Celes Chain Business Plan

Regulated/Public Chain/Financial Services
The cyclical effect in financial industry

A. No trust among financial institutions after the financial crisis
B. Harsh regulation
C. High cost of the regulation and compliance
D. Further increases the economic burden of financial institutions
E. Less competition in financial market
F. More monopoly and less innovation

How to break the loop and deadlock?

Solution

1. To improve regulation and compliance
2. To rebalance trust among financial institutions
3. To reactive competitions in financial market
To make regulators more efficient and to lower compliance costs for financial institutions

To rebalance trust among financial institutions

To provide a more productive competition for financial industry. Consumers could ultimately share benefits and profit.

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C-chain is an innovative platform to run financial services/applications and provides access for regulators and policy makers.

C-chain refers to “Celes Chain”.

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A unique framework cooperates with financial regulators

Innovative, decentralized, public

Complete C-Chain ecosystem

To provide a more productive competition for financial industry. Consumers could ultimately share benefits and profit.
Other full time team members worked for Bosera Asset Mgt., GE CAPITAL, Huawei, Tencent and Microsoft etc.
Unique C-chain regulation and compliance efforts

C-Chain improve regulatory efficiency and save compliance costs

1. "Super Administrator": the supervision agency has effective control of financial behavior and data on C-chain.

2. Legal semantics scripting language: in order to make smart contract not only in compliance with, but to the greatest extent allow the “literal” code also meet regulatory requirements.

3. Legal compliance layer: to coordinate with artificial intelligence and deep learning technology, compile smart contract into legal compliance document on C-chain.

4. Simulation: Regulators can test new or modify policies on chain, effectively judging regulatory effects and potential negative impacts.
1. Time division multiple proofs protocol (TDMPC): a better balance between decentralization (via PoW) and efficiency (via PoB).
2. "Wood": the link between PoW and PoB consensus.
3. Public chain: private chain has the difficulty to attract financial institutions to join the alliance.
4. Transparent: more trustworthy to the end user.

*Source: Monetary Authority of Singapore (MAS) The conclusion of block chain experiment project Ubin - from No.2 report
1. Financial institutions use scripting language on C-chain to develop decentralized financial applications (DApps) to implement business logic and run smart contract.

2. C-chain provides basic templates for financial institutions to accelerate product development progress.

3. C-chain supports products including but not limited to: financial derivatives, commercial loans, letters of credit, trade finance, structured finance, project financing, investment, brokerage, trading and financial information etc.

4. DApps developed by financial institutions which obtained the approval of regulatory authorities, can be shelved on C-chain application store.
1. End user use tokens to purchase financial services on C-chain (through C-chain DApps)

2. DApps obtain user’s tokens and pay a certain number of tokens to the miner, the remainder will be sent as income to the financial institutions who own the DApps.

3. Miners get paid as the cost of mining.

Third-party service* refers to the exchange service of convert between C-chain tokens and fiat money, such as token exchanges, etc.
Case 1: Regulator Issue the bank lending guideline (C-chain vs. Traditional methodology)

Lending Policies pass through via C-chain:
1. Regulator releases "guidelines", including the ratio of deposit to loan, interest rates range and the applicability of rules.
2. The "guideline" is translated to smart contract standard code on C-chain, which defines loan ratio, interest rate and applicability of the rules.
3. Banks inherit the "guideline" smart contract code as well as all the definitions of the rules, then enrich details of the loan smart contract according to their own situation. Because banks’ loan smart contract are inherited from regulators’ contract, this allows all banks to use the same framework for loan smart contracts, different banks will not misjudge and take wrong action even have different understanding, thus the system effectively reduced legal compliance risks.

Regulator convey bank lending guidelines through traditional ways:
1. Regulator releases "guidelines", including the ratio of deposit to loan, interest rates range and the applicability of rules etc.
2. The regulatory department of each bank tries to understand the guideline requirements. Banks need to communicate with regulators thus increased the cost of communication, while banks still have the risk of misunderstanding the guidelines.
3. Banks may issue irregular applications based on misconception which may cause legal compliance risks.
Case 2: Regulator modify a bank lending guideline (C-chain vs. Traditional methodology)

### C-chain
- **C-chain test network**: All data from C-chain test network are intraday data, with efficiency and timeliness. In the process of theoretical testing, regulator does not need to communicate with individual banks.
- **Main network**: Very fast. Test results are available on the same day, as all applications and data are on C-chain.

### Traditional Method
- **Regulation Department of the bank 1**: Bank conduct test on its own products and users, and provide regulators test reports. Regulator may need to communicate with individual bank with low efficiency and high cost.
- **Regulation Department of the bank 2**: Test result respond/feedback time varies, the reason is because product distribution channel is different, this depends on the actual implementation capacity of the banks.

### Comparison
- **Modify policy results test methodology and data source**: Informative and resourceful report, available for various types of stress testing, accurate affected users data, potential business impact on banks and financial structures etc.
- **Test the timeliness of revised guidelines**: Theoretically test report and the actual operation result should highly consistent.
- **Revised guidelines test report results**: Limited to banks’ execution capacity, test results may not match with actual operation fact.
- **Coincidence degree of the test report and actual operation**: Lengthy execution chain, longer execution process. Limited by banks’ execution capability, implementation cost is high.
- **Actual execution mode**: Modify policy regulation smart contract code template will naturally impact banks with applications developed based on the template. Implementation costs is negligible and implement speed will be very fast.

### Feedback
- **Test feedback**
- **Regulator feedback**
- **Legal documents feedback**

### Diagram
- C-chain vs. Traditional methodology
Case 3: Use C-Chain smart contract to launch trade finance business

1. Use C-chain smart contract to carry out trade finance business, all circs events can be translated and code into smart contract. Once the order or trade events occurred, command will automatically executed with no trust issue.

2. All warranty identification authenticity validate by digital signature, with lower cost and better efficiency compare to traditional trade finance guarantee verification method.

3. All payments and liquidation can be executed on C-chain, as long as no command occurred, no transaction will happen and thus no misappropriation of funds and other operational risks.
Users of C-chain and the participators

A. Regulator

B. Licensed Financial Institution
- Banks/Insurance/Securities
- Trust/PE VC fund
- Mutual fund/small loan
- yoopay

C. Financial institutions
- Individual/crop.
- Gov./Org.

D. Financial IT Services provider
- Architect/Outsourcing

E. Services Provider Ecosystem
- Law firm/accounting firm
- Consulting/Third party

F. Miner/Developer

G. Investors
- Institution/Fin. industry professional
- Individual investor/Industry ecosystem
Future Global Regulation Organization Strategic Partners

International Organization

- USA
- Canada
- Mexico
- Brazil
- Argentina
- South Africa
- China
- Japan
- Korea
- Russia
- Saudi Arabia
- India
- Indonesia
- Hong Kong
- Australia
- Mexico
- France
- Italy
- Germany
- UK
- EU
- Turkey
- Canada
- Brazil
- Argentina
- USA
- China
- Japan
- Korea
- Russia
- Saudi Arabia
- India
- Indonesia
- Hong Kong
- Australia
- Mexico
- France
- Italy
- Germany
- UK
- EU
- Turkey
- Canada
- Brazil
- Argentina
- USA
- China
- Japan
- Korea
- Russia
- Saudi Arabia
- India
- Indonesia
- Hong Kong
- Australia