



# Harbor Token

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# Harbor Token White Paper

Harbor Token is an ERC20-based cryptocurrency of the Ethereum network as a token with the right to purchase all goods and services distributed on the Harbor platform. It is a managed currency token that holds part of the assets at the time of issuance as a base asset and reserves, and the issuer controls the money supply.

## Preface

A lot of cryptocurrency has been released recently, and they are raising funds through crowd sales.

Harbor Token manages the assets that come into at the time of token issuance in the asset contract so that the owner can convert them into their original assets when they want. By managing most of the assets that flowed to the Harbor Token at the time of issuance as base asset or payment reserve, we have greatly reduced the risk of participants in currency issuance (crowd sale).

As Harbor Token issues not only Ethereum but also other currency based on various assets you can construct diverse asset portfolios and enhance stability through it. We aim to build a virtuous circle of value creation by investing some of the benefits of currency control and currency issuance on platform development and platform participants.

For a detailed description of the Harbor Platform, please refer to the Harbor Platform White Paper.

# **Risk Factors of Cryptocurrency Issuance**

There are many risks in existing cryptocurrency issuance. Harbor Token is designed with the emphasis on reducing the risk factors and maintaining the stability of the currency value through the asset-based currency model and the managed currency system.

## **Risk of Failure of Commercialization**

As many cryptocurrencies are based on abstract ideas, it is not clear if they can be commercialized in many cases. Even if it is commercialized, there is still a risk that the service will fail in the market, consume all the assets previously invested and the value of the currency will decline.

## **Risks related to Foundation Operations and Use of Fund**

Funds raised through ICO(Crowdsale) are managed through the Foundation. The business owner will establish a developer according to the business purpose and invest in the developer to carry out the project. Funds managed through the Foundation may not be used in accordance with the purpose of the foundation, or may be maliciously used for private purposes. In the worst case, the grant can be repealed and the funds can be confiscated by the state according to applicable laws and regulations. And above all, it is difficult for participants to make sure that funds are actually being used correctly according to the specified purposes.

## **Excessive Fundraise**

Many cryptocurrencies generate too much funding compared to actually needed development fund. If you raise more funds than necessary to meet the needs of commercialization, you will have inefficiency in fund management and taxation.

## **Uncertainty of Initial Currency Value**

Many cryptocurrencies often start operation only with service concepts and development plans, and the basis for currency value is relatively insufficient.

## **High Price Volatility**

Many cryptocurrencies cannot be used in real life as they have high price volatility. Above all, both sellers who sell products on the Harbor platform and consumers are at great risk of loss due to changes in currency value.

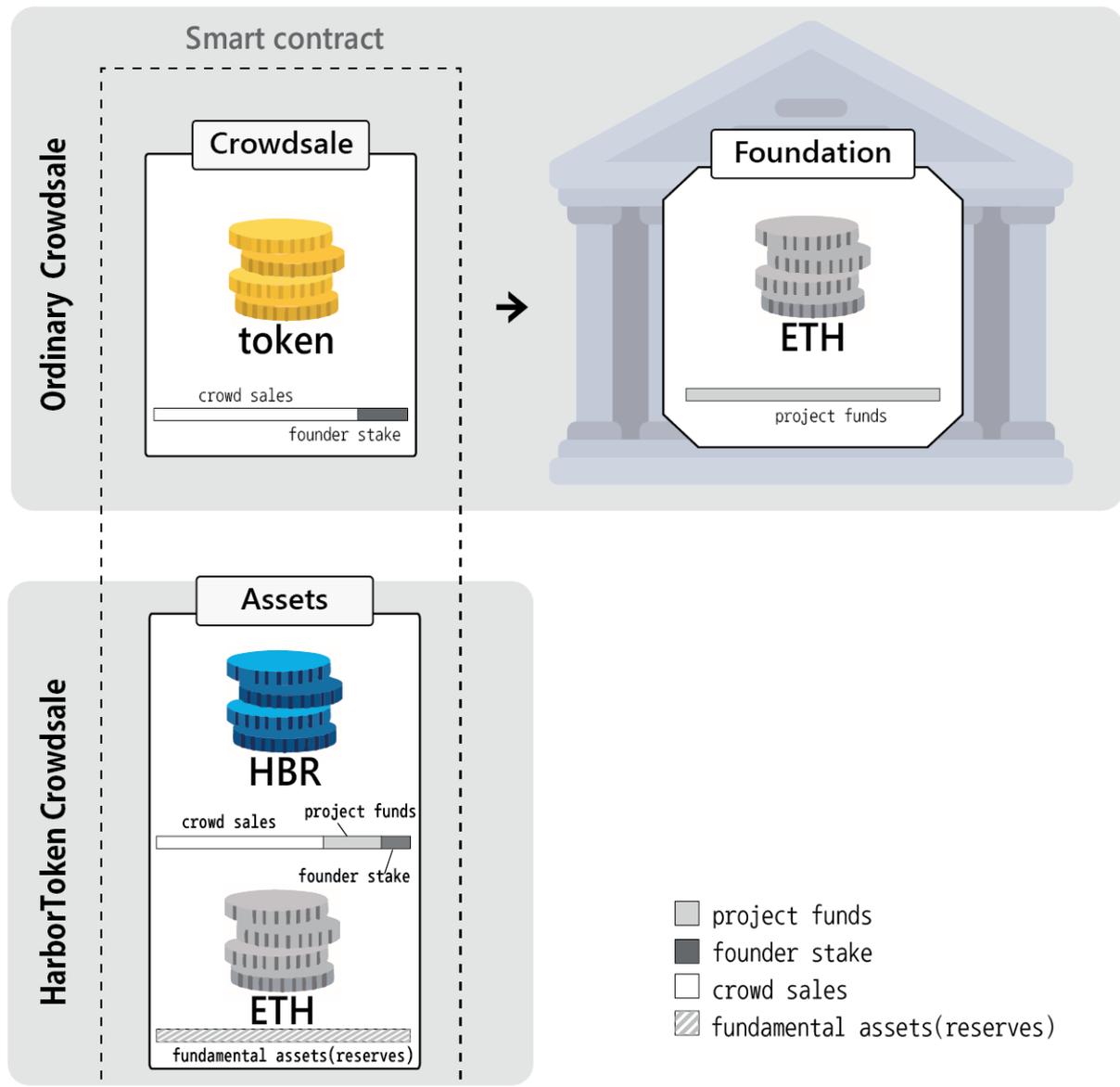
## **Diversity of Cryptocurrencies and Limited Supply**

Excluding well-known cryptocurrencies such as Bitcoin or Ethereum, many cryptocurrencies have disadvantages that they could not be actively used because of limited supply.

Harbor Token can implement a monetary policy that responds to market conditions or a strategic monetary policy based on the growth cycle of the harbor platform. It helps to build a wealth of asset portfolios and, in the long term, to increase influence on the cryptocurrency market by expanding supply.

# Asset-based Currency

This is an asset-based currency that ensures that assets (currencies) at the time of the issuance of the currency are retained as base asset and reserves for payment of Harbor Token.



The currency structure of the harbor token differs from the existing currency structure. Most of the assets, excluding fund for platform development and share of the founder, are managed by asset contracts. Owner of Harbor Tokens can exchange their tokens at any time according to asset

(asset participating in currency issuance) at the rate specified in asset contract (Exchanged at a ratio of total asset money to total Harbor Tokens issued)

There may be restrictions on the issuance of currency such as period of time and the amount of issuance, but there is no restriction on the exchange between the issued tokens and assets.

## **Advantages of asset-based Currency**

Harbor Token manages most of assets excluding development fund and the founder's share in asset contracts unlike other currencies. This will reduce the risk of fund operations through the Foundation by creating a development fund with the minimum cost necessary for commercialization, and minimizing losses of investors resulted from the failure in commercialization and services.

### **Basic Asset Value (fundamental assets or reserves)**

By retaining some of the assets as base asset in the asset management contract, it makes sure that the value and reliability of the currency which may not be sufficient prior to commercialization of the service.

### **Interchangeable Tokens**

All of the Harbor Tokens issued based on base asset can be converted base asset through asset management contract at any time. The exchange rate depends on the currency issuance conditions and money supply settings specified in the asset management contract. This creates the appropriate lowest price, minimizes the loss of the investor and gives the currency growth momentum.

## **Configuration of Diverse Asset Portfolio**

It spread risks associated with asset value changes by building a diverse asset portfolio and not being bound to a specific currency, through additional issuance of other blockchain network currencies such as other ERC-based currencies or Bitcoins as well as Ethereum.

## **Managed Currency System (monetary base)**

Harbor Token is a managed currency that encourages stability and gradual growth of the currency through arbitrary money supply controls such as issuing and burning of currencies.

Many cryptocurrencies have high price volatility, and the price is determined in the exchange market according to demand and supply.

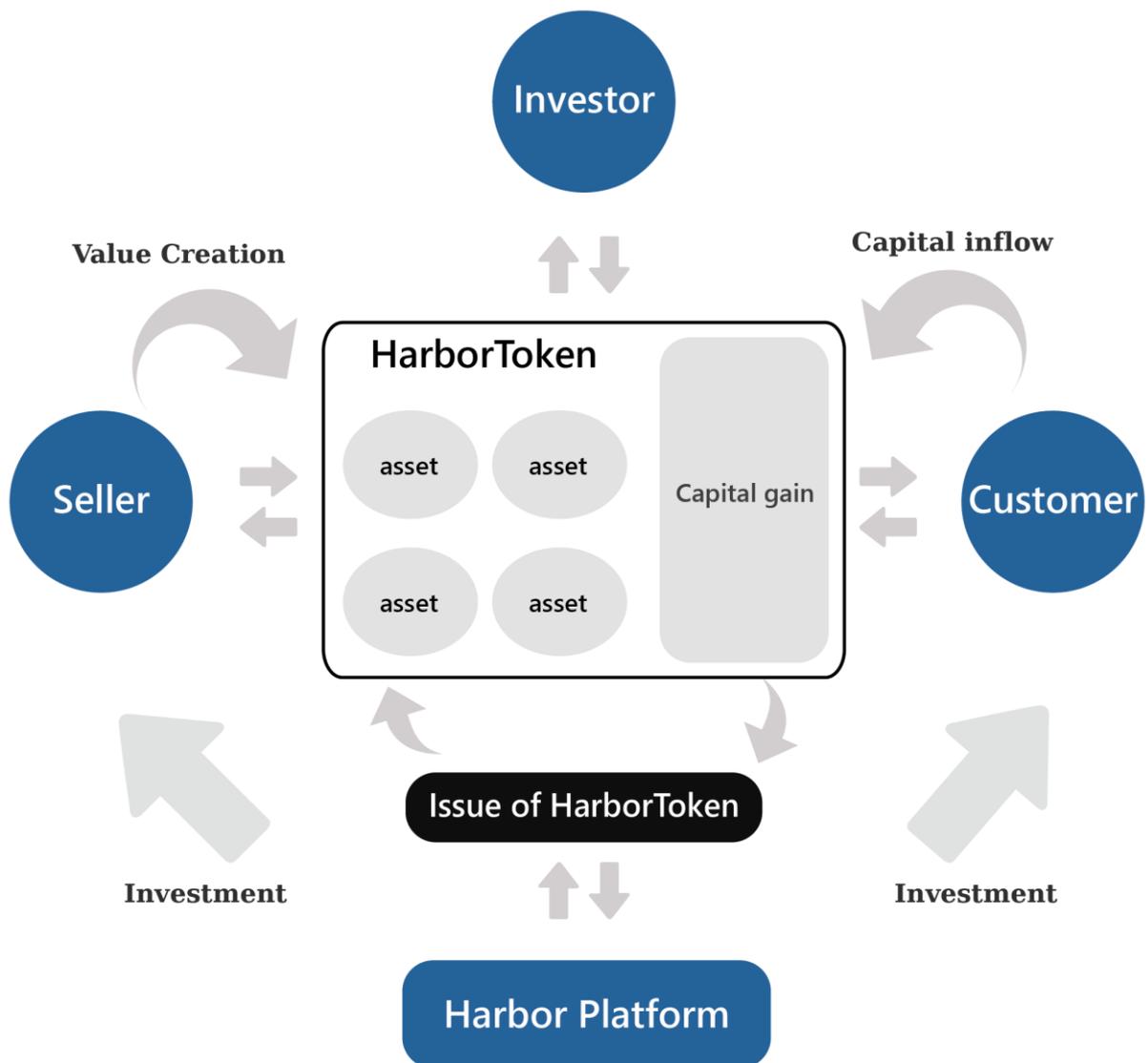
Although a limited amount of money and high price volatility can be attractive to some speculative investors, high price volatility of Harbor Token in the harbor platform, they may be threats to stable trading between sellers and buyers as an exchange value. As the subject that provides distribution and service of the software and that manages money supply, we will prevent long-term excessive price fluctuations, maintain currency stability as a means of purchasing software, reduce high price volatility, lead to gradual growth in currency value, ensure stable service of the harbor platform and minimize risk of investors.

Unlike general currencies, which are wholly supplied and distributed by the central bank with money issuing authority such as dollars or euros, issuance of the Harbor Token is limited and distribution of currencies and credit creation effects are relatively small, as the issuance of the Harbor Token is made by compromise between the market price and the demand according to the exchange condition between the currency issuance contract (crowd sale) and harbor currency.

## **Value Creation through Redistribution of Currency Issuance Income**

A part of profits from Harbor Token issuance shall be used for harbor platform, sellers and consumers.

Harbor Platform is a distribution platform based on software license management, distribution and security services. Investing in the Harbor Platform reduces the cost of software distribution, license management and security systems, and provides more specialized services to create value. It supports software development, advertisement, events and publishing for sellers. Sellers can create value through software and contents development and sales. Consumers can get various software and contents with convenience at low price. It creates value for consumers by secure a stable distribution channel. Profits from issuance of Harbor Token (capital profit) will be invested in platform development, sellers and consumers. Value creation through such an investment will create virtuous cycle of economic ecology among harbor platform, sellers and consumers to create bigger capital than actually invested one.



## **Stable Value Growth by Securing Assets Continuously**

It can construct asset portfolio by controlling money supply through issuing various external currencies.

You can expect stable growth as the values created from the growth of Harbor Platform will improve reliability of the currency through expanding supply of Harbor Token and increase of external asset ratio.

## **Economic Community for Realizing Common Interests and Value**

### **Investment**

It pursues common interests with Harbor currency market by maintaining share of the founder. It allows you to pursue long-term goals of profit realization through platform value growth rather than short-term profit seeking goals.

## **New Trials and Experiments on Cryptocurrency Economics**

The managed currency system is an unfamiliar institution in cryptocurrency market. However, almost all real currencies in the world use managed currency system to stabilize exchange rate and market protection or fixed exchange rate system against a managed currency such as dollars which has high market power and reliability (key currency).

Harbor Token and Harbor Platform make a small economic ecology. It leads to gradual growth through the control of the money supply and secures value stability by stocking a certain percentage of the incoming capital as assets (foreign currency reserves). It aims to build a plan-based economic ecosystem by investing some of the profits of currency issuance in the development and growth of the platform and the sellers and the consumers participating in the platform.

The blockchain network allows each transaction to be opened anonymously so that transactions can be tracked and the total currency volume can be monitored.

Through smart contract, financial services that can run independently on a block-chain network can be built. These special characteristics of cryptocurrency and block-chain network can be combined with big data and AI technology to make estimations on the volume of currency transactions and to make automated fluidity adjustments. It is expected to have new development and technology through this.

## **Who manages?**

Currency management subject is Harbor Platform. However, it does not control currency policies directly but it conducts the monetary policy decision making process as the coordinator of the agenda setting for monetary policy and the manager of the monetary policy action plan.

## **How is it managed and controlled?**

Basically, we aim to minimize market interference. Harbor currencies are intended to serve as a fuel for the Harbor Platform ecosystem and to help stabilize the currency value and reduce the risk of excessive speculation and investment.

Since most monetary policies involve the issuance of currencies and the regulation of the currency volume by market participation, its role is limited unlike existing managed currencies such as Dollars and Euros whose monetary volume is decided by corresponding Central Banks.

### **1. Establishing the Basis of Monetary Policy**

The basis of monetary policy is to provide direction for long-term monetary policy. It is determined after defining the current situation considering the current level of growth of the Harbor Platform ecosystem and the value and dominance of the Harbor Token in the market, setting agenda for discussion and then discussing the chosen agenda. Establishing the basis of policy does not include specific activities such as control of money volume. This presents policy direction to the market, reducing confusion and allowing investors to make some predictions, avoiding excessive speculation and maintaining long-term growth momentum.

## 2. Action Plan of the Monetary Policy

The implementation of monetary policy is to realize monetary policy according to The basis of monetary policy (policy context).

The implementation will be made subject to minimal intervention on the market.

The impact of market intervention will be reduced by making the market predictable through the following procedures. If some effects appear before the implementation of the policy, the policy will be suspended or canceled to minimize the control on the market.

1. Setting up and discussing monetary policy agenda
2. Reflecting public opinion
3. Policy decision and advance notice (Publicizing policy decision and action plan)
4. Reflecting public opinion
5. Policy enforcement, mediation, reservation or cancellation

Depending on the situation, some of the discussion processes may be skipped. Decision making and implementation may be made quickly according to rapid changes in the market. Basically, however, we try to implement planned policies based on the above procedures. Rather than implementing policies that control the volume of money that affects the market, we focus on communicating with the market through signals that appear in the decision-making process and preventing excessive volatility and speculative price adjustments of prices by certain speculating forces.

## Strategy

Based on the Industry Life Cycle, we propose a long-term development direction by typifying the development stage of the Harbor Platform and identifying the market characteristics by development stage.

## **Beginning Period**

It is a stage to commercialize the Harbor Platform. We will motivate sellers by increasing the investment value of the Harbor Token.

## **Growth Period**

We encourage the development of the Harbor Platform and active participation of sellers and consumers through active market intervention to activate the Harbor Platform.

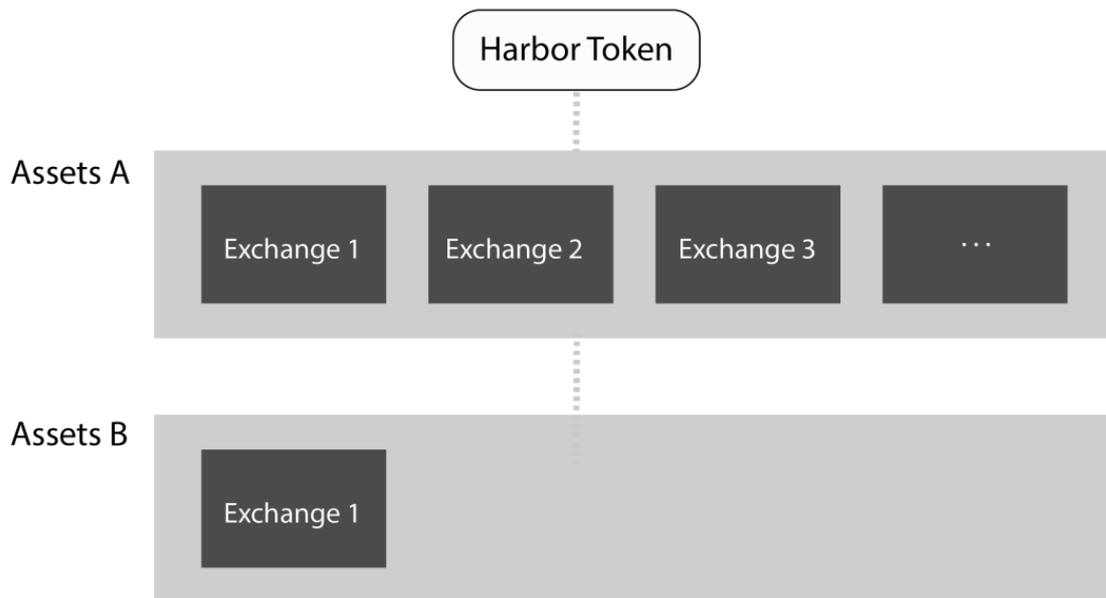
## **Maturity**

In this stage we aim to maintain a stable currency value of the Harbor currency and ensure that the Harbor Token is used as a secure payment method between sellers and consumers within the Harbor Platform.

## **Declining Period**

Through the expansion of the usable area of the Harbor currency, we create new value and utility value of the currency. We expect development and growth through innovation in various areas as well as in currency field.

# Harbor Token System Structure



Harbor Token constitutes the basic currency value by maintaining a share of various assets in the Harbor Token which is issued through the asset contract. Harbor exchange contracts for issuing currency is placed under each asset contract, so that it can respond appropriately to the market value and implement the currency issuance plan.

## Issuance Plan

Period: 1 month (TBD), if fund does not reach the minimum funding amount, subscription is automatically extended until the minimum funding amount is reached. There is no limit to the maximum amount raised.

Minimum Fund Amount: 10,000 ETH

Deposit rate: 1 ETH = 10,000 HBR (Actual reception: 7,000 HBR)

Withdrawal rate: 10,000 HBR = 1 ETH

70% for assets (10% asset shall be frozen -TBD)

20% for platform development

10% for the founder stake