



TravelerToken

WHITEPAPER



TravelerToken

Travel More. Spend Less.

Rewarding consumers and driving progress.

A collaboration between

travelXite



TravelerToken is a data management platform specially developed for the travel and tourism sector.

It will be built on a peer-to-peer distributed system operated by a consortium of travel businesses.

The ecosystem it creates will let commercial partners recapture the value they generate.

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Background

Advances in blockchain technology mean that many forms of economic interaction need no longer be controlled by a privileged group of 'gatekeepers' - agencies that might previously have used their positions to hike fees and protect their own interests. By democratising access to many forms of transaction, the blockchain is ushering in a new age of liquid global commerce, mutual credit and enhanced collaboration.

Children born in this decade might wonder why it ever took "2 to 3 business days" for a simple transfer of funds. They will find their world increasingly connected, and will see traditional barriers to movement dissolve. The advent of budget airlines and ride-sharing apps has already begun the process, making travel more affordable and flexible.

With 1.23 billion travellers and \$2.3 trillion in annual turnover, the travel market is at a tipping point, with much of its future growth set to come from online sources¹. Yet, while internet use and increasingly sophisticated marketing techniques drive the industry forward², the retention of antiquated industry practices threatens to stunt margins and short-term growth.

Problems include:

- Costly and inconsistent payment processing
- Multiple service steps and fees
- Double bookings and inventory management issues
- Fragmented listings and rating information across platforms
- Significant technical complexity and barriers to interoperability
- Inadequate personalisation of the customer experience

For business across the travel industry, managing data is critical for good marketing and continuous improvement³. However, while virtually all travel companies will value their data, most will struggle to manage it effectively because it is so inherently fragmented.

The Vision

A new consortium of travel companies utilising blockchain technology seeks to bring the travel industry into the future. The **TravelerToken ecosystem** (TLT) will modernise business practices by creating shared infrastructure for improving quality, for exchanging information and for developing new lines of cryptocurrency-based business.

¹ [Online travel market is estimated to generate 1091 billion globally by 2022](#)

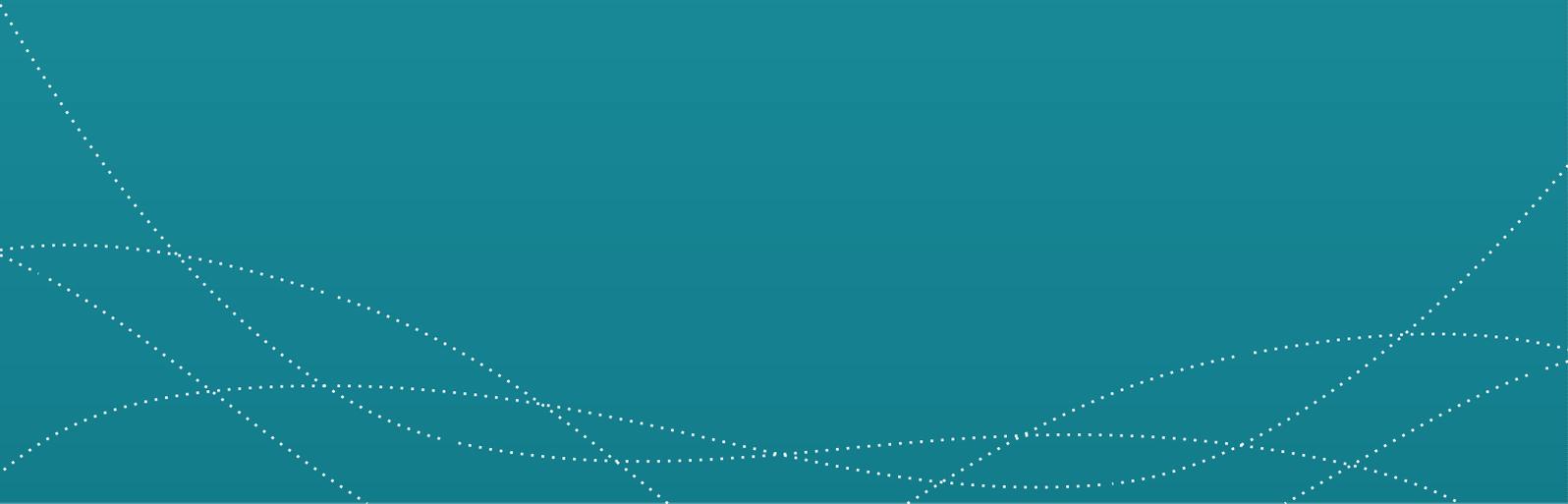
² [Ctrip hotel white paper sheds light on hospitality, consumer insights](#)

³ [Deloitte 2017 Travel and Hospitality Industry Outlook](#)

Improvements:

- Seamless cross-platform service-integration and packaging
- Costs of payments radically reduced
- Double bookings prevented
- A unified ratings and preference-sharing scheme with user-controlled data privacy
- A technical framework for IoT-based services
- Users directly rewarded in a tangible way

The TLT Ecosystem



The vision is to unite travel and tourism-related businesses across the globe in a consortium that uses the TLT distributed system to deliver mutual benefit.

Eligibility for membership will be as inclusive as possible, but geared to ensure the stability and longevity of the consortium. The consortium itself will be governed by a non-profit legal entity controlled democratically by members. It will focus on expanding the ecosystem surrounding the industry - emphasising efficiency, quality, and innovation. It will extend standards to incorporate emerging trends and new technologies, and put differently sized partners on a more equal competitive footing.

Consortium members will benefit from:

- nearly-free transactions
- the ability to share user information (when given appropriate permissions)
- easier booking of peripheral services via partnered platforms
- the ability to use the TLT platform for service optimisation.

This will all help to reduce costs and facilitate an integrated travel experience.

Current Position

We are now developing the technology and proving the economic model for this improved way of doing business. We hope to see other groups of businesses with aligned interests and concerns follow in our footsteps, paving the way for more sustainable global business practices.

Cooperation between airlines and hotel booking services has improved substantially with the advent of services such as booking.com, Skyscanner, and Trivago. However, there are still numerous service and usability issues, and some of the associated costs remain high.

TLT addresses these shortcomings. It seeks to provide a platform for greater efficiency, enhanced usability and greater transparency for customers. It also affords an opportunity to reduce the cost of transactions by using blockchain-based transaction settlement systems. A TUI blockchain-based project called BedSwap is a good model for how resource registries can be re-structured and booking volumes increased.

Like Magic, But Technology

The basis of the ecosystem will be the assets - the goods, services and information - provided by members of the TLT consortium. A fast peer-to-peer (P2P) infrastructure will connect existing systems and leverage their data into a searchable P2P network. Each member can decide - with ingrained permissions - what data they want to share, with whom, and whether or not it is searchable. But this infrastructure alone isn't enough; clearly, some data should not unilaterally be changed.

Blockchain Security

This is where the 'blockchain' adds value. To ensure data integrity and to reduce any costs arising from inconsistency, the ecosystem will provide for a modular multi-chain design, flexibly matching the ecosystem and each member's requirements. The blockchains will be operated collectively across member servers (or in the cloud if a member desires) and they will secure shared data. The major difference in comparison to existing public blockchains is that the network is composed of trusted peers run by consortium member businesses, rather than by millions of anonymous users. This results in orders-of-magnitude less resource consumption, higher speeds, and more functionality.

The 'Standard Asset Registry' will be designed to secure the credibility of goods and services offered by members. If any member wishes to change an asset offered to consumers in the TLT system, that change must go through a transparent and officially approved process or else raise an alarm. Similarly, other component chains will store and secure information relating to transactions and bookings, customer ratings, customer data and so forth.

The system can be envisaged as a private, high-speed blockchain layer that sits on top of the peer-to-peer search network and member businesses' existing IT infrastructure; the whole system will form the equivalent of a modular, distributed ACID relational database.

The TravelerToken

The TravelerToken (TLT) will be the standard method of payment in the TLT ecosystem. Transactions, bookings and related services will operate on top of this financial blockchain.

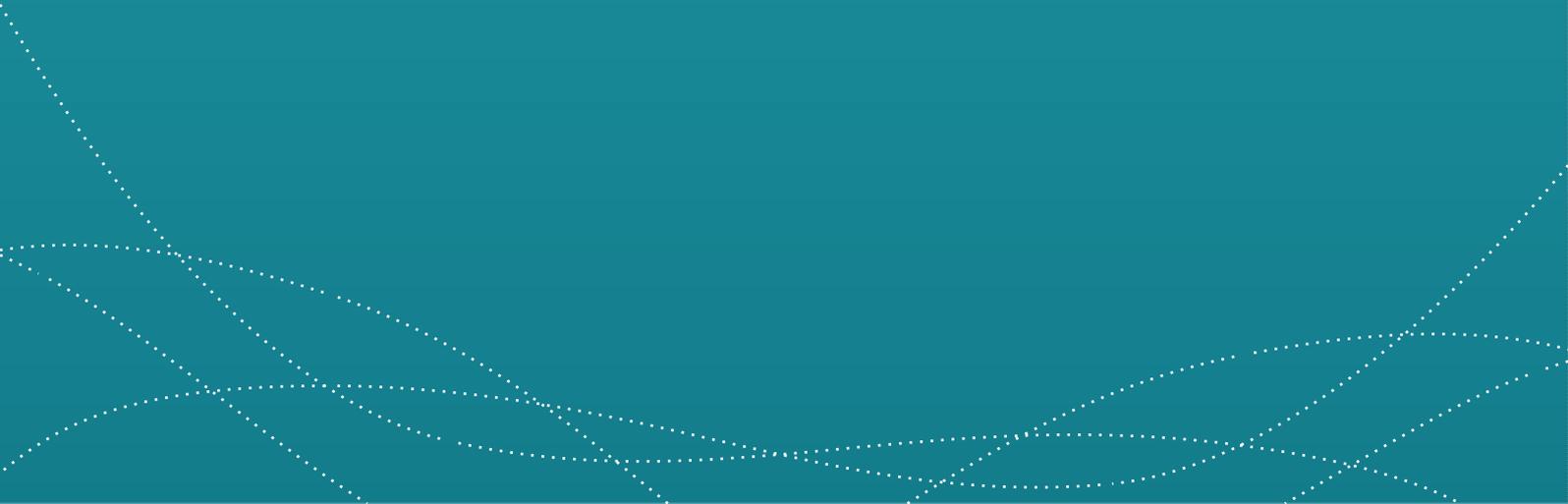
An agreed partnership with Wirecard Bank will allow participating users to load a debit card with TLT and use it anywhere in the world at any location in the Mastercard POS network.

Travellers will be able to use TLT to pay for all their travel needs. It will give them a convenient local payment option without being subject to the administration and inconvenience associated with foreign exchanges.

The Goals of the Ecosystem

- Establish a global system for the industry to make travel cheaper and easier
- Reduce the overheads associated with intermediaries and payment settlements
- Provide a blockchain application layer that works seamlessly on top of existing business systems (ERP, CRM, etc.)
- Create a transparent and auditable system for building trust among the public and members of the consortium
- Enable cost effective error management
- Create a better way to connect businesses - to each other and to their customers
- Improve customer migration standards
- Give businesses the tools to innovate and keep up with trends

The TLT Foundation



The foundation will be operated as an independent entity, but its board will be elected democratically by consortium member businesses - with the sole purpose of meeting the objectives prescribed in the charter. It will represent the combined efforts of stakeholders to lift the travel market into the next digital era.

Funding

The intention is that the foundation will be funded in part by the Token Reserve, which will be set aside from the initial distribution of tokens, and committed for the long-term maintenance and development of the ecosystem. It will also be partly funded by contributions from member businesses.

The Charter and Founding Principles

It is important that the foundation and its charter be carefully designed. However, the foundation is the embodiment of the will of the consortium, and only its eventual members will have the authority to decide upon these matters.

In the interim, we suggest some good design principles and arguments to support them.

It is essential to maintain the ethical integrity of the board of the TLT-ecosystem. Potential partners will join only when it can be shown that there won't be any conflicts of interest. To prevent the consortium from becoming a cartel, we focus on defining a foundation that features:

- a public charter
- an elected board
- an administrative team
- inclusive membership for businesses in the consortium

Structure and Administration

The consortium can use a quasi-federated or a completely decentralised organisational model. The foundation needs to have a clear, unified vision of the projects and proofs-of-concept that are to be pursued. It must also have a decision-making structure that is swift and efficient, and which promotes the general growth of the foundation. Also important is the effective management of funds and human resources. We suggest adopting the quasi-federated model for two years at least, followed by an eventual transition to a decentralised autonomous organisation (DAO).

The administrative team of the foundation will be responsible for the efficient use of funds resulting from any sale of tokens from the TLT reserve. Some basic principles for the foundation include:

- i. Each member should get a vote on deciding the composition of the principal governing body: the board. As more members join, the board will gradually be clustered by sector.
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- ii. The foundation should have an internal administration team to manage the general operations of the TravelerToken Foundation. An independent chief executive should head the foundation's administration team and its internal technical team.
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- iii. A technology council should be established, composed of the executive of the administration team and short-term collaborators who will be nominated by the board each year to help with any projects being undertaken. The technology council will implement directives from the board. In the event that the board cannot accept or reject a proposition with the support of a simple majority of votes, a vote from the technology council may serve respectively as a tie-breaker or the sole basis for a decision.
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- iv. During the early days of the foundation, before there are enough members in the consortium to elect a board, the technology council will act as an interim governing body.
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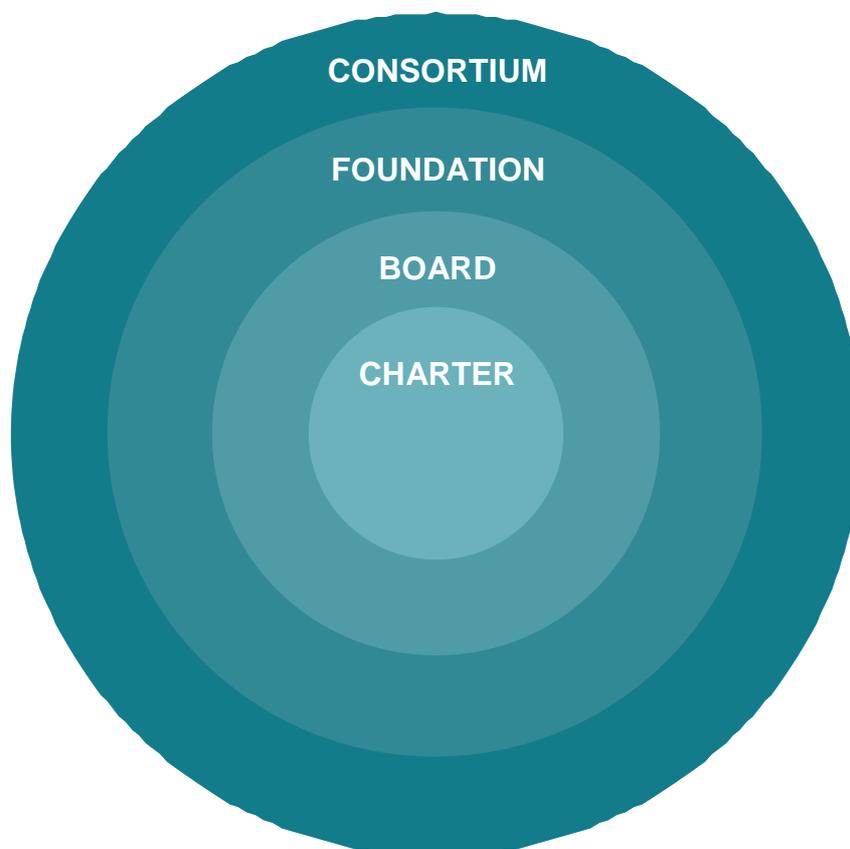
- v. The administrative team will be bound by the rules set forth in the charter of the foundation. The board's functions will slowly be transitioned to a DAO.

The Charter

The charter represents the core of the foundation and will clearly state its goals and the means at its disposal. It will be presented publicly. Change requests to the charter will be formulated and finalised by the board. It is intended that the final approval will be made collectively by the owners of TLT tokens, representing the wishes of the market. Members of the consortium may maximise their influence by supporting the value of the token.

While the consortium uses a quasi-federated model, the board will be periodically elected by the consortium. One member of the board will be named the temporary chair by a vote of the board and will head meetings for a term. The sole purpose of the board is to enforce the charter, facilitate change requests to the charter, and present a face to the public. Salary and term periods will be kept public.

The foundation will always be open to applications from the travel and tourism industry to join the consortium. Every member company will have votes proportional to its yearly revenue; the percentage of votes a single company and its affiliates can command is capped at 20%. The yearly costs of the foundation, after deducting any funding drawn from the Token Reserve, will similarly be sourced from members proportional to their yearly revenue, capped at 20% of the total budget. This follows the principle that larger members bear more costs and have more to lose, and should therefore have a greater say in the direction of the consortium, but without giving undue power to (or putting undue burden on) any single member.



Technical Considerations



The most widespread and stable blockchain systems, like Ethereum, currently operate using proof-of-work consensus algorithms that extend confirmation times and limit throughput. Long confirmation times mean delayed responsiveness, and low throughput severely limits the type of applications that can practically be implemented. However, even the best of the current systems lack the flexibility to deliver the benefits that TLT aims to deliver.

Building on a public blockchain platform is unlikely ever to be suitable for the TLT system. Instead, it will consist of a set of interlocking P2P protocols that enable scalable interaction between consortium members. This will give rise to a hybrid semi-centralised system in which both partners and end-users are expected to enjoy excellent usability, insulated from all the complexity 'under the hood'.

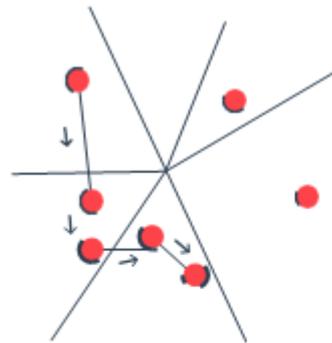
That system will rely on established principles and the management team expects that this will allow for strict quality assurance. High throughput, short confirmation times and high availability will be maintained directly by the consortium members without reliance on potentially uncertain external factors.

Significant advances will need to be made in blockchain technology in order to enable highly scalable, fully decentralised systems with low latency. Projects such as True-Bit, the Lightning/Raiden networks, IPFS and Filecoin, Mysterium and IOTA are steps in that direction. But these are only the precursors.

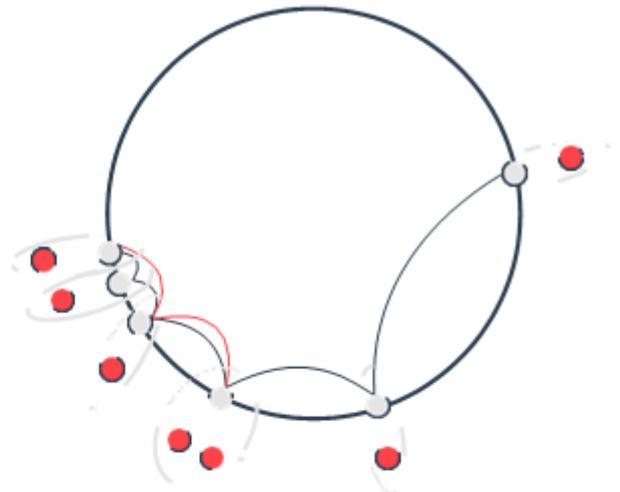
The near future will see the rise of IoT - the Internet of Things - and, alongside it, pervasive computing, which is expected to blur the distinction between devices and the "everyware" network. A single machine will no longer be a self-contained unit; it will be an interface to a world-spanning computational substrate. Indeed, the foundation is already being laid: consumer appliances are now being shipped with overpowered chips, down-clocked to reduce power consumption. This excess capacity may soon be powering our daily lives.

The TLT system (and others like it) are transitional architectures that will evolve. They will begin as independent systems but converge gradually toward a more unified and pervasive computational substrate.

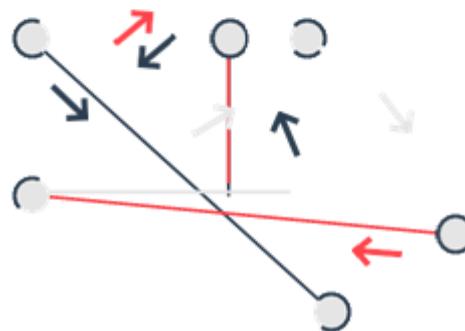
How does the system connect members?



View from Semantic Space
(one query, four hops)



View from Routing Space
(three messages, seven hops)



Geographic View
(three messages, seven hops)

Like all modern P2P networks, the TLT system will be designed to establish an efficient routing structure for passing messages between peers. This is done by establishing a virtual routing space that helps to organise the peers and facilitate communication.

Cutting-edge research shows that P2P systems can be made to support the same features found in conventional data storage systems - such as range queries and predicate searches - as well as more advanced database functions such as 'nearest neighbour' search and various aggregates.^{4 5 6}

The geographic view shown above depicts the physical network, through which messages are actually sent. There is also the virtual routing space, which helps to organise how each message should be routed to its

⁴ Beaumont *et al*, *Peer to peer multidimensional overlays - Approximating complex structures*

⁵ Arge *et al*, *Skip-Webs - Efficient Distributed Data Structures for Multi-Dimensional Data Sets*

⁶ Kempe *et al*, *Gossip-Based Computation of Aggregate Information*

destination. Now, we can envision an additional semantic routing space in which files “talk” to one another. This communication between files occurs via the layers beneath them - the virtual routing space between peers and the physical network itself.

Note that all search and sharing privileges will be fully configurable. A member can always choose what is searchable and/or shareable.

A detailed examination of this subject will be provided in a separate technical paper, to be released.⁷

⁷ Wollang (TBD), *Proteus — A Self-Stabilizing Heterogeneous Structured Overlay And Fuzzy-Similarity Database*

Speed & Efficiency

Using the semantic space results in multiple messages and many hops. This is why it is important to use an ultra-efficient virtual routing space. Since the connectivity of the semantic space is multiplexed through the virtual routing space, both elements must be very fast (because whichever is the slower will set the effective speed limit for query-handling.)

Most current P2P systems use an overlay that scales logarithmically with the number of peers. Scaling that approaches the theoretical optimum [$\log\log(n) / \log\log\log(n)$] is impractical on single machines and has remained a subject of largely theoretical interest. However, in a distributed setting, we transition from a system bound by processors to one bound by a network; here, scaling becomes significantly more important. New techniques based on power-law random graphs will allow us to approach the theoretical optimum in a distributed setting. Such an approach does require more memory, but in a distributed setting where pointer-like node connections are already required for routing, the additional overhead will be marginal.

Problems of uneven load distribution and differing storage capacities can be addressed by making the connectivity of a peer dependent on the magnitude of data it hosts. Each unit of data incurs a small constant overhead in communication, but searches are sped up significantly as messages will tend to be routed more quickly to high-capacity peers.

This subject will be discussed in more detail in a separate technical paper but an examination of current models suggests that there is considerable room for improvement in terms of speed, efficiency and minimising the risks of congestion.⁸

Summary:

The development team expects the TLT routing structure to outclass all existing P2P architectures. It will be maximally flexible, and it will support robust operation over the internet on distributed machines with varying capacity.

Simple queries on a small number of objects will always be faster on a centralised data-base. But complex ones on a large number of objects could be made significantly faster due to the massive parallelism inherent in the system. This is expected to deliver a significant improvement in the speed of such searches.

⁸ Wollang (TBD), *Proteus — A Self-Stabilizing Heterogeneous Structured Overlay And Fuzzy-Similarity Database*

Functionality

The development team intends that the system will support the full range of advanced database functions. Multi-dimensional 'nearest-neighbour search' will be the primitive operation supporting range, -fix, and arbitrary predicate queries. Exact queries are handled via consistent hashing in the underlying DHT ("virtual routing space") and the aggregate queries are handled even lower in the gossip protocol through which the DHT and the similarity search structure are built and maintained.

Viewed as a distributed database, the P2P network portion of the TLT system will take in semi-structured data and allow for efficient relational querying. With this as a base, the blockchain components of the system can then satisfy the ACID properties, allowing users to interface with the system as an ACID relational database.

ACID Properties

- Atomicity
- Consistency
- Isolation
- Durability

Data Integrity

Blockchain technologies prevent individual users from making unilateral changes to data. Many applications hosted on the TLT system may require this feature. The main two examples are the 'Standard Asset Registry' and the TravelerToken itself.

Standard Asset Registry

Members will declare assets - i.e. any goods or services offered - according to standardised classes defined by the consortium foundation. For example, an airline might make an entry into class "Airplane" with assets "Seats", governed by rules relevant to that asset class.

Any transaction which modifies assets in a class is processed and recorded in an immutable, append-only list, known colloquially as a "blockchain". Members will restrict themselves to participating only in those asset class blockchains that are relevant to their business model.

The state associated with each class is stored in a form of radix tree and the set of all classes composes the Standard Asset Registry.

TravelerToken

The TravelerToken blockchain is critical to the operation of other applications and to the financial well-being of the consortium. Every member will participate in its operation.

Eventually, the development team intends that zero-knowledge proofs of valid-state transitions will be posted to public blockchains such as Ethereum. These proofs will allow outside parties, with no additional knowledge beside the proofs, to be sure that the token system is running according to the declared rules.

While the TravelerToken will be run by consortium members, management intends that outside parties will have access to their TLT via blockchain-friendly software - "light clients". Valid TLT addresses will only be issued to persons, real or legal, submitting the appropriate KYC information. Financial institutions will be able to use these light clients to operate their services for persons using TLT. For example, a debit card operating on this principle is already in development.

Using the Standard Asset Registry and the TravelerToken

A library of basic contracts will be created by the consortium. These can then be composed to create arbitrarily complex bookings/offerings. Each basic contract will have a small associated cost in TLT as dictated by the consortium. The cost of any given compositional contract will be a function of the number of times each basic contract is used in its construction. These fees for the execution of contracts will go to the members of the consortium to subsidise the cost of operating the system. This will make it feasible for the consortium to extend use of the system to third parties for arbitrary financial applications leveraging the TLT.

This is similar to the scripting languages used on current popular blockchain platforms, except that the methods in those scripting languages are related to various computational operations. Since the TravelerToken blockchain is only required for transactions that are financial in nature, it would avoid many security and efficiency issues if the methods exposed were not computational in nature but instead were a large catalogue of prefabricated components related to financial operations. The problem is that often someone will want a contract that is not in the catalogue. If, instead, we can define each of these contracts using a fixed, precisely specified set of combinators, we would be in a much better position than we would with a fixed catalogue. It then becomes much easier to allow users to combine the components arbitrarily and potentially create contracts with new unforeseen, but provably secure, behaviour. We can systematically analyse, and perform computations over these new contracts, because they are described in terms of a fixed set of flexible primitives.

Contracts which refer to assets in the Standard Asset Registry will need to include digests of Merkle proofs, valid to the last “checkpoint” Merkle root of the relevant asset class blockchain. Further, assets that are referred to in contracts will create ‘locks’ on those assets in the relevant blockchains. Changes will not be allowed until the contract/s are settled. This is possible because all peers monitor the TLT blockchain.

Benefits

- No double-booking or hidden changes.
- Full transparency, even if a customer purchases or rents assets that have been bundled in multiple and complex ways.
- This allows automatic settlement of the entire payments chain, no matter how convoluted, upon payment by the end consumer.

Ultimately, this approach is expected to also allow for the streamlined implementation of formal verification techniques.

Is this scalable?

Yes. The Standardised Asset Registry is modular and allows for scaling. The TravelerToken blockchain will only be used for financial purposes and will feature a flexible combinator library.

Members of the consortium that want to leverage the architecture for more general distributed computation can do so between the peers they control or other directly interested parties. While this will use some of the same infrastructure, non-interested parties don't need to waste resources.

Initially, Redbelly⁹ is regarded as the clearest choice for a consensus algorithm; it is the consortium equivalent of the IOTA "tangle", stripped of the probabilistic voting ('mining') mechanism used to establish mutual exclusion. In a consortium, this security mechanism is unnecessary; a more standard quorum-based mutual exclusion mechanism can be utilised. An efficient algorithm for collective signing can then enforce immutability.

It is expected that later upgrades will make use of insights gleaned from the gossip-based Hashgraph¹⁰ algorithm and timeline entanglement in general, but also from academic research and general work in systematising the theory of consensus algorithms.

Is this secure?

Yes. It is a permissioned network controlled by the consortium foundation. All consortium members will be legally bound by the foundation and users will have to submit KYC information.

Technical Whitepapers

The system's overlay features are based upon ongoing research into the development of the components necessary for a pervasive computational substrate. The higher level components of this overlay are expected to enable the execution of arbitrary predicate queries over data stored across disparate peers; thus, users can specify what attributes can be possessed by the items they are seeking, and in which groups they may be contained. This ability is standard for centralised database systems but extending it to self-organising P2P networks requires the use of a wide swath of machine learning techniques, and in the end represents a fully generalised machine learning architecture.¹¹ A forthcoming technical paper will summarise this research.

A formal specification of the combined TravelerToken and Standardised Asset Registry blockchain architecture will be written and released alongside development of the overall TLT system.

⁹ Crain et al, *(Leader/Randomization/Signature)-free Byzantine Consensus for Consortium Blockchains*

¹⁰ Baird, *The Swirls Hashgraph Consensus Algorithm*

¹¹ Wollang (TBD), *Proteus — A Self-Stabilizing Heterogeneous Structured Overlay And Fuzzy-Similarity Database*

Economic Considerations



The ultimate test of a currency is whether it may reliably be redeemed for goods and services. All major cryptocurrencies, lacking any foundation of commercial use, have a value based exclusively in speculation, and this contributes to their well-known volatility. While it may be acceptable for pure blockchain businesses to risk such volatility, off-chain companies cannot afford to transact or keep funds in such a medium.

TravelerToken represents a direct obligation on the members of a consortium of travel and tourism-related businesses to provide goods and services to the bearer. More than just a stable currency grounded in real commerce, the distributed system that will maintain it will further provide for a host of Dapp, smart-contract, and data exchange applications. It will constitute both a technical and an economic infrastructure, allowing its participants to cooperate in achieving common interests - even when those participants might otherwise operate as competitors.

In our modern economy, money serves as both a medium of exchange and a store of value. But the financial instruments that serve as stores of value increasingly lie in the hands of a very few.

The macroeconomic policy tools employed by central banks often deliver only clumsy and overly broad responses that affect different sectors in different, sometimes unforeseeable ways. The needs of a group with largely overlapping business interests and concerns can differ greatly from those of another group.

Microeconomic policy tools address these inadequacies to some extent, but only to the extent to which prediction is possible. These predictions can only be made with noisy, imprecise data. The result is the boom and bust cycles that disproportionately affect the working population responsible for the majority of economic output. It's a model rooted in the old "industrial age" business mindset, where bludgeoning oversight was considered not only necessary but beneficial.

The medium of exchange should be governed by potential turnover. Turnover should not be dependent upon the available means of exchange.

TravelerToken is a complementary currency that seeks to solve these problems for its associated consortium. The management team envisions it as the first of many such consortia, all seeking to create a free market. A network of these complementary currencies would act like a natural equilibrium-seeking system¹²; changes in demand are met with automatic changes in the supply, as needed by each group, and the effects diffuse organically.

Further, this system would equip the associated economy with a flywheel, so to speak, giving it great forward momentum and actively driving turnover. Disruptive external factors will be dampened by its self-stabilising nature. This is achieved through the innovative direct-reward system explained later in this section.

TravelerToken will help to restore a natural relationship, where exchange of services is primary and the medium used to facilitate this is secondary.

¹² See the writings of Friedrich Hayek on free banking, e.g. *The Denationalisation of Money*

Section	page
A more efficient instrument of exchange	
How does the token achieve elasticity?	
Will the token also be a good store of value?	
How will the token interact with external markets?	
Tracking the reserve ratio	
How does this relate to a unit of account?	
Is this system meant to be unique?	
Would this evolution not be stymied by governments?	
Trust: platform and process	

A more efficient instrument of exchange

TLT is designed to put every consortium-member that runs the distributed network on an equal footing in terms of technical infrastructure and access to capital. This encourages competition and thus cheapens exchange.

The TravelerToken will provide for the acceleration of exchange via a feedback mechanism that generates the tokens for “cash-back” rewards.

The system will increase supply by creating and directly assigning new tokens to consumers in proportion to the amount they spend. In other words, a consumer receives new tokens as a sort of “cash-back” reward. The specific proportionality is determined by the overall inflation rate targeted by the system.

The inflation rate targeted by the system will depend on the total turnover of the entire consortium. An optimisation algorithm will constantly adjust the inflation rate in order to achieve a specific rate of circulation. That circulation rate (which is equivalent to the total revenue of the consortium) should be approximately the entire token supply every 100 days.

If demand slackens or many parties begin to hoard, the amount of tokens held by those who do not spend will not change, but the proportion of the token supply they hold will shrink. And the amount of purchasing power thus siphoned is immediately reintroduced to those who are, and are most likely to continue, spending.

This system thus achieves some measure of inflationary pressure to spend (by diluting purchasing power), but at the same time also introduces a positive incentive to spend (by rewarding those who do so with the new tokens). The net effect is that those who spend regularly redeem the full value of their tokens.

Further, the reward mechanism will only be applied to transactions between consumers and the consortium’s members. This creates an asymmetry in which every holder of the token currency experiences depreciation from inflation of the supply, but only those who spend the token in exchange for the goods and services of a consortium member receive the reward.

The token can thus act freely as a general currency, but its circulation is gently and continuously directed back toward consortium members.

The system is thus intended to establish a store of momentum from which our economic engine may draw, much as a flywheel to a mechanical engine.

A 1998 paper released by the IMF¹³ suggests that a low 2 or 3% inflation rate tends to encourage growth. Thus, in the unlikely case of stable demand, the inflation rate will bottom-out at around 1 to 2%. This is equivalent to the targets set by most central banks, but is in practice a rate far lower than that achievable by fiat currencies. In such circumstances, the token’s price in fiat currencies will tend to weakly appreciate.

¹³ Ghosh & Phillips, Warning: Inflation May Be Harmful to Your Growth

How does the token achieve elasticity?

The elasticity of a medium of exchange reflects the 'social reality' of money, where the ability to incur small debts stimulates economic activity.

Mutual credit systems provide such elasticity, by extending lines of credit proportional to an individual's or company's productivity (as measured by income/revenue). This credit is both created and destroyed through exchange of goods and services, and ideally all positive and negative balances in the mutual credit system sum to zero.

The TLT system is designed to provide elasticity by allowing a consortium member to draw credit from the system equivalent to 2 months of their token revenue. There is no deadline for repayment, but the fact that it is inflation-adjusted incentivises repayment sooner rather than later. Failure to repay entirely is covered by the legal agreement that a business will sign when inducted into the consortium. Businesses will be legally obligated to repay such credit in the case that they leave or are ejected from the consortium.

This elasticity mechanism is further extended to consortium members' employees. An employee will be able to draw credit equivalent to 2 months of their token income. Again, there is no deadline for repayment. The respective business is responsible for the failure of an employee to repay the credit. It is thus to be expected that an obligation to repay the credit when employment is terminated will be included in employment contracts.

This not only provides for elasticity but incentivises consortium members to accept as much of their business as possible in the token, and their employees to accept at least part of their salary in the token. The more widely the token is accepted, the more stable and useful it becomes.

Will the token be a good store of value?

As a medium of exchange, the token should reflect the reality that the value of goods and services degrades over time. This is achieved through the adaptive inflation mechanism described in the previous section.

However, there should be a way to store value for later, without dissociating money from its role in facilitating economic activity.

The system will track the rate of inflation precisely because, as with every distributed ledger system, there are perfect records of all transactions and knowledge of the state of all accounts. This allows the system to inflation-adjust the credit described in the previous section; similarly, one can take one's excess tokens and loan them out to others at an inflation-adjusted rate.

In other words, a distinction is introduced between the medium of exchange - the token that one uses to pay for something - and the unit of account - the universal measure one uses to keep track of prices and obligations.

There is no need for interest. The benefit one derives from lending is to receive an equivalent amount of purchasing power at later time without incurring losses. This process also ensures that the money is kept in circulation and, therefore, backed by real value.

The infrastructure maintained by the consortium would also facilitate the establishment and operation of a consortium-wide credit union. Alternatively, this same ability can be extended to external parties, who can then use it for a fee. Other more complex financial services using the same infrastructure are, of course, possible.

How will the token interact with external markets?

In order to stabilise the system's interaction with external markets, the native system will host a smart-contract running a modified version of the Bancor protocol¹⁴. This smart-contract will hold a reserve of Ethereum. The management team intends that, initially, this reserve will be 10% of the amount raised in the token sale.

This reserve smart-contract will be designed to interoperate with the Ethereum network and allow traders to make instantaneous trades between the two currencies. This will allow traders to take advantage of arbitrage opportunities between the exchange price offered by the reserve smart-contract and the exchange price on various cryptocurrency exchanges.

This arbitrage will dampen volatility.

Setting the reserve amount at 10% of the tokens' market capitalisation should ensure that the reserve is large enough to absorb shocks. When the economy behind the token increases to a sufficient size, the consortium might choose to lower the reserve amount.

Tracking the reserve ratio

The smart-contract will maintain the reserve ratio even in the face of varying supply. It will do this by charging a small exchange fee in Ethereum for each exchange made through the reserve smart-contract and adding this to the reserve amount. This fee might be 0.1% or 0.3% or even more.

The fee establishes a floor on the size that an arbitrage opportunity must be before traders will be incentivised to perform arbitrage. The higher the exchange fee, the less the contract is able to dampen small fluctuations and the fewer trades that will be made (for any given level of volatility).

Thus, the way the smart-contract adjusts its exchange fee must take account of the current volatility and seek to maximise the fees it can extract from traders. By maximising the fees extracted, it encourages trades that help to dampen volatility while attempting to fill the reserve up to the desired ratio.

If the reserve is already at or near the desired ratio, the smart-contract exchange fee will asymptotically approach zero. As noted earlier, steady growth in the economy backing the token will allow for a relaxed reserve ratio.

¹⁴ Hertzog *et al*, *Bancor Protocol*

How does this relate to a unit of account?

It is important to recognise the distinction between the (inflation adjusted) unit of account and, on the other hand, the medium of exchange, which will be subject to targeted inflation in order to incentivise a high velocity of transactions. The unit of account - but *not* the medium of exchange - is coupled to the reserve currency via the reserve contract, thereby linking the system to external markets and yielding arbitrage opportunities between the reserve and all exchanges. By linking the token to Ethereum via the reserve smart-contract, we essentially make Ethereum the unit of account used by the token. Initially, this will result in the exchange price of the token increasing as Ethereum's price increases.

However, in the long-term, it is desirable to have a very stable unit of account. The Yeager-Greenfield proposal¹⁵ suggests a unit of account based on a bundle of commodities defined broadly enough so that any movement in the price of one component is likely to be cancelled out by movements in the others. In other words, they should be mostly independent so that their composition produces a symmetric distribution about some mean.

Stabilisation of this mean, or 'index value', will then support general price stability. Movements in the unit of account prices will then only reflect movements in the 'real' prices of the respective commodities.

Under such a system, the unit of account is defined independently of any particular medium of exchange and instead is defined by a comprehensive bundle of goods and services. No authority ever has to adjust money supply to make supply match demand for a given price-level target. The supply of money adjusts itself automatically to demand. The supposed problem of "injection effects" is therefore bypassed, as is any need for central forecasting.

Speculation, along with the indirect convertibility of money and the operations of clearing houses and arbitrageurs, keeps the commodity-bundle definition operational. Their activities will help determine market interest rates and a quantity of money consistent with the independent definition of the unit of account.

The proposed design of the TravelerToken currency is in many ways similar; however here the initial reserve will comprise only Ethereum. Later, by shifting the reserve from Ethereum to a basket of so-called "utility tokens", we can achieve a stable unit of account. These utility tokens will represent the ability to use the services provided by various public distributed networks; ideally, the services would be relatively universal and in constant demand, such as distributed storage, computation, and onion routing.

The universality of demand for such tokens will render them suitable for establishing a stable unit-of-account bundle. Further, the fact that their value depends on the complex upkeep of communications channels, power facilities, electronics manufacture, etc. means that the effects of random commodity price fluctuations will tend to cancel each other out.

¹⁵ Greenfield & Yeager (1983), *A Laissez-Faire Approach to Monetary Stability*

Is this system meant to be unique?

No. If the model is proven effective, many similar token systems may arise wherever there are groups of people with aligned interests and concerns. If a network of these token systems eventually subsumes all global economic activity, then we have achieved a monetary system that adjusts itself as a natural equilibrium-seeking mechanism.

Would this evolution not be stymied by governments?

There is no reason why it should be. On the contrary, the same technology that makes this model possible also allows for reliable auditing mechanisms. As long as a government continues to receive its taxes, it has no motivation for opposing the system. A government would still have its own currency, demand for which is guaranteed by the obligation to use it to pay taxes.

“We ought not to be deceived by the fact that today most bank notes are guaranteed as to their value because governments accept them at their face value in payment of taxes and have thus provided them with the so-called “tax-foundation” (Steuerfundation). The decisive feature, however, is their return to the issuing agency. This return flow is the final guarantee of their utility and therefore of their value.”

**Dr. Walter Zander,
Railway Money and Unemployment**

Trust: platform and processes

The issue of trust is affected by three principal factors.

Firstly, although the consortium will comprise a group of businesses with aligned interests and concerns, many of them will still be competitors. Typically, it is difficult to convince a large group of entities to collaborate, even more so when they are competitors. Nevertheless, they can all enjoy benefits as a result of taking part in a distributed system.

The distributed system will eventually be configured to publish zero-knowledge proofs of valid state transitions to public blockchains such as Ethereum. What this means is that the system will publish proofs to a publicly visible, immutable record that it is following certain (self-imposed) rules.

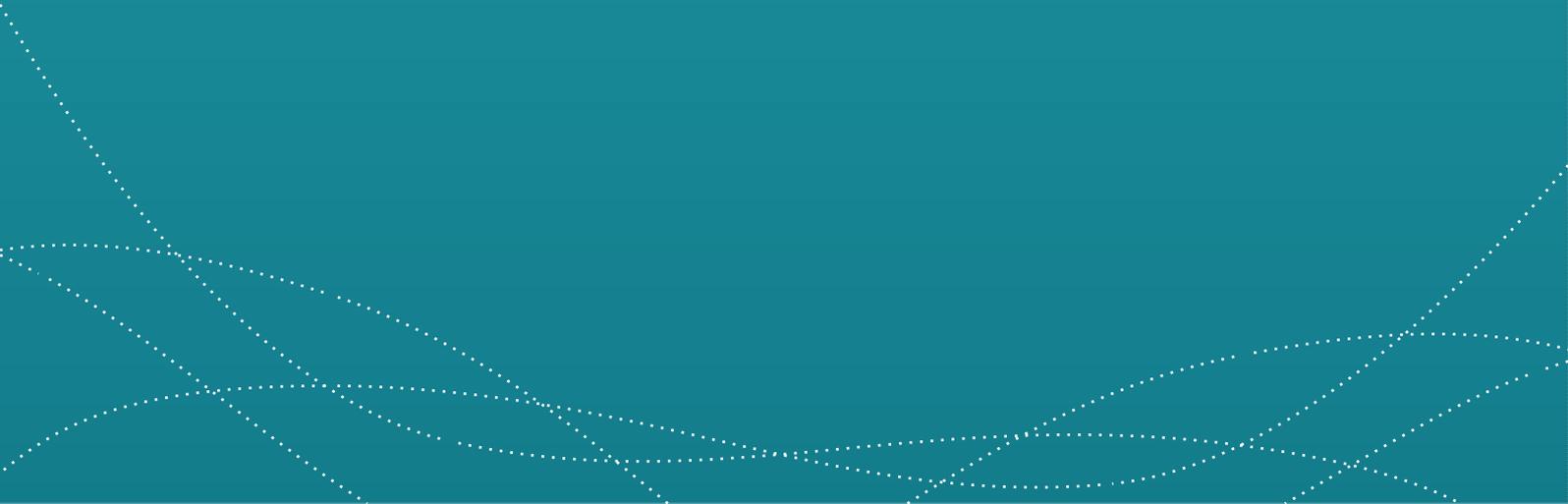
Third, the consortium will be made up of businesses; any malfeasance arising from secret collusion would put all related parties in legal jeopardy. There is no anonymity on a private, permissioned, distributed system and the legal system will therefore operate as intended.

Economic whitepaper

A separate paper will be released, describing in full the economic dynamics of the token and providing detailed arguments.¹⁶

¹⁶ Wollang (TBD), *The Fractal Economy — An Austrian Digital Token Framework*

Token



After the token-generation event, all participants will receive ERC20/223 standard tokens on the Ethereum network; this means it will have a fixed supply and it can immediately be traded on exchanges. During this phase, the token will likely face deflationary pressures and high demand on the market.

When the consortium's distributed system is ready, these ERC20 tokens can be exchanged on a one-to-one basis for the native token. During this phase, it is likely that the price will increase, despite the inflationary mechanism of the system due to the high expected growth in the price of Ethereum (which forms the reserve backing the native token).

When the native token and its consortium reach maturity, management expects that the TravelerToken will represent an efficient medium of exchange and a stable store of value.

The first smart-contract on the TLT native system will implement a modified version of the Bancor protocol as an asynchronous price-discovery and stability mechanism. It will hold an ETH reserve equivalent to 10% of the contribution amount. The reserve rate will thus initially be fixed at 10%. Since the token supply increases independently of the reserve amount, the contract will exact a fee ranging between 0 and 0.3% in ETH for all conversions made through the smart-contract. This fee is then added to the reserve amount, allowing the contract to track the desired reserve ratio.

The cash-back rewards will be powered by a feedback mechanism, transparently and autonomously introducing liquidity at a rate proportional to changes in the total turnover of the ecosystem. These cash-back rewards will be available to all users who pay in tokens for a consortium member's goods and services, and may be supplemented by each vendor through additional reward contracts.

Immediate Usage

Management intends that TravelerToken will be redeemable immediately after the token sale in two ways:

1. An agreed partnership with Wirecard Bank will allow participating token holders to obtain TLT debit cards; these cards can be loaded with TLT tokens and redeemed anywhere covered by the Mastercard network.
2. TLT can be redeemed in exchange for the cost of goods and services offered by participating early-backer members of the consortium.



Token Generation



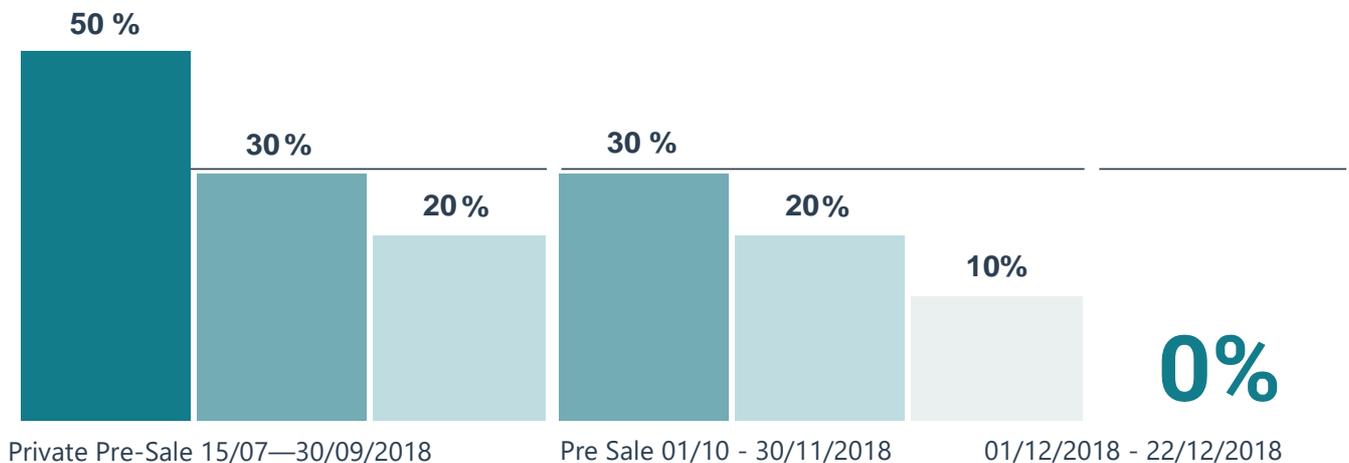
Summary

Name:	TravelerToken TLT
Symbol:	15/07/2018
Pre-sale:	01/12/2018
Sale:	100.000 ETH
Hard Cap:	1 ETH = 5000 TLT
Token Exchange Rate:	0.2 ETH
Minimum Contribution:	ETH
Contribution Channels:	Every nationality, except: United States, Singapore, Socialist Republic of Vietnam, People's Republic of China or resident of a country where American embargoes and sanctions are in force, namely Iran, North Korea, Syria, Sudan, or Cuba.
Accepted Nationalities:	

Exchanges: We plan to be listed on the largest cryptocurrency exchanges.

EARLY BIRD DISCOUNTS

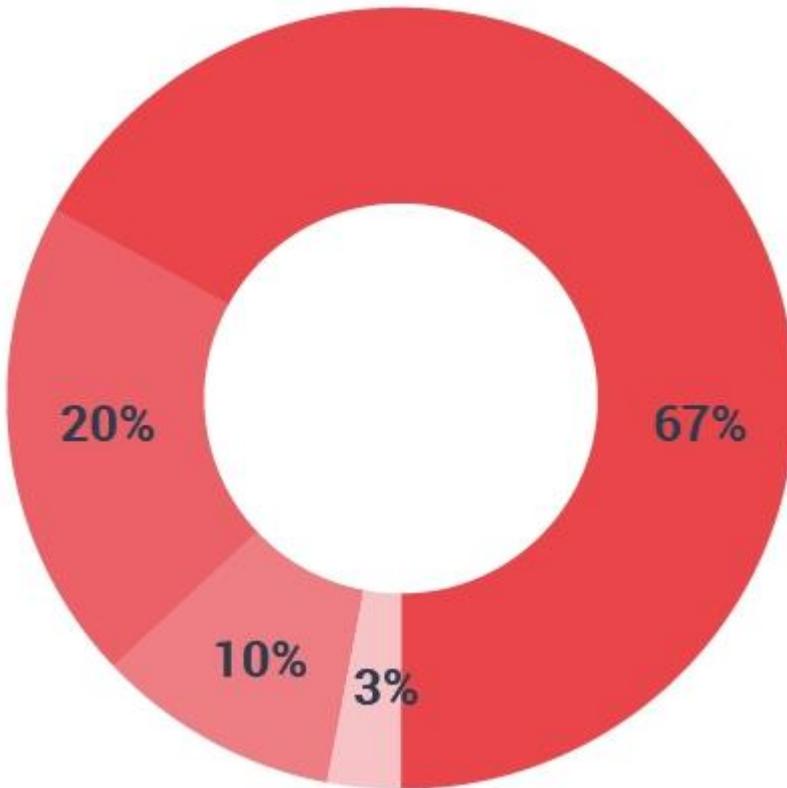
● Above 25 ETH
 ● 10— 25 ETH
 ● Below 10 ETH



The exact number of tokens generated depends on the amount of funds contributed. Upon reaching the hard cap, the token generation event will end immediately. Tokens will be transferable once the token generation event is completed.

Distribution, Proceeds, Disbursal

TOKEN DISTRIBUTION



67% Free Market

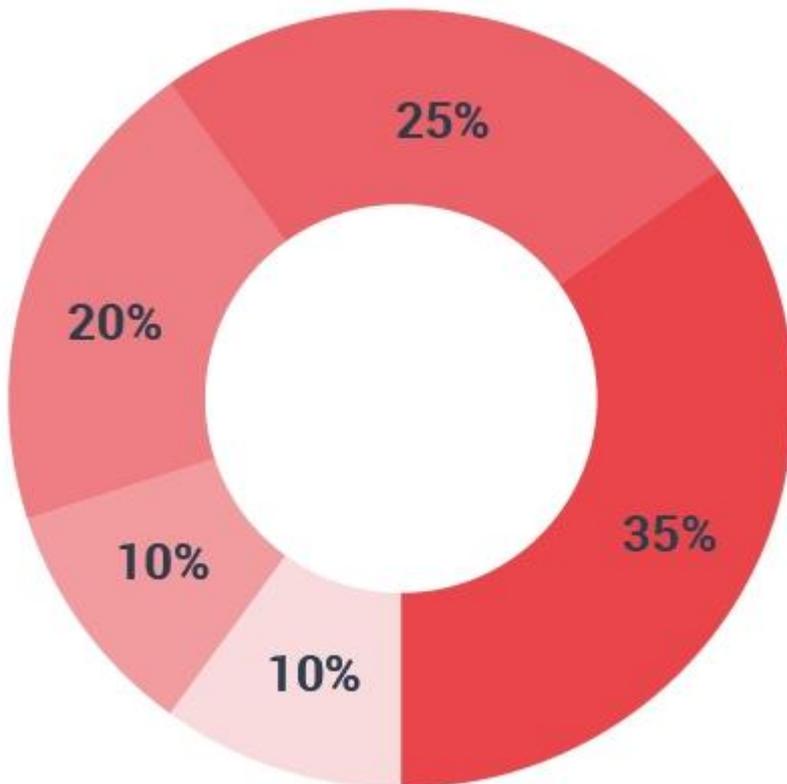
20% Token Reserve

10% Team, Advisors, Early Supporters

3% Bounty Program

The distribution is proportional to the number of tokens generated through the token generation event. At the end of the event, all tokens generated are considered to constitute 67% of the total supply. 13% of the supply is allotted to advisors, early supporters and bounties receivers. The remaining 20% of tokens will be held in the Token Reserve. These tokens will be committed to a fund for the long-term maintenance and development of the TLT ecosystem infrastructure as it evolves into a multi-stakeholder consortium.

TOKEN FUNDING



35% Research & Development

25% Sales & Marketing

20% Partner Acquisition

10% ETH Reserve

10% Admin, Operations, Founding, Legal

Research & Development funds will cover all R&D expenses, including the design and development of the hybrid centralised token system.

The Sales & Marketing budget will drive expansion of the TLT platform into wider markets and attract the attention of avid travellers and their families around the world.

Partner Acquisition expenses include legal costs associated with expansion of the TLT ecosystem into various countries and the introduction of new partners into the consortium.

The ETH Currency Reserve makes up the reserve used in the asynchronous price-discovery and stability mechanism.

Admin, Operations, Founding and Legal costs include the salaries of employees hired to manage the foundation, excluding the R&D team, and expenses incurred in setting up the TLT ecosystem.

KYC

We do not accept participation from Restricted Persons. We reserve the right to refuse or cancel requests to participate in TLT token-generation events at any time, with sole discretion, when the information provided by the potential participant within the KYC procedure is not sufficient, inaccurate or misleading, or when the potential participant is deemed to be a Restricted Person.

Escrow

All payments received for TLT tokens in connection with the token-generation event will be held in escrow in a multi-signature wallet. The associated keys will stay with members of the TLT team and (a trusted third party?), who will oversee and cooperate in the disbursement schedule.

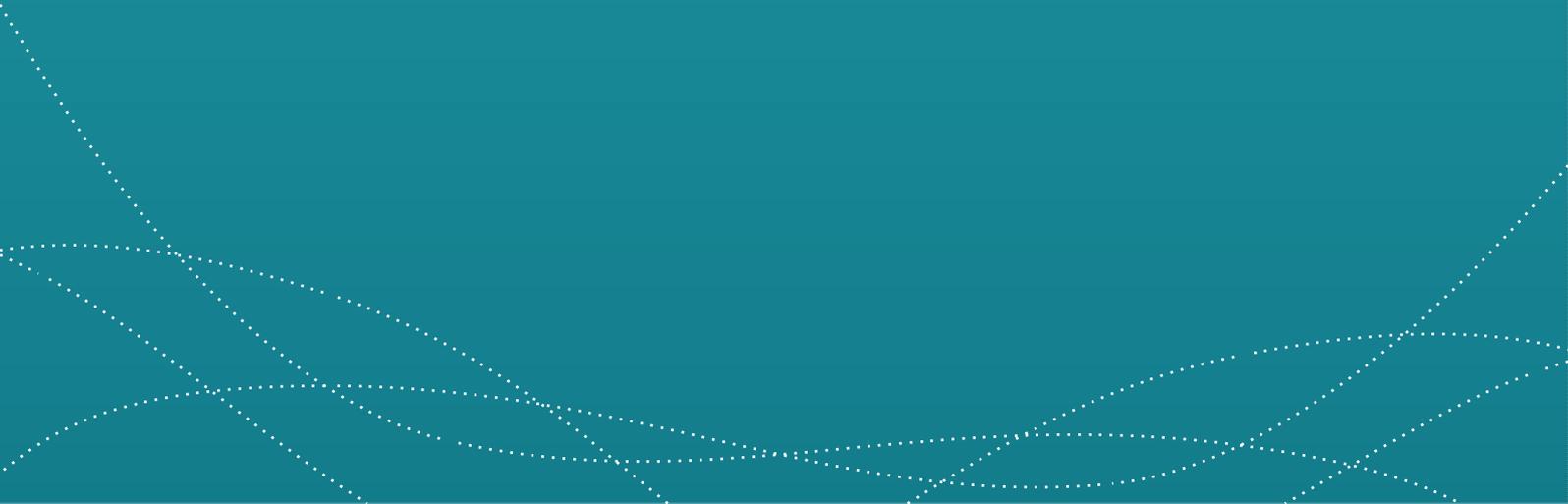
Recommended Wallets

In order to participate in the TLT token generation event, a wallet which supports the ERC20 token standard is required. Without one, participants will not be able to manage their TLT tokens.

Supporting wallets include:

- MetaMask
- Parity
- Mist

Risk Factors



Acquisition of TLT tokens involves a moderate degree of risk. Each potential participant in the TLT token-generation event should carefully consider the following information about these risks before she decides to buy TLT tokens. If any of the following conditions arise, the value of TLT tokens could be materially adversely affected. Risks and uncertainties described below may not be the only ones that token-holders face. Additional risks and uncertainties may also materially adversely affect the value of TLT tokens.

1. RISKS CONNECTED TO THE VALUE OF TLT TOKENS

1.1. Risks Relating to Highly Speculative Traded Price

The valuation of digital tokens in a secondary market is usually highly speculative and not transparent. TLT tokens do not represent or grant any ownership rights to TravelXite's assets and, therefore, are not backed by any tangible asset. The traded price of TLT tokens in a secondary market can fluctuate greatly within a short period of time. There is a risk that a token-holder could lose a substantial portion of her contribution amount as denominated in the traded price. In the worst-case scenario, TLT tokens could be rendered worthless in a secondary market.

1.2. TLT Tokens May Have No Third-Party Value

The TLT tokens may have no third-party value and there is no guarantee of liquidity in a secondary market. TravelXite and its respective past, present, and future employees, officers, directors, contractors, consultants, attorneys, accountants, financial advisors, equity holders, vendors, service providers, parent companies, subsidiaries, affiliates, agents, and representatives ("Company Parties") are not and shall not be responsible for or liable for the market value, transferability, liquidity, and/or availability of TLT tokens through third parties or otherwise.

1.3. TLT Tokens May Be Non-Refundable

Except for as provided in a legally binding documentation or prescribed by the applicable legislation, Company Parties are not obliged to provide TLT token holders with a refund related to TLT tokens. No promises of future performance or price are or will be made with respect to TLT tokens, including no promise of inherent value, no promise of continuing payments, and no guarantee that TLT tokens will hold any particular value. Therefore, recovery of spent resources may be impossible or may be subject to foreign laws or regulations, which may not be the same as the private law of the TLT token holder.

2. BLOCKCHAIN AND SOFTWARE RISKS

2.1. Blockchain Delay Risk

On architectures currently used for the majority of cryptocurrency transactions (e.g. Bitcoin, Ethereum), the timing of block production and confirmation is determined only in proportion to the ability of the network to solve a cryptographic puzzle ("Proof of Work"), and therefore actual block production and confirmation can occur at random times. For example, cryptocurrency sent as payment for TLT tokens in the final seconds of the TLT token generation event may not be included in that period. The respective platform may not include the participant's transaction at the time the participant expects.

2.2. Blockchain Congestion Risk

Architectures currently used for the majority of cryptocurrency transactions (e.g. Bitcoin, Ethereum) are prone to periodic congestion during which transactions can be delayed or lost. Individuals may also intentionally spam the network in an attempt to gain an advantage in acquiring cryptographic tokens. That may result in a situation where block producers may not include the participant's transaction when the participant wants, or the participant's transaction may not be included at all.

2.3. Risk of Software Weaknesses

The token smart-contract concept, and the underlying software application and platform, are still in an early stage of development. There are no guarantees or warranties that the processes which maintain the TLT token will be uninterrupted or error-free. There is an inherent risk that the software could contain weaknesses, vulnerabilities, or bugs causing, *inter alia*, the complete loss of stored cryptocurrency and/or TLT tokens themselves.

2.4. Risk of New Technology

The TLT tokens and all of the matters set forth in this white paper are new and untested. The TLT platform and tokens might not function as intended, and TLT tokens may not have functionality that is desirable or valuable. Participants in the TLT token-generation event should not establish any critical reliance on the TLT platform, the token smart-contract, or the ability to receive TLT tokens associated with the TLT platform in the future.

3. SECURITY RISKS

3.1. Risk of Loss of Private Keys

TLT tokens may be held by a token holder in her digital wallet, which requires a private key, or a combination of private keys, for access. Accordingly, loss of requisite private keys associated with such token holder's digital wallet will result in loss of contained TLT tokens and/or access to on-chain records of transactions. Moreover, any third-party that gains access to such private keys, including by gaining access to login credentials of a hosted wallet service the token holder uses, may be able to misappropriate the token holder's TLT tokens.

3.2. Lack of Token Security

TLT tokens may be subject to expropriation and/ or theft. Hackers or other malicious groups or organisations may attempt to interfere with the token smart-contract which administrates the TLT tokens in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing, and spoofing. Furthermore, there is the risk that Ethereum smart contracts may contain unintentional bugs or weaknesses which may negatively affect the TLT tokens or result in the loss of TLT tokens, the loss of ability to access or control the TLT tokens. In the event of such a software bug or weakness, there may be no remedy and holders of the TLT tokens are not guaranteed any remedy, refund or compensation.

3.3. Attacks on Token Smart Contract

The blockchain used for the token smart contract which creates the TLT tokens is susceptible to mining attacks, including double-spend attacks, majority mining power attacks, "selfish-mining" attacks, and race condition attacks. Any successful attacks present a risk to the token smart contract, expected proper execution and sequencing of the TLT token transactions, and expected proper execution and sequencing of contract computations.

3.4. Failure to Map a Public Key to Participant's Account

Failure of a participant in the TLT token generation event to map a public key to such participant's account may result in third parties being unable to recognise the participant's TLT token balance on the Ethereum platform when and if they configure the initial balances of a new platform based upon the TLT platform.

3.5. Risk of Incompatible Wallet Service

The wallet or wallet service provider used for the acquisition and storage of TLT tokens must be technically compatible with TLT tokens. Failure to assure compatibility beforehand may result in the participant being unable to access her TLT tokens.

4. RISKS RELATING TO PLATFORM DEVELOPMENT

4.1. Risk Related to Reliance on Third Parties

Even if completed, the TLT platform will rely, in whole or partly, on third parties to adopt and implement it and to continue to develop, supply, and otherwise support it. There is no assurance or guarantee that those third parties will complete their work, properly carry out their obligations, or otherwise meet anyone's needs, all of which might have a material adverse effect on the TLT platform.

4.2. Dependence of TLT Platform on Senior Management Team

The ability of the management team responsible for maintaining the competitive position of the TLT platform is dependent to a large degree on the services of each member of that team. The loss or diminution in the services of members of the respective senior management team, or an inability to attract, retain and maintain additional senior management personnel, could have a material adverse effect on the TLT platform. Competition for personnel with relevant expertise is intense due to the small number of qualified individuals, and this situation seriously affects a company's ability to retain its existing management and attract additional qualified management personnel, which could have a significant adverse impact on the TLT platform.

4.3. Dependence of TLT Platform on Various Factors

The development of the TLT Platform may be abandoned for a number of reasons, including lack of interest from the public, lack of funding, lack of commercial success or prospects, and the departure of key personnel.

4.4. Lack of Interest in the TLT Platform

Even if the TLT platform is finished and adopted and launched, the ongoing success of the TLT platform relies on the interest and participation of third parties like travel companies. There can be no assurance or guarantee that there will be sufficient interest or participation in the TLT platform.

4.5. Changes to the TLT Platform

The TLT platform is still under development and may undergo significant changes over time. Although the project management team intends for the TLT platform to have the features and specifications set forth in this White Paper, changes to such features and specifications can be made for any number of reasons, any of which may mean that the TLT platform does not meet expectations of holders of the TLT tokens.

4.6. Risk Associated with Other Applications

The TLT platform may give rise to other, alternative projects, promoted by unaffiliated third parties, under which the TLT token will have no recognition or value.

4.7. Risk of an Unfavourable Fluctuation of Cryptocurrency Value

The proceeds of the generation event of the TLT tokens will be denominated in cryptocurrency, and may be converted into other cryptographic and fiat currencies. If the value of cryptocurrencies fluctuates unfavourably during or after the TLT token generation event, the project management team may not be able to fund development or may not be able to develop or maintain the TLT platform in the manner that is intended.

5. RISKS ARISING IN COURSE OF COMPANY PARTIES' BUSINESS

5.1. Risk of Conflicts of Interest

Company Parties may be engaged in transactions with related parties, including respective majority shareholders, companies controlled by her or in which she owns an interest, and other affiliates, and may continue to do so in the future. Conflicts of interest may arise between a Company Party's affiliates and respective Company Party, potentially resulting in the conclusion of transactions on terms not determined by market forces.

5.2. Risks Related to Invalidation of Company Parties Transactions

Company Parties may have taken a variety of actions relating to their business that, if successfully challenged for not complying with applicable legal requirements, could be invalidated or could result in the imposition of liabilities on the respective Company Party. Since applicable legislation may be subject to many different interpretations, the respective Company Party may not be able to successfully defend any challenge brought against such transactions, and the invalidation of any such transactions or imposition of any such liability may, individually or in the aggregate, have a material adverse effect on the TLT platform.

5.3. Risk Arising from Emerging Markets

Company Parties or some of them may operate in emerging markets. Emerging markets are subject to greater risks than more developed markets, including significant legal, economic and political risks. Emerging economies are subject to rapid change and the information set out in this White Paper may become outdated relatively quickly.

6. GOVERNMENTAL RISKS

6.1. Uncertain Regulatory Framework

The regulatory status of cryptographic tokens, digital assets and blockchain technology is unclear or unsettled in many jurisdictions. It is difficult to predict how or whether governmental authorities will regulate such technologies. It is likewise difficult to predict how or whether any governmental authority may make changes to existing laws, regulations and/or rules that will affect cryptographic tokens, digital assets, blockchain technology and its applications. Such changes could negatively impact the tokens in various ways, including, for example, through a determination that the tokens are regulated financial instruments that require registration. The company may cease the distribution of the TLT tokens, the development of the TLT platform or cease operations in a jurisdiction in the event that governmental actions make it unlawful or commercially undesirable to continue to do so.

6.2. Failure to Obtain, Maintain or Renew Licenses and Permits

Although as of the date of starting the TLT token-generation event there are no statutory requirements obliging the company to secure any licences and permits necessary for carrying out its activity, there is the risk that such statutory requirements may be adopted in the future and may relate to any of the Company Parties. In this case, a Company Party's business will depend on the continuing validity of such licences and permits, and its compliance with their terms. Regulatory authorities will exercise considerable discretion in the timing of licence issuance and renewal, and the monitoring of licensees' compliance with licence terms. Requirements which may be imposed by these authorities - and which may require a Company Party to comply with numerous standards, recruit qualified personnel, maintain necessary technical equipment and quality control systems, monitor operations, maintain appropriate filings and, upon request, submit appropriate information to the licensing authorities - may be costly and time-consuming and may result in delays in the commencement or continuation of operation of the TLT platform. Further, private individuals and the public at large possess rights to comment on and otherwise engage in the licensing process, including through intervention in courts and political pressure. Accordingly, the licences that a Company Party might need may not be issued or renewed, or if issued or renewed, may not be issued or renewed in a timely fashion, or may involve requirements which restrict the Company Party's ability to conduct its operations or to do so profitably.

6.3. Risk of Government Action

The industry in which Company Parties operate is new, and may be subject to heightened oversight and scrutiny, including investigations or enforcement actions. There can be no assurance that governmental authorities will not examine the operations of Company Parties and/or pursue enforcement actions against them. All of this may subject Company Parties to judgments, settlements, fines or penalties, or cause Company Parties to restructure their operations and activities, or to cease offering certain products or services, all of which could harm Company Parties' reputation or lead to higher operational costs, which may in turn have a material adverse effect on the TLT tokens and/or the development of the TLT platform.

6.4. Risk of Burdensomeness of Applicable Laws, Regulations, and Standards

Failure to comply with existing laws and regulations, or the findings of government inspections, or increased governmental regulation of Company Parties' operations, could result in substantial additional compliance costs or various sanctions, which could materially adversely affect Company Parties' business and the TLT platform.

Company Parties' operations and properties are subject to regulation by various government entities and agencies, in connection with ongoing compliance with existing laws, regulations and standards. Regulatory authorities exercise considerable discretion in matters of enforcement and interpretation of applicable laws, regulations and standards. Respective authorities have the right to conduct periodic inspections of any Company Party's operations and properties throughout the year. Any such future inspections may conclude that a Company Party has violated laws, decrees or regulations, and it may be unable to refute such conclusions or remedy the violations. Any Company Party's failure to comply with existing laws and regulations or the findings of government inspections may result in the imposition of fines or penalties or more severe sanctions, or in requirements that the respective Company Party cease certain of its business activities, or in criminal and administrative penalties applicable to respective officers. Any such decisions, requirements or sanctions, or any increase in governmental regulation of respective operations, could increase Company Parties' costs and materially adversely affect Company Parties' business and the TLT platform.

6.5. Unlawful or Arbitrary Government Action

Governmental authorities may have a high degree of discretion and, at times, act selectively or arbitrarily, without hearing or prior notice, and sometimes in a manner that is contrary to law or influenced by political or commercial considerations. Moreover, governments also have the power in certain circumstances, by regulation or government act, to interfere with the performance of, nullify or terminate contracts. Unlawful, selective or arbitrary governmental actions have reportedly included the denial or withdrawal of licences, sudden and unexpected tax audits, criminal prosecutions and civil actions. Federal and local government entities have also used common defects in matters surrounding token generation events as pretexts for court claims and other demands to invalidate or to void any related transaction, often for political purposes. In this environment, Company Parties' competitors may receive preferential treatment from the government, potentially giving them a competitive advantage over Company Parties.

TravelerToken

Travel More. Spend Less.

Rewarding consumers and driving progress.

A collaboration between

travelXite



