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Disclosure Level **A**

Xangle disclosure level policy

**A+** 57 or more

**A** 50 ~ 56

**B** 42 ~ 49

**C** 41 or less

(Out of total 63 questionnaires)

EN ▼

## Due Diligence Report



# PayProtocol AG

**Switzerland**

(Country or jurisdiction of incorporation)

**064260**

(Entity Registration Number)

**Bahnhofstrasse 21, 6300 Zug Switzerland**

(Address, including zip code, including area code, of principal executive offices)

### Company Representative (Report Data Submitter)

Name	Position	Office Phone Number	Telegram ID
Anthony Cho	CEO		

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## WHERE YOU CAN FIND MORE INFORMATION

Readers and others should note that the company announces material information to the public using the company website, press releases, public conference calls, and webcasts. They may also use the following social media channels as a means of disclosing information about the company, products, planned financial and other announcements and attendance at upcoming investor and industry conferences, and other matters.

### Channels

### Address

**Company Website**

<https://payprotocol.io/>

**Main communication channel**

**Twitter**

<https://twitter.com/payprotocol>

**Company Blog**

<https://payprotocol.blog/ko/>

**Facebook**

<https://www.facebook.com/payprotocol>

**Linkedin**

**Github**

**Reddit**

<https://reddit.com/r/payprotocol>

**Telegram**

<https://t.me/payprotocol>

**WeChat**

**KaKaoTalk**

**Channels****Address****Custom Link**Bitcointalk - <https://bitcointalk.org/index.php?topic=4936189.new#new>Kakaotalk - <https://open.kakao.com/o/gd7c5Pib>

The information posted through these social media channels may be deemed valid. Accordingly, the public should monitor these accounts and the blog, in addition to following company press releases, conference calls, and webcasts. This list may be updated from time to time and these channels may be updated without notice.

# PART I. Corporate Profile

## ITEM 1. Basic Corporate Profile

<b>Official Company Name</b>	PayProtocol AG
<b>Establishment Date</b>	04 Sep 2018
<b>Jurisdiction of Incorporation</b>	Switzerland
<b>Principal Office Location</b>	Bahnhofstrasse 21, 6300 Zug Switzerland
<b>Address of Official Company Registration</b>	Bahnhofstrasse 21, 6300 Zug, Switzerland
<b>Company Name for Website Display</b>	PayProtocol
<b>Description of Company</b>	PayProtocol is a simple and convenient cryptocurrency payment platform for both e-commerce and retail use.
<b>Company Website</b>	<a href="https://payprotocol.io/">https://payprotocol.io/</a>
<b>Whitepaper Link</b>	<a href="https://drive.google.com/file/d/1c9Dx5bld9g6j7F67HF4M2gwFeC-WexkB/view">https://drive.google.com/file/d/1c9Dx5bld9g6j7F67HF4M2gwFeC-WexkB/view</a>
<b>Mission and Vision</b>	PayProtocol aims to integrate blockchain into the traditional payment system to reduce cost and settlement cycle arise from existing excessive intermediaries. Our vision is to become an integrated blockchain payment platform and to bring a new paradigm in the payment system.

## ITEM 2. Team

### 2.1 Executives & Founders

The following sets forth certain information regarding the company's executive officers and founders, their details and positions as of 2019-12-16

#### Anthony Cho

Position Title	CEO
Short Bio	Anthony has experience operating numerous businesses in China, polished from dealing with mobile operators and payment partners across the vast country. One of the major roles he played was obtaining the license required to service WeChat in South Korea.
Experience	
Education	
Company e-mail	
Social	<a href="#">in</a> @jinkon-cho-358b6016a

### 2.2 Engineering Team Leaders

The following sets forth certain information regarding the company's development and engineering leaders, their details and positions as of 2019-12-16

#### Eddy Ryu

Position Title	CTO
Short Bio	Eddy was the developer behind South Korea's very first carrier billing. He has successfully maintained a payment system that was free from critical errors for 20 years. His achievements include finding new, better ways to process transactions and simplify APIs to improve the overall quality of the payments we use today.
Experience	
Education	

Social

### John Lee

Position Title COO

Short Bio

As a policy specialist who structuralized and established domestic payment policies and influenced the direction of the nation's payment regulations, John has been negotiating with mobile operators for years. As a member of the PayProtocol team, he is responsible for establishing the company's operational policies, as well as steering company strategy.

Experience

Education

Social

### Young-il Kim

Position Title CMO

Short Bio

Young-il is a financial payment specialist who was in charge of foreign exchange and foreign investment at various banks in China. In Danal China, he directed cross-border payment services and designed settlement processes. At PayProtocol, Young-il plans the service model and is in charge of Chinese communications.

Experience

Education

Social

## 2.3 Advisory

The following sets forth certain information regarding the company's advisories, their details and positions as of 2019-12-16

No data available

## 2.4 Organization Structure

The following sets forth certain information regarding the structure of the company as of 2019-12-16

Name of Department/Group/Office/etc.	Number of Full-Time Staff	Number of Part-Time Staff	Head of Department (Maybe left blank)
Board	6	0	
TEAM	10	0	
<b>Total</b>	<b>16</b>	<b>0</b>	

## PART II. Business Information

### ITEM 1. Industry Classification

Not Applicable

### ITEM 2. Industry Description

#### 2.1 Industry Overview

Although the payments market has expanded to the internet and payments are now increasingly being made internationally, the payment structure itself hasn't evolved to accommodate the coming of this new digital economy. Traditional payment channels are still plagued with complicated authentication and an ever increasing amount of steps needed between merchant and buyer, expensive service fees, and settlement cycles that are not fit for the 21st century digital economy.

#### 2.2 Recent Trends

##### (1) Payment system

Payments today are expanding globally and quickly moving toward the internet's online environment thanks to the rapid growth of e-commerce and online banking. Despite such active technological advances in the commercial market, payment methods are lagging behind in innovation. They are still heavily dependent on the existing network of financial institutions and payment processors.

#### 2.3 Target Market Size

The digital economy's growth spurt is notable every year. In 2017, the online retail market hit \$2.3 trillion, online gaming reached \$13 billion, and sales of other digital content exceeded \$115 billion US dollars. This also signifies the growth of the payment solutions market, since any transaction in the economy is made through some form of a payment solution.

#### 2.4 Target Customers

Individuals

#### 2.5 Competitors

##### 2.5.1 Existing Industry Competitors

The following sets forth certain information regarding the company's conventional competitors already established within the industry as of 2019-12-16:

##### VISA

Description	
	Visa Inc. is an American multinational financial services corporation headquartered in Foster City,

##### 2.5.2 Token Project Competitors

The following sets forth certain information regarding the company's competitors that have implemented Token economics as of 2019-12-16:

No data available

## ITEM 3. Project's Business Model

### 3.1 Business Description

#### 3.1.1 Business Model

When users use PayProtocol for payment, there will be 0.2% of the transaction fee for the network and rest of the amount, 99.8%, will be sent to peers who would then execute the remaining process. When users use PayProtocol to transfer coins (PCI) to another user, there will be 0.1% of the transaction fee for the network. In this case however, receiver will be receiving 100% of the coins sent, meaning that the sender will need to have 0.1% of the transaction fee in their account in order to successfully execute the transfer function. The transaction fees received by the network will be later distributed as rewards depending on users' contribution to the network.

#### 3.1.2 Platform or Application Overview

##### General platform description

No Input

##### Functions of the solution

PayProtocol is an end-to-end platform that directly connects users and merchants. It will provide a fast and affordable payment solution by replacing the roles of processors in the existing payment system with blockchain-based smart contracts and coin economy.

##### Pain Points to solve

No Input

#### 3.1.3 Product/Service Line Description

##### · Payment system

PayProtocol is a simple and convenient cryptocurrency payment platform for both e-commerce and retail use. It is a cryptocurrency project supported by Danal, a payment company based in South Korea. By combining Danal's 20 years of experience in payments with blockchain technology, Pay Protocol aims to mitigate the pain points of traditional payment systems, mainly excessive intermediary processes and high fees caused by them and slow payment schedules.

#### 3.1.4 Competitive Advantage

PayProtocol is an end-to-end platform that directly connects users and merchants. It will provide a fast and affordable payment solution by replacing the roles of processors in the existing payment system with blockchain-based smart contracts and coin economy.

#### 3.1.5 Intellectual Property

No Input

### 3.2 Partnerships

#### ▸ dal.komm Coffee

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<b>Counterparty Website</b>	<a href="http://www.dalkomm.com/">http://www.dalkomm.com/</a>
<b>Counterparty Description</b>	South Korea's coffee franchise
<b>Applicable Dates</b>	
<b>Does this partnership has an expiration date?</b>	No
<b>Revenue Generation</b>	No
<b>Expected Revenue (USD)</b>	N/A
<b>Partnership Description</b>	
<b>Expected Benefits to Project Team</b>	

## Expected Benefits to Counterparty

### ▸ 7-eleven

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<b>Counterparty Website</b>	<a href="https://www.7-eleven.com/">https://www.7-eleven.com/</a>
<b>Counterparty Description</b>	7-Eleven is a convenience retailer store with retails of food and beverage.
<b>Applicable Dates</b>	
<b>Does this partnership has an expiration date?</b>	No
<b>Revenue Generation</b>	No
<b>Expected Revenue (USD)</b>	N/A
<b>Partnership Description</b>	
<b>Expected Benefits to Project Team</b>	
<b>Expected Benefits to Counterparty</b>	

### ▸ Domino's Pizza

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<b>Counterparty Website</b>	<a href="https://www.dominos.com">https://www.dominos.com</a>
<b>Counterparty Description</b>	Domino's is the recognized world leader in pizza delivery.
<b>Applicable Dates</b>	
<b>Does this partnership has an expiration date?</b>	No
<b>Revenue Generation</b>	No
<b>Expected Revenue (USD)</b>	N/A
<b>Partnership Description</b>	
<b>Expected Benefits to Project Team</b>	
<b>Expected Benefits to Counterparty</b>	

### ▸ KFC

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<b>Counterparty Website</b>	<a href="https://www.kfc.com/">https://www.kfc.com/</a>
<b>Counterparty Description</b>	Kentucky Fried Chicken (KFC) is a chicken restaurant chain popular for its original recipe that makes use of 11 secret herbs and spices.
<b>Applicable Dates</b>	
<b>Does this partnership has an expiration date?</b>	No
<b>Revenue Generation</b>	No
<b>Expected Revenue (USD)</b>	N/A
<b>Partnership Description</b>	
<b>Expected Benefits to Project Team</b>	
<b>Expected Benefits to Counterparty</b>	

### ▸ Danal

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<b>Counterparty Website</b>	<a href="http://www.danal.co.kr">http://www.danal.co.kr</a>
<b>Counterparty Description</b>	Danal, Inc. is a provider of mobile business solutions, enabling mobile payments, mobile commerce, marketing, and mobile wallet services.
<b>Applicable Dates</b>	
<b>Does this partnership has an expiration date?</b>	No
<b>Revenue Generation</b>	No

<b>Expected Revenue (USD)</b>	N/A
<b>Partnership Description</b>	PayProtocol is a blockchain based payment platform built by integrated payment system provider, Danal.

**Expected Benefits to Project Team**

**Expected Benefits to Counterparty**

► **Supertree**

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<b>Counterparty Website</b>	supertree.co
<b>Counterparty Description</b>	Supertree world's first gaming platform built using meta-blockchain technology such as ETH, EOS, etc.

**Applicable Dates**

<b>Does this partnership has an expiration date?</b>	No
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<b>Revenue Generation</b>	No
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<b>Expected Revenue (USD)</b>	N/A
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**Partnership Description**

**Expected Benefits to Project Team**

**Expected Benefits to Counterparty**

► **TransferTo**

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<b>Counterparty Website</b>	<a href="https://www.transfer-to.com">https://www.transfer-to.com</a>
<b>Counterparty Description</b>	From 18 February 2019 TransferTo's mobile top-up solutions business has rebranded to DT One, and the cross-border payments business is now called Thunes. Please click on the buttons below to access our new websites.

**Applicable Dates**

<b>Does this partnership has an expiration date?</b>	No
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<b>Revenue Generation</b>	No
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<b>Expected Revenue (USD)</b>	N/A
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**Partnership Description**

**Expected Benefits to Project Team**

**Expected Benefits to Counterparty**

► **Boku**

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<b>Counterparty Website</b>	www.boku.com
<b>Counterparty Description</b>	Boku is a global mobile payments network providing mobile-enhanced payments in e-commerce and at physical point-of-sale.

**Applicable Dates**

<b>Does this partnership has an expiration date?</b>	No
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<b>Revenue Generation</b>	No
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<b>Expected Revenue (USD)</b>	N/A
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**Partnership Description**

**Expected Benefits to Project Team**

**Expected Benefits to Counterparty**

► **3PRO**

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<b>Counterparty Website</b>	<a href="https://www.3pro.eu">https://www.3pro.eu</a>
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**Counterparty Description** 3 PRO d.o.o. focus lies on Planning, sale and implementation of IBM and Lenovo hardware solutions, Design and integration of IT systems based on Microsoft technologies and Development of software solutions for Microsoft platforms.

**Applicable Dates**

**Does this partnership has an expiration date?** No

**Revenue Generation** No

**Expected Revenue (USD)** N/A

**Partnership Description**

**Expected Benefits to Project Team**

**Expected Benefits to Counterparty**

► **DECON**

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**Counterparty Website** <https://www.deconlab.io>

**Counterparty Description** Decon is an engineering firm that connects business and blockchain technology.

**Applicable Dates**

**Does this partnership has an expiration date?** No

**Revenue Generation** No

**Expected Revenue (USD)** N/A

**Partnership Description**

**Expected Benefits to Project Team**

**Expected Benefits to Counterparty**

► **Uppsala Security**

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**Counterparty Website** <https://www.uppsalasecurity.com>

**Counterparty Description** uppsala security is provides decentralized Solutions for Cyberspace Security

**Applicable Dates**

**Does this partnership has an expiration date?** No

**Revenue Generation** No

**Expected Revenue (USD)** N/A

**Partnership Description**

**Expected Benefits to Project Team**

**Expected Benefits to Counterparty**

► **OCTA solution**

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**Counterparty Website** <http://www.octasolution.co.kr/>

**Counterparty Description** OCTA Solution is a company developing and providing RegTech based compliance solutions

**Applicable Dates**

**Does this partnership has an expiration date?** No

**Revenue Generation** No

**Expected Revenue (USD)** N/A

**Partnership Description**

**Expected Benefits to Project Team**

**Expected Benefits to Counterparty**

### 3.3 Project Progress

#### History

PayProtocol is a cryptocurrency project that is based in Zug, Switzerland. It is a project initiated by Danal, a payment company based in South Korea, in 2018.

#### Project Status

Operational

#### Development of the platform and business operations have been or will be funded through the following sources

No Input

#### Plan or Strategy to expand platform or token

Through our partnership with Danal, we plan to make PayProtocol available to over 80,000 offline and online merchants. Danal is currently servicing payment solutions to online and offline merchants in 8 countries, including carrier billing, credit and debit cards, barcode payments, and more. PayProtocol's cryptocurrency payment module can simply be integrated with Danal's payment windows for immediate exposure to the existing merchants.

### 3.4 Milestones

Title	Target Date	Status	Description
Service	2021-04-01		Supports multi-currency (fiat) payment
Service	2021-01-01		Supports multi-currency (crypto) payment
Business	2020-10-01		API for multi-currency payment
Business	2020-07-01		Merchant dashboard (management, promotion)
Service	2020-04-01		Integrate point swap service
Business	2020-04-01		API for oversea merchants
Service	2020-01-01		Reward point service
Business	2019-12-01		API for wallet provider and online payment
Business	2019-10-23		Mobile POS
Service	2019-08-12	Completed	Dalcoin - Paycoin (PCI) exchange system integration complete
Service	2019-08-07	Completed	KFC Korea - Paycoin (PCI) payment service integration complete
Listing	2019-07-23	Completed	Paycoin (PCI) listed on GDAC - KRW pair
Service	2019-06-10	Completed	Domino's Pizza Korea - Paycoin (PCI) payment service integration complete
Service	2019-06-03	Completed	7-Eleven Korea - Paycoin (PCI) payment service integration complete
Listing	2019-05-21	Completed	Huobi Korea - Mainnet swap complete
Service	2019-04-25	Completed	Dal.komm Coffee franchise - Paycoin (PCI) payment service integration complete
Listing	2019-04-22	Completed	Paycoin (PCI) listed on Huobi Korea - KRW / HT / USDT pair

Title	Target Date	Status	Description
Service	2019-04-16	Completed	PayProtocol wallet launched
Service	2019-04-16	Completed	Online & offline payment service launched (Korea)
Business	2019-02-01	Completed	Mainnet released
Business	2018-07-02	Completed	PoC for online & offline payments
Tech	2018-06-06	Completed	Testnet released

### 3.5 Key Progress

#### (1) Offline POS system

**Applicable Dates**

**Category**

Business: Adoption and commercialization

**Status**

Ongoing

**Name of main counter-party**

**Involved companies or organizations**

**Target Industry**

**Type of Project**

**Main Participant**

1. Dal.komm Coffee

Company Website: <http://www.dalkomm.com/>

Sector: sector.consumer\_staples

Details:

Dal.komm Coffee has become widely recognized as the coffee brand

**List of others involved**

**Description of blockchain application**

### 3.6 Legal Concerns

No data available

## PART III. Financial Information

### ITEM 1. Equity Shareholders

The following sets forth company cap table of equity shareholders of the organization with more than 5% stake as of 2019-12-16

Number of Shares Outstanding:

Shareholder Name	Title or Relations with Company	Percentage of Total Outstanding Shares	Number of Shares
No data available			

### ITEM 2. Equity Funding History

#### 2.1 Equity Funding Rounds

Transaction Name	Announced Date	Number of Investors	Money Raised (In USD)	Lead Investors
No data available				

#### 2.2 Extraordinary Relations with Company

The following sets forth companies and organizations with extra-ordinary relations with company as of 2019-12-16

Company Name	Country of Incorporation	Start Date	End Date	Relationship Details
No data available				

### ITEM 3. Financial Disclosures

The following are simplified and condensed financial statements submitted by the company for disclosure last updated on 2019-12-16:

#### 3.1 Simplified Income Statement

(USD)

Revenue
Cost of Goods Sold (COGS)
Gross Profit
Operating Expenses (SG&A)
Other Revenue & Expenses
Operating Income

#### 3.2 Simplified Balance Sheet

(USD)

Fiat
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**(USD)**

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Cash Equivalent

Total Fiat & Cash

Digital Asset

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Book Value of All Assets

### **3.3 Key Ratios**

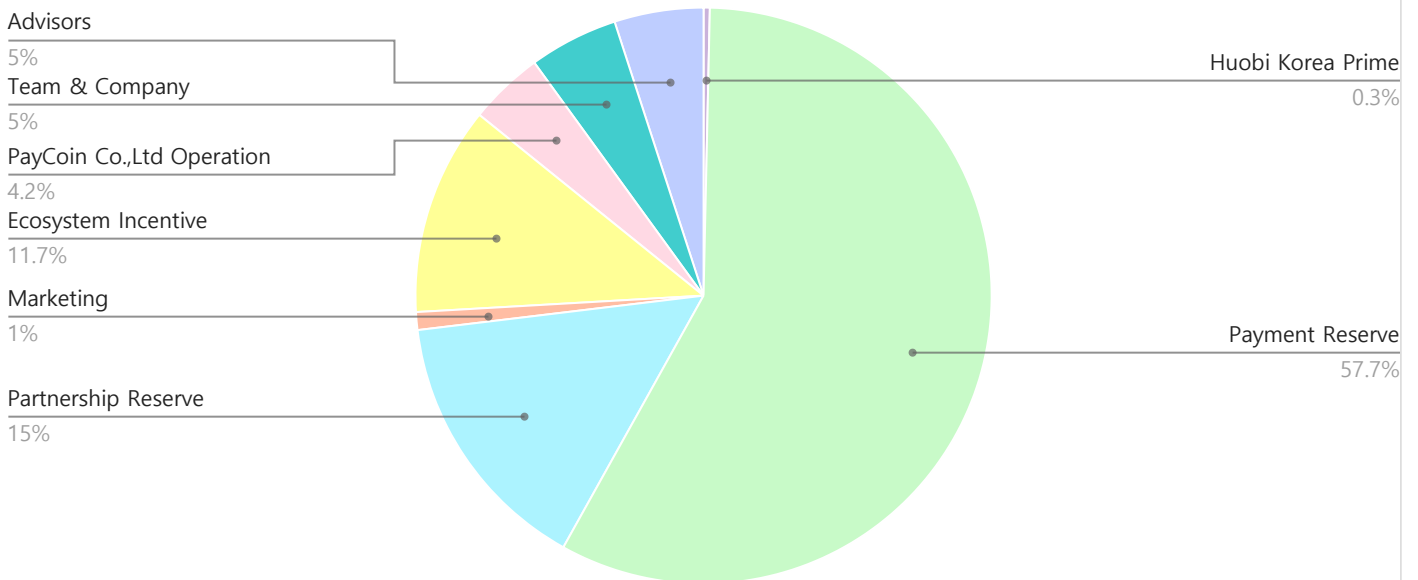
No data available

# PART IV. Token Information

## ITEM 1. Token Profile

<b>Token Name</b>	Paycoin
<b>Symbol</b>	PCI
<b>Token Economy</b>	
<b>Token Usage</b>	Considering the nature of payment service and future scalability, PayProtocol is developed based on HyperLedger Fabric (HLF). A customized chaincode has been developed to issue PCI on HLF, and separate APIs has been developed in order to implement each of its services.
<b>Short Token Description</b>	PayProtocol is developed based on HyperLedger Fabric (HLF)
<b>Token Contract Address</b>	
<b>Base Platform</b>	Hyperledger Fabric
<b>Mainnet Explorer Url</b>	
<b>Network</b>	No Input
<b>Project Type</b>	Utility Token
<b>Tokens were initially available and currently obtainable in the following method(s)</b>	<ol style="list-style-type: none"> <li>1. Private offering</li> <li>2. Payouts to compensate employees, reward users, fund projects, and other direct use from reserve funds</li> <li>3. Public offering</li> </ol>
<b>Additional Token issuance or minting conditions, including implemented natural inflation.</b>	N/A
<b>Trading practices after the Token Sale by Company</b>	
<b>Method of allocating tokens during Token Sale</b>	First come, First served

### Token allocation percentage based on Total Supply immediately after Token Generation Event



### Token Holder Rights

- a) Receive payments or other consideration under the following circumstances  
N/A
- b) Tokens give holders ownership or contractual interest or rights in the following circumstances  
N/A
- c) Token holders may vote on the following matters

N/A

d) Other information that may be relevant to the Tokens or their sale

N/A

## ITEM 2. Token Sales

### 2.1 Token Sales details

Projected Total Supply 3,941,000,000

Genesis Supply 1

Initial Offering Status No

Initial Offering Price (USD)

Initial Offering Price (ETH)

Initial Offering Price (BTC)

Funding achieved in relation to the target hard cap (%)

Percentage of individual investors at initial offering

Terms and conditions for top backers

No Input

### 2.2 Initial Offering Rounds

No data available

\*: Proposed calculation, but not necessarily mandatory, is based on USD equivalent of cryptocurrency received between the start and end date of the Token sale duration calculated by  $((High+Low)/2)$  of market price

## ITEM 3. Token Supply History

The following is a manual record Token supply history as of 2019-12-16. Corresponding transactions hashes have not been provided within this report.

Purpose	Date	Amount	Value (USD)	Post Total Supply	Post Circulating Supply
Monthly announcement	2019-11-22	1,098,040	150,776	3,941,000,000	30,677,452
Monthly announcement	2019-09-30	15,785,912	2,394,223	3,941,000,000	29,579,412
Genesis block token issue	2019-04-16	3,941,000,000	N/A	3,941,000,000	13,753,500

## ITEM 4. Listed Exchanges

Exchange	Pair	Price	Volume	Percentage
No data available				

## ITEM 5. Token Ownership

The following is an automatic query result of wallet addresses based on balance holdings with meta data application as of 2019-12-16.

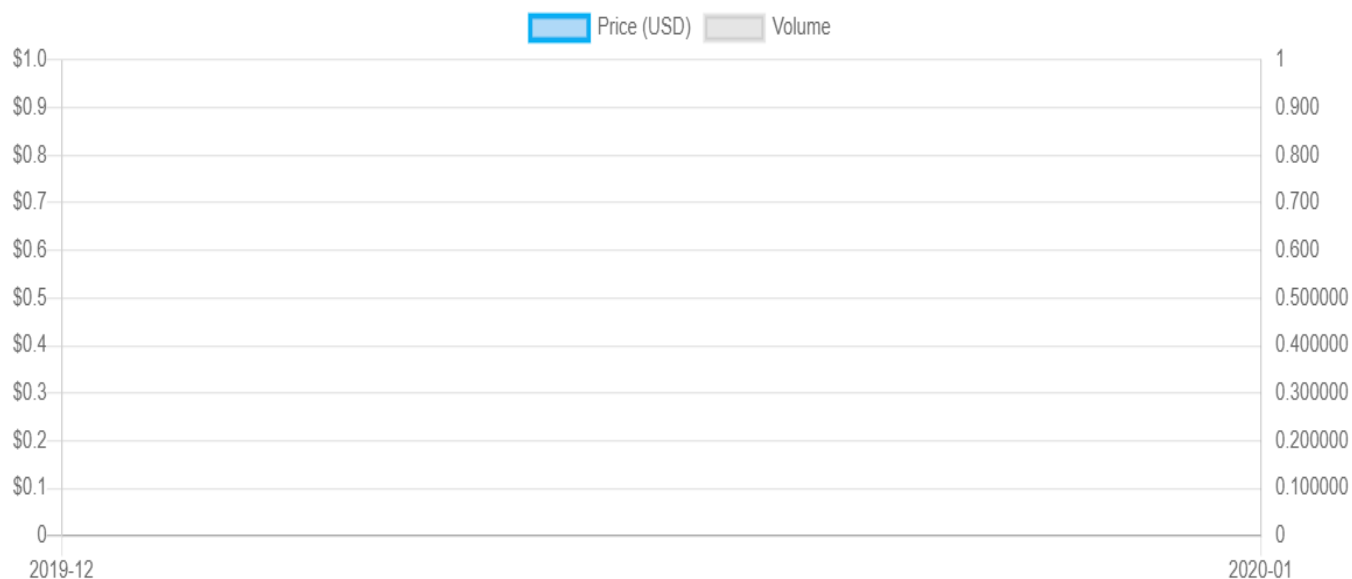
Rank	Address	Balance	Percentage
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## ITEM 6. Token Price and Market Cap

The following are market data present as of 2019-12-16.

Market Cap Rank

### Price Performance



#### ► USD

**Current Price :**

**Change (7d/24h/1h) :** % | % | %

**Market Cap :** -

**Initial Offering Price :** \$-

**Return since Initial Offering :**

#### ► ETH

**Current Price :**

**Change (7d/24h/1h) :** % | % | %

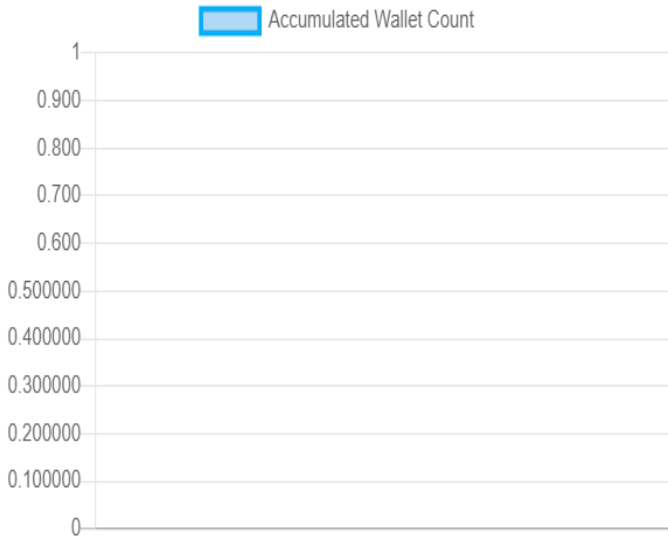
**Market Cap :** -

**Initial Offering Price :** - ETH

**Return since Initial Offering :**

## ITEM 7. On-chain Performance

### Accumulated Wallet Count



Date	Accumulated Wallet Count	New Wallet Count
	No data available	

### Transfer Count



Date	Token Transfer Count
	No data available

### Transfer Volume



Date	Token Transfer Volume
	No data available

## PART V. Compliance

### ITEM 1. Legal

#### Legal Memorandums and Opinions

Date	Target Jurisdiction	Sender / Written by	File
No data available			

#### Legal Compliance

**Q:** Can you ensure that your project is in compliance with all laws in the countries that you conduct business and the jurisdiction of where your company is incorporated? Please use the input field to describe your circumstances in case you cannot ensure compliance.

**A:** No

**Q:** Can you ensure that there are no elements or features that potentially involve damaging public interests in certain countries due to the activities promoted by the project? (Gambling/drugs, etc.) Please use the input field to describe your circumstances in case you cannot ensure compliance.

**A:** No

**Q:** Can you ensure that your token/coin project is not categorized as a security under any existing global capital market regulations? Please use the input field to describe your circumstances in case you cannot ensure compliance.

**A:** No

### ITEM 2. Technical

#### Technical audit results and other equivalents

File	Date	Document Title	Audited by / Reported by
No data available			

#### Technical Compliance

**Q:** Can you ensure that your company has the technical capability to cooperate with exchanges? (Daemon/Wallet/Mainnet support/etc.) If your answer is yes, please use the input field to describe what necessary steps are required for the exchanges to engage in listing your project.

**A:** No