratio at most block-generating nodes.

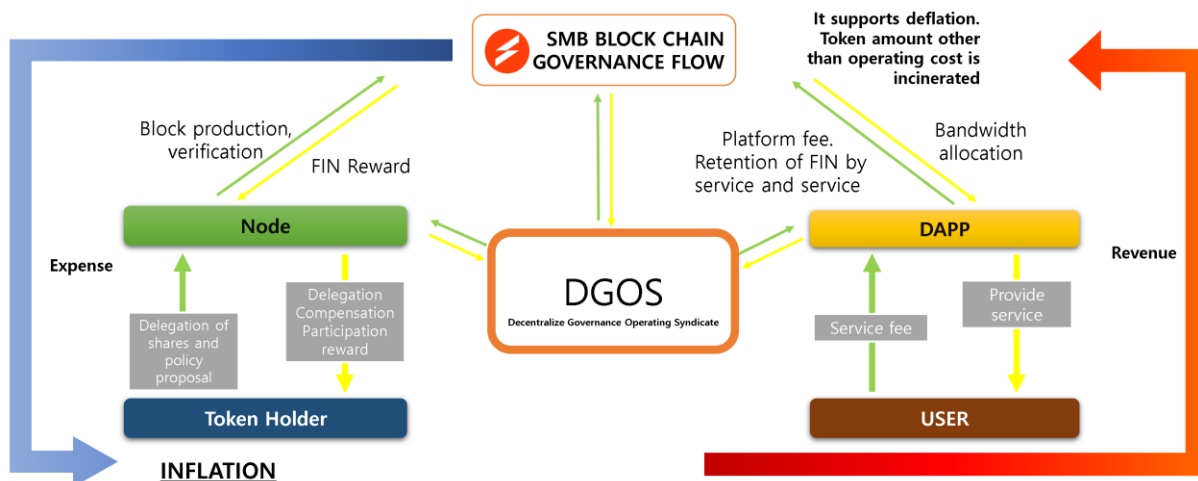
GOVERNANCE

In the case of a decentralized blockchain system, it is very difficult to change or update the system later when the system is opened, and if this goes wrong, the separation of the blockchain by hard fork, such as Bitcoin or Ethereum, may occur.

This separation occurs because the opinions of blockchain members are not gathered as one, and SMB Coin intends to operate SMB Coin as a more transparent and democratic blockchain system by collecting the opinions of blockchain participants through Governance and reflecting them in the system.

Policies or opinions on blockchain first occur during system operation, and the system operation team notifies blockchain participants through Governance and collects opinions.

Members of SMB Coin can also express their opinions on the blockchain system, and if there are more than two-thirds of the block-generating nodes' re-audits on this agenda, the agenda is notified to all members as Governance and opinions are collected through voting.



- Inflation has a design structure that is issued sequentially in the construction of the 400 million ecosystem for **nine years**.
- Created only through 100% consensus nodes
- If the number of participating nodes is formulated by year, and the number of participating nodes is exceeded, the amount of issuance is naturally generated without limiting the compensation evenly.

[Fig. 9] Governance 개요도

The details of governance and voting results that are executed are recorded on the blockchain, and the exposure to the voting results (who and where they voted) is determined according to "what is the voting history?"

Because Governance is based on fairness, all nodes must be given the same opportunity to vote, but if the same person controls multiple nodes, it can be a duplicate vote. As a security measure, only KYC certified voters are recognized as valid votes in some cases, so that it can be an opportunity to check not only the transparency and fairness of voting, but also the soundness of SMB Coin participants (illegal money, money laundering).

Since participation in governance is important in determining the future of SMB Coin, it rewards participation in governance to induce more participation, especially when conducting governance by KYC certification, more rewards are paid than ordinary votes.

To this end, in addition to the compensation from the existing block generation, the compensation from the performance of Governance is separately defined and paid.

5. ISSUANCE AND DISTRIBUTION OF SMB COIN (MAS)

COIN ISSUANCE

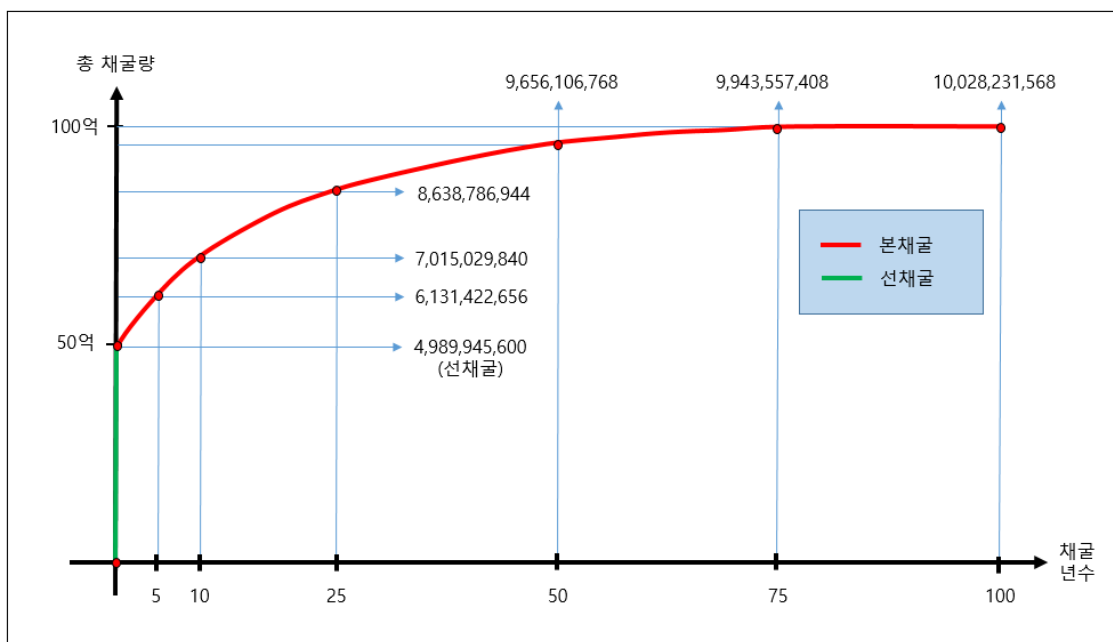
SMB Coin is issued (mined) as blocks are created in SMB.

The unit of SMB Coin is represented as SMB, and the issuance (mining) period will last for the next 100 years.

The total number of SMB coins issued is 10 billion, of which 6,727,680,000 will be issued in advance to be exchanged through Polygon-based smart contracted DEX through its own SMB DEX, and pre-listed Polygon-based tokens for flexibility in crypto funding.

The rest are made for liquidity swaps and mainnet swaps, and 3,784,320,000 SMB Swaps are used for DEX POOL and mainnet swaps as contracts for mapping based on blockchain mainnet and DEX interworking. This is also used in a kind of ESCROW for liquidity control between Branch and Master.

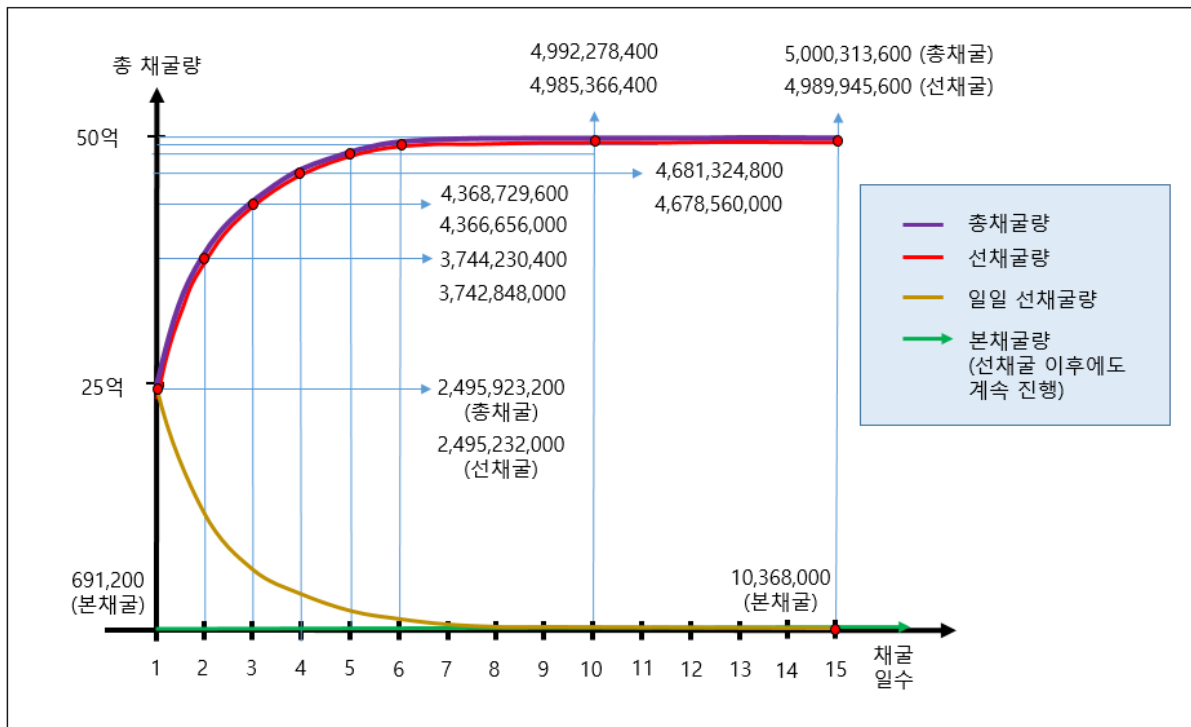
In addition, in this process, an operating system was established as a liquidity buffer by linking token economic services that could be used immediately, and a 100-year flat-panel equity mining environment was established as a model for mining nodes between tokens and delegated shares with the main chain based on the main net.



[Fig. 10] SMB Coin 발행량 : (사전 상장용 토큰(선채굴) + 메인넷을 통한 DPOH 채굴용(본채굴))

Pre-mining for IDO and main mining for SMB operation, all have a half-life in which the amount of mining per block decreases according to their respective ratios.

The pre-mining and main mining are carried out together for a certain period of time from the creation of the first block, and in the case of pre-mining, only 15 days are effectively carried out according to the applied half-life of mining, and after that, only the main mining proceeds.



[Fig. 11] 선채굴 기간 내의 채굴 현황

The amount of coin issuance in SMB is first determined by calculating the amount of coin issued per second by half-life, and the amount of coin issued per second and the time when the block was created.

For example, if the initial SMB block creation time is 5 seconds and the specified coin issuance per second is 8 coins, 40 coins are issued (8Coin/sec * 5 seconds) when one block is created.

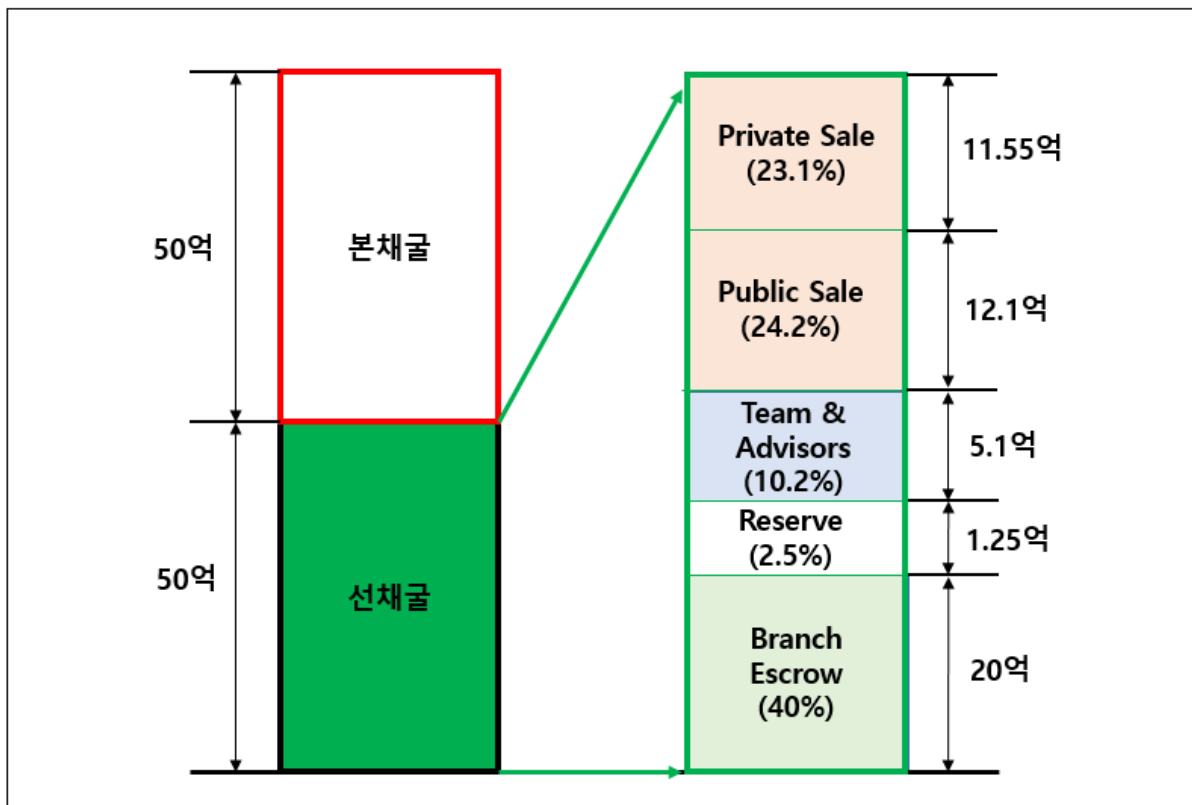
If the block generation time is 2 seconds (8Coin/sec * 2 seconds), 16 coins of interest will be issued.

Because of this, SMB always has the same amount of coins issued within the same period, and even if the system is optimized and the block generation time is accelerated, the total issuance period and issuance volume of the initially determined coins always remain the same.

IDO TOKEN ALLOCATION: PRE-MINING

The distribution of IDO tokens proceeds with 5 billion coins made during the pre-mining period.

Of the 5 billion coins, 47.4% or 23.65 billion will be distributed to ICO participants, 40% or 2 billion will be used for Branch Coin's Escrow, 10.2% or 510 million will be distributed to Team & Advisors rewards, and 2.5% or 122.5 billion will be distributed to Reserve.



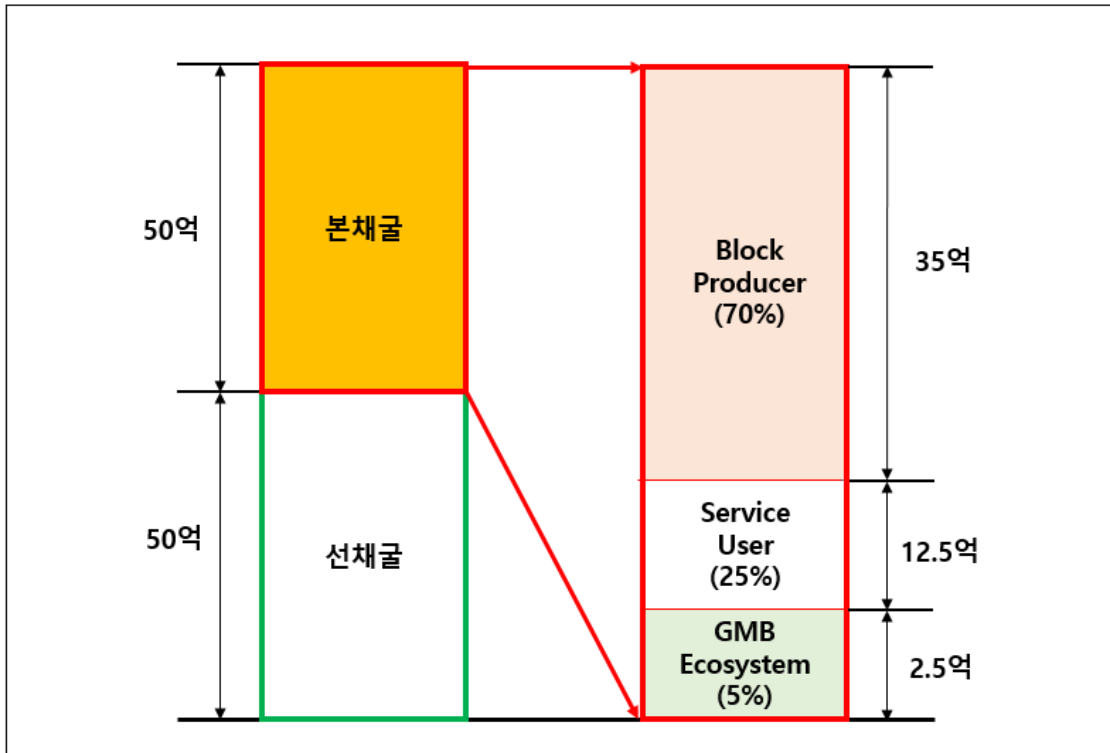
[Fig. 12] ICO 토큰 배분

SMB MINING COMPENSATION: MAIN-MINING

SMB operates the system and 5 billion coins will be mined over the next 100 years.

The coin is mined as the block is created by the previously introduced SMB's consensus algorithm, POPS, and the amount of mining is determined by the half-life of each year.

The coins mined in this way are used as compensation for block creators and SMB service users, and are also allocated as operating funds for the future of SMB.

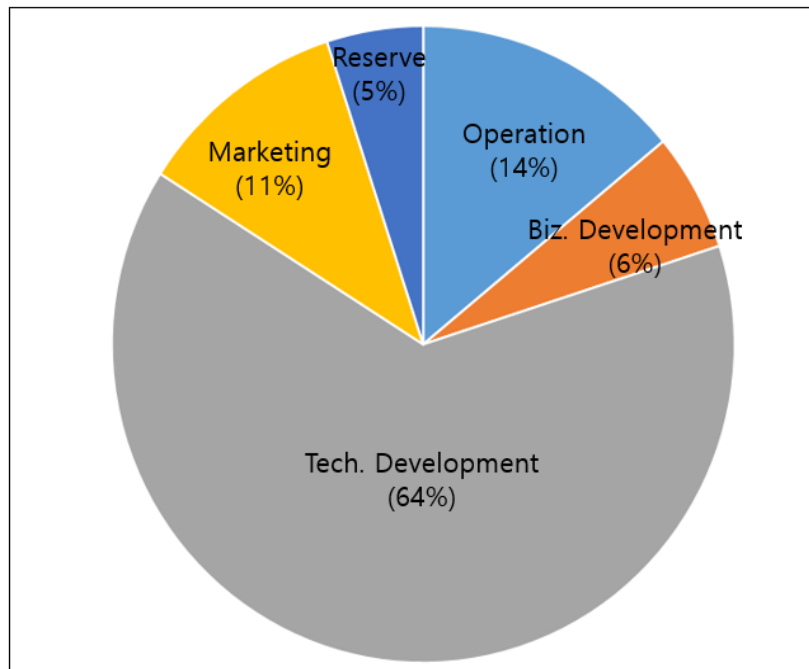


[Fig. 13] SMB 본채굴 보상

THE USE OF FUNDRAISING MONEY

Donations raised for SMB development are used to construct development personnel and purchase equipment for more advanced blockchain technology development, and to provide better services and more benefits to users.

To this end, the fundraising money is used for technology development, business service development, and system operation, and it is used for marketing expenses to secure many users and has a small reserve.



[Fig. 14] Token Economy

6. MASTER COIN & BRANCH COIN

SMB has Master coin and Branch coin.

The advantages of this redundancy method are as follows.

- Divided features: Roles are separated for each coin, increasing network operational efficiency.
- Diversifying the Economic Ecosystem: It is possible to form an economic model tailored to a specific application or activity.
- Cost Optimization: Reduce the high price volatility of MasterCoin, and leverage BranchCoin to provide a cheaper trading environment.
- Increased flexibility: increase network scalability and functional diversity.

Master coin is used as a reserve currency in the SMB system and, like traditional cryptocurrencies, is traded on cryptocurrency exchanges.

Branch coin is a coin linked to each country's legal currency and can be exchanged or traded on SMB DEX.

SMB Coin can be used in various platform projects, and the first example is its use in travel platforms as follows.

Using SMB Coin, you can choose two ways to travel to another country.

If you have a master coin, SMB DEX will exchange it with the branch coin of the country concerned.

With the legal currency you hold, you purchase the country's Branch coin from SMB DEX.

The exchange rate fluctuates continuously depending on the price of the master coin. For example, suppose Andy in New York uses SMB Coin to travel to Tokyo.

When Andy wants to exchange for Branch coin (JP) while he already has Master coin, if the price of Master coin is \$1 and the current exchange rate of dollar to yen is 1:100, 1 Master coin is 100 yen. Considering Branch coin (JP) linked with yen, 1 Master coin can be exchanged for 100 yen, that is, 100 Branch coin (JP).

If Andy is concerned about the price volatility of Master coin, there is a way to buy Branch coin (JP) from SMB DEX in USD.

As above, Master coin and Branch coin can be exchanged, and SMB DEX will be developed that can be used through the application to make the exchange process easier, faster, and more accurate.

7. PAYMENT INDUSTRY AND DEFI

First, the premise to be clarified is as follows.

The SMB Foundation only issues SMB coins and does not run other industries on its own. However, it promotes the distribution of SMB coins by using them between various industries through affiliated companies.

As the first example of the industry, we will utilize SMB Coin based on Web3 in logistics and distribution.

WEB3 stands for distributed Internet, providing users with data ownership and privacy based on blockchain technology.

- Decentralization: operates without a central agency, and allows direct transactions between users.
- Self-Sovereign Identification: User data belongs to individuals and can only be shared if necessary.
- Smart Contract: an automatically executed contract that enables transactions without intermediaries.

Traditional payment systems: Intermediaries such as banks and credit card companies are required, and transaction fees are incurred. However, with the advent of Web3, the competitiveness of transactions, fees, and global accessibility increases.

- Fast Transactions: Transactions are processed quickly through blockchain technology.
- Low Fee: Transaction costs are reduced because there is no intermediary agency.
- Global accessibility: Anyone with the Internet can participate, making international transactions easy.
- Decentralized payment system: DeFi technology enables payment without a central authority, allowing users to conduct transactions directly.
- Use stablecoins: You can use stablecoins to handle everyday payments to reduce volatility.
- Easy remittance: Global remittance services are made quickly and cheaply through DeFi.

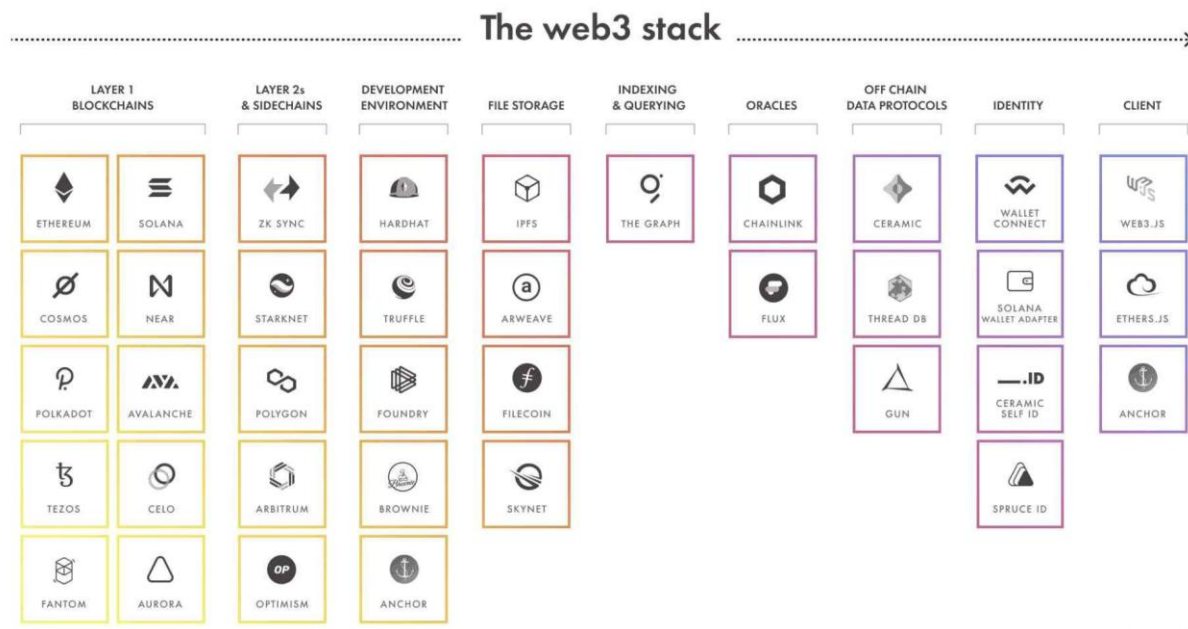
WEB3, the payment industry, and DeFi are closely connected to each other, and a decentralized financial system is transforming the future of the payment industry. It provides users with more

authority and freedom and contributes to increasing access to financial services. These changes are likely to reorganize the structure of the financial ecosystem in the future.



[Fig. 15] Web3 Blockchain Market

In the future, the Internet environment is expected to change to a large extent. Due to the popularization of the AI market, many market changes are being made.



[Fig. 16] Web3 Tech Stack

Web 3.0's flagship services are led by startups. As in [Fig. 16], various startups are emerging by sector, and certain companies are seeing remarkable growth. Thanks to the activation of NFTs,

companies such as OpenSea have attracted attention, and companies such as CryptoKitty have attracted attention for their concept of game characters on the blockchain. In addition, companies such as Theta have proposed ambitious plans to replace YouTube with P2P media streaming, and Indorse, a replacement for LinkedIn, and FileCoin, which has offered storage cloud services as P2P storage space, are also attracting attention. Of course, not all of these attempts have a successful ending, and there are some scam services that only extort and disappear investors' investments. Nevertheless, it seems clear that the new paradigm of decentralization has become a catalyst for innovative and brilliant services that did not exist before.

The convergence of Web3 and blockchain technology will be an innovative driving force that leads to overall changes in the future society. Web3 aims to return ownership of data and assets to individuals in a decentralized environment beyond the limits of the existing centralized Internet (Web2). These changes will fundamentally change the way data management, financial systems, digital assets, and social cooperation.

First, Web3 and blockchain technology revolutionize data ownership and privacy. In the current Internet structure, companies own and monetize user data, but in Web3, users can fully own and control their data. This will reduce the risk of personal information leakage, and the data-oriented advertising economy model will also face a transformation. At the same time, as digital identity (DID) systems develop, users can be granted trust-based access without exposing personal information when identifying or authenticating themselves.

In addition, the popularization of decentralized finance (DeFi) will bring about a major change in the existing financial system. Loans, investments, and remittances can be used quickly and inexpensively by anyone around the world through financial services that do not require central institutions such as banks. These changes create new opportunities in financially marginalized areas and expand global financial access. This accessibility of DeFi, combined with a token economy formed around cryptocurrency, will realize democratization of finance.

The rise of decentralized autonomous organizations (DAOs) is also a notable change. DAOs operate organizations through community voting in the absence of central managers, strengthening transparency and fairness. It innovates the existing corporate structure, increases the efficiency of global cooperation and decision-making, and gives participants more power.

From the perspective of digital assets, NFTs also clarify ownership of digital content such as art, music, and games, and provide an environment where you can trade directly without intermediaries. This forms a creator-centered economic structure and helps creators have more profits and rights. With the convergence with the metaverse, NFTs and digital assets will play an important role in the economy of the virtual world.

Web3 and blockchain technology enable global collaboration and a stateless economy. Borderless economic activities are achieved through cryptocurrency and smart contracts, and time and cost are reduced. As a result, SMEs and individuals can also access the global market, and the existing centralized financial and trade systems will gradually change.

From an environmental perspective, Web3 will also promote sustainability. Projects that track and verify carbon emissions data through blockchain and encourage the use of renewable energy will spread. It is also moving toward reducing the consumption of physical resources through digital assets.

In the areas of government and public services, Web3 also enables the management of electronic voting systems, government-issued currencies based on digital currencies (CBDC), and transparent administrative data. These changes will increase administrative efficiency, reduce corruption, and strengthen the reliability of public services.

In conclusion, the convergence of Web3 and blockchain technologies will play a key role in building a user-centered Internet, an inclusive economy, and a trust-based society. These technologies bring about innovation in various fields, such as secure data management, protection of individual property ownership, and strengthening global cooperation, and will play an important role in opening a better digital future.

8. ROADMAP

2024	<p>Q3. Uniswap Mainnet Swap Token Listed Build your own token mall service SMBWallet</p> <p>Q4. SMB Crypto Linked Global Payment Card Service Launched: Master Card Club Mastercard payment network interworking</p>
2025	<p>Q1. Independent DEX launch for mainnet swaps and governance Building a Global Distributed Network Environment Listed on the Global Exchange (scheduled)</p> <p>Q2. Crypto Card-Based Affiliate Marketing Platform Launched</p> <p>Q3. Web3 SDK Launch for SMB Global Expansion</p> <p>Q4. Building a TestNet Environment</p>
2026	<p>Q2. Development and commercialization of models that can be linked to platform intermediary finance</p> <p>Q3. Start mainnet operation</p> <p>Q4. Establishment of API expansion for non-financial brokerage platform expansion Establish ESCROW framework for Master & Branch environments</p>

9. SMB MISSION

Our first mission is to build a staking interlocking crypto mall for all distribution channel partners around the world using SMB Coin and build a market optimized for the global direct transaction distribution network based on this.

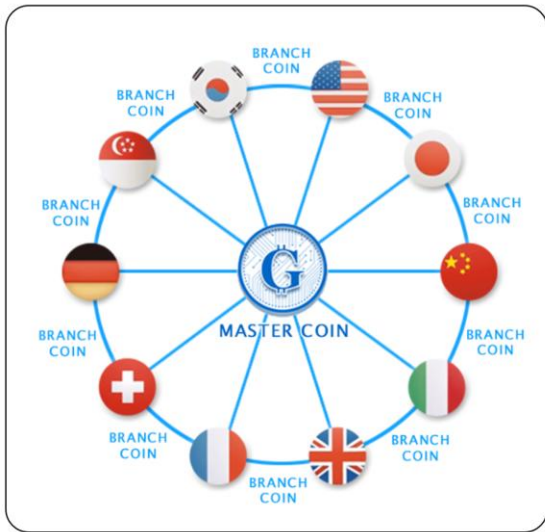
Recent joint purchase-type services have a market environment based on continuous loans, and as a result, it has emerged as a social problem that is difficult to directly solve the problem of customer service accidents. We believe that the cause of this problem is due to the moral hazard of intermediary transactions between the live and the consumer. The optimal solution to solve this problem is to establish a direct transaction distribution chain to overcome the issues caused by the Oracle problem and link it with a trust network through a smart contract chain to trust it.

Direct transaction exchange and distribution networks through the blockchain, a trusted network, should be a solution between the stakeholders of the business, and the SMB platform, which has built the intermediary model, aims to provide this trust model, establish a minimized decentralized operating system through Reworth and commission income through it, and implement an effective platform finance model that can expand derivatives and crypto assets of various DEXs.

With the advent of the blockchain era, SMB Coin wants to create a practical currency that is convenient and easily used anywhere in the world by implementing a cryptocurrency that can be used like existing legal currency.

The first step of SMB Coin is the global mall platform business and the global pay linkage business mentioned above.

By creating a blockchain-based payment linkage platform that can be used anywhere in the world, Mall Payment Service, one of the most used services in the world, and through this, we intend to build an ecosystem of SMB Coin by expanding it to various fields such as finance, transportation, shopping, medical care, and entertainment.



SMB : Social Master & Branch



SMB Economic Ecosystem

[Fig 17] SMB Coin's Business Expansion

To this end, we will further develop the current SMB blockchain technology to implement the best transaction processing speed so that there is no problem in actual use, and based on this, we aim to expand our scope to the entire industry by expanding the usability of services and the scalability of business application.

10. a legal notice

This white paper is intended to provide overall information, roadmaps, and specific information about SMB coins and projects. This white paper is not intended to induce investment or contract, or to propose the purchase of stocks, equity, securities, debt, loans, or anything similar. In addition, due to frequent changes in related policies, laws and regulations, technology, economy, and other factors, the information provided in this white paper may not be accurate, unreliable, or final, and may change several times. This white paper includes information related to future business and financial performance, and developments that are considered future forecast information. You can distinguish that information by words such as 'prediction', 'prediction', 'intention', 'plan', 'judgment', 'pursuit', 'prediction', 'predicted', 'scheduled', 'purpose', etc. Therefore, this white paper is provided only for reference, and the policy and technology content will be updated continuously, such as revision and change.

We do not take any responsibility for the accuracy and legitimacy of the information provided in this white paper. If you wish to purchase, we clearly inform you that you should not rely solely on the information in this white paper. This white paper encourages buyers to analyze and investigate information on their own prior to investment. Therefore, we are not liable for damages arising from investments or related damages. Participation in the issuance of SMB coins does not include future profits or damages.

10. Anti-Money Laundering(AML)

To create a transparent trading environment, SMB is equipped with an internal anti-money laundering monitoring system. If the source of money is unclear or money laundering is suspected, the legtech system for anti-money laundering may stop the transaction itself, such as buying and selling suspicious accounts and accounts. The SMB legtech management system is strengthening monitoring of customer types, cash transactions, and distributed transactions in real-time.

11. Know Your Customer Policy (KYC)

We are introducing a crisis management data-based system to proactively identify individuals and companies under surveillance for financial crimes and risks of unfair acquisition.

When an unspecified individual uses the SMB coin service, the customer verification system (CDD) closely identifies the member information. The customer verification system is based on the name and social security number, and goes through a strict process, such as checking the actual owner, such as the address and contact information, if there is a high risk of money laundering, and for high-risk customers, checking the purpose of the financial transaction and the source of the

transaction funds. If there is a crime or terrorism involved in security, the customer may immediately stop the registration process. Based on this, the approval system is established by linking the services used in the existing payment network.

12. Convention Against Funding for Terrorism (CFT)

You must agree that you will not participate in financing, exchange, and support activities for the purpose of raising terrorist funds through SMB coins. Buyers should be aware that SMB coins cannot be sold, exchanged, or disposed of for terrorist financing purposes. When used for risky transactions of SMB coins, an operating system is established to enable measures to limit the linkage of risky exchanges through the management and governance system of wallet accounts.

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