WHITEPAPER

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1 - ABSTRACT

IMF International Merchant & Finance Ltd is a financial company that has been operating in the Guarantees market since its establishment, and its owner has been involved in the traditional insurance sector for 20 years. This expertise gives a deep knowledge of the market – both its potential and its problems. The idea behind this whitepaper is to highlight and try to solve some of the relevant problems throughout the insurance sector with the aim of developing a set of tools and technologies to adapt the insurance and financial market, notoriously slow and restricted by a rigorous bureaucracy, to the needs of the companies of the new millennium and the need to speed up processes and optimise response times for the development phase of entrepreneurial initiatives.

One of the most evident faults of the traditional guarantees and insurance industry is that it does not always manage to cover the risk to which it is exposed with its own capital (which usually has an approach based on exposure multipliers) – all to the detriment of the consumer's interest. Another critical issue is highly discretionary exposure with a small group of agents representing the majority of the capital and who decides on risk coverage in their own interest. Consequently, customers and the insurance ecosystem as a whole face a costly context in the collateral approach chain for their initiatives.

Another critical aspect to take into consideration is that access to credit for SMEs, also in reference to the global economic crisis, has become increasingly difficult and the need for supporting guarantees has become increasingly pressing.

The advent of the blockchain and smart contracts has drastically changed the approach to the market, bringing it towards a context of disintermediation and improving the speed of issuance of insurance products on the market.

Furthermore, blockchain technology also makes it possible to replace an insurance ecosystem that has suffered significant losses due to fraud and forgery.

This approach eliminates the inefficient steps of bureaucracy and establishes a new organisational governance system based on transparent rules and traceability.

IMF fills this gap with a distributed blockchain-based insurance platform that overcomes currently existing information asymmetries to restore free market forces to hedge risk with guaranteed capital in the interests of clients.

2 - MARKET OVERVIEW

The European market for guarantees and sureties was valued at EUR 3,608.38 million in 2019 and is expected to reach EUR 5398.33 million by 2027; it is expected to grow at a 5.8% CAGR from 2020 to 2027.

Currently, the collateral market in Europe is seeing the entry of new competitors from the United States. At the same time, existing players are strengthening their presence and increasing their cross-border activities. This means that the market is governed by the usual financial players who approach the markets with consolidated methodologies, without attempting to adapt to the new needs of customers.

Despite ~~the~~ oversupply and uncertainties in some key countries, the surety bond market in Europe remains strong. Therefore, there are several opportunities and challenges that the collateral market faces on the continent.

European collateral market economies are seeing increasing investments contributing to the technological advancement of safe bonds. Countries across Europe have taken a huge hit during COVID-19. The crisis in the construction sector plays a crucial role in the GDP of several European countries. In the wake of the COVID-19 pandemic, construction industry operators in all European countries have also seen a gradual decline in business due to lack of access to credit.

The delay in approval and completion of projects and strict social distancing measures are some of the critical parameters that block the economy. All of this, in turn, negatively affects the collateral market. According to forecasts, the number of Guarantees requested in Europe will grow/increase, because the impact of the pandemic predicted to continue until 2021, but emissions will decline due to a reduction in exposures by issuers. This predicts a slowdown in the revenue stream in the European collateral market for several years to come.

As the industry enters new and unexplored territory regarding COVID-19’s effect on construction project performance and safety, IMF is evaluating new approaches in response to the current situation and what our customers can expect in the future.

In this new market, which has also changed due to COVID-19, there is no lack of challenges. The response from the collateral industry will have to evolve and ~~flex~~ adjust to meet the challenges of our customers in the coming months.

2.1 The main risk areas of the current market

The market as described presents some critical issues that could increase the risk factor and must be taken into consideration. In particular:

- Shortage of cash and cash equivalents
- Availability of credit lines and reliability of credit sources
- Credit institutions response to crisis and whether they continue to grant credit
- The increased importance of positive cash flow, including the ability of customers to reduce overhead and other fixed expenses during this period
- Slow or insolvent payment by public and private entities
- Slow or insolvent payment from general contractors to subcontractors

2.2 The immediate focus of the collateral sector in recent months involves sectors whose operations have been disrupted causing immediate liquidity risk, e.g. retail, hospitality, aviation, travel and cruises. These businesses have been severely affected by COVID-19 and there are immediate concerns not only about liquidity risk and account-keeping during the essential closing period of operations, but also about continuing risks as operations resume.

2.3 The financial industry has significant exposure to these "at risk" sectors which may have a negative impact on both the portfolio performance for that sector and the overall performance of the collateral asset portfolio. These critical issues are leading to a more conservative exposure in almost all production sectors.

2.4. Greater control of emissions is expected, as well as an increase in the amount of information and communication that will be required in the future. Certain higher risk obligations may be affected, including:

- Projects with longer durations
- "Pay on Demand" liquidity guarantees
- Alternative financial guarantee structures

2.5. In this phase, an active and transparent dialogue is necessary between the Issuing Body and the Applicant.

The main areas of communication include:

- Status of ongoing active projects, including whether ongoing construction work has been interrupted or delayed
- Major disruptions in the supply chain for the delivery of materials
- Interruption of work
- Subcontractor performance issues
- Difficulty in implementing COVID-19 security measures
- The impact of ~~the~~ new security measures on the overall performance of the project
- Deviations in expected budget results
- Effect of any delayed rewards and project offers on financial performance

2.6. Find out if project owners continue to pay for performance and if contractors are incurring costs for delays and inefficiencies for which they are not being paid.

2.7. For developers, transactions with joint venture structures / special entities will have to address scrutiny of project fundamentals more thoroughly, including an understanding of project funding.

The terms and conditions of warranty service may be affected.

2.8. Some collateral markets may adopt stress scoring models to assess how current conditions may affect the overall financial and operational performance of their clients.

2.9. Communication to the guarantor's markets of any expected delay in the audited financial results, as well as setting clear expectations for when YE 2019 results will be available.

2.10. Reinsurance support for primary collateral markets is critical to the implementation of collateral capacity

How performance security can beaddressed:

A surety’s [manner of] response to bankruptcy of a general contractor or tied subcontractor in the current environment is a complex issue, the elements of which are as follows:.

- The Performance Bond is a tripartite contract between the Principal, the Obligate and the Guarantor. The terms and conditions of the Performance Bond must be carefully examined and considered.
- Assess whether there is a contractual provision in the underlying bond contract that excludes the performance of the Mandator of the Performance Bond. In particular, carefully check the contractual clauses regarding force majeure and termination. If there is a contractual clause that excludes performance, the Guarantor cannot respond to a declaration of default declared by a claim on the Performance Bond. The Guarantor may make use of the Client's contractual rights and defences.
- Also consider whether the Obligatory has fulfilled its obligations under the required tied contract when filing a performance bond claim. The debtor must not violate his contractual obligations under the bound contract.
- If there is no contractual provision in the bound contract that justifies the non-fulfilment by the bound Principal, and the Obligee has fulfilled his obligations under the bound Contract, the declaration of non-fulfilment and claim pursuant to his obligations under the Performance Bond.
- The default of the obligated principal is typically a default under the tied contract that would allow a claim under the Performance Bond subject to bankruptcy laws.
- In the event that the subcontractor's default insurance covers the project, the analysis would be similar in that the determination of a correct default of the subcontract is required. The subcontractor must default on its subcontracting obligations to activate the SDI (Subcontractor Default Insurance) policy.
- It is also critical that all existing and available insurance coverage, including going concern insurance, is reviewed and considered for potential loss recovery.

3 - RISK MITIGATION:

There are several risk mitigation strategies that can be helpful

- ◦ Careful examination of contracts
- ◦ Transparency with project owners and lenders
- • Performance of comprehensive risk assessments and analysis of the applicant's target market
- • More project documentation is essential.

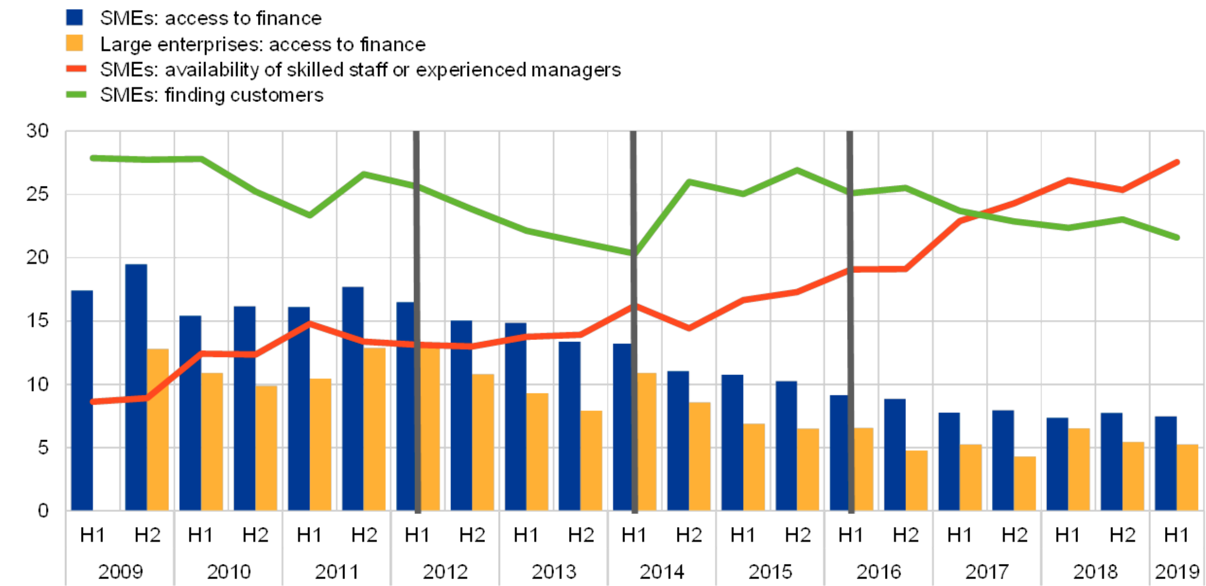
The IMF approach which, using the blockchain as the basis of all ~~the~~ risk assessment and documentation tracking operations, allows for acceleration of the process, greater transparency and guaranteed precise and timely sharing of information, thus expanding the possibilities of analysis and data retrieval by combining precise risk mitigation.

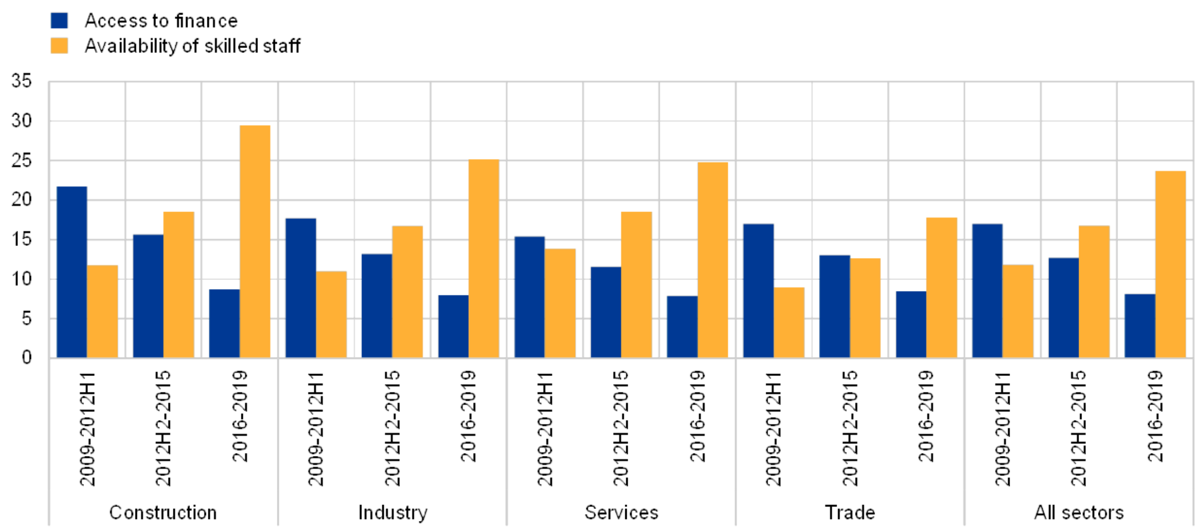
4 - ACCESS TO FINANCING FOR SMALL AND MEDIUM ENTERPRISES FOLLOWING THE FINANCIAL CRISIS

Another preponderant factor in the drafting of this whitepaper that underlies the whole project is the increased difficulty in accessing credit, especially for SMEs.

The tightening of financial conditions following the global financial crisis and the ensuing sovereign debt crisis in the euro area have impeded small and medium-sized enterprises access to finances. During the financial crisis and the subsequent euro area sovereign debt crisis, a substantial share of SMEs highlighted access to finance as one of the most pressing problems affecting their business. Monetary policy measures, including non-standard ones, have only partially mitigated this issue by helping to improve access to finance, but this solution alone is not enough. These measures - in particular those relating to bank financing, but also those relating to some additional sources of financing for SMEs - are essential for understanding the evolution of SME financing conditions over the past decade.

Although SME financing conditions have improved dramatically in recent years, some major challenges were present even before the coronavirus pandemic began in late 2019.





4.1 ACCESS TO FINANCE AND CREDIT RATIONING OVER TIME

These phases coincided with periods in which the Monetary Management Mechanism was altered, negatively affecting the financing conditions of SMEs. Therefore, the ECB's measures taken to restore normal flows also had a positive impact on SMEs’ access to finance during those periods. In fact SMEs reported that access to finance was the second biggest obstacle to doing business after finding customers. Since spring 2016, only around 8% of SMEs have reported access to external finance as their main concern, compared to nearly 20% in 2009.

The financial situation of euro area companies has been particularly severe for SMEs, with some differences between sectors. The percentage of companies that perceived access to finance as their main problem was consistently higher for SMEs than for larger companies during the whole period in question. Regarding the sectors, until September 2012 it was mainly the construction sector that regarded access to finance as a major concern, with 22% of construction SMEs reporting this, compared to 15% of SMEs of the service sector.

4. 2 THE MOST SIGNIFICANT PROBLEMS FACED BY EURO AREA SMES IN ALL SECTORS

Companies that actively sought external funding became less financially constrained over time. From 2009-2012, around 15% of euro area SMEs that considered bank loans to be relevant to their financing were forced to take out a bank loan. In the second phase, this percentage dropped to around 12% and has stabilised at around 8% in recent years. Among SMEs, other characteristics that determine the differences between companies are their age and degree of innovation.

Small and young enterprises in particular face difficulties in accessing external financing, creating a major obstacle to development and innovation. Old SMEs tend to be considerably less financially constrained than younger ones. SMEs involved in innovative activities encounter greater obstacles to obtaining a bank loan than companies that mainly supply traditional products and services.

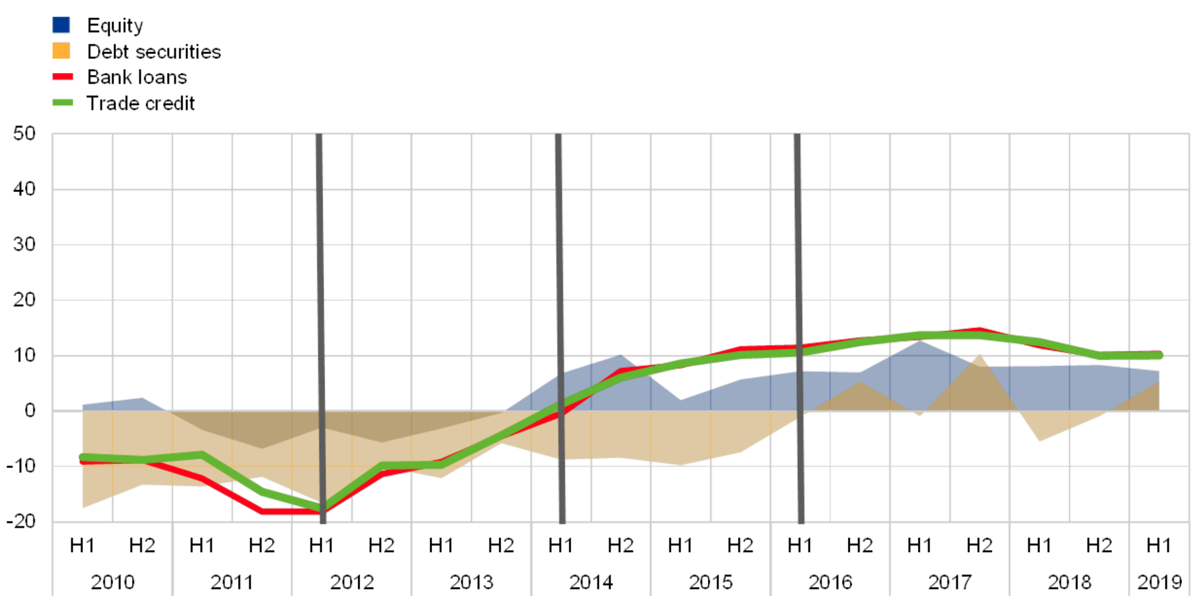
4 .3 EFFECTS OF UNCONVENTIONAL MONETARY POLICY

In response to the weak economic conditions prevailing in the euro area, various measures to stimulate monetary policy have been introduced in recent years.

Once a program has been established by the European Stability Mechanism, the OMT program allows for the purchase of eligible sovereign bonds issued by euro area governments in order to address severe distortions in the sovereign bond markets. It was launched in June 2016 to allow for large direct purchases of eligible bonds issued by companies based in the euro area. The program aimed to reduce debt financing costs for large companies that could issue such bonds as an alternative financing source to bank loans, thus freeing up more loan supply for smaller companies. The amount that credit institutions could borrow under these operations was linked to their qualifying credit granted to non-financial corporations and households resident in the euro area, excluding loans for house purchase, in all currencies. All these measures have shaped euro area businesses' perception of the availability of external financing.

4.4 SMES WITH FINANCIAL CONSTRAINTS IN THE COUNTRIES MOST AFFECTED BY THE DEBT CRISIS

Access to other sources of finance besides bank lending is also important for SMEs. While bank lending has been the main source of finance for euro area SMEs, changes in financial market conditions and difficulties encountered by the banking sector have highlighted that diversified sources of external finance are a key element in resilience to real economic shocks. Purchases of corporate bonds through the CSPP also contributed to improving SMEs' access to finance.



The CSPP was shown to have strongly contributed to the increase in ~~the~~ size of the euro area corporate bond market, prompting banks to increase lending to smaller firms. Indeed, according to the analyses, the increased availability of bank lending to SMEs during this period was accompanied by improvements in debt issuance by large companies. In addition to the transmission channels already discussed, UMP (Unconventional Monetary Policy) measures can have an impact on SMEs' access to finance through their expectations of the future availability of finance. This "funding expectation channel" supplemented the standard "bank credit channel", whereby monetary policy is transmitted to the real economy through changes in the level and composition of bank credit.

In particular, shortly after the political announcements, expectations of future access to credit improved for SMEs borrowing from banks that should have increased their lending to SMEs due to the policy measure.

4.5 UMP ANNOUNCEMENTS AND SMES' EXPECTATIONS ON THE AVAILABILITY OF BANK LOANS

Overall, the existing empirical evidence provides strong support for the positive impact of UMP measures launched by the ECB in recent years to support the financing conditions of euro area companies, including SMEs. Importantly, the reported evidence suggests that non-standard measures worked through different channels and that their impact varied slightly between countries. In interpreting the results, it should be noted that isolating the effects of monetary policy is always difficult.

4.6 FINANCING MODELS AND FINANCIAL BEHAVIOUR

Despite improved financing conditions and policy measures implemented so far, some structural challenges remain for SMEs' access to finance. These challenges are mainly related to the fact that euro area companies still use a limited number of available financing instruments. The financing options for euro area companies are limited to a few instruments, mostly related to the banking sector. Leasing and factoring are also important for large companies and for commercial credit for SMEs. IMF aims to provide a modern and rapid support tool that can make a difference both in this phase of recovery after the economic crisis and in the following period by changing the credit guarantee system.

5 - A DIFFERENT APPROACH: THE LETTER OF PATRONAGE

The Letter of Patronage is an alternative product that is halfway between the Insurance and the Financial product. This is an atypical instrument among bank guarantees. In fact, it can be defined as a letter of "approval", issued by a subject or other body, in place of a real guarantee. The main objective is to facilitate the disbursement of credit, with the difference, compared to other specific guarantees, represented by the fact that the declarant makes a commitment by virtue of a commitment made by the customer.

5.1. NOTION

Letters of approval or patronage are declarations, generally written in epistolary form, issued to a bank or other creditor body by a person called patron, in lieu of a real guarantee in order to obtain, renew or maintain a loan in favour of a specific subject (called patronnant).

This letter originally represented an alternative to other forms of guarantee – it assumed a sort of "moral" paternity of the transaction, communicating to the creditor his participation in the debtor company.
Over time, the letters of patronage have spread as an alternative tool to the typical personal guarantees, in the presence of the interest in favouring the disbursement of the credit, however assuming the declarant a less stringent and extended commitment than the guarantor, benefiting from the indisputable advantages that the declarant draws from the use of legal aid with respect to common payment guarantees.
Furthermore, the form of this letter has taken on a different legal connotation depending on the content that, from time to time, is attributed to it, by virtue of the great private autonomy recognised to economic operators.

5.2. FUNCTION

The fulfilment of the commitment assumed would be the source of a natural obligation, with the consequent effect of soluti retentio for the case of spontaneous fulfilment is in line with the principles of civil law and this justifies the enormous diffusion in commercial practice, and, above all, the value of the loan disbursement condition.

The letters give rise to a solvency insurance as they do not limit themselves to communicating one's position and what the relationship with the underlying is, but instead contain declarations with which the lawyer assumes, towards the recipient, one or more obligations , such as keeping the controlled entity in financial conditions that allow repayment of the loan

5.3 THE SYSTEMATIC COLLOCATION

If the legal value of the letters in question, regardless of their content, is an evident fact in doctrine and jurisprudence, the identification of their belonging to one or the other category is not always easy. The problem is not purely theoretical, but has important implications of a practical nature in consideration of the legal qualification of the letter and the nature of the sender's responsibility. These difficulties also arise from the fact that a letter can contain a plurality of statements with variously demanding content.

As with all new legal figures, many beneficiaries accept the title if it bears precise indications according to the jurisprudence referred to and the commitment often depends on the form in which it is drawn up. Full coverage of the equivalent value is a condition of acceptance in most cases
Legally, this thesis opposed, in the first place, the absence in the patronage of any obligation to make credit. In this regard, if there is no doubt that the letters of Patronage also perform the de facto function of inducing, or, in any case, persuading the bank to grant the loan, this concession does not in any case imply, for the purposes of configuring the contract , service to which the bank is required by virtue of a contractual commitment assumed by the same, taking into account that also, on the basis of its own assessments, the bank could decide not to grant the credit, when despite the declaration of the patron saint, it still considers risky operation.

The difference with the surety is in the creation of a bond of solidarity between the debtor and the guarantor by the latter's will to perform, as a guarantee, the same performance as the principal debtor. On the other hand, the Patronage lacks the will of the issuing company to jointly assume the same obligations as its subsidiary. Unlike the typical guarantee scheme, there is no express manifestation of the will regarding the intention to take on a personal guarantee against the creditor for an obligation imposed on the principal debtor, as the patron undertakes to perform services of facere or give that, while being instrumental in guaranteeing the fulfilment of the sponsors, they are in any case released from the main obligation imposed on them.

5.4. CONSIDERATIONS

In light of the characteristics described so far, the letters of Patronage undoubtedly represent a meeting point of opposing interests that come into play in current

economic-financial relations, which find satisfaction precisely through this form of guarantee.
With reference to the reasons that make recourse to this atypical form of guarantee preferable, both the positions of the interested parties must be considered, such as the entity making the return and the creditor.

In this regard, the applicant company may, for various reasons or for reasons relating to the previous points of this document (see point 4), not wish to use one of the typical forms of guarantee normally used to satisfy the bank's interests.
In general, in fact, the company that draws up the declaration of Patronage has a much higher contractual strength towards the beneficiary bank than that of its subsidiary and, in this way, has the possibility of guaranteeing financial means without resorting to typical forms of common warranty.
The bank, on the other hand, obtains from the declaring company a commitment that is in addition to those imposed by law on the company itself and which, at the same time, allows it to feel more guaranteed by the risk of non-repayment of the credit granted.

From the bank's point of view, therefore, the added value provided by the letters of Patronage derives from the fact that, through them, the credit institution becomes aware of both the corporate and financial situation of the sponsored company, and of the ownership structures and, again, at least in part, of its operating procedures, in order to allow it to have a complete picture of the situation and, ultimately, to understand the probability of obtaining repayment of the credit within the foreseen time frame.

6 - FRAUD AND FALSIFICATIONS

Another atavistic problem that afflicts both the insurance and financial markets: fraud and falsification.
In the insurance industry, fraud affects all types of insurance, whether it is non-life insurance, life and protection insurance or health insurance. Fraud includes:

• Providing untrue or incomplete information in insurance questions or answers on an insurance proposal form;
• making a claim for damage based on misleading or untrue circumstances, including exaggerating a genuine claim
• being otherwise ~~be~~ misleading or untrue in dealing with an insurer with the intention of obtaining an advantage under the insurance contract. Insurance fraud can be committed by the policyholder or by a third party claiming an insurance policy. It can range from opportunistic claims, to claims for compensation for ghost passengers and fictitious injuries in traffic accidents, to highly organised crime circles.

In the financial sector, the main frauds are of a documentary nature which occurs when the truth about a document is altered: this means that the document is not faithful to reality. The alteration can be: material:

- a document can be modified materially, for example, entries or references are deleted or information that alters the document is added manually, etc .;

- ideological: the content of the document does not reflect reality, for example in the case of a false description of the services rendered, a report containing false information, a list of participants with false signatures, etc.

All types of documents submitted by beneficiaries to obtain grants, to participate in a procurement procedure or to obtain reimbursement of expenses, can be subject to counterfeiting:

- contracts,
- identity documents,
- bank guarantees,
- financial statements,
- invoices (paper or electronic),
- relationships

Submitting false documents at the reimbursement stage could give rise to, among other things, three main types of fraudulent activity:

- a beneficiary may fail to honour its commitments at all.
- A beneficiary may indicate lesser amounts, ~~quantities~~ or hours of services than those for which he had applied and to which he is entitled

A beneficiary could use the funds received to sponsor activities that were not intended to be funded by a particular project

6.1 EXTENT AND IMPACT OF FRAUD IN THE INSURANCE SECTOR

The extent of insurance fraud varies from country to country. Detected and undetected fraud is estimated to account for up to 10% of all claims expenses in Europe. This figure varies across countries and insurance classes due to a number of factors, such as the functioning of the market or the local prevalence of one type of insurance.

The approach to identifying insurance fraud also differs between European countries. In some countries, importance is placed on determining an accurate estimate of detected and undetected fraud, while other countries place little emphasis on this distinction, choosing instead to focus on reducing the amount of known fraud. However, the goal remains the same: to determine to what extent current anti-fraud initiatives are successful and whether further initiatives are needed. Several markets collect accurate data on the prevalence of fraud. For example:

UK

Data from the Association of British Insurers (ABI) show that:

• Although insurers detect more fraud, it is estimated that around £ 1.9 billion (€ 2.2 billion) of fraud is not detected each year.

• Insurers are detecting more fraud: the value of fraud detected in the increased 7% to £ 983 million (€ 1 148 million) from £ 919 million.

• The value of savings for honest customers from detected fraud represented 5.7% of all requests, compared to 5% the previous year

Germany

A study conducted by the insurance association (GDV) concluded that more than half of all claims arising from loss or damage to smartphones or tablet PCs could not have arisen and therefore must have been fraudulent to some extent.

Sweden

Sweden (Larmtjänst) reveals that:

• Insurance fraud investigators, set up by insurance companies, conducted 6,200 investigations into suspected fraud and found a total of € 40 million in fraud.

• A study found that 10-20% of all fraudulent claims are claims for losses resulting from events that never occurred (i.e. untruthful claims) and 80-90% of all fraudulent claims are exaggerated requests. Also in Sweden, a major problem has been identified with arson of vehicles. In recent years, there has been at least one car fire a day in the south of the country, with most cars over the age of 10 and many only registered for less than three months. Cars were bought cheaply at online auctions and then registered and insured with fictitious owners. The damage claims were for compensation significantly higher than the purchase value of the vehicle.

France

Data from the insurance association (FFSA) reveals that 35,042 fraudulent insurance claims were recorded in 2011, which led to the non-payment of 168 million euros to dishonest people.

Finland

A study of 1,000 adults conducted by the insurance association (FFI) in 2012 found that 27% said they knew a person "who cheated his insurance company". This figure increased from 25% in a similar study in 2010.

6.2 WHAT ARE THE CONSEQUENCES OF FRAUD?

Fraudulent complaints and the cost of investigating suspected fraud lead to higher premiums for honest customers at higher costs for the management of investigations and even the risk office. Investigating fraud also has an impact on the ability to deal with real claims quickly. Furthermore, evidence from recent studies suggests that fraud funds and facilitates other serious crime.

• According to the Danish Insurance Association (F&P), every year insurers in Denmark withhold approximately DKK 500 million (EUR 67 million) from claims payments due to documented fraud.

• In Germany, the GDV estimates that the cost of fraud exceeds 4 billion euros per year.

• In the UK, ABI estimates that fraud adds, on average, an extra £ 50 (€ 58) per year to the annual insurance bill for each policyholder.

• Sweden has identified a criminal network that has organised at least 214 premeditated road accidents. All major non-life insurance companies in the Swedish market were affected by its activities.

The entire fund remains committed to paying all genuine claims as quickly as possible and strives to strike a balance between investigating potential fraud and ensuring that real claimants are not delayed as a result. While all potential frauds should be investigated, every effort is made to ensure that genuine plaintiffs get their claims paid quickly and efficiently.

7 - THE SOLUTION: DIGITAL PATRONAGE

The basic idea is to create a new and decentralised product using the Blockchain to solve many of the problems represented above.

The IMF token aims to create an underlying, the value of the token, to the guarantee itself that is ineluctable and lasting and that allows for a decentralised risk management system, shifting the discretion from the usual market players such as insurance and financial institutions and giving to SMEs the possibility of sharing and incentive to overcome the crisis. Furthermore, the project aims to become a platform to also give access to other financial institutions to be able to reuse Digital Patronage as a direct guarantee or as a reinsurance underlying

7.1 CAPITAL COVERAGE

The FMI token will be issued with a capitalisation of 200,000,000 and a value of 1 token = 1 USDT. The first issue will be 84 million, equal to the share capital of the company International Merchant & Finance Ltd which manages the structure. This value will be used as a guarantee, in a 1: 1 ratio, and for the risk assumed with the guarantees issued.

7.2 DECENTRALISED RISK MANAGEMENT SYSTEM

Each token holder will have access to an emissions control system. The system will manage the KYC of token holders and validate them upon login.

The issuance will have a similar approach to crowdfunding and any policy required of the company will be entered into the system. In this, the details of the guarantee requested as Applicant, Beneficiary, duration of the guarantee, nature of the guarantee and public data can be evaluated to assess the applicant company.

This will allow the token holder to assess the risk associated with the problem.

If the token holder decides to vote in favour of the issue, the countervalue held will be added to the countervalue of all voters until the total amount requested as guarantee is reached. For example, a guarantee in favour of the German government from a gaming company to guarantee payment of taxes. Value of the guarantee 5 million; the value of the voting tokens must correspond to the 5 million risk assumed.

The value of the "voting" tokens will be retained for the duration of the guarantee issued

7.3 REMUNERATION

The guarantees, assessing the intrinsic risk, will be issued against the payment of a percentage premium on the guaranteed capital. This percentage will vary from 3% to 10% per year using an indicator (managed by an insurance and financial risk management team) as a discriminant that will be highlighted for each request in the system.

The holder of the token who will vote in favour of the issue and will have his tokens waiting for the duration of the guarantee, will receive a countervalue (at the time of the payment of the premium by the applicant) in relation to the issue premium that will be distributed in USDT, Ethereum or IMF token, as appropriate.

7.4 CERTIFICATION OF GUARANTEES ISSUED

Each guarantee issued in the form of the following example (insert draft below) will be inserted in the blockchain with the details of the guarantee (amount, Beneficiary, applicant, duration) and the corresponding hash will be used as a general protocol for verifying the same.

7.5 PREMIUM DISCOUNTS

Each token holder who requests a guarantee will be entitled to a discount, starting from 5% on the premium and in subsequent bands based on the amount of tokens owned according to the following scheme (insert scheme below)

7.6 BROKER

The premium discount system will allow any Broker or promoter to enter a specific list of promoters authorised to market the Guarantees (the licenses of the State of Residence to operate as Financial or Insurance Brokers will be evaluated).

They must have a minimum value of tokens and will have access to a discount proportional to the amount of tokens owned. This amount will also evaluate the guaranteed exposure amount for that particular Broker

8 - ROADMAP

8.1 SOFTWARE

IMF Merchant and Finance Ltd has been operating in the traditional market for about 3 years and therefore the software infrastructure is already active. It is being adapted to the new requirements relating to this project.

8.2 PRIVATE SALE

Private sale has been underway since January 1, 2021 and covers 2% of the total issue. This issue is guaranteed to the first investors with a discount on the nominal value of 20%. Therefore, at this stage the emission value is 0.80 USDT per token

8.3 PUBLIC SALE

It will take place on March 21, 2021 and the token will be listed on the main Exchange and Swap platforms for sale to the public. It will be worth USDT 84 million.

9 - CREDITS

https://www.insuranceeurope.eu Annual Report

http://www.oecd.org/ Annual Report.

Image 1 - Source: ECB and European Commission survey on the access to finance of enterprises (SAFE).

Image 2 - Source: ECB and European Commission survey on the access to finance of enterprises (SAFE). The latest observation included is for the period April-September 2019.

Image 3 - Source: ECB and European Commission survey on the access to finance of enterprises (SAFE).