

SMARTBOARD

White Paper

Project Description and Development Strategy

Introduction

Nobody believed in it, but the emergence of cryptocurrencies – digital money based on blockchain technology – proved to be a game-changing phenomenon for the bureaucratic world of finances. A decentralized model of money emission, independent from governments and central banks, was proposed for the first time.

In turn, the society, for which such a revolution was a breath of fresh air, demonstrated an unprecedented willingness to self-organization by launching irreversible transformation processes in many areas. Decentralized financial protocols (DeFi) have opened new perspectives for breakthrough technologies. It would seem that the thousand-year dream of human beings – to get closer to financial freedom and equity – is about to come true... But let's not run ahead.

Today, DeFi does not have a convenient infrastructure, significantly limiting the area of digital money application, which makes it detached from reality and real mass adoption. Many people heard about DeFi, but

how many out of a hundred have used these protocols? Let's not even talk about the secure custody and management of digital assets, the creation, and maintenance of corporate accounts. Let's leave it to geeks and IT experts.

Or should we?

SmartBoard is one of those few projects that are moving towards unleashing the potential of DeFi technology and cryptocurrencies, developing the concept of decentralized autonomous organizations. Our project is capable of interconnecting various DeFi blockchain ecosystems within its network, building "bridges" between the digital economy and traditional financial system.

Our mission is to develop the infrastructure of autonomous organizations to pave the way for new opportunities in the digital economy. And provide people with these opportunities.

We believe that distributed technologies will help to simplify many processes, make them safer and more accessible.

Table of contents

1.	Project General Description	4
1.1.	BlockChain IZ ³	4
2.	DAO – Decentralized Autonomous Organizations	4
2.1.	What is DAO?	4
2.2.	Who can use DAO?	5
2.3.	DAO and DeFi	5
2.4.	Features of DAO	5
2.5.	Types of DAO	6
3.	User’s wallet	9
4.	SmartBoard Coin	10
5.	Crypto Stock Exchange	12
6.	Development of the Ecosystem	12
6.1.	Prospects of DAO	13
6.2.	SmartBoard Pay payment system	14
6.3.	Smart contracts 3.0	15
6.4.	Decentralized arbitration system	17
7.	Automated taxation and legalization of DAO	19

1. Project General Description

SmartBoard is the first ecosystem of decentralized autonomous organizations (DAO).

The entire SmartBoard registry is completely transparent. It means that all transactions, data of organizations, and information about their activities are stored in a public blockchain, which eliminates the risk of falsification.

1.1. BlockChain [IZ³](#)

SmartBoard Platform uses its network based on the [IZ³](#) protocol. No additional plug-ins or layers are required to integrate with browsers. [LCPoA](#) (*Limited Confidence Proof of Activity*) block generation algorithm provides robust network security against spam and fake transactions with no significant computing resources required. It employs Turing-complete smart contracts on JavaScript ES6 language with the feature of offline verification and distributed computing.

2. DAO – Decentralized Autonomous Organizations

2.1. What is DAO?

DAO is a new way of organizing business processes that is cheaper, faster, and more secure than traditional systems. DAO is based on a collective account for storing cryptocurrencies and joint management. All decisions in such organizations are made through voting based on previously established rules. These rules are adopted by all participants, at the stage of the creation of an organization.

2.2. Who can use DAO?

Investment funds, corporations, government agencies, freelancers, crypto enthusiasts, IT companies, mining pools, etc. Individuals and companies that own digital assets and need convenient, secure, and reliable collective management of these assets are the potential users of the platform.

2.3. DAO and DeFi

Digital companies can interact with financial protocols by addressing smart contracts in other blockchains' networks and using a system of oracle and “bridges”. SmartBoard can help to reduce the cost of managing digital companies in “expensive” networks, in which the cost of a transaction is high and impossible to conduct internal management of the company on the blockchain.

The first ecosystem for interoperability is Ethereum. The next one will be Tron. New financial eco-systems emerging will later be a signal to expand the interoperability of our network.

Interaction with DeFi contracts will be carried out through a special section in the dashboard of an organization. The history will be stored within our network.

2.4. Features of DAO

Multicurrency – a system of bridges that allows using several cryptocurrencies within a single DAO account registered in a blockchain register. Each organization has a single account within the platform. Any digital assets that are compatible with the system (cryptocurrencies, crypto shares, signing rights, etc.) can be transferred to this account with no fees. The system automatically separates external addresses (other blockchains) from the internal ones (our blockchain) and executes the corresponding transaction.

Crypto shares – tokens that fix a shareholder’s stake in the balance sheet of DAO. Crypto shares can be transferred, used as a vote, or eliminated in order to exit the organization and withdraw a proportional amount of crypto funds to a personal account.

All operations within DAO – transactions, offers, and voting (including results) – are stored in an open blockchain register.

2.5. Types of DAO

a) DAC – decentralized autonomous company

Distinctive features

- The functionality is designed for the collective management of crypto finances within business communities.
- Transfers within the platform are free of charge.
- Fast emission of crypto shares is available.
- Organization management systems can be configured in detail via the rules constructor interface.
- The right of decision-making can be delegated to other platform users.

DAC can be managed by both members and shareholders. Any person named at the time of creation or added after can be a member. Members have personalized voting rights that can be delegated. A shareholder of DAC can be a user or a fund that has purchased crypto shares of a company.

Types of possible actions in DAC

Actions that require voting:

1. Transactions.
 - 1.1. Direct transfer of funds.
 - 1.2. Purchasing internal currency SmartBoard Coin on the account of DAC.
2. Adding new members.

3. Members removal.
4. Additional emission of crypto shares.

Actions that do not require voting (performed by the creator):

1. Visual changes.
 - 1.1. Logo change.
 - 1.2. Change of organization information.
 - 1.3. Editing hyperlinks.

Types of management in DAC may vary greatly because of the customization of actions through the special rules constructor.

DAC Rules Constructor

DAC Rules Constructor allows configuring the execution conditions for particular actions through the interface by using a specially designed multi-signature system.

For actions, it is possible to configure the following:

- Signatures of individual members.
- Voting by members or shareholders (percentage for acceptance can be predetermined).
- Combined conditions (consisting of combinations of votes and individual signatures).
- An alternative rule that will help to execute an action if the main rule is impossible to fulfill.

Detailed description of the constructor's working principles can be found in technical documentation.

b) DAF – decentralized autonomous fund

Distinctive features

- The functionality aims at the collective management of crypto finances in non-commercial and investment purposes.
- A single wallet allows accepting different types of crypto assets.
- Decisions are made by collective voting of all shareholders.

- Fund can buy stakes in DAC, and members of the fund can influence decisions in organizations under their control.
- Each fund can use up to 4 crypto accounts at the same time.

Decentralized autonomous fund is managed exclusively by shareholders, with no members in this type of organization. Any user who has purchased crypto shares of a DAF can become its shareholder. Shares of the fund are both an asset and a management tool. The number of shares owned by the fund from the total number of shares determines the percentage of votes.

Decisions in a fund are made by a quorum: by a specified percentage of votes out of the total number of all shareholders. It is impossible to assign individual signatures of particular shareholders for decision-making in a fund. All shareholders have equal rights.

Types of possible actions in DAF

Actions that require voting:

1. Transactions.
 - 1.1. Direct transfer of funds.
 - 1.2. Purchasing internal currency SmartBoard Coin on the account of a fund.
 - 1.3. Acquisition of other DAC crypto shares.
 - 1.4. Unlocking additional accounts for cryptocurrencies.
2. Additional emission of DAF crypto shares.
3. Participation in management of controlled organizations.
 - 3.1. Participation in DAC voting: accept/reject action in a controlled organization on behalf of the fund.
 - 3.2. Proposal of action: propose an action in a controlled DAC on behalf of the fund.
4. Crypto shares.
 - 4.1. Offering DAC crypto shares for sale (funds from the sale go to the general account).
 - 4.2. Removal of DAC crypto shares from sale.
 - 4.3. Extermination of DAC crypto shares (funds allocated from the balance go to the general account).

Actions that do not require voting (performed by the creator):

1. Visual changes:
 - 1.1. Logo change.
 - 1.2. Change of fund information.
 - 1.3. Editing hyperlinks.

Management of subsidiaries

Standalone funds may acquire crypto shares of other companies (DAC). If the DAC has a third-party management option, the fund may jointly participate in the decision-making of that organization.

Shareholders of the fund may propose actions on behalf of the fund a controlled organization. Proposed actions will be sent to a vote inside the fund, after which they will be undergoing voting in the controlled organization. Members of the DAC will see the proposal on behalf of the fund-shareholder.

Funds may sell crypto shares of DAC. The rules of offering and selling are defined at creation. All profits from sales go to the general account of the fund.

3. User's wallet

Within the platform, users have a personal unified address, to which all cryptocurrencies and tokens are linked. Users can transfer any digital asset inside the platform without any fees. There is also a possibility to withdraw funds to a third-party wallet. The System defines its own external and internal addresses by sorting transactions.

Currently, the following assets can be stored in the wallet:

- SmartBoard Coin (internal currency).
- Bitcoin.

- Ethereum.
- USDT.
- Crypto shares of DAC and DAF.
- Signature rights for DAC.

The signature right allows participating in voting on your own behalf. Users can transfer their rights to other persons.

Transfer of inheritance

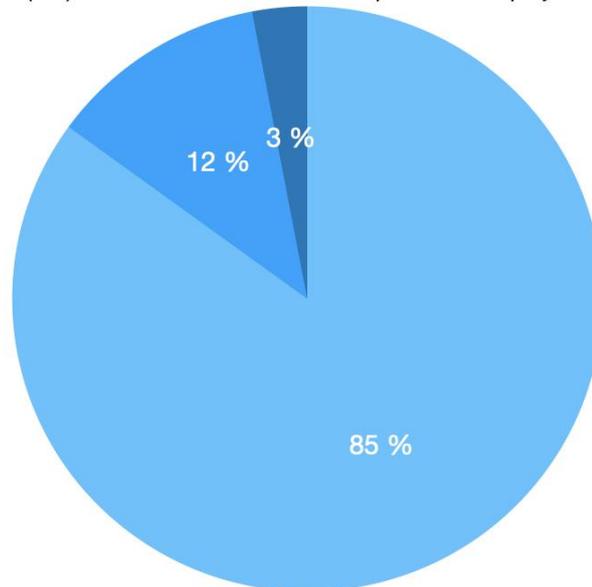
SmartBoard platform offers users to protect their assets by specifying an additional account for inheritance. If the account is inactive for an extended period, the specified address will receive all digital assets of the testator, including crypto shares and signature rights.

This feature is designed to protect and preserve digital assets in case of an emergency.

4. SmartBoard Coin

SBC is an internal token that is used for payments for services within the platform.

- (85%) Will be emitted by users as part of the PFP algorithm
- (12%) Emitted and frozen for ICO
- (3%) Emitted and frozen for development of the project



Max. supply is limited: 1 billion SBC

Proof Freeze Provision Emission Algorithm

Users of the platform create new coins by exchanging cryptocurrencies to SBC at a fixed rate of \$1. The exchange process is performed in the personal cabinet of the platform. The funds received from SBC exchange will be frozen in the public DAO. All accounts will be available for auditing.

SBC will be provided with other cryptocurrencies. Soon, the option of converting SBC back to cryptocurrencies on reserve will be added.

Paying fees and internal services eliminate SBCs. Limits will help to safeguard the currency rate from inflation, and the elimination and withdrawal of funds will free up space for the emission of new coins.

Gradually, the price of SBC will be put in the “free-floating” mode and will be determined by the rate of exchange trades.

5. Crypto Stock Exchange

The internal exchange will allow digital organizations to place their crypto shares for public trading to attract investments. Investors and traders will be able to receive all information about organizations and their rules of operation. In some cases, investors will obtain control tools of organizations and funds.

Advantages of using IEO – Initial Exchange Offerings (public offering of crypto shares on the SmartBoard internal exchange):

- **It is cheaper than IPO** (the price of the listing will be just about 100 SBC = \$ 100).
- **It is more reliable than ICO** (investors and traders will be allowed to see all information about the company, and also obtain protective mechanisms: resell their shares without waiting for them being listed on the exchange, or destroy the shares, taking back the contributed part, if it is stipulated in the rules).

The market of digital organizations will be transparent and standardized, thus improving the quality of investments in digital projects through IEO.

Crypto stock trading will be carried out through SmartBoard Coin, which will increase liquidity and demand on SBC.

6. Development of the Ecosystem

SmartBoard ecosystem will be developed towards enhancing the capabilities of digital organizations and create digital business infrastructure.

The capabilities of organizations are divided into the following groups:

a) Internal (interaction within the organization)

1. Expansion of internal functionality and decision-making system based on experience, feedback, and cases within the platform.
2. Detailed configuration of crypto shares for creating companies and funds for different purposes (with balance sheet binding, without binding, with passive income, and so on).
3. Possibility of DAO integration with third-party services and apps.
4. Transfer of ownership rights over digital assets to DAO management (IoT – Internet of Things, access rights to decentralized apps through an internal control panel).

The plan of developing additional internal DAO functionality will be approved after launching the platform, receiving feedback from early users and re-working specific cases within the ecosystem.

b) External (Interaction between B2B and B2P organizations and users)

1. Smart contract constructor for signing digital contracts on the blockchain.
2. Interface panel for exchange operations with digital assets between users and organizations.
3. Creation of a marketplace for selling digital goods and services.
4. Creation of own “.dao” domain zone for digital organizations.
5. Integration of DAO marketing panel on the company’s website for rapid transactions.

6.1. Prospects of DAO

In the coming years, digital organizations can become a full-fledged organizational form for IT-companies. This format is more efficient and reliable than traditional systems. For developing countries with a high level of corruption, such a model will be a better option, as it will allow protecting members and shareholders from illegal acts of third parties, including illegal acts of civil servants and abuse of justice systems.

Development of DAC

- Opportunity to emit own means of payment (tokens of a single standardized format) for integrating the service with an account on the platform.
- Opportunity to issue crypto shares, yielding dividends from the company's revenue.
- Opportunity to change the rules of the company after its creation (migration of smart-contracts).
- Opportunity to upload code of a third-party web application to the blockchain environment, regulating ownership rights and establishing access rights within DAO.

Development of DAF

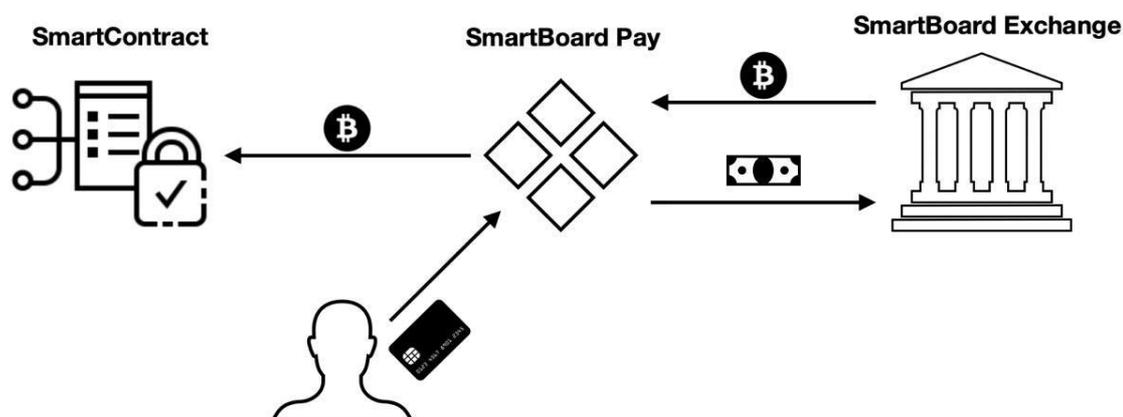
- More detailed management capabilities for controlled DACs.
- Opportunity to emit crypto shares yielding dividends from the fund's income.
- Integration with the platform's API to create investment stock exchange funds.
- Opportunity to change the rules of the fund after its creation.
- A new type of fund.

Digital organizations contribute to the creation of a safe and transparent ecosystem that will allow people from different countries to pool capital easily and promptly, using it jointly for mutual purposes.

DAO can be a basis for developing scientific, investment, and charitable ecosystems that are safer and more transparent than traditional ones.

6.2. SmartBoard Pay payment system

The payment system will help organizations to interact with their customers by providing the opportunity for them to pay for digital goods or services of companies with bank cards.



SmartBoard Pay will mediate and automate the exchange of fiat money into digital assets that will be transferred to organizations' accounts. If organizations use a smart contract for selling digital goods or services, the funds will go straight to the smart contract, and after the contract is fulfilled, they will be transferred to the organization's account.

6.3. Smart contracts 3.0

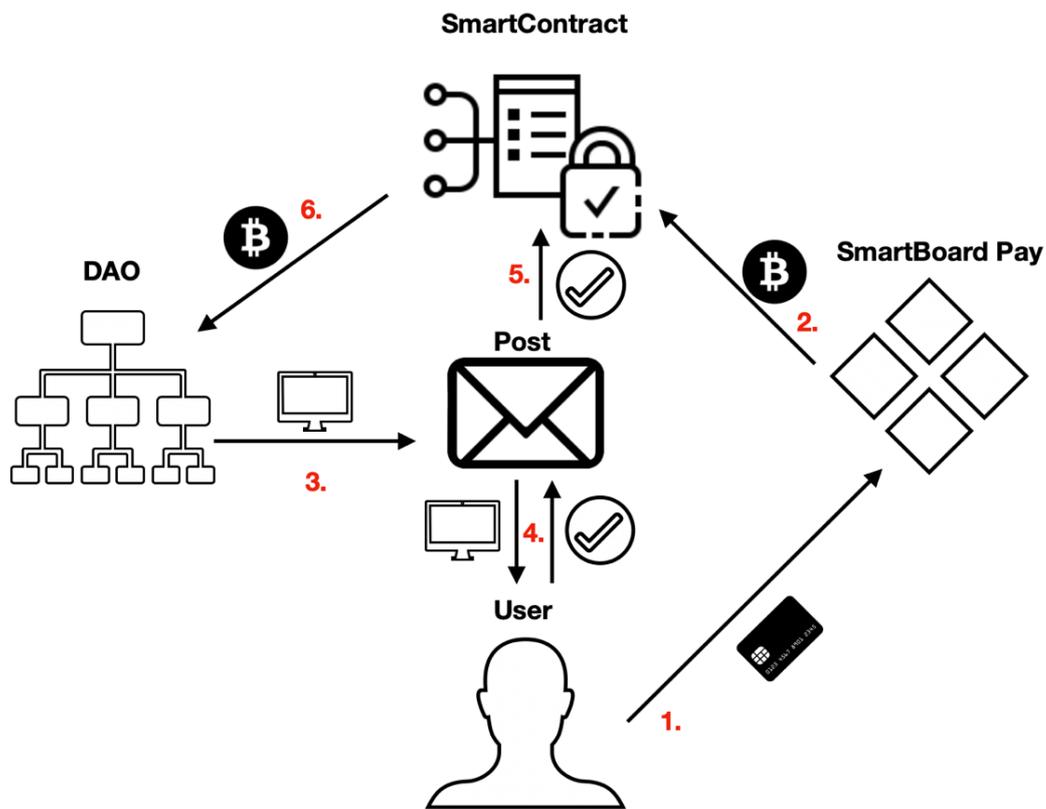
Smart contract remains an immature technology that is far from real life. The main challenge for most smart contracts is their isolation within the ecosystem and the inability to interact with external services.

SmartBoard smart contracts can handle both transactions in the digital world and those involving the provision of services and sale of tangible goods.

Sale of tangible goods

Most transactions of selling goods involve courier and postal services. Our contracts will be able to interact with the outside world through "oracles" – auxiliary services for obtaining data – and track the movement of goods. Funds will be stored in the smart contract until the order is fulfilled, and once the order is fulfilled, they will be sent to the seller's account. In case of refusal, return, or other breaches of

contract (for example, delivery terms), the contract will send the whole amount back to the buyer.



1. User pays for the goods by card online.
2. The payment system converts funds into cryptocurrency and sends them to a smart contract, where they remain frozen until the end of the order's execution.
3. DAO sends the goods to the user using the mail system set by the smart contract, which may also contain a condition about the delivery time.
4. User receives the goods. The receiver shall sign in the post office or on the courier's form when receiving the goods. The delivery service indicates the tracker of the order on the website as executed.
5. Smart contract reads information from the delivery site.
6. Smart contract sends funds from the contract to the organization.

Service delivery

The human factor plays a significant role in the fulfillment of complex deals. Smart contracts cannot determine the quality of work done or assess hard intellectual work.

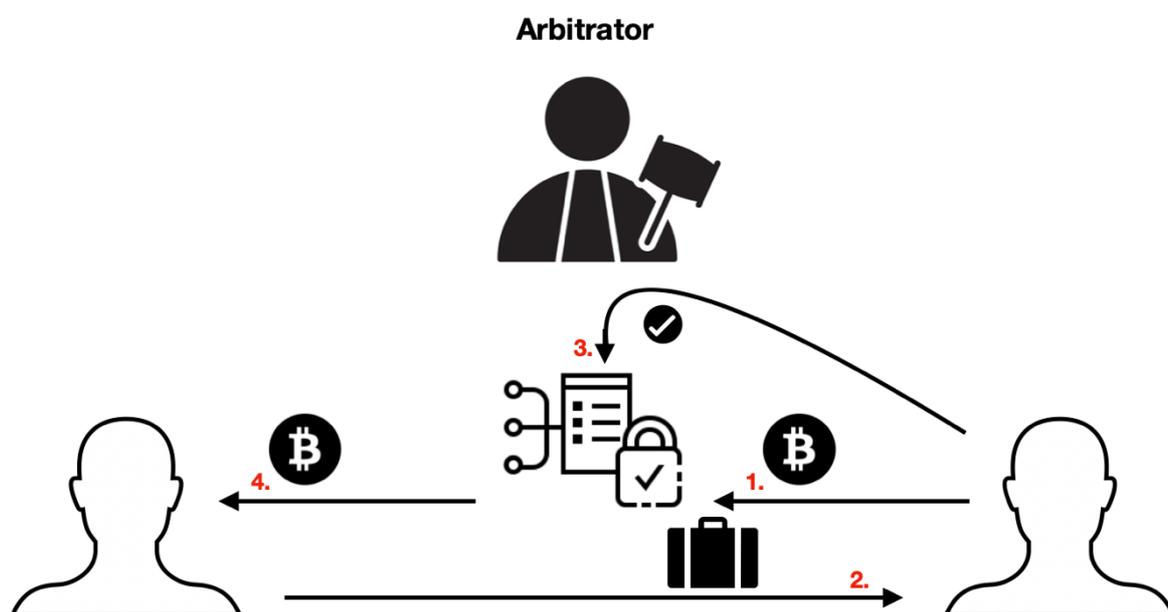
In this case, organizations and users will be able to use a smart contract as a form of a deal, yet involving specialized participants – arbitrators, who will participate in the transaction between the parties, in monitoring the execution of agreements

6.4. Decentralized arbitration system

The arbitration system will allow organizations and users to engage specialized intermediaries to perform complex transactions that cannot be executed through a smart contract.

To become an arbitrator, a user has to freeze some of their funds (SBC) in the ecosystem for the period of having the arbitrator status and also has to confirm information about their qualification and experience.

Platform users will request an arbitrator, specifying the amount of reward. The system will structure the requests by the amount of the reward and automatically appoint an arbitrator capable of conducting the deal. The amount of reward will affect the speed of processing and appointing an arbitrator.



1. Party A sends the sum of the deal to the smart contract.
2. Party B performs the specified works, service, provides proof in the shared chat.
3. Party A confirms the fulfillment of the transaction to the arbitrator, and then, the arbitrator sends the confirmation of the smart contract.
4. Smart contract releases the funds to Party B.

The agreement will be in a free form. Users will draw up the contract template by themselves, specifying the terms of the deal. Interaction between parties and the arbitrator will be carried out through the internal interface. The arbitrator will not have information about the parties of the deal and will not be able to contact them personally, only through an internal chat.

During the deal, funds will be frozen in a smart contract, which will release them to one of the parties after the decision of the arbitrator.

If one of the parties considers that the arbitrator has made an unfair decision, it may be appealed. The parties can appeal against the decision for an additional fee; in such cases, from 2 to 6 arbitrators will

join the deal, and they will study the materials from the chat and make a decision. If the team of arbitrators decides that their predecessor was wrong, the latter will lose the funds frozen. Arbitrators will be rated, affecting their capabilities.

Users will see the arbitrator's rating and could sort them by rating. In this way, we will create an analog of a decentralized judicial system. In this system, the arbitrator risks their reputation and finances, which reduces the possibility of improper actions.

The cost of arbitrators' services will be formed by the market. The arbitration system will help specialized participants to earn money from deals, while users and organizations will have the way to secure interactions within the ecosystem.

7. Automated taxation and legalization of DAO

The model of digital organizations will be of interest to government agencies in many ways since blockchains are a fair and transparent environment for storing financial transaction history. In the future, SmartBoard functionality can be scaled up to develop automated tax systems connected to the ecosystem.

Digital organizations will be able to voluntarily join the jurisdiction of a certain state and pay tax in the form of transaction commission, thereby completely legalizing their activities. In turn, states will have the opportunity to collect taxes in digital space. For business, automated taxation solves problems with accounting, reducing the costs of accountants and tax lawyers.

For governments in different countries, it is possible to develop special service organizations to receive fees from foundations and organizations.