

August 28, 2019



GUS

A GOLD BACKED FREE MARKET,
DIGITAL CURRENCY

1. Global Trade and Gold-backed Currency

In an era of increasing globalization, trading money around the world is an important facet of everyday life. Yet the fragmentation of global trade into hundreds of unique currencies, each marked by fluctuating values, the bloated infrastructure, high fees and the lack of access to centralized banking systems for millions of people worldwide has stymied potential economic growth. Finding ways to unify the global financial system while creating opportunities for previously unbanked or underbanked populations to participate in trade is one of the great challenges facing the world today.

In that context, the idea of conducting trade with physical elements such as gold may seem antiquated. But gold was the basic material of trade for millennia – the precious metal that catapulted the world into an era of globalization. Even more notably, gold carried the world through the most rapid period of economic growth ever witnessed in the 19th and early 20th centuries.

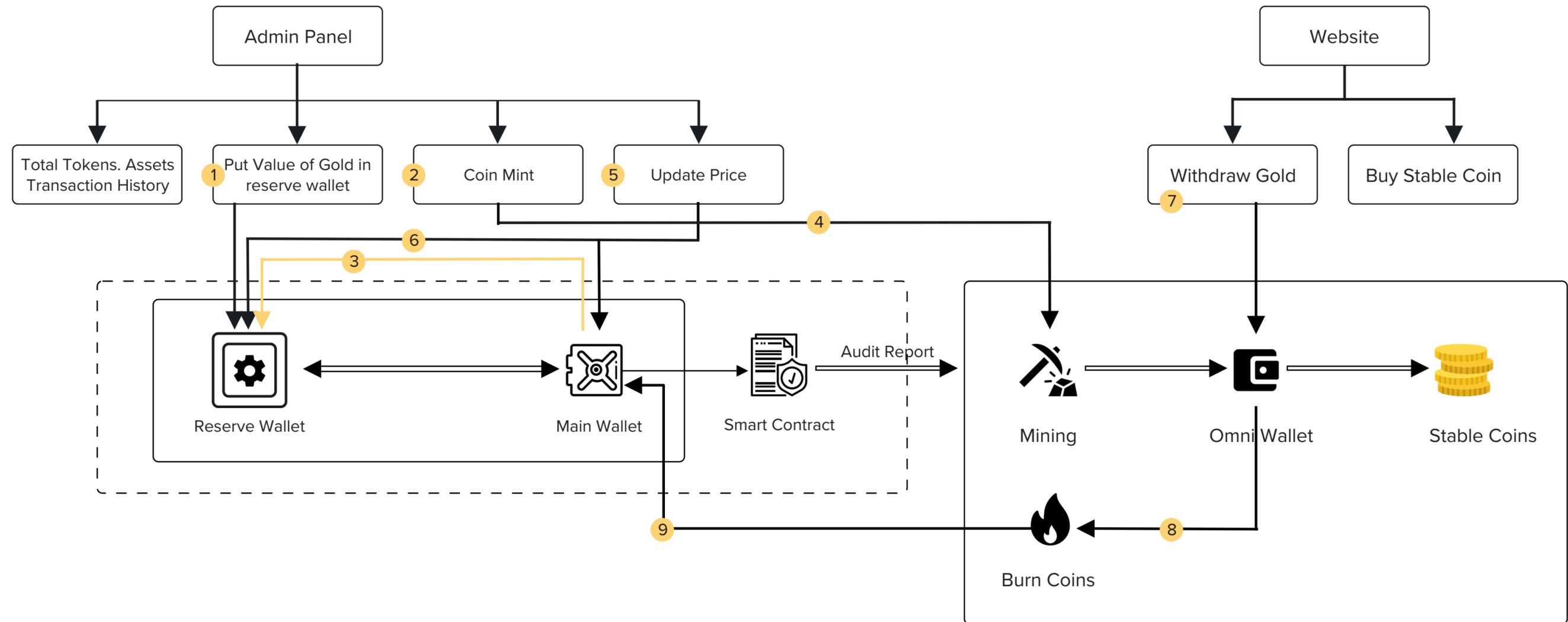
We introduce GUS, a new stable digital currency that is equivalent to \$1 US in value and exchangeable for physical gold bullion with an objective to become the peoples first hard asset backed, decentralized world currency. GUS offers all the benefits of cryptocurrency without volatility, all the benefits of gold without the divisible and portability limitations in addition to virtually nonexistent volatility.

The relationship between gold-backed currencies and burgeoning trade was no accident. By limiting countries' currencies to the amount of gold they had on hand, the global financial system virtually eliminated the prospect of inflation that plagues the world today. The value of money was inherently tied to this precious metal, so that every country knew exactly how much their currency was worth both domestically and in terms of other countries' currencies. Importantly, the gold standard also ensured that countries couldn't run unsustainable budget deficits and take on unending loans, which threatens confidence in the entire system of trade among nations.

The lack of inflation under a gold-back currency could revolutionize the way the world does business. No longer would banks serve as necessary repositories of currency, since money doesn't consistently lose value when held outside of a centralized institution. At the same time, fixed exchange rates between countries could enable individuals from around the globe to trade with one another without intermediaries – an increasingly important mechanism for bringing entrepreneurs in developing nations into the fold of global trade.

Still, gold has important limitations when it comes to facilitating global trade. To start, the physical nature of gold makes it inefficient to transport and transfer, and a currency that is not portable in today's digital world is unlikely to achieve widespread adoption. On top of that, the same fundamental problem that plagued the gold standard a century ago remains the same today – countries without gold reserves of their own are unable to control their monetary policies and thus influence their economies. Ultimately, the pressure that gold put on national economic policy were enough for the United States to abandon the gold standard in 1933, to be followed soon after by most other developed nations.

Pegging the value of a currency to an existing asset, such as the US dollar, can stabilize its value, although fiat currencies are prone to inflation.



CENTRALISED

2. Searching for Stability in Digital Currencies

The advent of digital currencies has changed the conversation around the gold standard. Even more so than modern fiat currencies, cryptocurrencies are prone to rapid fluctuations in value as a result of economic and governance architecture and varying levels of public confidence in issued tokens. These swings in the value of digital coins relative to one another and to fiat currencies has largely prevented broad adoption of digital currencies by individuals in developed and developing nations alike.

Yet cryptocurrencies represent an unparalleled opportunity to transform the global economy. Digital currencies have no national barriers to trade and are untethered from the traditional financial system, allowing them to be freely passed among individuals anywhere in the world. These currencies are instantly transferrable with a high level of security, trustless exchanges, and partial anonymity – none of which is achievable with fiat currency.

As a result, digital economists have long considered the idea of combining the advantages of digital currencies with the stability of gold or fiat currencies. The idea was first proposed as part of the Mastercoin project in 2012, not long after the advent of Bitcoin in 2009. Since the highly publicized rise and fall in the value of Bitcoin in 2017-2018, stablecoins – cryptocurrencies that are managed to maintain a precise value relationship to a physical asset – have grown in popularity. Tether, a digital currency that is pegged to the US dollar such that one tether token is exchangeable for one dollar, is a recent example of a stablecoin that has attracted significant attention and investment.

However, stablecoins backed by fiat currencies carry with them the problems inherent to fiat currencies. An unwavering reliance on a systemically broken banking industry and the presumption of trust.

3. GUS: A Gold-backed Stablecoin Pegged to the US Dollar

In order to combine the stability of gold with the portability, transparency, and global transferability of digital currency, we introduce GUS. GUS is a gold-backed digital currency, that protects holders against crypto-inflationary pressures and fluctuations in price, adds liquidity to the cryptocurrency market, adds security, more institutional tools and the most elegant global fiat onramp. Every GUS token is pegged to the US dollar and is equivalent to and exchangeable for the amount of gold equivalent to \$1 US.

Backing the currency with a hard and highly liquid asset like GOLD ratifies its value and prevents manipulation.

3a. Stability and Upside Potential

The GUS currency is unique in that it doesn't require bank accepted crypto exchange transfers. One can buy gold anywhere in the world, allocate it to the GUS custody account at any private, bank independent gold vault in the world and immediately redeem GUS coins which can be instantly traded in the crypto market.

Much like Tether, GUS tokens are pegged to the US dollar and may be redeemed for that value in gold or bitcoin at any time. This vastly improves the transferability and adoption potential for GUS, since it can stand in for any other global currency – whether fiat currency or stablecoin – that is pegged to the value of the US dollar.

Unlike Tether and other stablecoins, though, GUS tokens also represent ownership over a fraction of the world's gold supply held under custody on behalf of the GUS foundation. This means that GUS tokens can not only be redeemed for Bitcoin at any time, but they can also be redeemed for the gold equivalent of \$1 US.

Since every GUS token is backed by gold, there is no downside to holding GUS. During periods of global economic growth when the value of the US dollar increases, the effective value of GUS tokens likewise increases. GUS tokens can be exchanged for GOLD or Bitcoin through the GUS wallet and redeemed anywhere in the world.

However, when the US dollar's value diminishes as a result of inflation, your value can be protected instantly simply by switching your GUS tokens to the GRT (Gold reserve tokens) which instantly lets you transfer into your dollar equivalent share of the gold held in our reserve because they are redeemable for a predetermined amount of gold. Especially during times of economic turmoil when the price of gold typically rises, GRT tokens may increase in exchangeable value beyond the value of an inflated US dollar. This stability and upside potential vastly differentiate GUS from cryptocurrencies like Bitcoin, which are prone to sudden drops in value.

3b. Portability and Transferability

While GUS's stability and upside potential are derived from its gold backing, GUS offers two important properties that gold does not: portability and transferability.

As a digital currency, GUS can be instantly moved anywhere in the world. It can be stored in large denominations without being subject to most countries' financial regulations and can be carried in an encrypted, highly secure digital wallet. Unlike either gold or fiat currencies, there is no risk of counterfeit currency as all GUS transactions are recorded in a public ledger. Furthermore, GUS can be traded among individuals while maintaining a high degree of anonymity during transactions.

Importantly, GUS is also highly transferable in a way that gold is not. While gold has not been convertible for US currency since 1971, every GUS token will be redeemable for \$1 US forever, paid out in bitcoin or Gold. GUS can also be easily exchanged for other cryptocurrencies, including Bitcoin, via any listed cryptocurrency exchange. Of course, GUS can also be redeemed for the amount of physical gold that backs each token.

**Total gold**

190,000 t

Annual output

2500 t

Demand 2018

4345 t

GOLD VALUE APPRECIATION

When GOLD is put into the GUS network, its stored in secure vaults all around the world. Then GUS tokens are issued

Locking up more gold everytime and storing it, while keeping it as a tool for trade and investment. More gold enters the system and is taken out of circulation while its value is still being utilised and traded.

The value of gold increases over time as the network grows. Because more gold is being taken out of the global system while demand stays the same or grows.

4. Gold Reserve

GUS is ultimately backed by a physical reserve of gold equivalent to the amount of coinage in circulation. This ensures that there is no downside potential to GUS during periods of monetary inflation and, similar to traditional gold-backed currency, limits the amount of GUS tokens that will be issued.

The gold reserve that backs the GUS currency is distributed around the world and kept in a network of depositories not owned by centralized banks. This ensures that GUS remains independent from the global financial system as well as that GUS's physical reserves are not subject to the whims of any single country.

The reserve network will hold a minimum of 120% of the value of GUS coinage in circulation at any time. This protects GUS in the event of overselling as a result of a drop in the price of gold concurrent with a drop in the price of the US dollar – an unlikely event given the historical inverse relationship between these two assets. The 20% minimum extra gold reserve also ensures that GUS can pay out coin holder claims in the event of a hack.

While 10% is a minimum insurance reserve, GUS aims to grow the reserve fund with gold until every GUS coin is fully backed 2:1 by gold on hand. Reserves will be grown through opportunities for arbitrage (i.e. when GUS is trading for more or less than \$1 US or its equivalent value in gold on cryptocurrency exchanges), lending, wholesale acquisition opportunities and appreciation of gold prices.

Importantly, the gold reserve also limits the total supply of GUS coins that can be issued. This ensures that GUS coins cannot inflate, just as gold-backed currency prior to 1933 did not experience significant inflation. The net effect is a currency with certainty, trust and confidence.

Instant GOLD to crypto exchange enables a new value onramp that operates globally outside of the banking system.

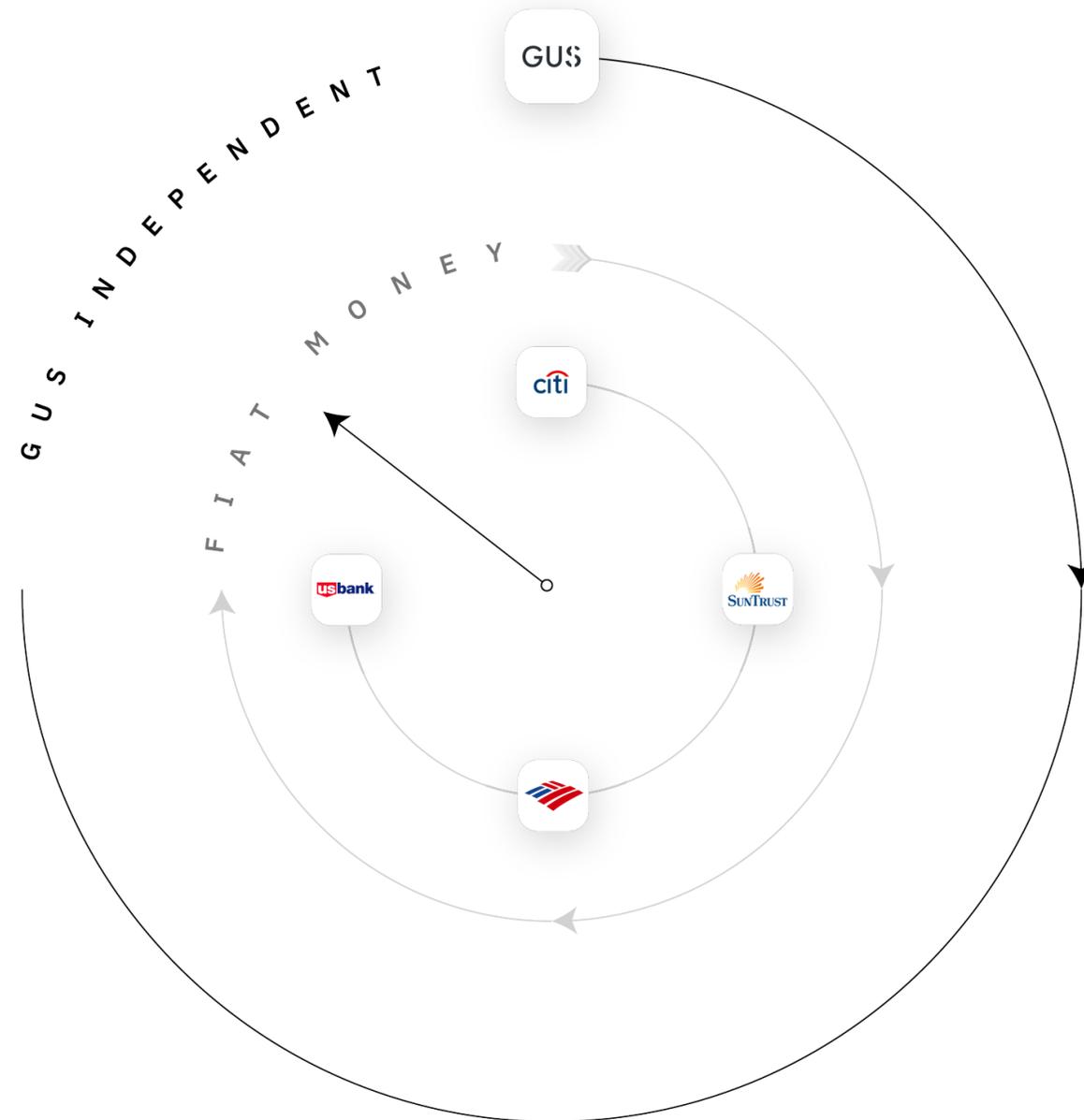
5. Transparency

One of the primary reasons why the US abandoned the gold standard in 1933 is that there was a public rush to convert dollars to gold during the Great Depression. The stability of any backed currency, including stablecoins like GUS, depends on maintaining the confidence of people holding the currency. For this reason, GUS places a significant emphasis on transparency.

GUS is committed to having independent third-party auditors conduct detailed checks of GUS's gold reserves and tokens in circulation once per quarter. The results of these bi-annually audits will be made publicly available to ensure that the GUS community is confident in the value of the currency without depending on blind trust. The audits will be saved on the blockchain where it will remain.

This high degree of transparency is another way in which GUS differentiates itself from other stablecoins. Many stablecoins do not allow independent audits under any circumstances, and coins like Tether publish the numerical value of their reserves but do not offer third-party verification of this accounting. The result is that in periods of economic turmoil, GUS can maintain confidence in its currency and thus stability, while other stablecoins may be faced with a crisis of trust.

*Instant crypto to gold
exchange 24/7 anywhere in
the world offers investment
grade institutional investors
unparalleled “outs”*



Get out of the system and control your own finances.

Tether

- 01—Operates in a transparency driven market without transparency*
- 02—Requires activity from your bank account to Tethers bank account and back out again.*
- 03—Tether is blacklisted with most major banks limiting access and security*
- 04—Tethers only banking relationships are limited and in difficult jurisdiction for recovery in the event of losses*
- 05—Tether promised regular third party audits but consistently failed to provide them.*
- 06—The entire tether system is highly dependent on trust and the 2nd tier legacy banking system*

In the spirit of cryptocurrency enthusiasts we remind you all, don't trust, verify!

GUS

- 01—Assign your gold to GUS custody account and receive GUS coins instantly to your nominated address.*
- 02—Sell your GUS for bitcoin or convert back into gold and have the certificate sent to your nominated account anywhere in the world without the use of banks.*

6. Use Cases

The insufficiency of fiat currency and the traditional, centralized financial system for global trade and the volatility of existing cryptocurrencies has created a number of situations in which GUS coins offer an attractive alternative. While we envision the following three use cases for GUS currency, it is probable given the demand for viable stablecoins that additional uses will emerge.

GUS currency is backed by a globally distributed reserve of gold and public confidence in the currency's value is maintained by independent quarterly audits of the GUS monetary network.

6a. Safe Haven Currency

One of the major advantages of stablecoins is that they represent safe havens for cryptocurrency traders. The price of GUS remains pegged to the US dollar even as Bitcoin and other digital currencies lose value, making GUS an attractive alternative to Bitcoin during times of uncertainty. While other stablecoins could also fill this role, the fact that GUS offers potential upside if the value of gold increases makes it one of the more profitable offerings available to traders.

GUS is also one of the few digital assets that offers safety in the case that fiat currencies lose value at the same time as digital currencies, since virtually all other stablecoins are dependent on inflation-prone currencies. This makes GUS an important hedge against macroeconomic shifts, such as a recession or financial crisis similar to the one that shook currency markets in 2008. This hedge is instantly implemented through conversion of GUS to GRT via your wallet.

6b. Alternative Currency for Emerging Markets

Another potential use of GUS is as a hedge against inflationary fiat currencies. More than 11 countries around the world experienced currency inflation of greater than 20% in 2018, and citizens in these countries are typically not allowed access to more stable foreign fiat currencies. However, governments of developing nations have less control over citizens turning to digital currencies like GUS.

Thus, GUS can give millions of people around the world access to stable currency if and when their country's monetary policy fails. In this respect, inflationary pressure strongly incentivizes people in developing nations to adopt GUS, which further increases the acceptability and portability of this currency.

6c. Peer-to-peer Currency

Much like other cryptocurrencies, GUS can be used for peer-to-peer transactions as a currency unto itself. For merchants, GUS offers nearly instantaneous transaction settlement at extremely low costs. For individuals, GUS is free to exchange and offers pseudo-anonymity and trustless transactions.

Importantly, the stable nature of GUS also contributes to its viability as a transactable currency. This is in contrast to Bitcoin and other cryptocurrencies, which can become rapidly inflated in price as a result of speculation and thus are unsuitable for day-to-day transactions. While GUS can be held as a long-term investment and hedge, it can also be traded like US currency given that it is at least as stable as US currency.

6d. Trading Pair

GUS serves as an ideal currency for forex trading with fiat currencies or cryptocurrencies, or for trading commodities and equities. GUS offers nearly instantaneous transactions, which ensures that traders are able to keep up with fiat currency and stock exchanges as well as fast-moving cryptocurrencies such as Bitcoin.

Better yet, GUS's gold backing ensures that traders are automatically hedged in the event of a downturn in the stock, commodity, or currency markets. That results in significantly greater liquidity compared to trading with fiat currencies and offers the potential to take significant profits during recovery from an economic downturn.

6e. Fiat Onramp

Adoption, institutional interest and growth has been stymied thanks to the efforts of commercial banks around the world. By blocking fiat onramps they essentially keep many investors out of the cryptocurrency space. With GUS, any investor can transfer their gold or buy gold through our network and instantly receive GUS tokens where they can trade with other cryptocurrencies, independent of the banking system. Institutional investors also have the comfort of a highly liquid exit should they require enabling instant sell down of GUS to gold and delivery to any single nominated vault anywhere in the world.

7. Summary

GUS is a unique stablecoin that is pegged to both the US dollar and to gold. The US dollar equivalency of GUS provides allows this coin to be easily converted between fiat currency and other cryptocurrencies, as well as makes GUS usable for day-to-day trade. Meanwhile, backing GUS with a specific fraction of the world's gold reserves ensures that there is no downside risk to holding GUS currency – the value of gold represented by each GUS token remains stable or rises. Thus, GUS represents a highly stable digital currency that is attractive as a safe haven from volatility in both cryptocurrencies and fiat currencies.

Digital currencies have failed to achieve mass adoption due to extreme volatility, poor interconvertibility with widely used fiat currencies and a lack of banking access.

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