

**WHITEPAPER**



# **BITPAYER**

**Using blockchain technology  
for economic betterment.**

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# Bitpayer (BPT)

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v0.0.2

## Introduction

Bitpayer brand launched as a mobile application ([Android](#)), enabling users in Africa to purchase and trade cryptocurrencies such as Bitcoin. Since we identified a need in the market and a list of growing problems digital currencies could help us solve and create value for small communities and developing economies, we have decided to expand on our vision and launch a Bitpayer ecosystem, a community that will be focused on the development of various financial and other products and services.

In the initial version of the Bitpayer whitepaper, we presented Bitpayer DEX, a decentralized exchange operating without a central authority. The exchange is powered by the native Bitpayer token ([Etherscan](#)). Since the launch of the product online, Bitpayer token has been listed on various other centralized and/or decentralized exchanges. While this was a remarkable achievement for our team because we conducted all our activities supported by the community alone, without an ICO or VC investors, our team has to continue working even harder on adding more exchanges to that list and creating more utility values for the Bitpayer token. This is only achievable with the support of our community.<sup>1</sup>

We envision Bitpayer token as an important digital asset in the global financial system, enabling users to freely transact, exchange value, and start and grow businesses in developing regions across the globe.

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<sup>1</sup> Before making any decisions, you should also read our token ownership agreement at the bottom of [bitdevo.com](http://bitdevo.com) website.

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## IMPORTANT NOTE

Before we present our long-term vision in this whitepaper, the community needs to understand the associated risks with the Bitpayer project. As any other cryptocurrency on the market, including Bitcoin and Ethereum, Bitpayer tokens might completely lose their value, or the development of the Bitpayer project might be terminated for various reasons, including but not limited to, legal complications, financial and governmental regulations, lack of the required human and financial resources, etc. As we grow and generate more resources, we will also have to hire a legal team and apply for various licenses, a mandatory step that might also alter the direction of our development.

You should read and learn more about the blockchain market and support the Bitpayer project and/or purchase the Bitpayer tokens ONLY if you believe in the vision of the project, the products we are aiming to build, the founding team behind the project, and our community mission, not because you are expecting a significant financial return on your investment.

Developing new products requires significant financial and human resources. Furthermore, successful execution requires that we make strong partnerships with financial and other companies and institutions, act in accordance with all the local and international laws, recruit talented people, etc. Therefore, the success and the speed of development of our project also depends on the resources we will generate in the future, available partnership opportunities, regulatory challenges, etc.

**We have to work together as a Bitpayer community to turn new ideas into reality, educate people about the benefits of the digital economy, and make a significant positive impact on our society. The vision of the Bitpayer project is to enable people in developing countries such as Africa to easily transact without bank accounts and start and grow their businesses so they can provide education to their kids, create jobs, and contribute to the development of their local economy.**

### **Bitpayer development: Building the future together**

Bitpayer Development operates separately from the Bitpayer Exchange, the entity handling the development and distribution of Bitpayer tokens (BPT), and is focused on the growth of Bitpayer project, international expansion and development of products and services that will be providing additional value to Bitpayer token holders. In a nutshell, it is a blockchain company entity in Q2 2020 focused on developing projects that can enable people in emerging economies to transact, save funds, and monetize their products and services. We see community-driven governance systems and digital currencies as the future of financial platforms and a way to enable and incentivize people to build stronger economies.

For example, half of the world's population works in agriculture. In developing economies, a large share of the population typically depends on the informal economy in order to support their livelihood. Most of their income comes from subsistence farming or from operating small unincorporated enterprises. UN Food and Agriculture Organization (FAO) projections show that global food production would have to increase by 70% between 2007 and 2050 to feed 9.1 billion people. By 2030, agriculture will be generating \$1 trillion in Africa alone.

These businesses are present in countries with flawed financial systems. While blockchain technology can enable us to build better financial infrastructures, agriculture can help us create additional social and economic ripple effects. With increased income and growth, small farmers can invest in their local community, feed their families, provide them with healthcare, send their children to school, and invest in their farms. These investments can grow their local economy and create additional opportunities for employment and businesses in other branches of agriculture such as food production and distribution.

If Bitpayer can help these communities achieve such a mission, we will be making a significant impact in the world together. As we grow, get listed on more exchanges, and generate more financial and other resources, our vision is to invest funds in different projects that can create opportunities for these communities and a significant value for our token holders.

## **Bitpayer: Basket of ideas**

We see Bitpayer as a community-driven basket of ideas, opportunities tackling relevant problems for our token holders or providing them with financial, entertainment, or educational values. To give you a better understanding of this statement, here are a few ideas we are evaluating:

**Community Competitions:** We will be organizing social media competitions for Bitpayer token holders with different challenges – e.g. posting project related questions where the quickest answer wins a prize.

**AuBlock:** A gamified auction platform allowing users (BPT token holders) to either enter raffle pools or bid with other users to buy cryptocurrencies cheaper than anywhere else on the market. For example, blockers (members of our community) will be able to purchase tickets for a raffle pool where they can buy one Bitcoin at a 20% discount.

**BPT Trading App:** Bitpayer mobile application allowing users to easily trade Bitpayer with other cryptocurrencies in one place, send and trade tokens and create payment requests they can send to other users.

**Mentorship Area:** Online classroom for Bitpayer tokens where they can access different learning materials, discuss ideas and get connected with mentors. Furthermore, we will consider creating an online learning area for children.

**Community Spotlight:** We will create a page on our website where we will promote members of our community, their story, and future aspirations. They can use this page as part of their biography. The goal is to promote stories of our token holders and help them spread the word about their talents and hard work. Hopefully, this can also help them get attention from potential employers.

The aforementioned ideas are just a part of our vision for the Bitpayer community. You should follow us on social media and check our website for the latest updates on new or future projects that we will be presenting to our community, including the ideas that we will be executing in the near future. To work on their execution, our team will first focus on the growth and promotion of the project, setting a good foundation for its liquidity, and generating revenue we can use for development.

### **Investment platform**

According to the World Wide Fund for Nature (WWF), developing countries are predicted to convert a further 120 million hectares of natural habitats to farmland by 2050 to meet the demand for food. However, farmers in developing economies generally lack access to loans and investments. Furthermore, post-production, around 30-50% of all food around the world is wasted. These losses can be directly attributed to a lack of infrastructure and capital. In sum, small businesses in developing countries either do not have access to capital or they are not able to secure loans and investments.

We believe that agriculture is a crucial part of the world economy. Therefore, we want to support the development of small communal economies around the world through agriculture by using the values of the distributed economy to provide them with the necessary resources. Hence, one day we want to build a collaboration and investment platform that will be connecting developing communities across the region, crowdsourcing insight into their needs, and enabling them to receive financial support. In particular, we would be targeting projects that do not require large financial injections to scale their business, generate large returns, and make an impact on their local economy, yet they lack access to capital and formal financial systems. Instead of equity, these projects will be pledging a share of their revenue to Bitpayer in form of our tokens, in the same way growing our demand and trading volume. The platform would operate with the following model: Token holders submit a project > community members vote and make the necessary analysis > selected projects receive the requested financial support from the community budget and pledge part of their revenue back to the budget with an interest rate.

While blockchain technology can enable us to build better financial infrastructures, agriculture can help us create additional social and economic ripple effects, especially in countries with corrupted financial systems. With increased income and growth, small farmers can invest in their local community, feed their families, provide them with healthcare, send their children to school, and invest in their farms. These investments can grow their local economy and create additional opportunities for employment.



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## PART II

# PAYMENTS PLATFORM

LONG-TERM VISION

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## INTRODUCTION

For many cryptocurrencies on the market, entering the retail industry seems like a complex and expensive procedure. Furthermore, they understand that retail owners are not interested in holding a highly volatile currency. Some merchants can tolerate risk, but many entities have to protect their cash flow - the biggest killer of small businesses - as they have to pay their suppliers and cover their operating costs. Fast and reliable payments without the risk of volatility are the obvious step toward onboarding new and supporting existing merchants on the market. In order to work on the mainstream adoption of digital payments, we need to enable online and brick-and-mortar sellers and service providers to accept payments in different cryptocurrencies without any pain points associated with the price and liquidity of these digital assets.

*Once we generate the appropriate resources, our plan is to start developing a payment solution for merchants and service providers enabling them to accept cryptocurrency payments without any risks associated with the price and low liquidity of digital assets.*

### **Problem: Volatility as the core barrier to mainstream adoption**

We believe that volatility is the core barrier to cryptocurrency adoption around the world. Due to volatility, merchants are not interested in accepting cryptocurrencies and individuals do not trust them as a long-term means of storing value. This is especially the case when it comes to specific groups of merchants with the most loyal of customers, such as grocery stores and supermarkets. By not being able to accept cryptocurrencies, they are missing on revenue and growth opportunities.

To fight this issue, many companies have developed stablecoins. Even though users fear that stablecoins can very easily be manipulated by their creators or other centralized parties, they are created as cryptocurrencies with a functioning-structure that is stabilizing their price and protecting investors against volatility. However, betting on them as a primary payment option would mean that merchants cannot accept other cryptocurrencies, and Bitcoin and altcoin maximalists have to adopt them as their primary means of storing value.

### **Our vision: Stablecoin settlements**

We believe there is a need on the market for a payment platform for BTC and altcoin payments which provides liquidity, reduces friction, and helps merchants and service providers, who have taken the bold step of accepting cryptocurrencies, to protect against volatility.

With such a solution, merchants would be able to accept crypto payments which are settled in stablecoins – an efficient way of using technological benefits of both payment structures to push the mainstream adoption of cryptocurrencies. Stablecoins enable merchants to receive settlements in any part of the world even if they do not understand the technology behind different coins or have bank accounts.

### **How it works**

Merchants accept the payment in Bitcoin or other cryptocurrencies > Bitpayer sells the crypto and immediately settles the payment within their account in stablecoin > Merchants can hold their stablecoins or sell them via partner exchanges and cash out in fiat.

### **Settling payments: Trading | Purchasing power**

In order to execute such a plan, we would have to start integrating existing stablecoins within our product at the early stages of development, but our long-term goal would include creating our stablecoin and using it to settle payments. For stablecoins, we would represent a direct opportunity for mainstream adoption and creation of transaction volume. Once the payment has been made, we would be selling the accepted cryptocurrency via our partner exchanges or the Bitpayer exchange and buying stablecoins to settle the payment. As our userbase grows and we attract more capital, we would be generating purchasing power so we can create stablecoin supplies in advance and immediately settle all the payments for the merchants.

### **Competition: Targeting altcoin payments**

We currently do not have a direct barrier to enter the market. There are payment providers on the market such as Bitpay, allowing merchants to accept payments in Bitcoin with a direct settlement via a bank deposit. Unfortunately, they are not able to offer this service to different merchants in developing countries that could benefit the most from cryptocurrencies because of poor banking structures or the difficulty to create banking relationships in those regions. In these cases, they need to settle to them with cryptocurrencies which are subject to price volatility. The price of cryptocurrencies is always changing, which adds risks to merchants who receive it as a settlement until they can exchange it for fiat currency. Yes, these service providers do have the option to settle in stablecoins but most of them are primarily focused on BTC payments, limiting merchants to a specific cryptocurrency in a world where altcoins play an important role in the future of digital payments.

### **Growth opportunity: Cash advance for small businesses**

By analyzing businesses using our payment platform, we would be able to understand and evaluate their operating strengths such as revenue and growth potential. Based on the collected data, we would be able to determine which small businesses have a stable revenue stream and the most promising growth potential. We can start offering them cash advance loans up to \$10,000 in stablecoin. They can use this capital for short-term cash flow management, expanding their business or hiring more people, purchasing inventory and new equipment, etc.

Instead of classic loans offered by traditional banking institutions, there will be no scrutinizing requirements, compounding interest, and long waiting periods. Furthermore, our loans would be automatically repaid using a percentage of their daily sales – we will be increasing the transaction fee charged by Bitpayer per every transaction until the loan and a flat fee have been repaid. This model perfectly aligns with their cash flow. Small businesses will have capital at their disposal as soon as they need it and they do not have to think about the repayment — just do business as usual.

### **Market focus: Making cryptocurrency payments accessible to everyone**

We would have to partner with merchants, companies and service providers offering or selling their products online. Our business model would be based on transaction and settlement fees and flat fees within the cash advance model at later stages of development. As our goal would be to enable blockchain developers, token holders, business owners, and other parties to transact in cryptocurrency anywhere in the world, we can see ourselves expanding to physical stores through the point of sale system and payment cards, including other forms of financial settlements. Partnerships represent the key growth and expansion opportunities for BPT. In this instance, we have identified the following verticals: existing POS device manufacturers, POS software developers, and e-commerce platforms.

### **Development opportunity: BPT stablecoin**

In the initial stages of our growth, we will be partnering with a credible stablecoin that will be used for providing payment settlements. We believe that stable digital assets and governance structures are essential to realizing the full potential of blockchain technology and creating a thriving environment for small businesses. Our long-term goal is to develop our protocol and stablecoin which will be used for payment settlements.

The protocol would be powered by Bitpayer tokens and expanding and contracting the supply of BPTCoin to calibrate the exchange rate with the peg, leveraging the Quantity Theory of Money - the general price level of goods and services is directly proportional to the amount of money in circulation, or money supply. The goal is to keep the price stable around 1 USD in value and contract the supply based on set percentages of fluctuation.

#### ***Exchange rate of BPTCoin < price peg***

The reserve buys up BPTCoin from the market and burns it, contracting the money supply such that price level equals money supply.

#### ***Exchange rate of BPTCoin > price peg***

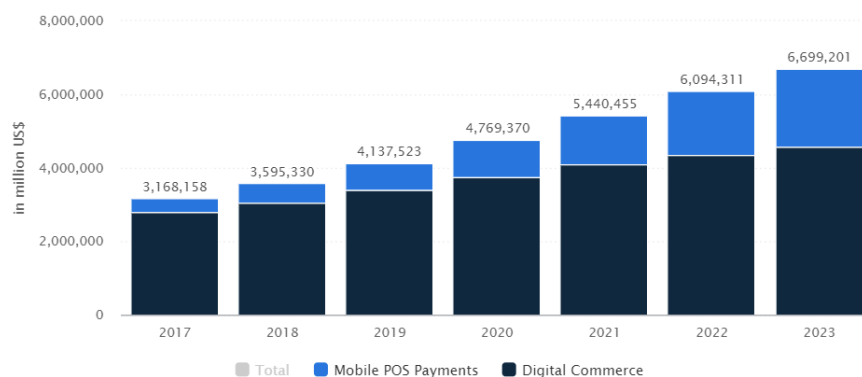
The system generates new BPTCoin and provides it as a cash advance loan to small businesses.

**The reserve** for BPTCoin securing the price stability will contain reserve tokens (BPT) locked by users to earn rewards. Additionally, it will contain other assets generated by Bitpayer through other revenue streams. People would be locking BPT tokens for 100 days and earning rewards (% of transaction fees, and % of cash advance fees). Furthermore, we envision other utility opportunities for Bitpayer tokens, such as applying for cash advance loans and securing the financial stability of the payment system.

### Market overview: Digital payments

The global digital payments market will reach \$132.5 billion by 2025, based on a compound annual growth rate of 17.6% over the next six years, according to a report by Grand View Research Inc. The growth is based on the rising penetration of smartphones around the world and the entry of large non-bank companies into the payments space. Studies have shown that while 33% of millennials use cash, but only 18% of Gen Z-ers use cash (Digital Transactions), stating the future of the payments market is moving in the digital direction.

At year-end 2015 there were 18.08 billion payment cards in circulation worldwide — global brand and domestic-only general purpose and private label. That figure will grow to 22.90 billion by the end of 2020. Out of the 7.5 billion people on the planet in 2018 less than half use a bank account. Low—and middle—income countries are largely responsible for the lack of active bank accounts (Quartz).



Source: Statista, September 2019; Selected region only includes countries listed in the Digital Market Outlook

## Conclusion

While a risk-free online payment provider for cryptocurrencies is the most obvious future role for the Bitpayer project, many other merchants and service providers can also benefit from these standards. Poor banking infrastructures around the world signify a direct entry to the market for these values. Stablecoins represent a price-stable store of value and medium of exchange. Utilizing these values to create a global payment system protecting its users from volatility and other issues will incentivize the mainstream adoption of cryptocurrencies and help us build healthy economies around blockchain technology. Existing solutions on the market are primarily focused on Bitcoin payments and other trending cryptocurrencies, but we see a large group of digital assets with utility opportunities arising on the market. All these assets can enable us to transact freely across the globe, lay the foundation for new financial systems, and build new businesses in the era of cryptocurrency payments.<sup>2</sup> We will work hard as a team to start creating opportunities for the Bitpayer community, get the BPT token recognized by digital exchanges across the world and develop new ideas for products that can solve problems in developing communities across the globe.

**CALL FOR IDEAS AND TEAM MEMBERS:** Bitpayer is a community-driven project whose growth is dependent on its members. If you are a Bitpayer token holder or just a person evaluating this whitepaper, you are free to contact us with any product or development ideas or as someone interested to join our team and contribute to our growth and development in the following areas: partnerships, marketing, legal, finance, product development, design, etc. We look forward to hearing from you!

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<sup>2</sup> *Presented details are just potential future development opportunities for Bitpayer. Their execution will depend on the growth of the project, legal and financial legislation and the available resources. Detailed technical specifications and implementation details of this platform (or other presented ideas in this document) will be prepared and released to the community in case all the conditions are right and the development of the aforementioned project is initiated. We are including this note to make sure that our community understands the potential risks of investing their funds in blockchain projects.*

## APPENDIX I

