



*The African coin that brings prosperity to the world*

# White Paper

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"Like slavery and apartheid,  
poverty is not natural.  
It is man-made,  
and it can be overcome and eradicated  
by the actions of human beings.  
And overcoming poverty is not a gesture of charity.  
It is an act of justice.  
It is the protection of a fundamental human right,  
the right to dignity  
and a decent life,"

**Nelson Mandela**



## **This Document is not a Prospectus**

The **MahalaCoin** White Paper does not provide a prospectus of any kind and the content should not be interpreted as an invitation for investment nor as an offering of securities in any jurisdiction.

This White Paper describes the business purpose, functionality, and social value of the **MahalaCoin** ICO, the creation and distribution of coins based on that cryptocurrency, and the promotion and adoption of consumer financial services emerging from this ICO and the framework described in this document.

**This information is current as at 30 March 2018 and this White Paper will be modified and revised as further developments take place. Updated versions of the White Paper will be released on [www.mahalacoin.org](http://www.mahalacoin.org)**

# Contents

- EXECUTIVE SUMMARY.....5
- 1. Introduction.....8
- 2. The Challenge of Financial Inclusion .....8
- 3. The Solution..... 10
  - a) *The Platform: The FORUS Global Digital Exchange* ..... 10
    - Scale..... 10
    - The FORUS Ecosystem ..... 11
      - FORUS Global Digital Exchange and Public Utility Blockchain*..... 11
      - The FORUS People & Partners – The Long Road to Ubiquity* ..... 13
      - The Fund – Capital gathered to safely deploy into productive lending* ..... 14
      - The FORUS Ecosystem businesses*..... 15
      - The 4Real.Change stamp of approval*..... 16
  - b) *The Currency: MahalaCoin* ..... 16
    - Access to Market ..... 16
    - MahalaCoin Economy ..... 17
    - Technology ..... 17
    - Use cases ..... 18
    - MahalaCoin Organization ..... 18
    - Website..... 18
    - Risk Mitigation ..... 18
    - MahalaCoin Certified Sustainable ..... 19
    - MahalaCoin ICO ..... 20
      - Pre-ICO* ..... 20
      - ICO*..... 20
      - Token sale* ..... 20
      - White List* ..... 20
      - Vetting Criteria*..... 20
      - Hard Cap per Investment* ..... 20
      - ICO targets* ..... 21
      - Token distribution* ..... 21
- 4. Security ..... 22
  - Identity management ..... 22
  - Identification, anonymity, authentication and authorization ..... 22
  - Identity proofing..... 22
  - Multi-factor authentication..... 22
  - Reputation score ..... 22
  - Technical support ..... 22
  - Securing accounts and wallets ..... 23
  - Privacy and confidentiality ..... 23
  - Trust..... 23

5. MahalaCoin Team.....	24
6. MahalaCoin Roadmap .....	25
7. Terms & Conditions .....	26
8. Abbreviations & Acronyms.....	27
9. References.....	27

## EXECUTIVE SUMMARY

***The time for true innovation in banking and financial services has arrived.***

MahalaCoin is poised to change the face of cryptocurrency – backed by real value to deliver sustainability; freely tradeable as a means of payment and exchange; and partnered with the industrial-strength blockchain of the FORUS Global Digital Exchange, designed to facilitate real-time transactions and financial inclusion at scale.

FORUS is as the name says – “for us”. MahalaCoin is a product of FORUS and verified as sustainable by 4Real.Change. Together, the aim is to enable economic inclusion of the more than a quarter of the world’s population currently under-served by the global banking and financial services industry, thereby expanding economic participation and generating valuable revenue streams, both for those already in the mainstream and those seeking to enter it.

The FORUS Global Digital Exchange provides an open-source platform for secure, fee-free payment and banking transactions in both fiat and cryptocurrency, and MahalaCoin is the first tradeable, value-backed currency to operate on the platform.

MahalaCoin and the FORUS platform are being developed by a multi-disciplinary team proficient and experienced in areas that blend financial expertise and leading-edge technology development with a commitment to social justice and economic inclusion

### THE FORUS MANTRA

**Free** – No fees on transactions and payments, for both customers and merchants.

**Open** – Open API’s for easy integration by banks and other payment systems. Anyone can use the technology without the need to change back-end systems.

**Real-time** – Payments can be made by anyone, anywhere, at any time. Real-time settlement in the cloud using the distributed ledger.

**Ubiquitous** – Available everywhere, on any device. Infinitely scalable. 100m customers at launch.

**Secure** – Federated & distributed blockchain providing high-performance, secure, immutable ledger. Privacy at every level. Two-factor authentication, tokenization and full encryption.

### ***The Challenge***

At least 2.5bn people, more than ¼ of the world’s population, lack access to banking and financial services. This matters not just on a social level, but on an economic level – there are 2.5bn people who are unable to fully participate in and contribute to economic activity. Private sector credit can mean higher economic growth and

productivity and financial inclusion means more economic opportunities, more economic activity, improved skills and employment levels, more self-reliance, and fewer people living in poverty.

Under- and unbanked individuals face a two-fold challenge: they fall outside of traditional banks' risk profiling systems, which don't take into account track records of informal entrepreneurial activity; further rendering them vulnerable to predatory lending practices which further deepen the cycle of poverty.

On their part, banks, merchants and retailers face ever-increasing costs from card fraud and identity fraud is a growing problem, while high costs of security and compliance exclude smaller banks from participating fully in the payments industry.

In response to these challenges, FORUS has been built as a global collaborative digital ecosystem of financial and technology solutions, integrated on the FORUS Global Digital Exchange, to promote economic inclusion, trade and entrepreneurship, education and social cohesion.

The result is a single, global, universal, trusted, user-authentication platform for both mobile and web transactions, for the banked and the unbanked, providing widely accessible financial services free of transaction fees and offering a sustainable and profitable way for regulated financial institutions to provide free banking and affordable financial services.

Developed by FORUS, MahalaCoin is a further instrument of financial inclusion and a key element in the FORUS ecosystem based on a public utility blockchain.

## ***The Solution***

MahalaCoin is the first cryptocurrency to be backed by listed instruments and external contracted revenue, enabling the currency to achieve the liquidity which has eluded all other digital currencies to date. This opens up the first opportunity for traditional fund managers to participate in cryptocurrency at investment-grade levels of risk acceptable in traditional capital markets.

The FORUS ecosystem is the unique selling point of MahalaCoin, and what sets it apart from any other cryptocurrency.

The elements of the FORUS ecosystem – scale, technology, business model, the fund and 4Real.Change verification – combine to position MahalaCoin as the first-ever sustainable cryptocurrency.

## ***MahalaCoin ICO***

The Initial Coin Offering (ICO) will issue **180-million coins** in total, of which 110-million coins are pre-mined. The cost price is \$2 per MahalaCoin.

*Pre-ICO:* 20-million COINS will be made available at a pre-ICO discount of 50%, at US\$1 each. An additional 10-million COINS will be made available during the pre-ICO stage if needed, at USD\$1.50 each.

*ICO:* At ICO a further 30-million Coins will be made available. Further coins will be made available thereafter, based on demand.

*Token sale:* At the time of its ICO, **MahalaCoin** will begin distribution as a token on a blockchain. The valuation of that token will be \$2.

#### *White List:*

- All enquiries to purchase coins pre-ICO will be registered on a white list.
- White listing will ensure all are attended to on a first-come, first-served basis.
- All potential investors will be vetted.

#### *Vetting Criteria:*

- No sales of tokens or coins will be concluded without a full KYC verification being completed.
- The KYC process will be introduced shortly after the pre-ICO starts.
- Organisations wishing to purchase MahalaCoin on behalf of their members will be vetted.
- Organisations who represent communities who are members of FORUS will be given preference over institutional investors in the Pre-ICO sale.

*Hard Cap per Investment:* The minimum purchase per investor is US\$100, to a maximum of US\$10,000 in order to prevent mass buying and dumping of the currency.

*ICO targets:* There are no target figures, nor is there a deadline for the ICO. In practice, the ICO will commence with the issuance and sale of MahalaCoin and will continue for the lifetime of the project.

*Token distribution:* Token distribution will begin upon commencement of the ICO. We anticipate that a substantial quantity of tokens will be issued the moment the ICO starts. These tokens will be held in MahalaCoin's internal account.

Coins sold to new buyers will be drawn from that account and will be placed into the wallets of the pre-ICO participants and new buyers at the ICO.

Tokens will only be issued upon receiving real assets (fiat or crypto) in exchange for the value of those tokens.

## 1. Introduction

***The time for true innovation in banking and financial services has arrived.***

This White Paper introduces MahalaCoin, a digital currency developed in Africa for the world. MahalaCoin is poised to change the face of cryptocurrency – backed by real value to deliver sustainability; freely tradeable as a means of payment and exchange; and partnered with the industrial-strength blockchain of the FORUS Global Digital Exchange, designed to facilitate real-time transactions and financial inclusion at scale.

MahalaCoin is a product of FORUS – a company that is as its name says, “For Us” – and verified by 4Real.Change. Together, the aim is to enable economic inclusion of the more than a quarter of the world’s population currently under-served by the global banking and financial services industry, thereby expanding economic participation and generating valuable revenue streams, both for those already in the mainstream and those seeking to enter it.

The FORUS Global Digital Exchange provides an open-source platform for secure, fee-free payment and banking transactions in both fiat and cryptocurrency, and MahalaCoin is the first tradeable, value-backed currency to operate on the platform.

MahalaCoin and the FORUS platform are being developed by a multi-disciplinary team proficient and experienced in areas that blend financial expertise and leading-edge technology development with a commitment to social justice and economic inclusion. **Read more about our team in Section 5.**

## 2. The Challenge of Financial Inclusion

**“The top 1 percent have the best houses, the best educations, the best doctors, and the best lifestyles, but there is one thing that money doesn't seem to have bought: an understanding that their fate is bound up with how the other 99 percent live. Throughout history, this is something that the top 1 percent eventually do learn - too late.” – Joseph Stiglitz <sup>1</sup>**

At last count, 2.5bn<sup>2</sup> people, or more than a quarter of the world’s population, have little or no access to banking or even basic financial services. This matters not just on a social level, but on an economic level – there are 2.5bn people whose trading, saving, borrowing, lending, buying, and employment falls outside the formal economy and financial sector because they lack the first step on the ladder to participation. That lack could be an inability to provide verification of identity, evidence of a fixed abode or a record of savings or income, and it also puts them outside of property or business ownership, outside of the tax net, and reliant on cash with all its associated risks.

Private sector credit can mean higher economic growth and productivity. Financial inclusion means more economic opportunities, more economic activity, improved skills and employment levels, more self-reliance, and fewer people living in poverty.

“In today’s increasingly interconnected world, linked by ever growing financial flows, more than a third of the global population is still financially excluded<sup>3</sup>,” Christine Lagarde, managing director of the International Monetary Fund (IMF), told an international forum on the issue in Mexico City in 2014.

In words that still ring true, she said: “It is an economic and a moral imperative that we reach them and empower them. Financial inclusion empowers individuals and families, especially women and the poor, and well-functioning financial systems enrich whole countries.”

Under- and unbanked individuals face a two-fold challenge of access to finance: they fall outside of traditional banks' risk profiling systems, which favor those with formal, verifiable credentials and financial histories, but don't take into account track records of informal entrepreneurial activity; further rendering them vulnerable to predatory lending practices which further deepen the cycle of poverty.

On their part, banks, merchants and retailers face ever-increasing costs from card fraud, with global card fraud at US\$22.8bn<sup>4</sup> in 2016, and annual growth in fraud consistently outstripping growth in transaction volume. High costs of security and compliance exclude smaller banks from participating fully in the payments industry, while the cost of fraud to organisations is estimated at up to 2.5 times<sup>5</sup> the amount of the loss itself.

Identity fraud is a growing problem – the American Department of Justice found that identity theft victims in the USA alone lost more than US\$15bn in 2014<sup>6</sup>. Difficulties in making quick and secure, identity-verified, payments are a major barrier not only to economic activity, but to personal freedom and security too.

In response to these challenges, FORUS has been built as a global collaborative digital ecosystem of financial and technology solutions, integrated on the FORUS Global Digital Exchange, to promote economic inclusion, trade and entrepreneurship, education and social cohesion.

The result is a single, global, universal, trusted, user-authentication platform for both mobile and web transactions, for the banked and the unbanked, providing widely accessible financial services free of transaction fees and offering a sustainable and profitable way for regulated financial institutions to provide free banking and affordable financial services.

Developed by FORUS, MahalaCoin is a further instrument of financial inclusion and a key element in the FORUS ecosystem based on a public utility blockchain.

The following section outlines the FORUS Global Digital Exchange as the platform for the MahalaCoin currency, the business model and go-to-market strategy, and what sets MahalaCoin apart from other cryptocurrencies.

**“We are harnessing the collective power of ‘the 99%’ to create a free, global platform for all.”**

**– Sonny Fisher, FORUS Founder**

### 3. The Solution

MahalaCoin is the first cryptocurrency to be backed by listed instruments and external contracted revenue, able to be traded and used for transactions in both the online and the bricks-and-mortar retail world, thereby achieving the liquidity which has eluded all other digital currencies to date.

This opens up the first opportunity for traditional fund managers to participate in cryptocurrency at investment-grade levels of risk acceptable in traditional capital markets.

The FORUS ecosystem is the unique selling point of MahalaCoin, and what sets it apart from any other cryptocurrency. The technology and business model of the FORUS Global Digital Exchange provides the revenue that adds real, sustainable value to MahalaCoin, along with the strengths of scale and ubiquity.

External revenue gives MahalaCoin its sustainable value, while the scale achieved by the FORUS Global Digital Exchange will drive cryptocurrency into the mainstream and bridge the divide between traditional capital markets and the crypto world.

While the FORUS technology is innovative and incorporates a significant number of “world firsts”, FORUS is not just another payment system, it is a financial ecosystem where the value of our deployment and ubiquity strategies probably far outweighs the technology which acts as an enabler to the strategy.

The elements of the FORUS ecosystem – scale, technology, business model, the fund and 4Real.Change verification – combine to position MahalaCoin as the first-ever sustainable cryptocurrency. These elements and their linkages are outlined in the sections below.

#### a) The Platform: The FORUS Global Digital Exchange

##### Scale

FORUS transaction volumes are expected to exceed global volumes of cryptocurrency trade, as depicted below in an extract from the 2017 Global Cryptocurrency Benchmarking Study<sup>7</sup>, within a short period of time. It is anticipated that approximately 20m customers will sign up on the issue of the ICO and within the next few months, rising to 200m within the first year.

	Bitcoin	Ethereum	DASH	Ripple	Monero	Litecoin
Q1 2016	201,595	20,242	1,582	N/A	579	4,453
Q2 2016	221,018	40,895	1,184	N/A	435	5,520
Q3 2016	219,624	45,109	1,549	N/A	1,045	3,432
Q4 2016	261,710	42,908	1,238	N/A	1,598	3,455
January - February 2017	286,419	47,792	1,800	N/A	2,611	3,244

Table 1: Average daily number of transactions for largest cryptocurrencies

Customers are being on-boarded to FORUS through a strategy of signing up large member organizations (LMOs) along with their people. The initial roll-out will be in South Africa, Zimbabwe, the USA and Sint Maarten in the Caribbean. A global auction of country licenses for the FORUS platform launched concurrently with MahalaCoin will drive rapid on-boarding in other regions.

The convergence of a strategy of aligning customers, LMOs and the technology required will enable the establishment of a free payment rail which will challenge Visa and Mastercard. Together with a material fund to provide access to capital to previously excluded sectors of the population globally, this makes MahalaCoin the most sustainable cryptocurrency on the planet.

The Global Cryptocurrency Benchmarking Study<sup>7</sup> estimates that approximately 100,000 merchants accept cryptocurrency payments globally. This landscape will greatly expand as FORUS rolls out its solution, immediately giving merchants the ability to transact in crypto as well as fiat currency.

### ***The FORUS Ecosystem***

The FORUS ecosystem is designed to be adaptable for use in different communities, constituencies and economies who are at multiple stages of development. It is not a one size-fits-all solution, but a *one-platform-serves-all* solution, that can be applied to meet people where they are and work forward from there.

The FORUS Ecosystem includes the following core components:

#### ***FORUS Global Digital Exchange and Public Utility Blockchain***

The FORUS Global Digital Exchange and Public Utility Blockchain combine to deliver the core technology that will enable peer-to-peer transacting and banking on a single encrypted ecosystem.

The FORUS platform is an open-standard, Internet Protocol (IP)-based technology for banks to clear and settle authenticated customer-initiated transactions in real-time via a distributed network.

The key features of the FORUS Platform include:

- FORUS is a community trading platform. It provides cloud-based banking and financial services including: mobile payments, loan and grant distribution, payment cards, student cards, identity cards, e-commerce, cloud based real-time settlement and identity verification.
- FORUS maintains a single register of mobile digital certificates for end-users, and acts as a global issuer of federated identity across the transaction ecosystem.
- The result is the provision of a single, universal, trusted, user-authentication platform for both mobile and web transactions, for the banked and the unbanked.
- FORUS seeks not merely to reach the unbanked and under-served but to radically improve services to customers everywhere, using a much safer and efficient solution.

The payment functionality will be made available to all banks, financial institutions, merchants, application developers, and corporate enterprises, and will allow anyone to use this free payment gateway with a built-in advertising platform.

The solution includes:

- Free e-wallet functionality for secure, real time micro-payments anywhere, anytime within the ecosystem.

- E-commerce functionality for small businesses and informal traders via any device.
- Pay or receive funds from anyone, anywhere, anytime for free.
- Collective / community affiliate clubs able to pool collateral for large scale funding projects.
- White-labelled banking application.
- Key to our ubiquity strategy is the ability for the FORUS wallet to securely span mobile (Android and iOS), card, and wearable technologies – powered by Seos™.

The FORUS blockchain has been designed for the industrial strength requirements of global banking with the flexibility required for cloud computing.

The FORUS blockchain enables us to do the fast, real-time transactions which support the transactions and value generation in the crypto currency.

Whilst being disruptive technology, FORUS is a positive and constructive disruption: “the act of productively challenging inherited wisdom or structure in a way that supports innovation by opening up the space to replace what we have with what we might imagine”.

FORUS has developed a secure transactional payment and e-commerce platform with a unique business model that will allow us to offer a competing and superior product to Europay, MasterCard and VISA (EMV), one that is entirely free for both merchants and consumers to use.

The platform will be offered to all banks, financial institutions, payment gateways, merchants, corporate enterprises as well as Large Member Organizations and will allow mobile vendors and application developers to leverage a new payment gateway with a built-in mobile advertising platform.

### ***Technology***

The FORUS Core stack, built around block-chain technology, has been designed from inception as a secure, loosely coupled, distributed, scalable service in the cloud which not only enables a transactional ecosystem rich in functionality and possibility, but one which can be extended by third-parties wishing to deploy additional processes as a source of utility through their own secure scripts and smart code contracts.

Whilst the core banking functionality provides and supports traditional payment switching and legacy banking services, it also supports a range of newer protocols such as Inter-ledger for inter-bank and ledger communication as supplementary to its own real-time cross-border settlement capability.

The federated and distributed block-chain implementation of the core provides a high-performance, secure, immutable ledger combined with rich permissions which allows privacy right down to role, transaction and contract level. The nature of data or information stored in the block-chain is highly customizable whilst remaining searchable which enables a host of functionality including line item searches, real-time inventory optimization and more.

The FORUS Solution is a single encrypted ecosystem ready to drop into any country.

## *The FORUS People & Partners – The Long Road to Ubiquity*

How will we achieve ubiquity?

Partnership-building has been key to unlocking the full potential of the FORUS Ecosystem and setting the system up for success.

FORUS have spent many years working with representatives of LMOs and faith-based communities to identify and design a solution that will cater for the needs of a wide range of stakeholder groups. The team took the required time to design and build the platform and business model from the bottom-up, enabling a solution that not only solves existing challenges in the global payment / banking space, but also sets a new standard for the future of payment processing and financial services.

FORUS requires ubiquity to achieve the desired outcomes of the synergy between the technology, industry and global customer base. For the solution to be adopted, the user needs to be able to transact anywhere, anytime, with anyone.

FORUS have partnered with key strategic stakeholders to ensure that the solution delivered is relevant and that the communities represented by them are on-boarded to the system in the early stages. This process is going to ramp up in April 2018 and will continue for the remainder of the year.

FORUS will achieve ubiquity at launch and is positioned to sign up over 100m members in quick succession through its range of key partners; leaders in the cooperative banking space as well as a host of other large member organisations in South Africa and globally.

### ***Strategic Partnerships and Synergies***

In South Africa, FORUS has partnered with the National Apex Co-operative of South Africa (NACSA) and the National Association of Co-operative Financial Institutions of South Africa (NACFISA) who will be assisting with on-boarding of the Co-operative and CFI sectors. NACSA will also hold a majority share on behalf of the South African membership of the FORUS Global Digital Exchange.

Nelson Mandela Bay has been selected as the launch city, and the FORUS vision is to make this “Africa’s First Cashless city”. FORUS is working with the minibus taxi industry (Laphum’ilanga Transport Services), the citizen-led Smart City collaborative initiative, Umsobomvu Community Development Trust, and the local government to this end. FORUS will be rolling out the first FORUS Community Bank and community development incubation space in conjunction with the Umsobomvu Community Development Trust in the Kamvelihle community in Motherwell, Nelson Mandela Bay.

FORUS has partnered with the Institute for Co-operatives and Community Economic Development (ICCED) to deliver solutions to the co-operative agriculture sector. ICCED Founder and principal Ruth Bhengu is a leading national politician and Member of Parliament who has a deep background as a community development practitioner. She has developed a model for community development in the co-operative agriculture space that will see the practical revival of co-operatives in South Africa in a sustainable model. FORUS is supporting the development of ICCED to become the delivery agent of this model, funded through the fund and using the technology as part of the solution. ICCED will also facilitate the sign up of CFI’s and Co-operatives in the KwaZulu-Natal region of South Africa.

FORUS has partnered with Dr Ana Everett of SolutionsAE in Atlanta, in the United States of America. Dr Everett is partnering with FORUS to create a Merchant Acquiring Limited Purpose Bank (MALPB), which will be launched in the US. Dr Everett is also facilitating the sign-up of a large number of the African American population through church networks.

FORUS has recently concluded a licensing deal in Zimbabwe which will result in the listing of the FORUS Zimbabwe operation on the Harare Stock Exchange. The Zimbabwe operation will facilitate the purchase of MahalaCoin, which will be rolled out with the platform, thereby introducing liquidity into the Zimbabwean market.

FORUS has partnered with FirstCoin Project Community, who will be bringing their coin onto the FORUS Global Digital Exchange. FirstCoin will also introduce FORUS to new markets.

### *The Fund – Capital gathered to safely deploy into productive lending*

The capitalization strategy for FORUS includes the equity investment in the platform by our customers, as well as an investment of customer funds into a securitized debt instrument.

FORUS Membership fees, US\$10 or ZAR160, will be used primarily to place equity into a securitized debt instrument to lay the ground to build an investment fund which is projected to grow to a sizable fund of approximately US\$30bn as the platform users grow.

The strategy includes the creation of a fund, bond and listed companies to invest in businesses, entities and projects of the members of the FORUS platform.

The financial products and services of the FORUS platform aim to service FORUS members via the FORUS technology. The following funds are being established to this end:

- **The “12J Fund”** (aim to raise ZAR1bn): A Special Purpose Vehicle (SPV) fund that will be managed by partnering a trusted and established asset management company, who will source and hold funds generated by (but not limited to) 12J, 12J Sharia, Sharia, Green Funds, Capital Guaranteed Products (e.g.: US Aid underwritten capital investment), Insurance Investment, BEE and so forth. Funds collected will be held in trust under the control of the asset management company and invested in projects enhancing and entrenching the FORUS platform.
- **The “FORUS VIP Club Fund”** (aim to raise US\$100m): The parties to the fund will be, by invitation only, selected high net worth individuals, limited to ten thousand individuals, with each investment limited to US\$10,000. It is envisaged that the FORUS VIP Club Fund will raise capital of US\$100m. The investors would be open to a high tech, interactive project vetting system run through the FORUS platform, which would guide the fund managers and potentially open new avenues of investment to the VIP Club members.
- **The Bond** (aim to raise US\$3bn): Our asset management partners will assist FORUS in the planning, preparation and listing of an international bond or bonds to the value of US\$3bn. Such bond/s will be used as Tier One capital to leverage banking and currency trading (to a maximum of US\$30bn, or such amount as is realistically achievable). These funds are intended to be managed as follows:
  - i. Senior Debt: most of the fund will be managed as an arbitrage and related products desk. The aim of the arbitrage and related products desk is to secure the risk of the senior debt and service the bond terms, whilst direct investment into projects occurs at a Junior Debt level.

- ii. Junior Debt: the remainder of the capital (as is realistically achievable) will be invested in projects designed to enhance the ubiquity of the FORUS platform by investing in:
  - *Macro level:* In principle, new venture investment, existing business restructuring/recapitalization, business rescue and, but not limited to, existing business purchase. It is envisioned that entities targeted for investment should be majority-owned by employee co-operatives, and in minority by a specialist management team, with the specific aim of handing full ownership and management from the specialist management team to the employee co-operative at the time the capital debt is repaid.
  - *Micro level:* In principle, numerous investment models facilitated by the FORUS platform businesses, Cloudfunder and MahalaTV.

All funds are fully insured and underwritten.

### *The FORUS Ecosystem businesses*

#### **CloudFunder**

CloudFunder is an application to provide debt-based financing for businesses running on the FORUS platform. CloudFunder uses revenue generated on the FORUS Ecosystem to give co-operatives and small businesses the opportunity to fund projects at low to no interest.

CloudFunder invests in startups, small businesses, social-purpose managed funds, and co-operative lending programs for the true foundation of a global economy – a thriving small business network that operates locally and in a global environment.

We combine resources with visibility, accountability and ethical business practices. CloudFunder provides the highest standards of oversight while avoiding cumbersome regulatory constraints that stand between entrepreneurs and the funding they need to establish and grow their businesses.

#### **Mahala TV**

Mahala.tv is a business tool for content producers to monetize and distribute their content through a multi-channel platform supported by an innovative advertising model that operates within the FORUS digital currency exchange and ecosystem.

Mahala.tv users are able to not only share their content on any platform but can also receive real-time revenue payments from smart AI-driven advertising tools that can monetize any platform including social media.

Producers who utilize Mahala.tv also have the opportunity to become part of the Mahala.tv Collective that provides additional benefits including access to funding and more:

- A cloud hosting platform for content producers wanting to own, monetize and distribute their content.
- An embeddable media player for use across multiple platforms.
- An automated and AI-enabled advertising system to monetize content with a percentage of advertising revenue paid to producer.
- A Blockchain-based system enabling secure and real time payments.

- A tool for e-commerce, enabling in-video buying, secure micropayments, subscription models, bespoke digital stores, apps and more.
- A platform for crowd-funding content production.
- A digital ecosystem for members that enables access to funds for content production.
- A multi-channel content management system with opt-in opportunities for pushed content for additional advertising revenue.

### *The 4Real.Change stamp of approval*

4Real.Change is the first global regulatory and insurance standard for sustainable cryptocurrencies, independently verified by acknowledged leaders in global audit practice. 4Real.Change provides stringent certification standards enabling consumers and investors to build trust and confidence in currencies that are being traded.

4Real.Change verifies that cryptocurrencies with social and economic change mandates are indeed delivering funds to social impact projects.

4Real.Change provides investors in CloudFunder and blockchain environments with verification and real-time visibility of 100% pay-through to social impact projects.

## **b) The Currency: MahalaCoin**

MahalaCoin is a cryptocurrency designed and launched as an integral component of the FORUS ecosystem and will achieve unprecedented scale globally.

MahalaCoin is positioning itself as a cryptocurrency that will be used primarily as a means of exchange and a store of value. It retains its value as a digital bearer asset, it is not intended for use as a speculative asset projecting high returns initially. It is expected that the MahalaCoin value will grow consistently over time as the currency is used widely and consistently is earning revenues to support the growth in its value.

Large member adoption of the FORUS platform will enable an ordinary person transacting on the platform to have access to the cryptocurrency and create the opportunity to build confidence in using cryptocurrency as a means of exchange via a cryptocurrency that is stable and accessible.

MahalaCoin achieves stability through a combination of collateralization, liquidity cushioning, securitization and revenue generation.

The management, insurance and regulation of the coin is funded through the transactional use of the coin on the FORUS platform.

MahalaCoin (and other approved currencies) will be available in the FORUS digital wallet alongside fiat currency and will be available for use in person-to-person (P2P) and retail transactions just as a traditional fiat currency would be used.

### ***Access to Market***

MahalaCoin will be made available and marketed to FORUS Global Digital Exchange members as they are onboarded onto the FORUS Platform. The FORUS Global Digital Exchange is targeting its initial onboarding efforts at ensuring that people who are currently considered 'un-bankable' or who have been underserved or excluded

from access to capital. To this end many large member organizations globally are preparing to sign up their members. MahalaCoin will be marketed to these members as and when they sign up onto the platform. The MahalaCoin will be available to store value in the FORUS wallet along with other cryptocurrencies and the currency will also be made available as a medium of exchange from within their wallets. MahalaCoin will also be marketed broadly to the current cryptocurrency market as a new and innovative currency.

MahalaCoin removes a spectrum of barriers to entry with regards the cryptocurrency industry for large numbers of FORUS members who previously may have not had access to cryptocurrency or who perceive crypto to be unstable or an investment vehicle, the difficulty and expense of acquiring and transferring it, and the lack of access to banking services. The FORUS Ecosystem will also make settlement of purchasing in cryptocurrency more readily available. The Global Cryptocurrency Benchmarking study<sup>7</sup> estimates that approximately 100,000 merchants accept crypto payments globally. This landscape will explode as FORUS rolls out its solution, and this rollout will mean that the merchants enabled on the FORUS Ecosystem will automatically be able to transact in crypto as well as fiat currency.

### ***MahalaCoin Economy***

The management, insurance and regulation of the coin is funded through by its use on the FORUS platform. This is achieved through the FORUS Platform adver-buying technology, which will generate revenue for the MahalaCoin each time the coin is used or traded.

#### ***MahalaCoin Value Creation***

The value of the MahalaCoin will rise in line with the revenue generated through its use.

Each transaction using MahalaCoin on the FORUS Global Digital Exchange and FORUS platform generates advertising revenue. Advertising revenue will be disbursed in MahalaCoin for all 4Real.Change approved currency transactions.

The MahalaCoin currency will receive 20% of all revenue generated on the platform; this will raise the value of the float and in turn result in increased rewards (increase in value of currency) as saved MahalaCoin values increase.

Very conservative first estimates of the value increase based on low volumes of ARPU (advertising revenue per user) and low volumes of users indicate a comfortable growth of 6% in the value of the coin over the first year of issue.

### ***Technology***

The FORUS Platform enables real-time transactions and provides a decentralized platform supporting smart contracts.

FORUS provides technology to process real-time transactions globally at scale. It is anticipated that by the end of 2018, FORUS will have approximately 200 million global users.

## *Use cases*

The MahalaCoin will be able to cash on and off the FORUS platform in all the ways that fiat currencies can. This includes traditional banking platforms, SEOS issued card transactions and using a mobile Mahala or FORUS app, S-QR Codes, P2P transactions and issuing and receiving loans using the CloudFunder application.

MahalaCoin will be available in third-party wallets and features an easy-to-use app that makes access to the platform simple and quick.

### **Use case – Revenue Generation on FORUS Platform**

- Merchant buys MahalaCoin
- Merchant places advert
- Merchant pays in MahalaCoin
- Revenue split includes 20% of the revenue generated to be paid to the MahalaCoin treasury
- Each time a transaction is completed on the FORUS Global Digital Exchange – revenue is generated, and 20% of that revenue is earned by MahalaCoin, which increases the value of the coin

## *MahalaCoin Organization*

**MahalaCoin** will supervise, manage, and determine investment policy regarding the bank's collateral assets. These holdings will include mainly interest income gained from bank deposits, and profits earned from hedge funds and income generated by being used as a currency on the FORUS Platform. MahalaCoin will use this resource to finance all expenses associated with managing the bank and retain the balance to achieve growth in the value of the asset.

## *Website*

MahalaCoin.org has been established and will continue to provide users with compelling, and informative resources and information regarding the performance of the currency. This page will be developed to contain the procedural details customers need to get started and manage their investment in the currency. Users are advised to accept only valid information from Mahala Coin that will be published on the various channels advertised on the website. The website will also have links to other social channels for a better and more interactive communication with partners.

## *Risk Mitigation*

MahalaCoin will be under the management of a specialist team and will place its assets into solid financial instruments, diversifying risk.

Funds invested in the coin will be invested in Tier1 AAA+ funds and insured. The Fund will be managed by an experienced and credible fund management institution. Liquidity of the coin will be managed at 80% initially and managed actively into the future to ensure that the liquidity ratios are maintained.

### **Use of funds generated by sale of MahalaCoins:**

- 20% of funds will be applied to maintaining the platform and marketing.

- 80% of funds will be applied to ensuring liquidity.
- This will be achieved through investing the funds in money markets in various territories.
- The Funds will be invested at Tier1 AAA+ rates and fully insured.
- Token will be made available for internal use.

### ***MahalaCoin Certified Sustainable***

MahalaCoin will be the first cryptocurrency to be Certified as Sustainable by 4Real.Change, a certification institution, part of the FORUS Ecosystem, who will be vetting that the cryptocurrency meets specified standards.

The FORUS Platform will also be offering a similar opportunity to generate adverbuying / advertising revenue on all coins traded on its FORUS Global Digital Exchange and through all transactions concluded through its wallets which qualify as a sustainable currency by virtue of the certification through 4Real.Change.

Components of a sustainable cryptocurrency include:

- Regulatory Compliance observed
- Fully Insured
- Asset Backed
- Revenue Generating, supporting the increase in coin value.

#### ***4Real.Change will certify that:***

- The Credentials of the coin offering issuers have been verified.
- That the Issuers have complied with all regulatory requirements in the jurisdiction in which they are trading.
- That the currency is secured and insured.
- That revenue generation and valuation methodology is sustainable.
- That independent auditors have reviewed and provided assurance that all due process has been followed and security and regulatory compliance is in place, and that valuations are based on verified income streams.

#### **In Summary**

In contrast to the volatility of cryptocurrencies to date, MahalaCoin provides the safety, security, and credibility of a revenue-backed currency designed with the needs of the consumer in mind.

MahalaCoin is not a volatile currency but establishes a new role for cryptocurrencies as a means of daily transacting in the developing world. It is a stable currency designed to bridge global capital markets to emerging industry and begin the drive of cryptocurrency into the mainstream.

- MahalaCoin is a stable currency and safe for depositors.
- MahalaCoin saved increases in value.
- MahalaCoin used on the FORUS Platform is transacted free of charge.
- MahalaCoin can readily be converted to fiat currency.
- MahalaCoin is transparent and certified as Sustainable by 4Real.Change.

MahalaCoin fulfils the requirements of an actual currency: it has a real value and functions as a unit of account and a store of value, it has liquidity, and it is a medium of trade and exchange – all of the properties inherent in cash are built into MahalaCoin.

**MahalaCoin is Smart Money.**

## ***MahalaCoin ICO***

The Initial Coin Offering (ICO) will issue **180-million coins** in total, of which 110-million coins are pre-mined. The cost price is \$2 per MahalaCoin.

### *Pre-ICO*

20-million COINS will be made available at a pre-ICO discount of 50%, at US\$1 each.

An additional 10-million COINS will be made available during the pre-ICO stage if needed, at USD\$1.50 each.

### *ICO*

At ICO a further 30-million Coins will be made available. Further coins will be made available thereafter, based on demand.

### *Token sale*

At the time of its ICO, **MahalaCoin** will begin distribution as a token on a blockchain. The valuation of that token will be \$2.

### *White List*

- All enquiries to purchase coins pre-ICO will be registered on a white list.
- White listing will ensure all are attended to on a first-come, first-served basis.
- All potential investors will be vetted.

### *Vetting Criteria*

- No sales of coins will be concluded without a full Know Your Customer (KYC) verification being completed.
- The KYC process will be introduced shortly after the pre-ICO starts.
- Organisations wishing to purchase MahalaCoin on behalf of their members will be vetted.
- Organisations who represent communities who are members of FORUS will be given preference over institutional investors in the Pre-ICO sale.

### *Hard Cap per Investment*

The minimum purchase per investor is US\$100, to a maximum of US\$10,000 in order to prevent mass buying and dumping of the currency.

### *ICO targets*

There are no target figures, nor is there a deadline for the ICO. In practice, the ICO will commence with the issuance and sale of MahalaCoin and will continue for the lifetime of the project.

### *Token distribution*

Token distribution will begin upon commencement of the ICO. We anticipate that a substantial quantity of tokens will be issued the moment the ICO starts. These tokens will be held in MahalaCoin's internal account.

Coins sold to new buyers will be drawn from that account and will be placed into the wallets of the pre-ICO participants and new buyers at the ICO.

Tokens will only be issued upon receiving real assets (fiat or crypto) in exchange for the value of those tokens.

## 4. Security

Like all cryptocurrencies, **MahalaCoin** can be accessed anywhere an Internet connection is available.

### *Identity management*

**MahalaCoin** is fully compliant with KYC and anti-money-laundering (AML) procedures. In addition, the user database will be stored within the EOS-backed blockchain and is thus fully secured.

### *Identification, anonymity, authentication and authorization*

**MahalaCoin** will employ two-factor authentication (2FA), a process that verifies user identity when attempting to access a service. It does this by applying two forms of authentication. **MahalaCoin**'s implementation of 2FA utilizes the customer's ordinary password in combination with one of the following methods:

- a) SMS (text message),
- b) Google Authenticator, or
- c) Email.

In the interest of security best practice, **MahalaCoin**'s security experts recommend options 'a' through 'c' as preferable.

When a user creates a wallet with **MahalaCoin**, the Security segment of the procedure presents the option to select a second means of authentication, creating Two Factor Authentication.

### *Identity proofing*

Identity proofing is accomplished using the KYC procedure. Please refer to the KYC and AML procedure document. Proofing for the pre-ICO has been performed by an underwriter. The final mechanism, and the procedure document, will be in place for the ICO.

### *Multi-factor authentication*

For wallets stored on smartphones, multi-factor authentication, with biometrics, will be utilized.

### *Reputation score*

At a later stage of deployment, once loans and lending services have been introduced, reputation scoring will be implemented. This will enable participants in the **MahalaCoin** ecosystem to make better informed decisions without compromising security or privacy.

### *Technical support*

**MahalaCoin** will maintain a technical support team to ensure smooth, efficient, and uninterrupted functioning of its website and apps.

Blockchain technology provides the greatest level of digital security currently known. It is self-regulated and doesn't require additional support, dispute resolution, or insuring payments. Any issues requiring the intervention

of a governing body (national, international, or regulatory) can be referred to the appropriate established court. (This is the case today with disputes involving Bitcoin or fiat currencies.)

### ***Securing accounts and wallets***

**MahalaCoin** employees will not have access to user accounts or **MahalaCoin** held in 3rd party wallets. These are governed automatically by the relevant smart contract. Only account owners have access to their accounts and to the **MahalaCoin** held in those wallets. Passwords to accounts are not stored on the site, and hashing is used for fast login. Users can either store passwords to their wallets on the platform or, if they prefer, delete them. In the latter case, for each transaction and payment, a user will have to enter the password to their wallet, since it isn't saved on the **MahalaCoin** platform.

### ***Privacy and confidentiality***

Payments made by users are recorded in the system and encrypted. User wallets are also encrypted on the platform, and their association with user profiles is minimized to the extent possible.

Links in user profiles to social networks, emails, and other contact information are visible only to account owners, and are hidden from other users. All personal user data, including passwords, emails, and wallet IDs, are encrypted. This protects **MahalaCoin** users from hacking or information leaks. Even in the worst-case scenario, user data, passwords, and wallets will remain safe, since no access to them or money transfers from them are possible.

### ***Trust***

**MahalaCoin's** founders (see Team), have created this platform as a safe, secure, friendly, convenient, and economically advantageous place to transact business and to secure funds. The team remains committed to ensuring that the platform continues to be regarded globally as the go-to option for conducting low-value transactions. The safety, security, and reliability of **MahalaCoin** is—and will always be—of paramount importance to the team. Ensuring that its reputation of trustworthiness continues unblemished is, and will remain, the top priority of the Board of Directors, and all those involved in **MahalaCoin's** governance, policy, and practice.

## 5. MahalaCoin Team

### *Sonny Fisher* | Founder & CEO: FORUS Group



Sonny conceived the concept of FORUS, derived from his passion for financial inclusion, small business funding and technology that works for people. He has spent the past decade working and collaborating with partners across the globe to develop the FORUS eco-system for launch.

Having started programming at the age of 12, Sonny undertook his first company listing on the Johannesburg Stock Exchange (JSE) in 1997 with point-of-sale business Renaissance Retail. Then aged 29, he was one of the youngest-ever CEOs of a listed company in the history of the exchange.

He went on to be CEO of Skynet Technology Group, Inc. and later CEO of JSE-listed Information Security Architects (ISA), the largest IT security consultancy and value-added reseller in Africa.

As founder and CEO of Microangelo POS, he developed and implemented point-of-sale solutions for FMCG, fashion and specialty retailers.

Sonny started his career in IT and strategy consulting for international audit and consulting firms. He has also worked with the Branson Centre for Entrepreneurship.



### *Paul Wenborn* | Co-Founder & COO: FORUS Group

Paul is a co-founder of FORUS and also CEO of Integrated People Management (IPM).

He is an expert in smart card technology, biometrics, logical and physical access control and workforce management, with extensive technical experience in integration of multiple ERP / HR and Identity Management systems.

Paul has over 23 years of experience and a track record of delivering large scale solutions across many market segments including manufacturing, retail, petrochemical, healthcare, government and hospitality. Paul currently manages FORUS operations including the solution development teams and has been working with Sonny for the last three years in pulling together a diverse team with unique skill sets that, together with FORUS's technology partners, enable delivery of the FORUS Digital Exchange platform.

## 6. MahalaCoin Roadmap

This roadmap provides a timeline of key events and milestones in the development and roll-out of MahalaCoin, and its expected progress. The roadmap will be revised as further development takes place.

11 March 2018	MahalaCoin concept launch – Nelson Mandela Bay, South Africa and Belgrade, Serbia
30 March 2018	White Paper release Pre-sale starts
11 May – 8 June 2018	ICO

## 7. Terms & Conditions

Residents from countries where ICO's are banned are not permitted to participate.

**Token Receipt Address.** In order to be eligible to participate in the Company's token sale, Buyer must have an Ethereum wallet that supports the ERC-20 standard in order to receive any Tokens purchased from the Company (the "Token Receipt Address"). The Company reserves the right to prescribe additional guidance regarding specific wallet requirements.

**Minimum Age.** In order to be eligible to participate in the Company's token sale, Buyers must be at least eighteen (18) years of age.

**Personal Information.** In order to be eligible to participate in the Company's token sale, Buyers must also enter all required personal information in the purchase flow and thereafter, including name, date of birth and address, and provide any requested identity verification documents requested by the Company in order to satisfy their "know your customer" requirements within one (1) months of the Buyer's contribution.

**Acknowledgment and Assumption of Risks.** Buyer acknowledges and agrees that there are risks associated with purchasing MahalaCoin Tokens, owning MahalaCoin Tokens, and using MahalaCoin Tokens for the provision or receipt of services on the Company. BY PURCHASING MAHALA COIN TOKENS, BUYER EXPRESSLY ACKNOWLEDGES AND ASSUMES THESE RISKS.

**Buyer's Security.** Buyer will implement reasonable and appropriate measures designed to secure access to: (i) any device associated with Buyer and utilized in connection with Buyer's purchase of MahalaCoin Tokens; (ii) private keys to Buyer's wallet or account; and (iii) any other username, passwords, or other login or identifying credentials. In the event that Buyer is no longer in possession of Buyer's private keys or any device associated with Buyer's account or is not able to provide Buyer's login or identifying credentials, Buyer may lose all of Buyer's MahalaCoin Tokens and/or access to Buyer's account. Company is under no obligation to recover any MahalaCoin Tokens and Buyer acknowledges, understands, and agrees that all purchases of MahalaCoin Tokens are non-refundable and Buyer will not receive money or other compensation for any MahalaCoin Tokens purchased.

**Personal Information.** Upon Company's request, Buyer will immediately provide to Company information and documents that Company, in its sole discretion, deems necessary or appropriate to comply with any laws, regulations, rules, or agreements, including, without limitation, judicial process. Such documents include, but are not limited to, passport, driver's license, utility bills, photographs of associated individuals, government identification cards, or sworn statements. Buyer consents to Company disclosing such information and documents in order to comply with applicable laws, regulations, rules, or agreements. Buyer acknowledges that Company may refuse to distribute MahalaCoin Tokens to Buyer until such requested information is provided.

**Taxes.** Buyer acknowledges, understands, and agrees that: (a) the purchase and receipt of MahalaCoin Tokens may have tax consequences for Buyer; (b) Buyer is solely responsible for Buyer's compliance with Buyer's tax obligations; and (c) Company bears no liability or responsibility with respect to any tax consequences to Buyer.

## 8. Abbreviations & Acronyms

2FA	Two-factor authentication
AML	Anti-money-laundering
API	Application Programming Interface
CFI	Co-operative Financial Institution
ICCED	Institute for Co-operatives and Community Economic Development
IMF	International Monetary Fund
KYC	Know Your Customer
LMO	Large Member Organization
NACSA	National Apex Co-operative of South Africa
NACFISA	National Association of Co-operative Financial Institutions of South Africa
P2P	Peer-to-peer / person-to-person
SPV	Special Purpose Vehicle

## 9. References

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<sup>3</sup> *Empowerment Through Financial Inclusion*. Address to the International Forum for Financial Inclusion by Christine Lagarde, Managing Director, IMF. 26 June, 2014.

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<sup>5</sup> LexisNexis. True Cost of Fraud Study 2017. <https://risk.lexisnexis.com/insights-resources/research/2017-tcof>

<sup>6</sup> CSID. *The real cost of identity theft*. 9 September, 2016. <https://www.csid.com/2016/09/real-cost-identity-theft/>

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