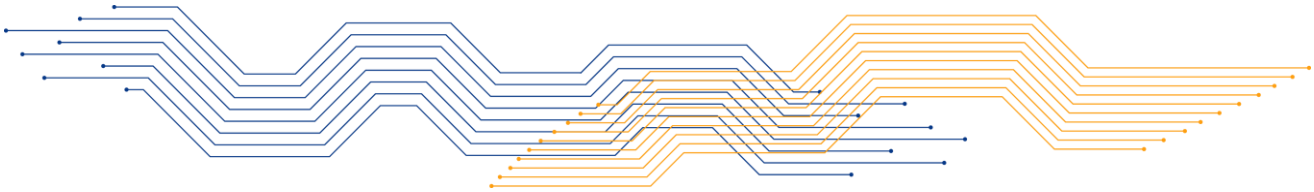
STAMPSDAQ Blockchain

White Paper



Summer 2021

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PROBLEM / OPPORTUNITY

Both Traditional Philately and the Fine Art market are hundreds of years old, and are a stable and established part of the global collectibles industry. There are close to 1,000,000 unique motifs of postage stamps and hundreds of millions of artworks in circulation. Stamps collecting rarely makes the headlines, and is considered by the public as a "quiet" intellectual hobby. Generally speaking, the demographics of this hobby is the age group above 50. From the collectors' perspective, the logistics of collecting and trading stamps and art is a long and expensive process with high costs. This results in limited collecting and trading potential of lower priced collectible items, despite those the majority of stamps fitting into lower price categories and the majority of collectors owning stamps within that range.

From the perspective of intellectual property rights owners (Postal Administration, artists, etc.), there is also no feasible, easily-achievable economic possibility to benefit from the secondary philatelic and fine art market (this includes original art creator's royalties, and royalties estates should earn). There is also no easy and cost-effective immediate single-entry direct access to the entire worldwide collectors' community.

Issuing NFT stamps and art separately on different blockchains lacks the coordination and management of collector's activities and behavior, resulting in low secondary market performance and absence of coordinated marketing and contest activities.

SOLUTION

Our solution is STAMPSDAQ – an Ethereum-based blockchain's sidechain for creating, collecting, trading and gaming of **curated digital art variations of existing postage stamps and artworks motifs as NFT tokens.** This could also bring together global Postal Administrations, alongside all "old and new'' stamp and art collectors and crypto enthusiasts on a secure **Unified blockchain marketplace**.

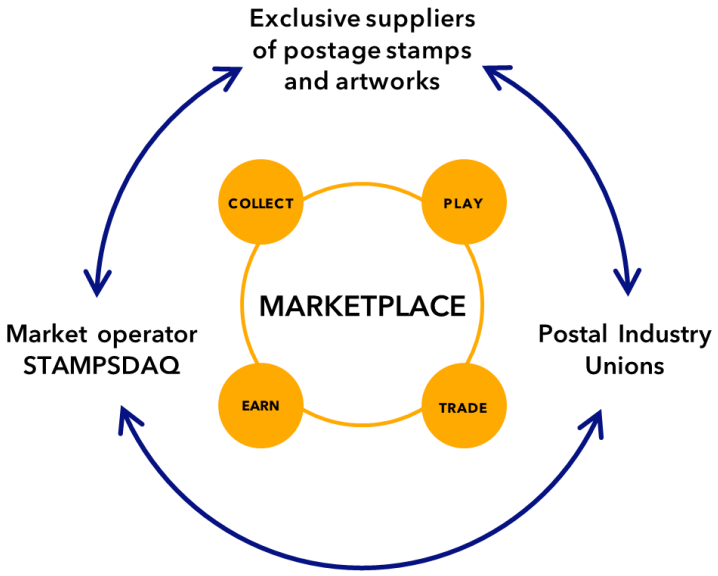
Every STAMPSDAQ user can Collect, Trade, Earn Rewards and Play using the NFTs issued on our blockchain, under a **common value proposition formula,** which allows everyone to maximize the user-experience on STAMPSDAQ.

Both Postal and Find Art industry players have the opportunity to monetize their Intellectual Property Rights (IPR) "sleeping" assets via emerging blockchain technology both on primary and secondary markets, through automated smart contracts solutions securing permanent royalties, and other benefits of the blockchain ecosystem.

BUSINESS MODEL DESCRIPTION

STAMPSDAQ – an Ethereum-based blockchain's sidechain for creating, collecting, trading and gaming of **curated digital art variations of existing postage stamps and artworks motifs as NFT tokens.**

STAMPSDAQ aims to unite all 235 postal countries and territories, alongside all "old and new" stamp & art collectors and crypto enthusiasts in a Unified crypto philately and art blockchain ecosystem. As part of establishing this, we are successfully developing multilateral relationships with Postal Administrations, Postal Industry Unions, global philatelic and related public and private art communities and organizations.



THE CORE CONCEPT

At the core of STAMPSDAQ's value proposition is the exclusive, officially licensed **curated digital art variations of existing postage stamps and artworks as NFT tokens.** Integral to that is the **concept of profit sharing** – executed using automated dynamic smart contracts – which will ensure every participant (postal administration, IPR owner, NFT owner and STAMPSDAQ) within our blockchain ecosystem will occasionally and regularly benefit from the results of both collective and individual activity on our platform.

KEY ELEMENTS

Technology: Transparency, Authenticity and Proof of Ownership of NFTs secured by Blockchain technology. STAMPSDAQ is an open blockchain and encourages the active participation of postal industry players, private entities, and collectors to engage in Node Operating of STAMPSDAQ's network, and be generously rewarded for this participation.

Product: . Officially licensed and curated digital art variations of already existing postage stamps, artworks and artifacts

Scarcity: The scarcity structure on STAMPDAQ will ensure the validity of Limited Edition only NFTs. It is designed in the best interest of collectors and investors.
Each NFT issued on STAMPSDAQ includes a limited edition of 5 digital art variations, each with its own unique Limited Edition number, with copies ranging from 10000 to 1. The total number of copies per original stamp or art image for all 5 digital art/scarcity variations is limited to a total of 11,111 NFTs in circulation.

Utility: STAMPSDAQ is building the platform to ensure a seamless user experience for Collecting, Trading, Earning Rewards and Gaming, using NFTs minted on the platform. A dynamic and transparent reward system serving the interests of collectors, investors and traders acts as the main motivational core element. We intend this to unite "under-one-roof'' (the STAMPSDAQ platform) the diverse interests of different NFT collecting customer groups.

Price: Our objectives are to focus on achieving mainstream adoption. The forecast *average* price for 1 NFT, through an initial or primary sale is around 5 USD. With an *average* estimated price range of between 5 - 500 USD for the secondary market price for 1 NFT, depending on the scarcity, which includes the number in circulation on the secondary market.

Royalties: Royalties will be paid to Intellectual Property Rights (IPR) owners (Postal Administrations, Museums, Independent Artists) via a License Agreement, both from Primary Sales and transaction revenue from secondary sales executed through automated smart contracts.

Marketplace: Trading features on STAMPSDAQ are developed to optimize the time and efficiency of any trading activity initiated by users, and are designed following the best traditions of financial trading markets. Buy/Sell Orders, and authentic Price Matching Algorithm increase the probability of a successful transaction. A high TPS (transactions per second) rate, Instant transaction execution, tiny gas fees, and competitive transaction fees allowing profitable micro transactions, which are some of the important ingredients of the STAMPSDAQ's value proposition.

Inter-Blockchain STAMPSDAQ will have a two-way bridge to the Ethereum blockchain Mainnet. We aim to gradually interconnect with other relevant and complementary art-based NFT-focused Blockchain ecosystems too.

SOCIAL AND ECONOMIC GOALS

Realization of STAMPSDAQ's ultimate aim to unite all postal administrations and a good share of the global fine art community on a **Unified** Blockchain ecosystem (in the format of STAMPDAQ's value proposition) has the potential to create jobs in various forms for thousands of digital designers and artists.

MARKETPLACE STRUCTURE

STAMPSDAQ's primary objective is to create and organize the operation of the marketplace for issuing and circulation of **curated digital art variations of existing postage stamps and artworks as NFT tokens** and under the **validated STAMPSDAQ's utility value formula**.

The STAMPSDAQ marketplace will provide secure implementation of the following functions with the following features:

1. **Primary sales of NFT stamps and artworks:**
   Officially licensed and curated digital art variations of already existing postage stamps, artworks and artifacts. These will be offered on sale the following ways:
   - Fixed Price
   - Auction
   - Bundle Sale
   - Pack Sale

2. **Secondary market for trading between NFT owners:**
   Designed to value NFT owner's time and maximization of trading performance. These will be offered on sale the following ways:
   - Direct Buy
   - Direct Sell
   - Direct offer to individual NFT owner with unlimited counter offers (including NFT swaps)
   - Buy / Sell Order with a Flexible Price option
   - Auctions
   - Authentic price matching algorithm allowing for greater probability of quicker and successful transaction execution

3. **Contests and Games:**
   Designed to stimulate maximum collecting activity between collectors, with a clear and transparent reward structure and activity. This will be implemented the following ways:
   - Performance Rewards
   - Collecting Contests
   - Trading Contests
   - Trivia games

4. **Performance Analytics:**
   Customized analytics to help collectors and investors track their performance and collection's value. This will be implemented the following ways:
   - Global/Regional/Country Collector ranking
   - Global/Regional/Country Trader ranking
   - Individual NFT performance ranking

STAKEHOLDERS

1. Traditional Stamps Collectors
With blockchain technology able to secure the realization of true ownership, the concept of digital goods, and the market of non-fungible Tokens (NFTs) gaining more popular and accepted adoption, crypto-philately on STAMPSDAQ is a perfect opportunity for millions of traditional postage stamp collectors to utilize their philatelic and fine art knowledge by embarking on this new development in the crypto-world.

Crypto-philately on STAMPSDAQ takes close to 1,000,000 motifs of already issued postage stamps as a base, and turns them into several curated digital art versions (NFTs), with their own unique digital design elements, and different levels of scarcity. The WNS* numbering system might be used for each reference, thus creating yet another bridge between traditional stamps and crypto-stamps in our blockchain ecosystem.
**The WNS is a global postal register of all official postage stamps issued by its members. It is the only system that provides collectors with a guarantee that a given stamp was officially issued by its postal administration.*

The blockchain environment of STAMPSDAQ also creates much bigger opportunities for active traders/dealers and investors, with substantially lower logistic and payment transaction cost than is possible on auction internet platforms, such as eBay, etc. And most importantly, the value proposition of crypto-philately on STAMPSDAQ allows for the potential for any crypto-stamp owner to **gain valuable monetary and non-monetary rewards**, when they participate in regular contests, challenges, and games.

2. Crypto Enthusiasts and Digital Art Collectors
A younger generation of open-minded crypto enthusiasts can also benefit from engaging into one of societies oldest collectable hobbies – now in an NFT/digital crypto-format. This will broaden their worldview, thus greatly contributing to greater levels of social, cultural, political and economic knowledge, education, acceptance and understanding.

Within the digital space, it extends the static artworks' motifs into a live and interactive picture, partially compensating the loss of tangibility from the original artwork. In view of today's digital art collectors, limited and unique digital design variations of crypto-art will become valuable collectibles, and an exciting alternative investment opportunity.

All crypto-art NFTs minted on STAMPSDAQ will be Limited Editions. Backed by blockchain technology, key elements of any collectible product, such as scarcity, ownership and price will be completely visible and traceable.

3. Alternative Assets Traders and Investors
Every crypto/NFT stamp or artwork issued on STAMPSDAQ has a potential to generate diverse income opportunities for its owner; becoming a true alternative asset category.

Combined with over 150 million crypto users, the market potential for NFT collectibles on STAMPSDAQ has the potential for creating a profitable and active high-liquidity trading environment.

Flexible transaction fees and fast transaction execution time for high-volume trading will also facilitate a growing and high-demand from global investors for collectable/NFT assets, as an investment opportunity.

4. Postal Administrations

With over 180 years of philatelic history, the global postal industry has an incredible "sleeping" beauty in the form of close to 1,000,000 unique postage stamps motifs which can be digitized and monetized on STAMPSDAQ.

With the dynamics of STAMPSDAQ's collecting, trading and gaming value proposition, crypto/NFT stamp collecting is also a perfect opportunity to appeal to a younger generation, while promoting global philatelic values in an innovative way.

With crypto/NFT stamps on the STAMPSDAQ platform, every postal administration and operator has a guaranteed stream of revenue from primary sales, alongside every secondary market transaction. Having an **"Under-One-Roof"**, unified approach on one blockchain platform, every postal administration has a unique opportunity to access STAMPSDAQ's global crypto collectors' database, and communicate instantly and cost-efficiently with this new rapidly expanding community.

A common market approach also delivers higher market liquidity. Crypto-stamps sell faster and generate higher returns than traditional stamp online auctions, as every bid can be watched by active and interested collectors all over the world at the same time.

As recent cases have proven, development of digital collectability of the postage stamps as NFTs, will positively influence the sales of traditional paper postage stamps at the same time.

Utilizing STAMPSDAQ's blockchain stable coin ($POST), the global postal industry has the opportunity to offer to millions of postal customers around the world, a competitively priced money transfer service as another upside of involvement with our platform (subject to the same regulatory approval as any new money/wire transfer service in each legal jurisdiction). Additionally, private individuals and businesses can benefit from participating in the governance of the STAMPSDAQ blockchain, through staking and node operating.

5. Governments

At present, 93% of global postal operators are either a government agency, comparable to social services or defense, or a fully or majority government-owned legal entity. Very few countries have private owned, or publicly-traded postal operators.

Supporting the development of crypto-philately in their countries, governments everywhere have the opportunity to communicate national values and achievements in an elegant, cost-efficient and modern way to a combined global community of crypto and stamp-collecting enthusiasts.

USE CASES

Nowadays, in the world of digital collectibles, and especially in the world of crypto/NFT collectibles, a mere collecting element is just not enough to get to the level of mass adoption and engagement. Providing stable, understandable and incentivizing utility value for any modern crypto collectible is absolutely required for the ultimate success and long-term viability of the project. Crypto/NFT stamps & art on STAMPSDAQ will have the following characteristics:

1. Collecting
Human passion for collecting and art appreciation is what drives the basic interest towards crypto/NFT stamps and art collecting. The key collecting dimensions are all a part of this: Country, Year, Theme, Mint number, Scarcity Level, and of course, the designs themselves.

2. Trading (Buying and Selling)
STAMPSDAQ's trading portal is designed to be monitored similar to any other trading platform. Postage stamp art owners, especially those active in trading and investing, can monitor each NFTs market performance, comparable to shares traded on the stock market.

3. Exchanging (Swapping)
As with traditional paper stamps, crypto/NFT stamps and art on STAMPSDAQ can be easily exchanged (swapped) between collectors. As this is using blockchain-based technology, it's far more secure than any other platform for trading anything.

4. Promotion of National Values
Postage stamps and art have always been considered the physical and symbolic "diplomats" of their countries. The possibilities of crypto/blockchain technology extends this mandate into the digital/crypto world, and creates a great channel to communicate each countries values and achievements to a global community. It's a key part of our philosophy to see these NFTs as "ambassadors" of their respective countries.

5. Rewarding
The concept of performance rewards is one of the key elements of STAMPSDAQ's value proposition, which will benefit every crypto/NFT stamp and artwork owner in our blockchain ecosystem.

6. Showcasing
Every crypto/NFT stamp and artwork issued on STAMPSDAQ will be produced in a high-resolution format that allows it to be displayed on different digital frames, showcased in virtual galleries, and have physical prints produced.

7. Game Utility Value

In the STAMPSDAQ blockchain environment, crypto-stamps can be used to play different intellectual stamp games to earn rewards and status. These will include Trading Contests/Competitions (Leagues/Divisions), Stamp Intel Battles, Stamp Intel Casino, amongst others. Third-party developers can also create different applications where crypto-stamps can be utilized, in a game or other formats, including DeFi applications.

8. Two-way Bridge to Ethereum Mainnet

The owners of crypto-stamps issued on STAMPDAQ will be able to import and export their stamps to and from Ethereum Mainnet with tiny gas fees on the part of STAMPSDAQ blockchain.

PRODUCT

1. NFT STAMPS

NFT Stamps on STAMPSDAQ are unique pieces of curated digital art issued in an NFT format, secured using blockchain technology. STAMPSDAQ's primary mission is to bring close to 1,000,000 of already issued postage stamps images from over 180 years of philatelic history into the crypto-world of NFT collectibles.

Thanks to the broad and diverse possibilities offered by the digital design industry, this creates the perfect opportunity for Postal Administrations to revive global public interest in postage stamp heritage by creating live limited-edition digital art variations of stamp and art motifs.

To generate and secure the maximum collecting interest possible, every digital stamp issued on STAMPDAQ is Limited Edition (LE) only, with five (5) digital art variations. The scarcity structure for each variations is as follows:

Rarity	Edition Type	Number of NFT copies
Common	Limited Edition	10,000
Rare	Limited Edition	1,000
Super Rare	Limited Edition	100
Ultra Rare	Limited Edition	10
Unique	Limited Edition	1

This scarcity structure is then used to define the details of the Utility Value of crypto/NFT stamps on STAMPSDAQ. We firmly believe that in the digital/crypto space, mere COLLECTING without any additional usefulness of NFT collectibles is too limiting.

Owners of a crypto-stamps on STAMPSDAQ can also:

- Earn performance-based rewards as an NFT owner, based on each NFT's trading performance on STAMPSDAQ, and economic performance of the respective Country/Postal Administration.
- Compete and earn rewards for COLLECTING contests and challenges.
- Compete and earn rewards for TRADING contests and challenges.
- Compete and earn rewards for intellectual TRIVIA contests and challenges.

Collection points and collection score: used as the basis for collection contests and games on STAMPSDAQ. The reward structure on STAMPSDAQ is flexible and the amount of rewards for each contest/performance period is subject to the sales and trading performance of every individual crypto/NFT stamp.

We aim to create and establish the image and usefulness for each Crypto/NFT Stamps as true ambassadors of the countries from which they originate.

2. NFT ART

Based on the widely-acknowledged statement that postage stamps are "art in miniature", we will extend our offer to the global art community. Our collaboration with public and private museums and galleries, and independent artists, aims to digitize and tokenize original art masterpieces, while also creating live digital variations of them. This will extend the lifespan, impact, audience and meaning of the work of art with new digital art interpretations.

Similar to NFT Stamps, the NFT Art pieces are produced under the same clear and transparent scarcity structure, and secured by immutability and transparency of the STAMPSDAQ blockchain.

The production of Stamp and Art NFTs is created through the work of our own in-house design team, and in collaboration with a broad network of digital designers and artists around the world.

All NFTs produced and issued on STAMPSDAQ are fully **Officially Licensed.** A key principle in our business model is maintaining to the complete preservation of the rights of every participant in the Intellectual Property Rights Chain. We sign License Agreements with the intellectual property rights owners of stamps and art, which guarantee them stable and transparent royalties secured by automated smart contracts on the STAMPSDAQ Blockchain.

MARKET DESCRIPTION

In addition to the creation of digital product, every and any material/physical object can be tokenized into an NFT and become a collectible. STAMPDAQ is focused on bringing into the digital/crypto space the vast heritage and variety of the Global Traditional Philately and Fine Art markets.

TRADITIONAL PHILATELY AND ART MARKETS

Both the traditional philately and fine arts markets provide a huge base for creation and production of **curated digital art NFT variations of already existing stamp and art motifs** for STAMPDAQ.

Traditional stamp collecting includes over 180 years of history and close to 1,000,000 unique postage stamps motifs. The Fine Art market, with hundreds of years of history, includes over 55,000 museums and 19,000 galleries worldwide, several millions of Independent artists and hundreds of millions of artworks, representing an enormous base for NFT tokenization and successful circulation on STAMPSDAQ.

In 2019, Forbes estimated the Global Collectibles market at USD $370 billion, which includes art, stamps, coins, jewelry, and other valuable collectables. Almost 22% of this figure represents Traditional Postage Stamps and Fine Art collectibles. STAMPSDAQ is working to cooperate with all 235 postal countries and territories that are issuing traditional postage stamps, alongside the majority of public museums, and thousands of independent artists worldwide.

DIGITAL AND NFT COLLECTABLES

Based on current trends and data (June 2021), secondary sales in the NFT market is projected to be around $10 billion in 2021.

Current market cap of tokens for every active and open NFT project (source: CoinGecko, June 9, 2021) is $17.8 billion, which allows us to conclude that there is a substantial interest and positive expectations for the future development of the NFT market. There's currently no common precise consensus for market size projections, but estimates range from $200 billion to $1 trillion, in the next 10-15 years.

If sales distribution remains stable as in Q1, 2021, based on 75% of total NFT sales (report by nonfungible.com), the market size of Art and Collectible NFT categories has a potential to grow to $150 billion (annually) in 10 years.

However, when it comes to long-term expectations for NFT market developments, the largest volume increase is expected when top players in the online and video games industry will rebuild their most popular games within NFT ecosystems. It's on this basis whereby $1 trillion in annual NFT revenues are most probable.

Stamps

Once again, the concept offered by STAMPSDAQ for the global postal industry (the exclusive source of postage stamps issued worldwide) assumes the creation of **curated digital art NFT variations of already existing traditional paper stamp motifs** and, even more importantly, issuing them on **Unified** blockchain ecosystem.

Before this project was proposed, several postal administrations started experiments with issuing Crypto-Stamps. These are newly created stamp motifs, just like new traditional stamps. The concept behind crypto-stamps assumes simultaneous existence of a material stamp and its digital crypto equivalent on blockchain (currently, all official crypto-stamps are issued as ERC-721 tokens on the Ethereum mainnet).

STAMPSDAQ's value proposition to the postal industry is truly complementary, and does not compete with the traditional stamp business. Moreover, as some recent developments demonstrate, launching NFT collectibles increases the interest in and sales of traditional paper collectibles within the same market segment.

STAMPSDAQ seeks to engage in cooperation with all 235 postal countries and territories within the first 10 years of operation. The estimated total size of the primary market for NFT stamp collecting on STAMPSDAQ is around $25 billion for stamp motifs that are in circulation on primary and secondary markets (based on current price levels for comparable scarcity NFT items).

Also, as every postal administration issues an average of 75 unique stamp motifs annually, the primary sales for NFT philately should grow approximately $250-300 million every year. The secondary market has the potential to grow to as much as $45-50 billion USD (assuming all 235 postal operators are active and engaged partners within 10 years).

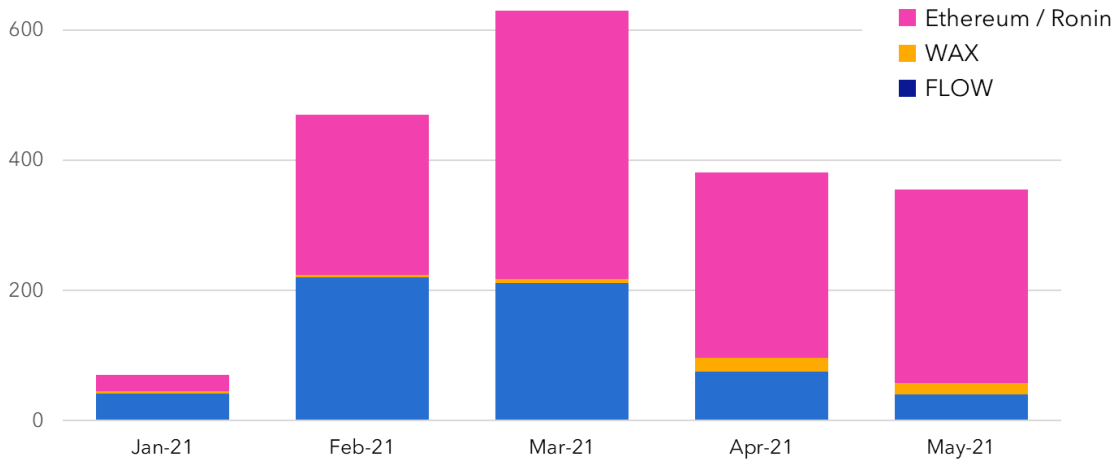
Art

The Crypto Art market – by its very nature – has a potential to become the biggest NFT market by size in the world. It's safe to assume, that tokenizing into NFT format an estimated 3 billion artworks and artifacts stored in public museums only, could create a potential NFT market size worth around $150 billion in total primary sales, and around $500 billion USD in annual secondary market sales.

STAMPSDAQ's value proposition (with its core concept of **curated digital art NFT variations of already existing artwork motifs**) to the global Fine Art industry is, therefore, truly complementary and in no way competes with the traditional fine art sector, and will add real value to the original artworks stored in museums and galleries.

BLOCKCHAIN

The massive growth of NFT market sales continues to be concentrated on three blockchains; Ethereum, Wax and Flow. With the last two being largely dedicated for only developing NFT projects. Overall, total NFT sales on these blockchain networks are quickly approaching the $3 billion threshold, which will happen in June 2021.



NFTs: Sales Volume by Blockchain, M USD
Source: https://dappradar.com/

Ethereum

Despite high gas fees, many NFT projects choose Ethereum blockchain to launch and operate, mainly thanks to Ethereum's complete transparency, reliability and independence.

Sales on Ethereum account for close to 80% of total NFT sales, but only rank third for the number of active wallets containing NFTs. However, the problem of scaling NFT sales on Ethereum are still not resolved, with unclear time and resolution prospects.

These challenges force NFT projects launched on Ethereum – which quickly gain a large number of active users – to find and implement alternative solutions, mainly using Layer 2 solutions, or building their own sidechains. Even so, the dominance of Ethereum based decentralized applications in the decentralized finance (DeFi) space, allow high-priced NFT projects to successfully operate on the Ethereum blockchain.

WAX

The WAX Blockchain started to actively develop in H1 2020; yet it's only in April and May of 2021, mainly due to successful partnership deals, that sales and active number of users started to grow on WAX substantially.

WAX is purely NFT focused and is a strong choice for an NFT project focused on mainstream adoption, with the majority of sales volume produced by micro-transactions between users ranging from $5 to $300. As of June 2021, WAX Blockchain is ranked number one (#1) by the number of NFT projects hosted and the number of unique NFT owners.

FLOW

FLOW Blockchain is another blockchain ecosystem fully dedicated to realization of the idea of NFT mainstream adoption. Founded by Dapper Labs Inc., the company behind the first successful NFT game on Ethereum called Cryptokitties.

FLOW is a perfect example of how the problem of scaling NFT projects and businesses on Ethereum was solved. Within about 2 years, Dapper Labs built its own Layer 1 blockchain. Since the launch of the first application, NBATopShot, in H2 2020, FLOW experienced an unprecedented growth in sales volumes and the number of active users, and is in the top 3 ranking by these criteria.

NFTs on Other Blockchains

As of June 2021, several other blockchains are starting to encourage the development of NFT projects within their ecosystems, with most successful and promising so far being Binance Smart Chain (BSC) and Polygon blockchains. However, key performance indicators are yet to be seen in the top rankings of NFT market players.

STAMPSDAQ Blockchain

The main idea behind the STAMPDAQ Blockchain is to build an open, scalable and tiny gas fees blockchain ecosystem in close cooperation with every key player in the postal and art industry.

In Phase 1 of the development, we aim to unite all 235 postal administrations and a good share of the public fine art market to issue exclusive crypto/NFT stamps and artworks in the STAMPSDAQ format on the common marketplace. Crypto/NFT Philately & Art "under-one-roof" has a strong potential to contribute to the mainstream adoption of NFT technology and culture.

In Phase 2, STAMPSDAQ aims to develop diverse DeFi features and services, attempting to create a global, competitively priced money transfers, with a focus on low value transactions, with the potential possibility to withdraw cash at over 650,000 post offices worldwide (subject to local legislation authorization in each country).

DeFi features are not outlined in detail in this White Paper, and will be the subject of additional planning and discussion with stakeholders and investors following the successful implementation of Phase 1.

STAMPSDAQ TOKENS: TOKEN ECONOMY

TYPES OF TOKENS AND THEIR DESCRIPTIONS

$POST
Stablecoin

$STAMP
Stakecoin

We plan to issue two types of tokens: $POST, which is our Stable Coin, and $STAMP, which will serve different purposes, as outlined below.

Stable Token

Stablecoin is a cryptographic token whose value is stabilized relative to the US Dollar (USD$). Our stablecoin is a fungible token whose supply is based on an equivalent amount of fiat currency available for redemption.

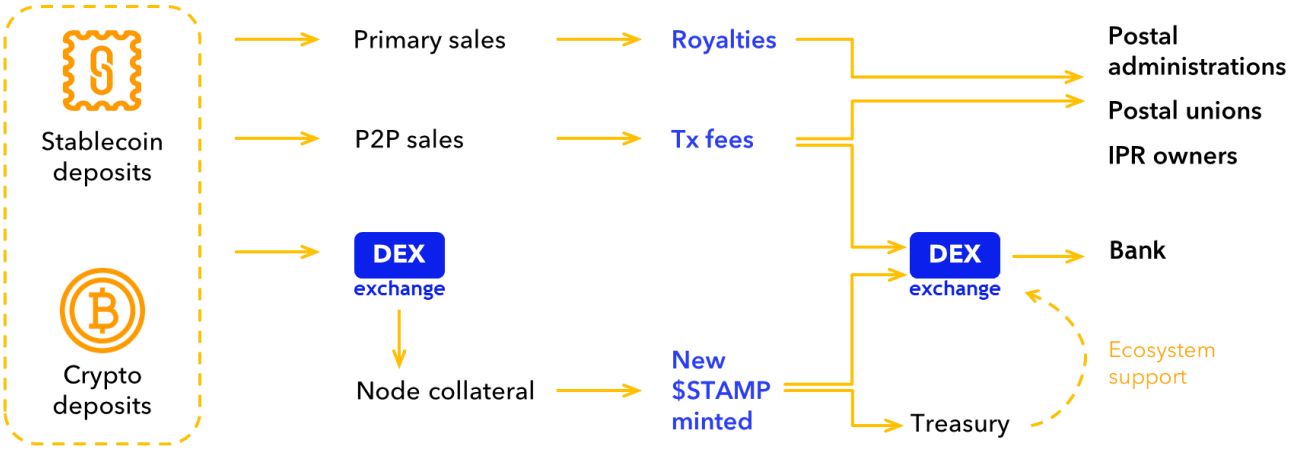
The value of stablecoins is that our users and partners will be able to pay seamlessly and enjoy low transaction fees with no volatility against USD$.

Similarly, our users and partners that need to make forward commitments will value predictability and the ability to hedge the risks of currency volatility.

Staking token

$STAMP **staking utility token** can be used for staking and node operating. Anyone with a minimum required balance of $STAMP tokens can engage in providing the service to validate transactions and earn staking rewards. The process of staking is described below in more detail.

TOKEN CIRCULATION



$POST Stable token

Our Stable token will circulate inside the STAMPSDAQ marketplace and will not be used outside STAMPSDAQ. The picture above explains the flow of $POST on our marketplace.

Every user willing to carry out transactions on our marketplace deposits fiat or crypto-currency that is exchanged to $POST pegged to the USD$ 1:1.

User pay with $POST to buy stamps and art NFTs during primary and/or secondary sales, and receives rewards from STAMPSDAQ from participating in different games, contests and challenges.

Users will not be allowed to operate fiat or other cryptocurrencies beyond $POST inside the STAMPSDAQ marketplace. Such an approach will eliminate transaction friction and streamline all payment processes inside our ecosystem.

After the user decides to exchange their $POST deposits back to fiat or cryptocurrency, the $POST is exchanged to a corresponding amount in fiat or cryptocurrency which is transferred to their cryptocurrency wallet or bank account.

STAMPSDAQ mints new $POST each time the user makes a fiat or crypto deposit and burns $POST every time stable coins are returned to the user. STAMPSDAQ will mint $POST additionally to pay different rewards to users as described by the STAMPSDAQ reward formula. To ensure fixed exchange rate to the USD$, STAMPSDAQ will direct the corresponding amount in US dollars taken from revenue to the STAMPSDAQ Treasury, where this amount will be stored until repaid to users on withdrawal.

$STAMP

$STAMP staking token is used to support node validating activity. The user will make a deposit in cryptocurrency via DEX exchange to receive $STAMP coins and make a node collateral. The exchange rate is not fixed.

STAMPSDAQ mints new $STAMP coin according to the formula which is described in section Technology/Token/Validation process and for the purposes described in section Token distribution.

Minted tokens are supplied to STAMPSDAQ Treasury to be used for the ecosystem support or funneled to the DEX directly where they are acquired by different stakeholders.

The user receives our staking coins and uses them either for validating activity or earning certain rewards from coin value appreciation.

All transactions with $STAMP tokens are carried out via non-reversible automated smart contracts with no retroactive effect and cannot be manipulated manually. This guarantees complete transparency of the operations.

$STAMP Staking Coin Facts

Minting:

Initially we will mint 2,400,000 staking tokens. After that, every subsequent year 760,000 tokens will be minted until the cap of 10,000,000 is reached. Initial supply is distributed between:

- Consensus Node holders,
- STAMPSDAQ Treasury,
- Swap Pool.

Consensus Node Holders
Each consensus Node has to hold collateral of $STAMPs 25,000 to be eligible for validating, and to run 24/7 to receive rewards.

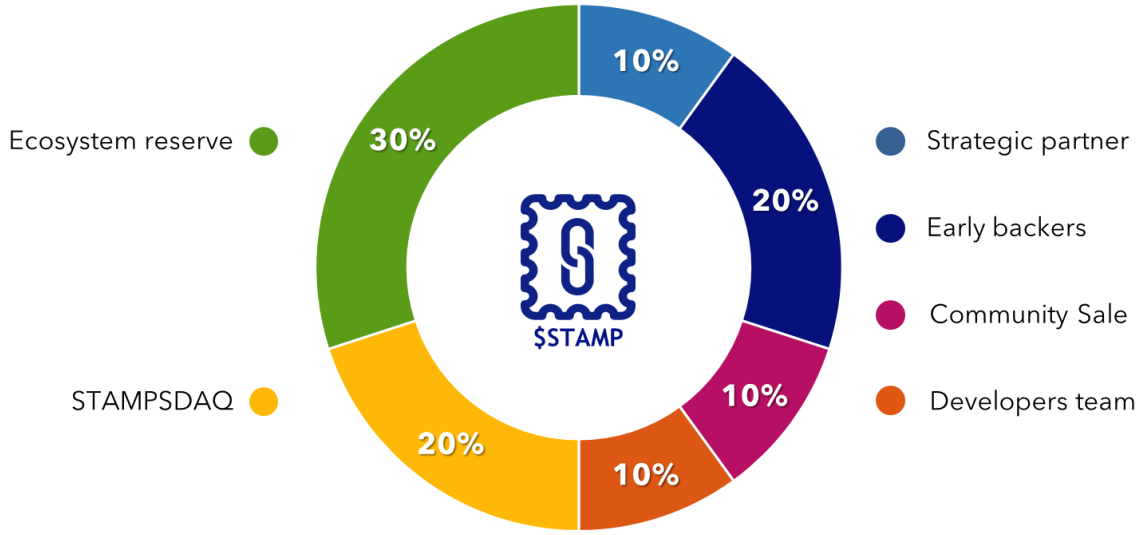
STAMPSDAQ Treasury
Initially STAMPSDAQ Treasury will be allocated 100,000 tokens with an additional 15% of newly minted tokens throughout the mining period of 10 years. .

Swap pool
Swap Pool is a Uniswap fork with an initial liquidity of $POST 100,000 and $STAMPs 100,000.

STAKING COIN KEY FACTS

Total number of tokens	10,000,000
Initial number of tokens	2,400,000
Emission schedule	Linear for 10 years
Number of tokens minted annually	760,000
Consensus node collateral	25,000
Consensus node minting reward	Share of annual mint for first 10 years
Consensus node transaction reward	Share of NFT transaction fee from secondary market sales

TOKEN DISTRIBUTION



We plan to distribute our staking token $STAMP among key stakeholders who will be contributing to the development of the Stampsdaq ecosystem in different ways.

Our approach is to increase decentralization and therefore limit individual ownership of STAMPSDAQ blockchain tokens, to make it truly independent and decentralized.

All tokens set aside for conversion purposes to pre-launch backers are subject to the same terms and lockups: 24 months with a one-year cliff.

We plan to distribute initial supply of $STAMP tokens among the following categories:

Early backers

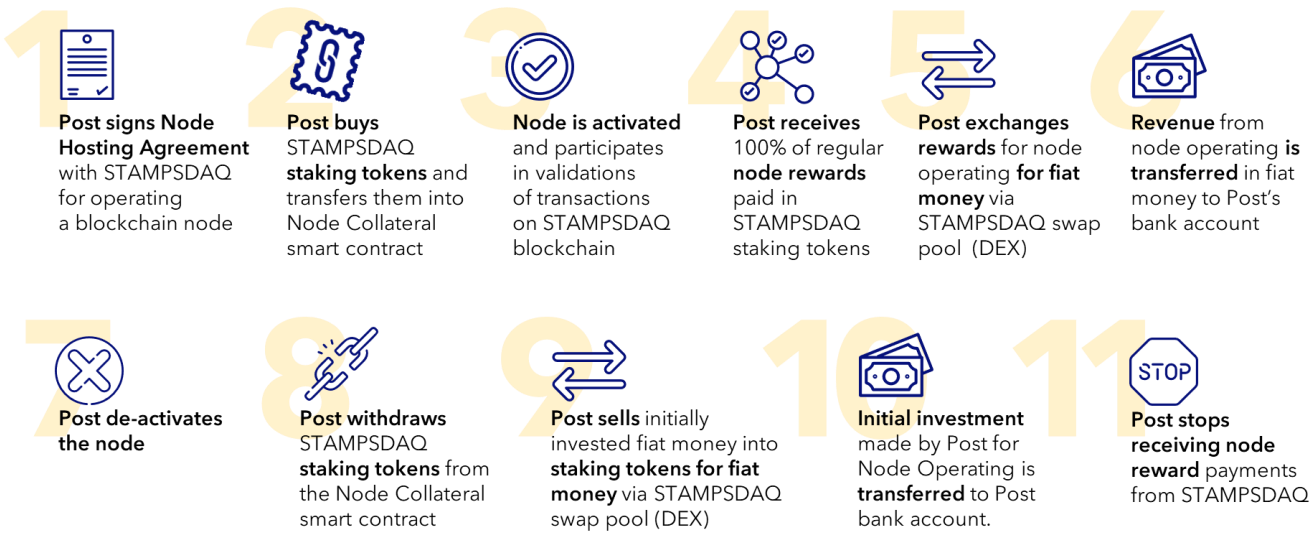
Postal administrations
To stimulate transition of the postal community to blockchain we will set aside staking tokens for postal administrations and the Postal Industry Unions. As soon as we launch our Mainnet, we will offer 88 validating nodes to country postal administrations, on the first come first serve basis, who will then become active members of our ecosystem.
Venture Capital Funds and Business Angels
We plan to attract top VC funds and angel investors, who will receive 10% of issued staking tokens, in return for investment capital.

Ecosystem reserve
30% of the staking tokens will be reserved for the development of the ecosystem. Once we identify any opportunities which will enhance STAMPSDAQ growth and interesting projects that will be synergetic to our major goal, we will allocate $STAMP tokens to attract the best teams, develop new products, and involve different stakeholders.

Development team
Current members of the STAMPSDAQ team will be incentivized by awarding STAMPSDAQ staking tokens to achieve long-term results. Additionally, we shall use $STAMP tokens to onboard and motivate the best talent we can attract from around the world to work on this project.

Community sale
Aside from financial support that we expect to receive from the community sale, we envision that our community will be actively participating in trading NFTs present on the STAMPSDAQ marketplace. Potentially, some of our community investors might be willing to launch a node to validate transactions on the STAMPSDAQ Blockchain.

NODE OPERATING PROCESS



Below we described the process of node operating for token holders who are willing to operate one of our validating nodes (Node Operator).

1. Node Operating (Hosting) agreement is signed.
2. Node Operator buys staking tokens from STAMPSDAQ, or on the open market.
3. Revenue received from staking token sales are used by STAMPSDAQ for the platform development.
4. Node Operator sends staking tokens as collateral to staking smart contract.
5. The Node becomes active on blockchain network and Node Operator starts to receive 100% of the staking reward allocation.
6. Staking Token rewards are sold on open market (DEX)
7. If a Node Operator decided to deactivate the Node, the Node is deactivated
8. Staking tokens are transferred back to Node Operator's crypto-account
9. Node Operator sells staking tokens on open market
10. Node Operator withdraws fiat currency to their bank account.

TOKEN ECONOMIC MODEL

As described above $STAMP token holders will benefit from earning service fees (staking rewards) for operating validator nodes. Every year, we will mint 760,000 coins that will be distributed between Node Operators and the company Treasury (to maintain the budget for operating STAMPSDAQ).

Treasury coins will be used to support STAMPSDAQ operations.

Node holders will be receiving service fees (staking rewards) for transaction validation in $STAMP tokens, proportional to the number of nodes they operate and degree of staking activity.

STAMPSDAQ will direct a percentage of transaction fees from secondary market sales to buy back staking coins from coin holders via automated smart contract solutions.

STAKING AND DELEGATING ON STAMPSDAQ

An Introduction to how staking works on STAMPSDAQ

This document provides an introduction to staking STAMPSDAQ tokens on the STAMPSDAQ network for token holders and node operators. Staking is a mission-critical part of the security protocol of a Proof-of-Stake (PoS) blockchain. Running nodes and staking tokens contributes to the blockchain's security and is rewarded accordingly.

What is Staking?

STAMPSDAQ is a global network of computers working together to maintain the security and integrity of its users' data.

This global network is created from numerous individual nodes: software applications run by people. Every node in the network shares a small part of the responsibility to keep the network running smoothly, and to verify that other nodes are doing the same. This shared responsibility is also known decentralization, because no single node is solely responsible for the security and integrity of the network and the data it contains.

Node operators is the term given to the people who run nodes. In order to connect their software applications as nodes on the network, a node operator must first purchase tokens. Every node operator has to temporarily give (or 'stake') a large number of their tokens to the network as a promise that they will not modify their node to do something that is against the rules of the network, such as steal funds from users' accounts. This process of temporarily giving up tokens is called staking. It provides security for everyone in the network, and the network as a whole.

In the unlikely event that any node ever breaks the rules defined by the network, a number of the node operator's staked tokens will be taken from them as a result of the rule-breaking. This process is automatic. Every node knows the rules defined by the network and automatically watches other nodes and reports them if they misbehave. Meanwhile, the network pays the node operator a reward of tokens on a regular basis provided their node does not break the rules. It works as follows, as it does across every decentralized network:

"If I break the rules, I lose the tokens I've staked. If I operate my node with integrity, I get rewarded with more tokens! This is the basic incentive that enables a decentralized Proof-of-Stake network, like STAMPSDAQ."

How Does Staking Work on STAMPSDAQ?

The STAMPSDAQ protocol maintains a list of node operators. The list contains important information about each node, like their public keys, node address.

A node operator registers a node by submitting a transaction containing their node information and the $STAMP they wish to stake.

A staked node will receive weekly reward payments at the end of each epoch, assuming it stays online and actively participates in the protocol without committing any offenses that break the rules. This timeframe of earning rewards is otherwise known as an Epoch. This could be subject to change as we progress with the implementation.

Epochs

An epoch is a week-long period that the network uses to manage the stakers, and pay rewards. For every epoch, a list of committed nodes are chosen to be the staked nodes of the network, and these staked tokens are locked-in, and cannot change for the duration of the epoch. At the end of the epoch, rewards are paid to each staked node based on how many tokens they had staked for that epoch. This process repeats itself indefinitely, as long as the network remains functioning.

To determine the list of nodes that are included as officially staked nodes in the next epoch, the protocol looks at the records of all the nodes that have committed tokens. It checks to make sure each node's information is correct and that the node is running properly. Each node also has to have committed tokens above the minimum stake required for their node. If any of these checks are insufficient, the node is not included in the next epoch. If a node passes all the checks, it's approved and included as an official node for the next epoch.

Nodes do not have to continue to submit staking registration transactions every epoch in order to remain staked. As long as they continue to run their node properly, their tokens will remain staked. A node operator only needs to take action if they want to stake more tokens, or if they want to unstake their staked tokens. If a node operator decides to stake or unstake tokens, their requests are not carried out until the end of the current epoch. In the case of unstaking requests, they also must wait an additional epoch before their unstaked tokens are available to withdraw.

Delegation

Any account in the network may also participate in staking by delegating their tokens to a node operator. Every node operator in the network is eligible to receive delegations, and there is no currently no option to opt-out.

To delegate to a node, a user simply specifies the ID of the node they want to delegate to and the amount of tokens they want to delegate. The tokens are committed and managed in the exact same way that normal staked tokens are managed.

Rewards for delegators are also calculated in the exact same way that rewards for node operators are calculated, with one difference in that 8% of the calculated amount is given to the person running the node, assigned by the delegator. The remaining 92% is awarded to the delegator. Amounts might be changed in the future. *

* The above may change in the future as we progress with the implementation.

How Do I Stake?

So, you have decided you want to be a part of the STAMPSDAQ network? Welcome! You are joining a group of people from all around the world that are a part of a movement that is bringing decentralization and transparency into the world.

This section will be updated as we progress with our implementation (Testnet, Mainnest launches, etc.).

- Staking via web portal (our website)
- Staking via a custody provider
- Manual staking

BLOCKCHAIN TECHNOLOGY

BLOCKCHAIN DESCRIPTION

A **non-fungible token (NFT)** is a unit of data stored on a blockchain that certifies a digital asset to be unique and therefore not interchangeable. NFTs can be used to represent items such as photos, videos, audio, and other types of digital files. Access to any copy of the original file, however, is not restricted to the buyer of the NFT. While copies of these digital items are available for anyone to obtain, NFTs are tracked on blockchains to provide the owner with verifiable and unchangeable and secure proof of ownership.

Non-fungible tokens (NFT) were originally created on the Ethereum network (ETH). Unfortunately, recently that has become unfeasible due to large transaction costs.

To solve this, we plan to launch Proof-of-Stake (PoS) Ethereum sidechain and create a bridge to the Ethereum Mainnet. We also plan to use the xDai sidechain codebase, which is open source. This is how we intend to deploy NFT smart contracts and a marketplace.

This Sidechain will be open to participation (open source principles) and will be compatible with EVM and the usual Ethereum development tools.

The gas and payment token will be $POST, which will be pegged 1:1 to DAI on the Ethereum Mainnet.

We will also ensure the creation of the second token $STAMP, to be used for protocol protection and governance. It will be volatile and the price will be market-driven.

Network consensus is maintained by nodes, and staking required amount of $STAMP. Such nodes will be run by STAMPSDAQ, Postal Administrations hosting nodes, and a certain number of private sector participants.

The bridge to the Ethereum Mainnet will be initially operated and maintained by STAMPSDAQ.

TOKENS AND SMART CONTRACTS

i. NFT Stamps will be minted on STAMPSDAQ chain as ERC-721 and ERC-1155 tokens

ii. IPFS:

Data immutability will be guaranteed by the IPFS protocol. Each individual motif will be stored as a file on IPFS. Since IPFS uses content addressing, this assures that the unique media content is secure and unchangeable, once created.

iii. Stable token

$POST is a cryptocurrency created from the MakerDAO DAI token. DAI is a stable token on the Ethereum Mainnet pegged to the US dollar. $POST can be acquired by users in a number of ways, but behind the scenes it's always created from DAI, and the value of $POST corresponds 1:1 with DAI. Here's how $POST is created:

1. DAI is locked into a smart contract on Ethereum. This means it must remain in that contract and cannot be moved until the contract receives a verified signal to unlock it.
2. Using a bridge mechanism called the TokenBridge, data about the locked DAI is transmitted to a smart contract on the STAMPSDAQ chain.
3. The contract on the STAMPSDAQ chain creates (mints) the exact same amount of $POST.
4. This $POST is then usable on the STAMPSDAQ chain. Users only need to switch the network in their wallet, and $POST is available using the same Ethereum address.

iv. Staking token

In addition to the $POST stable token, the ecosystem also supports $STAMP, a staking and utility/governance token. $STAMP price is volatile and can be traded on CEXs and DEXs, both on Ethereum and the STAMPSDAQ Chain.

v. Validation process

STAMPSDAQ chain uses POSDAO: a Proof of Stake (POS) algorithm implemented as a decentralized autonomous organization (DAO). It's designed to provide a decentralized, fair, and energy efficient consensus for public chains. The algorithm works as a set of smart contracts written in Solidity.

POSDAO is implemented with a general purpose BFT consensus protocol such as Authority Round (AuRa) with a proposer node and probabilistic finality.

At the end of each epoch during first 10 years, the rewards are calculated according to the linear schedule and are paid out to active nodes with sufficient staked $STAMPs.

vi. Speed of Transactions

At present, STAMPSDAQ chain plans to use 15 seconds block time for every transaction. This may change, and could speed up, as the project develops.

vii. Cost of Transactions

The anticipated cost of every transaction would be 1gwei, that's 10^{-9} of $POST. This makes typical ERC20 token transfer cost $65000*10^{-9}$ = $0.000065 and cost of minting ERC721 $250000*10^{-9}$ = $0.00025.

From the user perspective, the gas fees will be covered by STAMPSDAQ.

PROGRESS TO DATE

The relationship with the Universal Postal Union (UPU) established and developing. The Universal Postal Union is a specialized agency of the United Nations (UN) that coordinates postal policies among member nations. Currently, there are 193 member countries in the organization, and we are aiming to work with all of them.

We see UPU's active role as following:

a. Coordinate and align common (international) operational and marketing activities in-line with Global Postal Principles.
b. Develop and implements standardization technical and legal aspects of crypto-stamps market.
c. Provides official support of STAMPSDAQ using every method of marketing communication.

First License Agreements signed with Postal Administrations, Museums and Independent Artists. Ongoing negotiations with numerous postal administrations, public and private museums, and independent artists are in progress.

Blockchain Mainnet and marketplace are currently in production/development.

BUSINESS DEVELOPMENT ROADMAP

July 2021
Launch of landing page and community building activities

July 2021
Blockchain (test) network launch

August 2021
Crypto Stamps and Art closed Beta marketplace launch

September 2021
Blockchain Mainnet launch

October 2021
Crypto Stamps and Art open Beta marketplace launch