



Merchant Token

DeFi Merchant Payment Protocol with consumer protection for Web 3.0

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White Paper

Abstract

HIPS Merchant Protocol (HMP), the Hips Merchant Protocol Gateway (HMP-gateway) and the governing Merchant Token (MTO) is a solution that introduces consumer protection concepts from the traditional card payment industry to any blockchain with support for smart contracts like Ethereum, Cardano (ADA) or Solana, which we believe is the missing piece for crypto payments to have a market penetration and acceptance among mainstream consumers. HIPS Merchant Blockchain is the native blockchain for HMP and Merchant Coin (MEO), optimized for real-time Merchant transactions created for Payment Service Providers (PSP) and EFTPOS devices with full support for backward compatible financial protocols like ISO8583 enabling crypto payments in standard terminal messages, using the existing terminal, and card scheme infrastructures for crypto payments in Hips Merchant Blockchain.

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Introduction

The blockchain technology is still very nascent and in its early stages, experiencing an open frontier similar to that of the Internet in the early 1990s. However, we at Hips believe that the blockchain technology, as a tool of distributed consensus, will become the primary method to store, trade, or transact digital and tangible assets in the future.

The card payment industry had its roots in 1949, when Frank X. McNamara, who had finished lunch at Majors Cabin Grill restaurant in New York City, couldn't pay for it because he had forgotten his wallet. McNamara signed a business card as an "IOU" and returned the next day to pay for the meal – opening the door to the first payment card transaction and launching the payment card industry with the founding of Diners Club. In subsequent years, Diners Club cardholders could use the trust of Diners Club as a guarantee for a payment, and merchants trusted and accepted the card. Should there be any problem with the payment, both parties could rely on Diners Club to solve any issues. A *merchant protection* was now established.

Within the next 50 years and by the early 2000s, a few more payment card companies followed suit and were established, including Visa, MasterCard, and American Express among others. With evolving technology, some new purchase patterns have been developed, allowing for transactions over the phone or Internet. If a payment card was used and had been successfully authorized, the merchant could be confident of compensation. However, the consumer was not guaranteed the same satisfaction, with the lingering question as to whether the product or service would be received in a timely manner, if even at all.

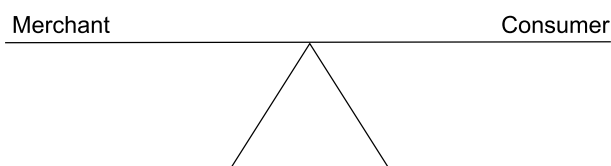
The Problem

Consumers have faced this ongoing problem for years, even before mail order: in almost any pre-sale market, such as ticket purchases or membership club dues, there is a risk of the merchant filing bankruptcy before the consumer receipt of an already purchased product. After the year 2000 and with the boom of e-commerce, the problem has only escalated¹ - not only from rogue merchants setting up façade sites to try to sell non-existing cheap products before the holidays, but also due to the dim statistic that 9 out of 10 micro companies file bankruptcy² after failing with their Internet startup idea, leaving a lot of consumers empty-handed.

The **Electronic Fund Transfer Act** was passed by the U.S. Congress in 1978 and signed by President Jimmy Carter, to establish the rights and liabilities of consumers as well as the responsibilities of all participants in electronic funds transfer activities. The act allowed the consumers to go to the payment companies to claim their funds back. A form of reciprocity needed to be established so as to not only give *merchant protection*, but also *consumer protection* in the payment ecosystem. Thus, the chargeback was born – and a form of check and balance in the payment ecosystem. Both the merchant and the consumer could now trust the payment company should they need “financial help.”

¹<https://brc.org.uk/news/finance/a-switch-to-online-retail-has-led-to-increased-chargebacks-here-s-how-to-prevent-it/>

²<https://www.forbes.com/sites/neilpatel/2015/01/16/90-of-startups-will-fail-heres-what-you-need-to-know-about-the-10/?sh=31be80986679>

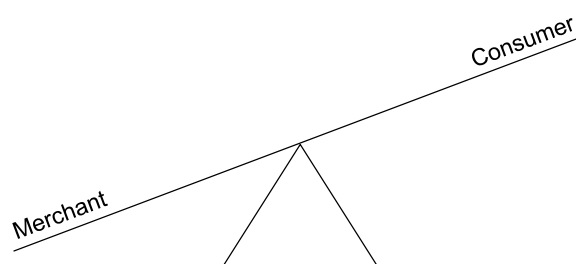


However, merchants dislike chargebacks, as it is bad for their business. With the new balance in the ecosystem, positively, a merchant that did not fulfill its obligations could be forced to do so, but negatively, a bona fide merchant merely conducting commerce online could be defrauded by unknown buyers using stolen credit cards because the identity of the payer and the ownership of the payment card could not be verified. As such, merchants lost a lot of money, and a solution was demanded from the interest groups: better authentication of the cardholder and mitigations on the chargebacks if the merchant followed all the proper protocols to identify the buyer. Anti-fraud systems started to appear in the market and the payment companies joined forces and created the 3D Secure scheme that transferred the liability of the chargeback from the merchant to the issuer. It took some years of trial and error but the optimum balance system was restored and e-commerce flourished exponentially. Although periodically a chargeback occurs which is unfair to the merchant, or a consumer is a victim of a merchant scam or bankruptcy, the balance was and continues to be in place.

With the introduction of crypto payment, which is well endorsed and appreciated by early-adopter merchants around the world, many believe that “chargebacks are a thing of the past,” and any “chargeback problem” is solved - because a crypto payment is final and cannot be disputed and reversed by a third party.

However, in deeper examination, the technology of crypto and blockchain payments has not solved the “chargeback problem,” but the issue of payer authentication, and this very concern that troubled merchants is now a problem of the past. With crypto and blockchain, we confidently know that the owner of the private key signed the transaction. However, it has also eliminated the comfort of the customer knowing that a transaction can be disputed should there be a problem with the product and the merchant support refuses to help. There is still the

outstanding issue of whether the merchant intends to ship a paid product or will go into bankruptcy before a customer will receive their purchased goods or services, therefore creating an imbalance in huge favor for the merchant. Simultaneously, the online purchase scams continue to surge, with 2019 seeing an increase of 24%, and 2020 of 38% in online purchase scams according to BBB's (Better Business Bureau) latest report. A staggering 80% of the consumers say they have lost money online.



With the discernable advantages of crypto and blockchain payments, will they be widely adopted and take market share from traditional payment methods like Visa, MasterCard and American Express in the mainstream e-commerce payment space? It appears that this is inevitable, but there needs to be a healthy merchant-to-consumer balance firmly in place for a global adoption of crypto payments.

With the current imbalance, we think it will be impossible for crypto payments to take any significant market share and be accepted by mainstream consumers without any **consumer protection** built into the blockchain (via smart contracts).

The knowledge that a transaction can be disputed is often the single leading factor for a successful conversion if the company is not previously known by the consumer.

A traditional chargeback should be considered if:

1. The transaction was not authorized by the cardholder, or was put through more than once.
2. The merchant did not deliver the goods or services paid for by the cardholder.

With blockchain and crypto, the first issue has been resolved. We know that the owner of the payment instrument authorized the transaction because it was signed with the private key. We also know it was not submitted more than once because of hashing algorithms. But we have still not solved the second part with crypto and blockchains, until now with Hips Merchant Protocol (HMP) and the governance token Merchant Token (MTO).

The Solution

HIPS Merchant Protocol (HMP), the Hips Merchant Protocol Gateway (HMP-gateway) and the governing Merchant Token (MTO) is the solution on any blockchain with support for smart contracts like Ethereum, Cardano (ADA), or Solana.

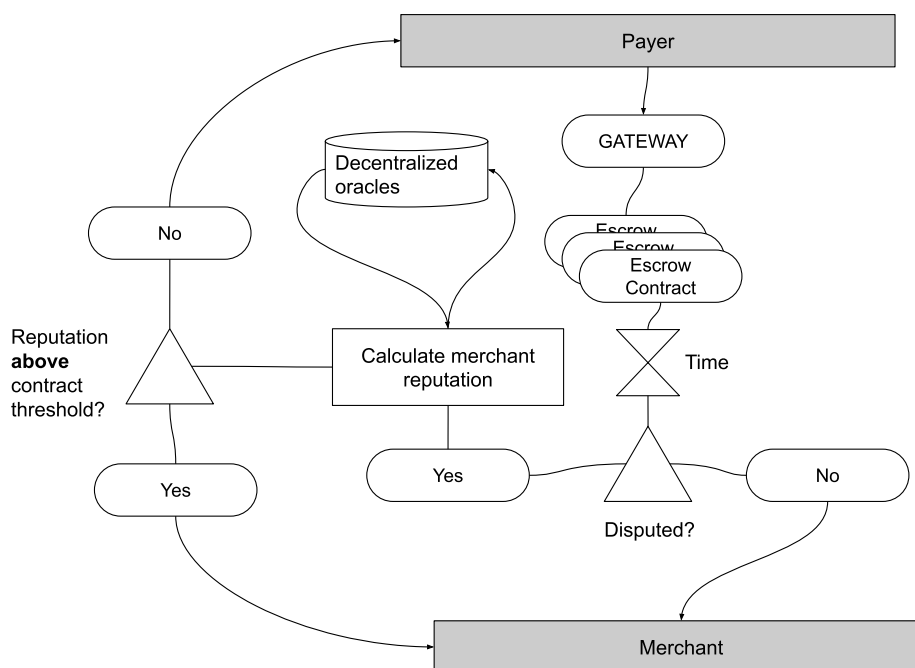
The solution in this whitepaper describes how HMP will escrow ERC20 tokens in Ethereum's blockchain, but the protocol will work similarly on other supported blockchains like Cardano with others.

HIPS Merchant Blockchain built on Hyperledger is the native blockchain for HMP and Merchant Coin (MEO), optimized for real-time Merchant transactions created for Payment Service Providers (PSP) and EFTPOS devices with full support for backward compatible financial protocols like ISO8583 enabling crypto payments in standard terminal messages, using the existing terminal, and card scheme infrastructures³ for crypto payments in Hips Merchant Blockchain.

³ <https://www.mastercard.com/news/perspectives/2021/why-mastercard-is-bringing-crypto-onto-our-network/>

Payment Escrowing with Automatic Dispute Management (ADM)

Escrowing is particularly important for off-chain components like e-commerce payments.



ADM token flow

This is the procedure for ADM escrowing:

1. A payer account approves a token transfer to the Merchant via a trusted Merchant Protocol Gateway (smart contract).
2. The Merchant Protocol Gateway routes the transaction to a smart contract based on the delivery time of the e-commerce order (another smart contract) that transfers those tokens to itself, holding them in escrow. The escrow time and reputation factors will vary on the final delivery time.
3. The merchant account cannot withdraw escrowed tokens without a high reputation level (calculation based on successful “non-disputed” escrows over variable time, age of

address, total processed amount on address) or after the escrow time has passed without any dispute-signals from the payer account.

$$Norm = \sqrt{\sum_{n=1}^m (Pow(T_n, 2))}$$

$$weight(n) = \frac{(T_n)}{Norm}$$

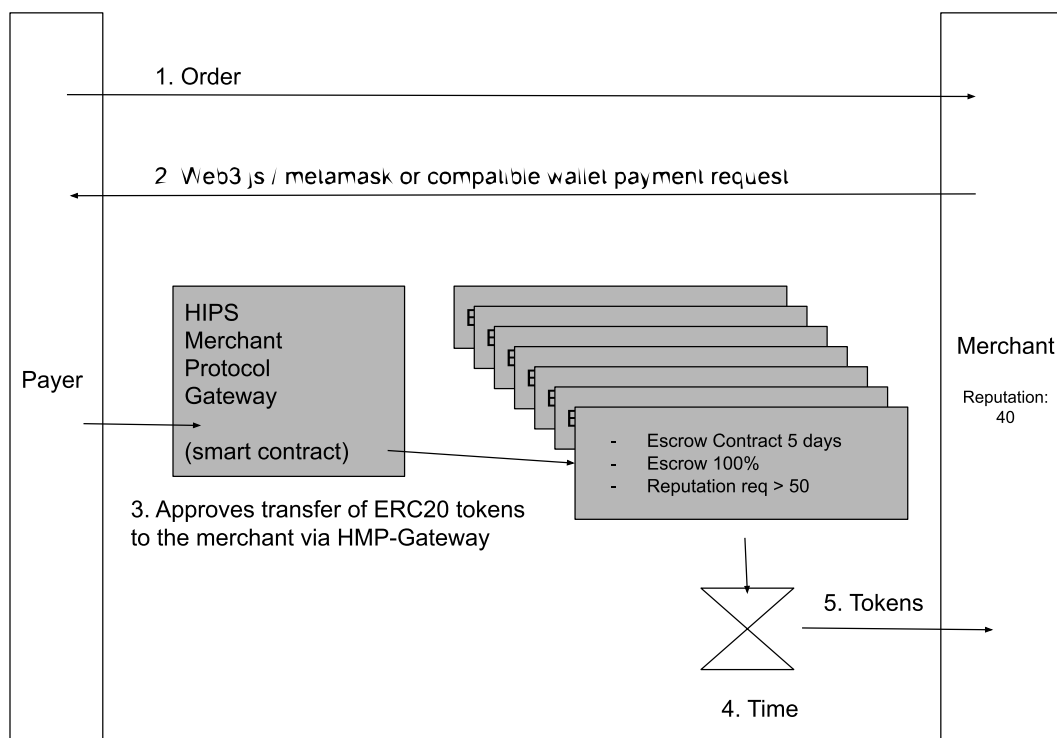
$$r = \frac{(\sum_{k=0}^n weight^k * T^k)}{Norm}$$

The tokens are transferred to the merchant (minus a transaction fee that goes to the fee pool) after a settlement signal on the blockchain from the merchant or automatically after the escrow time has passed in the blockchain if there are no dispute claims.

Should the merchant have a high reputation level, the tokens will be transferred by the Merchant Protocol Gateway without ever landing in any escrow contract.

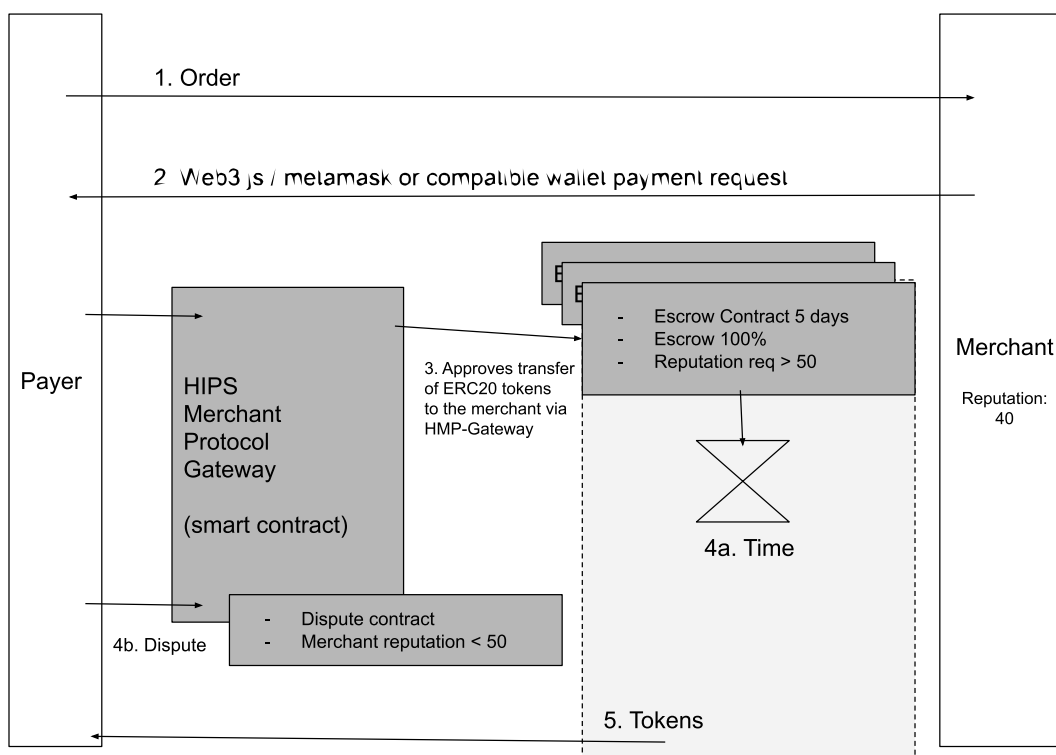
4. Should there be a dispute signal from the payer and the merchant has a bad reputation level, the escrow contract will initiate a “chargeback” event resulting in the funds being routed back to the sender.

Example of successful payment, no dispute (bad merchant reputation)



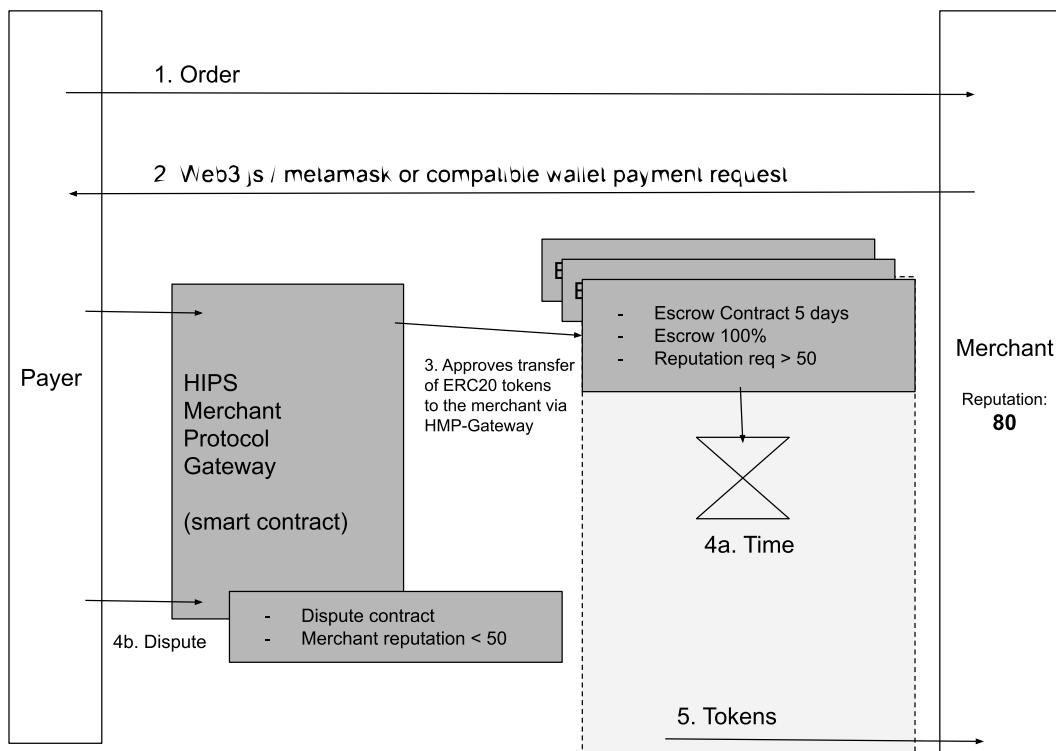
In this example we have an order being placed at the merchant web shop (1). The merchant sends back a payer data block that is compatible with Web3.js or similar (2) making it seamless for the payer to complete the payment request (as easy as transferring the tokens directly). The payer will see that this is an escrow transaction and approves the transaction (3). The tokens are then transferred to HMP-Gateway which is a smart contract. The HMP finds the correct escrow contract based on the initial transaction. The tokens are forwarded to the correct escrow contract and lives there for the contract time which, in this example is 5 days if the merchant reputation score is < 50 . After 5 days the tokens are transferred to the merchant automatically (in some cases a withdrawal signal is required by the merchant).

Example of chargeback, dispute signal (bad merchant reputation)



In this example we have an order being placed at the merchant web shop (1). The merchant sends back a payer data block that is compatible with Web3.js or similar (2) making it seamless for the payer to complete the payment request (as easy as transferring the tokens directly). The payer will see that this is an escrow transaction and approves the transaction (3). The tokens are then transferred to HMP-Gateway which is a smart contract. The HMP finds the correct escrow contract based on the initial transaction. The tokens are forwarded to the correct escrow contract (4a) and lives there for the contract time which, in this example is 5 days if the merchant reputation score is < 50 . While the tokens live in the escrow contract, HMP receives a dispute signal (4b). Merchant reputation is calculated in real-time; and because the merchant reputation score is below the contract threshold, the tokens are “chargebacked.”

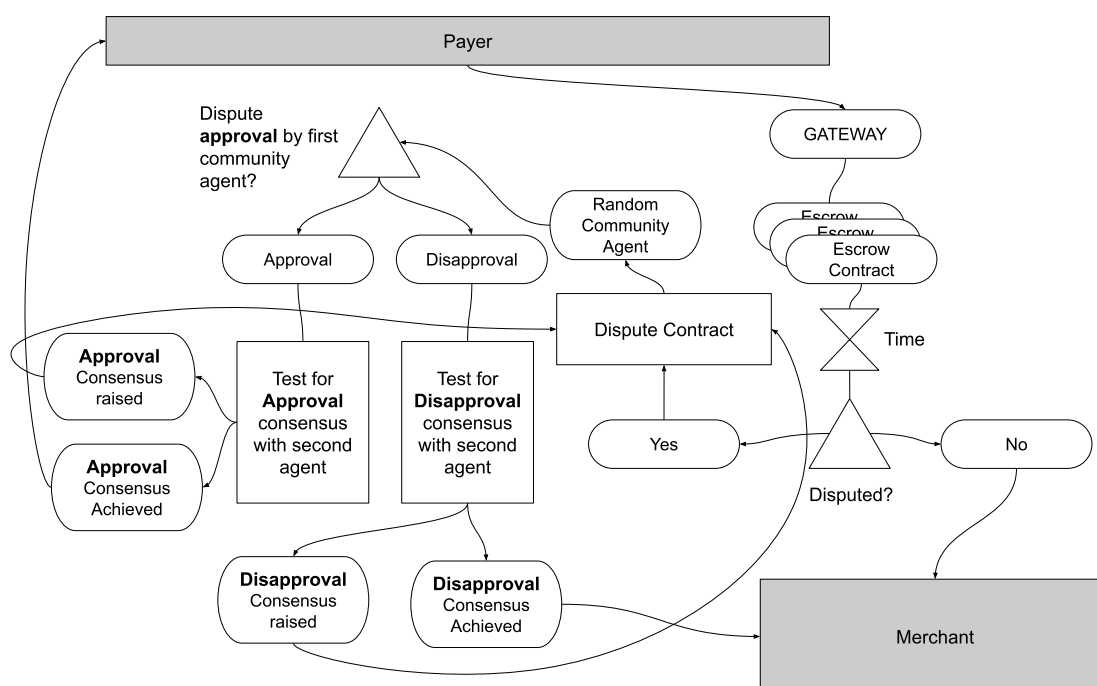
Example of won payment dispute (good merchant reputation)



In this example, we have an order being placed at the merchant web shop (1). The merchant sends back a payer data block that is compatible with Web3.js or similar (2) making it seamless for the payer to complete the payment request (as easy as transferring the tokens directly). The payer will see that this is an escrow transaction and approves the transaction (3). The tokens are then transferred to HMP-Gateway which is a smart contract. The HMP finds the correct escrow contract based on the initial transaction. The tokens are forwarded to the correct escrow contract (4a) and lives there for the contract time which, in this example is 5 days if the merchant reputation score is <50. While the tokens live in the escrow contract, HMP receives a dispute signal (4b). Merchant reputation is calculated in real-time; however the merchant reputation is above the contract treshold and the dispute is "won" by the merchant.

Payment Escrowing with Community Dispute Management (CDM)

Escrowing with community dispute management (CDM) is a method that accounts for neither automatic dispute management nor a merchant reputation. Instead, it is community consensus that decides if a dispute should be disapproved or approved. CDM allows any token holder to increase their token holdings by getting involved and actively participating in dispute cases.



CDM Token flow

This is the procedure for CDM escrowing:

1. A payer account approves a token transfer to the Merchant via a trusted Merchant Protocol Gateway (smart contract).
2. The Merchant Protocol Gateway routes the transaction to a smart contract based on the delivery time of the e-commerce order (another smart contract) that transfers those

tokens to itself, holding them in escrow. Depending on the delivery time, the escrow time will vary.

3. The merchant account cannot withdraw escrowed tokens until escrow time has passed without any dispute-signals from the payer account.
4. Should there be no dispute signal and the time has passed, the tokens (minus the transaction fee that goes to the fee pool) is transferred to the merchant. However, should there be a dispute signal, the tokens will be transferred to a dispute contract.
5. The tokens will live in the dispute contract until a random agent (any Merchant Token holder) starts a dispute case. It is of highest importance that the agent gets a random case so there is no conflict of interest in the specific case that is investigated.
6. The dispute agent will conduct an investigation based on the data available in any supported dispute platform. The data available for investigating the dispute case will be variable and it will be up to the disputing account (payer) to disclose the data they feel comfortable with sharing. It will be a requirement from the protocol association that such platform is GDPR-safe. The dispute agent will only have access to data for the specific case that is investigated.
7. Once a dispute is done, the case will be transferred for a second opinion before a consensus test is performed. If the consensus test passes, the dispute fee (paid by the account holder/payer) will be released.

After each dispute case is closed, there will be a reputation scoring on the agents involved. An increase in reputation will occur if consensus is achieved. A consensus raised will result in a negative score for the agents. The reason for reputation scoring on agents is to incentivize agents to work with the case and go into details. There is also a small fee involved for taking a case to hinder agent abuse of the protocol.

Should no consensus be achieved, the case will go back to the dispute contract and the agents will not be paid.

8. After consensus is achieved, the tokens will be transferred to the merchant or to the payer (“chargeback”).

Hips Merchant Protocol Fees

To ensure that the protocol works and is monetized, there are fees involved. The fee setup will vary depending on whether HMP is in on the Merchant Blockchain or on any open smart contract blockchain like Ethereum among others. Fees will be updated regularly and are required to pass voting in the DAO (Decentralized Autonomous Organization).

Fees for HMP on open smart contract blockchain and Merchant Token

- There is a transaction fee for all transactions going through HMP gateway. This fee is paid by the consumer for utilizing the consumer protection. The fee is currently 20% of the gas fee on the blockchain. The fee goes to the fee pool.
- There is a dispute fee of 3 MTO, for disputing a transaction. This fee will be distributed to the fee pool for ADM. For CDM the following distribution:
 - 25% of the fee is transferred to the first dispute agent
 - 25% of the fee is transferred to the second opinion agent
 - 50% of the fee is transferred to the fee pool
- There is a fee of 0.05 MTO to take a dispute case from the dispute contract. The fee goes to the fee pool and ensures that only token holders can take disputes (called “agents”). It also incentivizes the agent to not abuse the protocol with “lazy work”, and to work through a case and do everything to try to reach consensus. Should no consensus be reached, the agent will not get the dispute fee and will therefore lose a small amount of MTO.

Fees for HMP on Merchant Blockchain and Merchant Coin (MEO)

- There is a transaction fee for all transactions going through HMP gateway. This fee is paid by the consumer for utilizing the consumer protection. The fee is currently 20% of the transaction fee on the blockchain. The fee goes to the fee pool.
- There is a dispute fee of 3 MEO, for disputing a transaction. This fee will be distributed to the fee pool for ADM. For CDM the following distribution:
 - 25% of the fee is transferred to the first dispute agent
 - 25% of the fee is transferred to the second opinion agent
 - 45% of the fee is transferred to the fee pool
 - 5% will be burned for deflation
- There is a fee of 0.05 MEO to take a dispute case from the dispute contract. The fee is burned for deflation, and ensures that only Merchant Coin (MEO) holders can take disputes (called “agents”). It also incentivizes the agent to not abuse the protocol with “lazy work,” and to work through a case and do everything to try to reach consensus. Should no consensus be reached, the agent will not get the dispute fee and will therefore lose a small amount of MEO.

Escrowing Multiple Tokens Variants

The escrow is not token specific (the contract does not assume a specific ERC20 token) so a single account may escrow different tokens at the same time. For each (account, token) pair, the contract tracks its balance and the time when escrow expires.

Hips Merchant Blockchain

US exchanges like NYSE, CME and CBOE can handle hundreds of thousands of transactions per second and have a matching latency in the microseconds. This speed is significantly faster

than current blockchains. In particular, Ethereum 1.0 can process 15 transactions per second⁴, has an inter-block time of 15 seconds⁵ and transactions often cost more than \$1 each⁶.

Hips Merchant Protocol is built for the Ethereum blockchain as smart contracts for larger transactions where the Ethereum transaction cost is a fraction of the product price, and in parallel on Solana for all-size transactions.

A widely adopted, completely on-chain Merchant Payment Protocol would need to have comparable transaction throughput from an underlying blockchain in order to scale.

Hips Merchant protocol is not only built for Ethereum, but also on Solana, a blazingly fast public blockchain which can support over 50,000 transactions per second, has block times of 400 milliseconds and a transaction cost of roughly \$0.00001. Solana will scale with Moore's law via parallelism, with a foreseeable roadmap to 1 million transactions per second and 150ms block times. With this capacity, it would theoretically be able to support the activity on Visa, Mastercard and all the US-based exchanges combined.

The combination of Ethereum 1.0 and Solana (and at a later stage, Ethereum 2.0) as starting blockchains gives the Merchant Protocol a stable and scalable foundation.

⁴ <https://blockchair.com/ethereum/charts/transactions-per-second>

⁵ <https://etherscan.io/chart/blocktime>

⁶ https://ycharts.com/indicators/ethereum_average_transaction_fee. Eth2, a multi-year project will scale the transactions per second to 1000s of transactions per second.

The main blockchain for Hips Merchant Protocol is the Hips Merchant Blockchain and will allow developers to deploy Personal Tokens, Loan Tokens (DeFi, decentralized finance tokens), Organizational Tokens, NFT Tokens, Crowdfunding Tokens (DeFi) and dApps with near real-time transaction speeds.

Hips Merchant Blockchain is a private blockchain that is interchain linked with Hips Merchant Protocols (smart contracts) on public blockchains like Ethereum and Solana via decentralized oracles. Hips Merchant Blockchain is designed for merchant transactions regardless if they are mobile, instore or e-commerce and utilizes the interchange concept from the payment card industry where the dApp / token is the “card issuer” that gets the major part of the transaction fee.

The main differences from the other blockchains are the near real-time transaction speeds, and how transaction fees are divided:

- a) 50% of the transaction fee is interchange and goes to the dApp / token and can be utilized by the contract or the contract owner.
- b) 25% of the transaction fee is burned to secure that Merchant Coin (MEO), is deflationary.
- c) 25% of the transaction fee goes to the block creator.

Merchant Coin (MEO)

The blockchain-based Hips Merchant ecosystem has its own currency – Merchant Coin (MEO). The utility and the usage of the Merchant Coin (MEO) corresponds to the amenities of the blockchain technology and tokenization.

Merchant Coin (MEO) is designed to be a utility coin and facilitate community governance and incentivize the virtuous circle of Hips Merchant Ecosystem and take over the ERC20 token Merchant Token (MTO).

The ERC20 Merchant Token (MTO) will be 1:1 convertible to Merchant Coin (MEO) when the Hips Merchant Blockchain's Mainnet opens.

Merchant Coin (MEO) is also be the main currency on the Hips Merchant Blockchain and all fees are paid in Merchant Coin (MEO).

Merchant Coin (MEO) value growth mechanisms:

- MEO as a main currency for the whole ecosystem
- MEO as a trading base TOKENS / MEO as trading pairs

Exchange

- Ecosystem governing and voting

Merchant Coin (MEO) liquidity building mechanisms:

- The ecosystems main currency for transaction fees

Merchant Coin (MEO) utilities:

- Payment option in the Hips Ecosystem (currently over 200,000 merchants)

Key Drivers and Success Factors

There are a few important key drivers that will secure mass-adoption of the protocol.

Legislations

Crypto payments are still vastly unregulated. But it will, in our opinion, be naïve to assume that post-mass adoption, the environment will remain static. It is likely that local regulators will place crypto payments in one of the payment directives, like the **Electronic Fund Transfer Act** in USA or **Payment Service Directive** in EU (or similar) for consumer rights / protection. Legislations will, over time, help to push crypto initiatives that will force merchants to stay compliant with new current and new legislations.

Lobbying

Back in 2008 more than 80,000 Web sites worldwide displayed a small green logo that proclaimed them to be "Hacker Safe." The logo was provided to them by ScanAlert Inc⁷., a vendor that scanned the sites of its clients daily in search of security vulnerabilities.

Hips will use 10% of the tokens in an ecosystem grant pool for early adopters that display the "Safe Crypto Payments" logo on their websites and implement the protocol with a small simple script provided by safecryptopayments.com. The safecryptopayment.com website will monitor enrolled sites daily, and check for the logo; and pay out tokens from the lobbying pool based on the size of the site (traffic ranking).

⁷ <https://www.computerworld.com/article/2538758/-hacker-safe--seal--web-site-shield--or-target-.html>

By being an early adopter of the HMP, merchants signal to their customers that they are one step ahead of competition.

Strategic Partnerships

HIPS Payment Group (hips.com) is the company group behind the protocol and processes to date payments for over 200,000 merchants globally. Hips core product is a payment platform for ISVs, acquirers and payment service providers (PSPs) “customers.” Every customer of Hips represents thousands of merchants and millions of customers. Hips will use 25% of the issued tokens to secure strategic partnerships and secure adoption among its customers and partners leading PSPs in a country to Tier 1 banks.

The strategic partnerships will aim to mass educate millions of consumers and merchants and make it seamless to implement and use the HMP for merchants.

Tokenomics / Token Utility

Decentralized governance requires well-balanced incentive mechanisms that accurately model both positive and negative outcomes. In other words, the governing entities should be rewarded for good results and penalized for bad ones. The Merchant Token is designed to facilitate this through three main utilities:

1. Working: Handle dispute cases and get rewards from the fee pool.
2. Trading: Token holders are incentivized to help secure mass-adoption of the protocol, which will lead to higher value of the token.
3. Governance: Grants direct representation in the HMP DAO

The working utility provides a financial incentive for participating in HMP and contributing to the overall growth of the token. The trading utility has a direct relation to the success of the

protocol and incentivizes participants to educate the market and secure mass-adoption of the protocol. Finally, the governance utility gives the participants the ultimate instrument to enact these incentives.

Note that it is critical for these three utilities to coincide. All governing entities must receive rewards for them to govern in a way that maximizes revenue. All governing entities must educate the market to ensure mass adoption to increase the value of the token. To this end, Merchant Token will have a single fee pool.

Work pool

HIPS aims to set up, maintain, and monetize HMP and Merchant Token at scale. Its success in doing so can be estimated by its total growth, as this will increase with the number of merchants and the amount of transaction fees secured by them. To align the governance incentives with HMP's success, a portion of this revenue, decided on by the DAO, will be distributed to the fee pool, where the dispute agents can earn tokens by doing "agent work". This mechanic is expected to dominate the positive incentives as HMP gains traction.

Utilities:

- Merchant token holdings is a requirement to be a part of the work pool.
- Long-term Merchant token holders will accumulate more voting power for governance.

Governance

The only way to gain representation at the DAO will be to hold Merchant tokens in the fee pool.

Once mature, Hips will gradually transition the Hips Merchant Protocol and the Hips Merchant Blockchain to community governance, allowing the community to decide the future of the protocol. Merchant token holders may stake their Merchant Token to vote on or propose new ideas to improve Hips Merchant Protocol. Some of such decisions could be:



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- Addition/removal of tokens accepted on Hips Merchant Protocol
- Protocol parameters such as collateral factor, reputation algorithms, supply cap, risk limits.
- Merchant reputation voting

The ERC20 Token

Merchant Token (MTO) is Hips Merchant Protocol's (HMP) native protocol token, currently issued on Ethereum following ERC-20 standard.

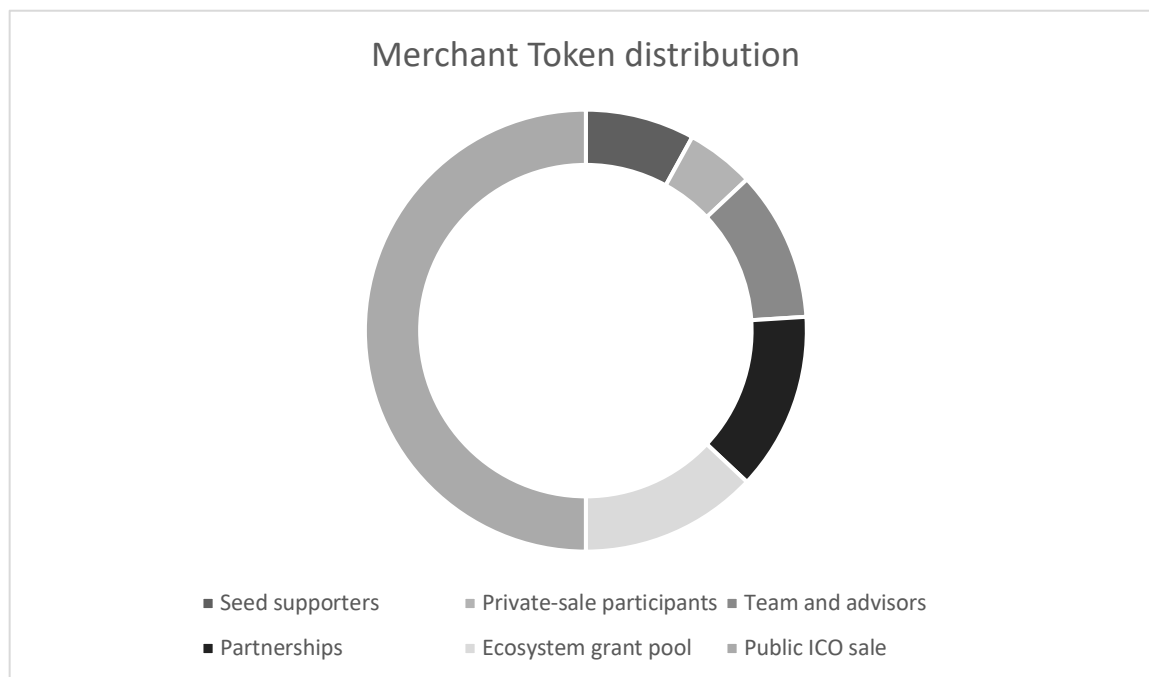
The Merchant token is a **utility token** designed to facilitate community governance and incentivize the virtuous circle of Hips Merchant Ecosystem.

The ERC20 Merchant Token will be 1:1 convertible to Merchant Coin (MEO) which is the on-block native currency on the Hips Merchant Blockchain.

Token Specs

Token Name	Merchant Token
Token Ticker	MTO
Token Type	ERC-20
Token Supply	100,000,000
Token Contract	0xE66b3AA360bB78468c00Bebe163630269DB3324F
Token Audited	Yes
Token Audited by	CERTIK (https://certik.io)
Token Website	https://merchanttoken.org
Token founder and initial Governance	https://hips.com

Token Distribution



<i>Allocation</i>	<i>Description</i>
<i>Seed supporters</i>	<p>8,000,000 MTO (8%)</p> <ul style="list-style-type: none"> Sold at \$0.20 Tokens are vested; 10% unlocked after ICO; 90% over 2 years.
<i>Private-sale participants</i>	<p>5,000,000 MTO (5%)</p> <ul style="list-style-type: none"> Sold at \$0.20 - \$0.30

	<ul style="list-style-type: none"> • Tokens are vested; 25% unlocked after ICO; 75% over 6 months.
<p><i>Team and advisors</i></p>	<p>11,000,000 MTO (11%)</p> <ul style="list-style-type: none"> • Tokens are vested; 100% after 4 years from ICO.
<p><i>Strategic Partnerships</i></p>	<p>13,000,000 MTO (13%)</p> <ul style="list-style-type: none"> • Tokens are released over a period no less than 48 months; further details to be announced.
<p><i>Strategic Ecosystem grant pool</i></p>	<p>13,000,000 MTO (13%)</p> <ul style="list-style-type: none"> • Tokens are released over a period no less than 48 months; further details to be announced.
<p><i>Public-sale participants (ICO)</i></p>	<p>50,000,000 MTO (50%)</p> <ul style="list-style-type: none"> • Sold at \$0.30 - \$1 • Tokens are locked until ICO ends

Project Development Plan

The payment industry is rapidly changing and we are adopting. To serve you with the most accurate information, we advise you to visit <https://merchanttoken.org> for an up-to-date development and roll-out plan.

Mobile App and Token Wallets

One of the goals of the project is the development of the native mobile wallet called Hips Wallet with the full functionality of the wallet, exchange, and coin transfer. However, until it is available, Merchant Token (MTO) can be stored in all wallets supporting ERC-20 tokens.

Here is a list of some wallets with support of ERC20 tokens:

Metamask Wallet PC and MAC *(recommended and compatible with hardware wallets)*

<https://metamask.io/>

MEW wallet

<https://www.myetherwallet.com>

Kanga Exchange Wallet PC and MAC

<https://kanga.exchange/register?>

Atomic Wallet iOS

<https://apps.apple.com/us/app/atomic-wallet/id1478257827>

ERC-20 Token Wallet Android

<https://play.google.com/store/apps/details?id=multi.erc20>

Disclaimer

We reserve the right to change any technology mentioned in this white paper in favor to the overall goal of the project. For the latest version of the white paper, go to:

<https://merchanttoken.org>

No Investment Advice

The information provided on this white paper does not constitute investment advice, financial advice, trading advice, or any other sort of advice, and you should not treat any of the website's content as such.

Accuracy of Information

We will strive to ensure accuracy of information in this white paper although we will not hold any responsibility for any missing or wrong information. You understand that you are using any and all information available here AT YOUR OWN RISK.

All Investments Involve Risk

All investments involve risk, losses may exceed the principal invested, and the past performance of cryptocurrency, market, or financial product does not guarantee future results or returns. Gains with cryptocurrencies are typically subject to tax, depending on what country you reside.

We accept no liability for loss or damage suffered by you as a result of investing in the Merchant Token.

Trading and investing is risky, do so at your own risk, and we advise people to never use more money than they can afford to lose. The cryptocurrency market is a volatile and risky market. Cryptocurrency investing may not be suitable for all readers of this white paper. Anyone looking to invest in cryptocurrencies should consult a fully qualified independent professional financial adviser.