



A COMPLETELY SAFE FINANCIAL ECOSYSTEM

1 ABSTRACT

Technology has always played a significant role in shaping our lifestyles and making them better. Today, almost every industry has changed from what it was two decades ago, and the same applies to the finance and banking sector. However, despite the evolution from conventional financial methods such as barter-based exchange of value to modern-age electronic money, the finance sector is still using outdated methods and tools to manage operations. More than 1.7 Billion¹ people still lack access to basic banking, mainly because of the fact that the operations adopted by banks and financial institutions are still manual and need physical infrastructure. Moreover, banking institutions rely on third-party intermediaries for some of their operations, which not only make banking a time-consuming process, but also add to the overall costs. Furthermore, users face issues such as slow transactions, expensive inter-border remittance, and data and privacy breaches.

Bitcoin, the first-ever cryptocurrency, was introduced as an alternative to traditional banking and financial institutions. However, despite recording substantial growth over the last few years, the crypto market is still confusing for a novice to enter. Buying, selling and trading crypto is hectic and expensive. Also, as cryptocurrencies derive their value from market supply and demand, volatility and price manipulation is a major issue faced by crypto users. Consequently, it has become necessary to look for better and cheaper alternatives.

This white paper introduces CitaBit, an innovative project. Its goal is to satisfy the demand of consumers and businesses by providing them with state-of-the-art online financial solutions and crypto trading opportunities, without compromising on security and user privacy. It will be a financial ecosystem that combines several products and features such as CitaBit Exchange, CitaBit Bank, CitaBit Wallet and CitaBit Token, all under one application.

This white paper gives a detailed description of how we aim to improve the cryptocurrency industry through the creation of the CitaBit Platform and its associated products and solutions.



CONTENTS

ABSTRACT.....	2
INTRODUCTION	5
ABOUT US.....	7
OUR VISION.....	7
OUR MISSION	7
BACKGROUND	8
THE PROBLEMS	10
Issues faced by cryptocurrency users.....	10
Issues faced by exchange users.....	12
Issues faced by banking users.....	15
OUR SOLUTIONS.....	16
Solutions for Cryptocurrency Users	16
Solutions for Exchange Users and Crypto Traders.....	17
CitaBit has a serious approach towards security measures, and offers the following mechanisms.....	18
Solutions for Banking Users	21
CITABIT EXCHANGE	23
Some of the Other Features Will Include	23
CITABIT BANK.....	25
CitaBit Debit Card.....	26
CITABIT TOKEN (CITA)	29
Features of the CitaBit Token.....	29

INDUSTRY OVERVIEW AND MARKET OPPORTUNITY	30
TARGET AUDIENCE.....	32
CitaBit Exchange	32
CitaBit Bank.....	32
CitaBit Wallet	32
REVENUE MODEL	33
CitaBit Bank.....	33
CitaBit Wallet	33
CitaBit Exchange	33
DECREASING SUPPLY AND TIGHTENING DEMAND OF TOKEN.....	35
Charity	35
COMPETITOR ANALYSIS.....	36
ROADMAP	37
FUNDRAISING DETAILS.....	38
Custom Token Information	38
Stages.....	38
Use of Proceeds and Funds Distribution	39
Token Distribution.....	40
OUR TEAM	41
ADVISORY BOARD	42
SOCIAL CHANNELS	43
LEGAL FRAMEWORK AND LICENSES	44
DISCLAIMER.....	45
REFERENCES	47

2 INTRODUCTION

CitaBit is an innovative platform that will be launched by CitadelBit OÜ, a registered entity in Estonia. It strives to create a complete financial ecosystem by offering a variety of financial products and services, including, but not limited to, a fiat-enabled crypto asset exchange, an online bank, a multi-coin supported wallet, and a utility token.

We aim to resolve problems associated with traditional finance and banking, and the cryptocurrency market, by providing a complete, safe financial ecosystem, while providing banking to the unbanked and enabling everyone to access online financial solutions.

As soon as a user downloads the CitaBit mobile application, he/she will be able to start making transactions using the existing VISA, Mastercard, or UnionPay infrastructure almost instantly. Customers will be able to instantly pay in certain coins or tokens for any product or service on any POS terminal (more than 42 million are installed worldwide)² equipped with NFC (short-distance communication) through the CitaBit mobile banking application.

Today, it's rare when you can pay for your daily coffee, or morning newspaper using cryptocurrency. Of course, the owner of the cryptocurrency could exchange their cryptocurrency on one of the exchanges, wait for confirmation that the exchange has been completed, then wait for the funds to be transferred to the designated account, and so on. But who would actually do this to buy coffee? With the CitaBit mobile banking application that changes instantly. The mobile banking application does all this for the client. CitaBit takes care of all the communication needed for any cryptocurrency that has been pre-selected by the user in the CitaBit App. All the user has to do is put their smartphone against the NFC terminal and press go.



The table below gives a brief overview of the key products offered by CitaBit and its standout features:



CitaBit Ecosystem

- + Security is our first priority.
- + Accounts and Blockchain monitoring system
- + Multi signature cold and hot wallets
- + Advanced authorization U2F
- + 24/7 support with live chat
- + Definite legal structure
- + Decreasing supply and tighten demand of tokens



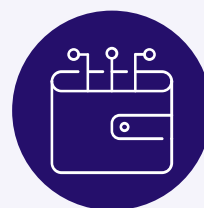
CitaBank

- + Minimal fees
- + Worldwide coverage
- + Fast KYC
- + No unjust account suspension or bureaucratic manipulation
- + Bank deposits
- + Virtual and debit cards
- + Mobile banking
- + Cryptocurrency can be used as a payment method to cover purchases with a card



CitaExchange

- + Multi pairs, BTC, LTC, ETH, CITA, USD and more
- + Payment codes (CITA codes)
- + Minimal trading and withdrawal fees
- + API for trading activity
- + Margin trading
- + Low latency
- + Dark pool
- + Easy KYC



CitaWallet

- + Multicurrency wallet
- + Instant withdrawals
- + Digital safe[®]
- + API for merchant payments
- + Buy coins via bank transfers and credit cards and withdraw directly
- + Sending funds via e-mail
- + Custodial services
- + QR Code based payments

3 ABOUT US

CitaBit is a project of CitadelBit OÜ with multi-jurisdictional structures with several subsidiaries in their portfolio and will have headquarters in Kiev, registered in Estonia. The CitaBit team has a record in the IT, fintech, and cryptocurrency industry and cherishes the industry expertise we have gained over the years. Our team is aware of the challenges faced by consumers and will be working to create the right strategy with the CitaBit project to resolve all such issues.

We believe that with the products and solutions offered by CitaBit, there is potential for this project in the market — there are no analogs at the moment. While it is true that similar attempts have been made in the past, the results are still not visible and they have not been able to make it either due to the lack of experience of developers or other unforeseen reasons. However, with CitadelBit OÜ as its parent company, the CitaBit team, combined with the support of its advisory board, partners, and community, has the potential to revolutionize modern-age finance completely.

4 OUR VISION

Our vision is to lead a new industry and create a completely safe financial ecosystem. We will strive to create a first, convenient, and innovative universal platform for online banking, crypto trading, and secure storage of digital assets.

5 OUR MISSION

Our mission is to create a completely legal financial ecosystem where we will provide users with a safe, functional, convenient, and, at the same time, simple service.

6 BACKGROUND

How to keep your extra money safe? People since the dawn of time have used their homes to solve this problem. When they earned more, they had to find a more reliable place to hold their savings because their residence was unsafe.

The situation completely changed with the appearance of banks. Those financial organizations provided the necessary level of assurance to their clients and people started to deposit their extra returns in various banks, which were attracted by different interest rate levels.

However, banks weren't the safest place to hold money as those organizations have at times been the reason for losses of many people's savings. The most recent example is the Financial Crisis of 2007-2008.³ Banks started to give risky loans to their clients in an attempt to attract as many of new loans as they could. However, they ended by facing defaults as borrowers were unable to pay back their debts. Moreover, banks invested their clients' money in different assets, which turned into a catastrophe.

What is the lesson to be learned there? Banks are not the safest place to hold people's money as they are unable to control their lending activities and they lack transparency. However, none of this is the key reason for bankruptcy. Banks failed to adopt and adapt to innovations. The US government and the Fed tried to save some big banks by bailing them out, but the others were set adrift with their clients aboard.

The biggest problem here is that those who were supposed to protect their clients' money were unable to fulfill their obligations. Moreover, the money they were given during the bailout program was US citizens' money they had paid in taxes.⁴ Those steps resulted in customers' dissatisfaction and the crisis stepped outside the US, affecting both strong and emerging economies.

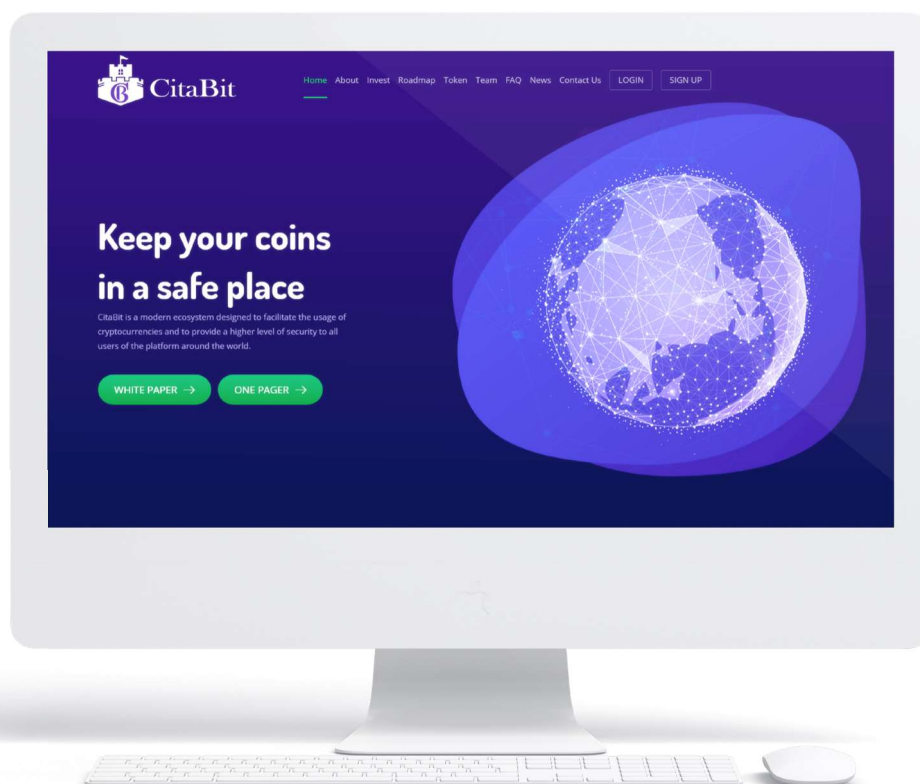
People from all over the world finally figured out that banks were no longer the safest place to put their money in. This crisis continued into 2008 and even further as many countries are unable to reach their pre-crisis GDP growth levels. When there is growth, it's been painfully lacklustre in recent years.⁵ Unemployment levels have fallen since the crash, but there remains a particularly weak area of the labour market: wage growth.

As an answer to this, a new decentralized community-governed financial model was introduced by Satoshi Nakamoto (an anonymous person or group of people) in 2009.⁶ The vision was to decentralize the control of the financial system into the hands of the masses. This led to the birth of Bitcoin, the first ever cryptocurrency deployed on blockchain, where all transactions are immutable, transparent, and do not require trust. Within a few year of its inception, new cryptocurrencies started to emerge. The market started to record substantial growth over the years and, after just two years (in 2017), Bitcoin reached a price of \$20,000, with the total market cap reaching \$800 billion.⁷

As of November, 2019, there are over 3000+ different cryptocurrencies with a total market capitalization of over \$280 billion according to CoinMarketCap.com.⁸ However, despite the significant growth and hype, the market overall has failed to resolve the issues for the common man. For example, getting access to cryptocurrency is still a hectic process for someone who doesn't know much about crypto. Similarly, while the whole point of cryptocurrency was to remove the role of intermediaries, it has unfortunately added to the need for them. Take, for example, if you want to send money abroad in Bitcoin, you first need to send a wire transfer from your bank to an exchange, which may take up to a week for confirmation. Once deposited, it will take another few days for clearance. Only after that can you send the Bitcoin to your family member or your loved one back home – and that too will have a fee. Once received, the receiver will again either need to find some peer who will buy it from them, or else they will have to withdraw it through a third-party exchange, which will cost them a fee too.

Thus, while it is true that cryptocurrencies such as Bitcoin have the potential to add seamless transactions and be immutable, the acquisition of such assets, their trading, exchange and safe storage are some of the issues that needs be resolved. To help users get access to seamless and cost-effective financial solutions, the CitaBit thinking team is working on the creation of a complete financial ecosystem.

In the section below, we discuss some of the major issues users face in modern age banking and cryptocurrency which is followed by how CitaBit is striving to offer the solution.



7 THE PROBLEMS

Issues faced by cryptocurrency users:



Hectic Buying Process

The typical process of buying and selling cryptocurrencies is slow and hectic. A user still has yet to find dependable third party exchanges or credit card payment processors. Moreover, the process is so technical that only experienced people are able to buy and trade. A system is needed where even non-technical users are able to buy and sell cryptocurrencies seamlessly.



Security of Users and Their Assets

Security issues are always of high priority, especially in the cryptocurrency industry, where the biggest exchanges accumulate a huge amount of coins, making them ideal targets for hackers.



Cryptocurrency Transaction Issues

Cryptocurrency transactions are irreversible in nature. Moreover, most blockchains are either pseudonymous or anonymous, meaning that, while tracing a transaction to its originator is technically possible, the identity of the sender or receiver is difficult to determine. Because of these features, cryptocurrency exchanges are very attractive to cyber-criminals, since there is literally no way to cancel a transaction once they have accessed an exchange wallet. The hack of Ethereum Decentralized Autonomous Organisation (DAO)¹⁰ is a good example.

Consequently, in cases such as the Ethereum DAO hack, billions of dollars' worth of cryptocurrencies have been stolen from exchanges in the past, and chances are it may continue in the future. There are many examples, such as Japan's Coincheck losing over \$500¹¹ million dollars of their customer's money via hack, or Coinbase's system glitch accidentally liquidating customer's bank accounts.¹² During early 2019, the same happened with Binance¹³, a leading crypto exchange, in which hackers managed to steal 40 million worth of Bitcoins.



Where to Hold Your Cryptocurrency

There are several ways to keep your coins safe. Some companies offer custodial services to their clients. They receive investors' assets and provide their security. The most well-known example of such a service is Coinbase Custody.

However, there are several restrictions you need to know before you use this service. Coinbase Custody accepts legal entities only, and requires an amount equaling at least 1 million USD. This is not suitable for the majority of average investors and traders.

Another way to protect your crypto savings is to use hardware wallets where you can store a couple of Bitcoins. However, people need easy solutions. Not all people are ready to dive into the manuals in order to manipulate their crypto coins. This is the main reason why the majority of investors still hold their Bitcoins and altcoins on exchanges and in hot wallets. To prove that we have found the following: «Exchanges remain the most popular choice for cryptoasset storage amongst our institutional and VIP clients at 92.1%.»³²

Hundreds and even thousands of crypto users become victims of hackers every day as they keep their money on exchanges. Some of those cases become public, but we just don't know how many stories are kept secret or simply forgotten.³¹



Exchanges Hiding the Truth About Hacker Attacks

Cryptocurrency exchanges tend to remain silent about small losses due to hackers. Insignificant vulnerabilities or even a couple hundred thousand USD stolen are not enough reason for companies to break their silence. Exchanges hide the truth to protect themselves against the risk of damaging their reputations. The best example for this is the MtGox case.¹⁹ MtGox remained silent about hacker activity for two years, and their clients suffered huge losses, reaching millions of USD. We can't even imagine how much hacker activity led to losses for other exchanges. The only ones who can tell are the staff of those trading platforms (both former and current). However, they are all bound by NDAs (non-disclosure agreements).



Slow Merchants

When paying for goods or services using cryptocurrency gates (like BitPay), you have to wait for all the confirmations (up to 10 confirmations per single transaction). This makes sense for altcoins but no sense whatsoever for Bitcoin, where you need only two confirmations due to the network hash rate.



Hefty Commissions

Apart from the hectic buying process, users also have to pay hefty commissions to payment processors, banks, or P2P exchange sites. For example, if a person has to buy Bitcoin from Local Bitcoin, a leading P2P site, he will have to pay a certain fee to the platform once he has created an account. Moreover, sellers on these platforms often sell or buy crypto at a certain margin ranging from 2-10%, which is simply impractical for a person using crypto for daily use or for things other than trading activities.



Price Manipulation and Volatility

By far the biggest issue in the cryptocurrency market is the excessive volatility. The prices of cryptocurrencies on exchange platforms rise and fall dramatically over a short period of time. When a tradable asset can drop by as much as 49 percent in less than 24 hours, the volatility of the market is high.⁹

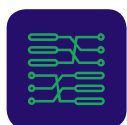
Issues faced by exchange users:



Uncertain Legal Structure

Cryptocurrency status is uncertain in many countries. However, governments are one by one imposing proper regulation on exchanges. This is connected directly with the requirement for marketplaces to identify users and verify the source of their funds. The main tools of such a verification are KYC and AML rules.

Regulatory bodies and financial institutions need to be confident that crypto-related businesses are not trading cryptocurrencies with retailers or institutions that are “bad actors,” i.e. exposed to illicit activities or involved in other suspect behaviors. However, as mentioned earlier, they are still in the development phase of formulating new laws and regulations, which means the crypto market is still regarded as a grey market in many countries.



Latency Related Issues

Latency (i.e. throughput and transaction processing speed) has a direct effect on the success of an exchange. Although any business offering services in the cryptocurrency market hopes to get as much work as possible, the events of the beginning of 2018 showed that even the largest exchanges were not ready for such a rapid expansion of their client base. Not everyone can afford to maintain a supply of technical and human resources in response to sudden market expansion. In addition, even those who could afford it also encounter problems in terms of both network congestion and the workload of their other departments. As a result, delays inevitably lead to loss of customers, undermining the company’s reputation. Inadequate optimization of business processes leads to problems with structural management and a slowdown in business growth. An example of this is the downtime suffered by Binance in February 2018, when the exchange completely suspended its activities for several days, reportedly due to technical problems, and then a DDoS.¹⁴

One of the main problems of all modern cryptocurrency exchanges is the difference in the speed of the connection. This results in a variance of conditions for different traders and investors. Trading bots have a better connection speed, which is their main advantage, as they have faster access to the book of orders and will consequently react faster to changes in the market.

This issue becomes even more important when high amounts come into play. Unequal capacities make many investors avoid some instruments, as they do not feel safe when it comes to transparency of price and the execution of orders.



Lack of Liquidity

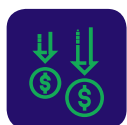
Almost all crypto exchanges face this problem from time to time. There are two main reasons for that: lack of users and lack of interest towards a particular coin. On the other hand, almost all exchanges may suffer from a surge in volume if their equipment is not “ready” for a sharp increase of users. Another challenge for all trading platforms is the introduction of new currency pairs.¹⁵

Moreover, some exchanges use tools to create fake trading activity or buy/sell orders. This negatively impacts those traders who attempt to sell cryptocurrency at a certain price, since there is no such order in the order book.



Slow Processing of Withdrawals

This may happen when an exchange suffers a lack of coins in their hot wallets. The company may increase the waiting period by hours, making additional problems for their traders. In some cases, trading platforms perform manual withdrawals, which slows down the withdrawal procedure.



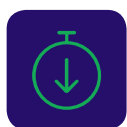
Unfair Monetization and Coin Listing Models

Most of the popular exchanges have created their own business model, which aims at getting as much money from their clients as possible. Many trading platforms charge new projects hundreds of thousands in USD for a listing. This is the price of visibility for ICO projects. The next way to get profit is a massive fee, which trading platforms gain from traders during their transactions.



Low-Quality Customer Support

Some exchanges have low-quality customer support, which prefers to gather a huge queue of tickets instead of giving them fast and useful responses. Some traders may wait days or even weeks without any answers. Moreover, some answers do not respond to traders’ questions, and in some cases, problems remain unsolved even after multiple tickets have been sent to crypto exchange support services. Needless to say, in some situations such a delay may cost clients a lot of money.



De-Listing and Service Stoppage

When dealing with crypto exchanges, traders may face other problems, such as downtimes (which weren't announced in advance), stoppages of service, and de-listings. One of the most popular exchanges, Binance, stopped its services for more than 24 hours in the first quarter of 2018 due to previous DDoS attacks.

In 2017, Bithumb had experienced downtime for about 90 minutes at the very peak of trading activity. This downtime cost them more than 60,000 BTC in trading volume.¹⁶

Another one of Bithumb's mistakes was to cancel all outstanding orders without notifying their clients. They later put the exchange on pause, which resulted in losses for those traders who had short positions. In 2019, Bittrex closed its support service for 31 countries, leaving traders alone with their problems.¹⁷



High Commissions

Major cryptocurrency exchanges take huge fees from their trades for both inner trading activities and withdrawals. Investors also have to go through a verification procedure, which may take months. In the second part of 2017, Bittrex clients waited for weeks to get verification acceptance. Their crypto coins were held all that time in the exchanges' wallets.¹⁸



Unfriendly UI

User Interface, or UI, is very important when it comes to user adoption of a particular exchange. The UI of the majority of exchanges are far from friendly. They offer outdated designs and poor navigation, which are negative factors for user activity. They can't even provide multilingual support, which should be a must for this multicultural industry.



Decentralized Exchanges

Complexity sounds beautiful, but in reality, users do not want to deal with complex things. This is the main reason why decentralized exchanges are bound to fail. Here are some arguments:

Most of the exchanges are not actually decentralized, despite the fact that they claim to be. They process transactions manually and are able to pause your withdrawal at any moment, even when all transactions are inputted in their Blockchain. What is the point of dex if they are centralized, process transactions manually, and require KYC verification?³⁴ They have no real ground, as they conflict with their main ideas. The best example here is the hack of Bancor pseudo dex.

If deposits accrue past your account, you need support to solve your problem, which is impossible in dex.

It is impossible to cancel transactions, which may lead to loss of data and assets if the user has lost access to his password and private keys.

Issues faced by banking users:



Access to Banking

More than a billion people still lack access to basic banking. These people, especially in underdeveloped or developing countries, have to travel hundreds of miles to access their banks, even for business purposes. This not only affects the individuals but also the businesses operating in those vicinities.



Outdated and Inefficient Operations

Traditional banks are still using outdated non-automated methods for banking. For example, to make a deposit or withdrawal, a user still needs to visit a bank branch, stand in a queue, and perform the transaction manually. On top of that, sometimes a bank server or link goes down and the transaction is delayed for hours or even days.



Slower Services

Services are generally slower and transaction delays are the norm. For example, a remittance or online transfer done from abroad takes at least three days to process and complete.



High Fees

In traditional banking, a user is not only required to pay an annual fee but also required to pay a hefty fee on each transaction. For example, to transfer your money to another bank account, you need to pay a fee. Similarly, you may even be charged a fee to withdraw your own money.

8 OUR SOLUTIONS

Solutions for Cryptocurrency Users:



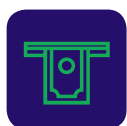
No Third Party Commissions

With CitaBit, you don't need to pay any third party fee or commission for payment processing, money exchanges, or remittances.



Fast Accepting Payments

CitaBit Merchants is designed to process transactions in a very fast and secure manner. API withdrawal methods will also be available. Unlike many other offers, the user will be allowed to set up the number of confirmations necessary to accept the payment.



Instant Withdrawals

The maximum level of user-friendliness will be provided by the automated processing of all withdrawal requests.



Stable Coins and Fiat Support, Seamless Conversion and Withdrawal

While price volatility of tradeable assets is not in the control of the CitaBit ecosystem as an exchange provider, we still strive to minimize volatility and make crypto holding and using as good and seamless as possible. To that end, our exchange will support multiple stable coins and fiat currencies, ensuring that you can easily convert your crypto assets into these alternative stable currencies and avoid market volatility.



Fast Purchase Procedure

Users will be able to buy their first Bitcoins using a banking card very quickly, in just a couple of clicks.

Solutions for Exchange Users and Crypto Traders:



Security Issues Resolved

Security is the most important aspect CitiBit is aiming to solve. Security must be everywhere, from licenses to cryptocurrency storage using both cold and hot wallets.

The majority of assets in CitaBit will be held in cold multi-signature wallets. A small amount of funds will be stored in hot multi-signature wallets. Unfortunately, this level of security is not followed by all exchanges.³⁰



How Users Should Protect Their Funds, Digital Safe Feature

Exchanges or wallet vulnerabilities are not the sole reason for security issues. Sometimes users ignore their own security measures by saving passwords in browsers. To protect your funds you can use custodial services. CitaBit Custody will give you an opportunity to hold Bitcoin, Ethereum, Ripple, Litecoin, Ethereum Classic or Tron. All crypto coins will be stored in separate cold multi-sig wallets.

Ordinary cryptocurrency users have no alternative to hardware wallets. There are banking safes for fiat money or other securities. However, there are no online safes to store crypto assets. One of our main tasks is to add digital safes to the cryptocurrency industry in order to protect user funds. There will be several ways to use a safe:

The user chooses the amount of cryptocurrency to be placed in a safe and the exact date of unblocking (indicating day, month and year). He is able to hide those assets from his portfolio, which is a big advantage. The funds will be safe even if the account is compromised. Funds will be returned to the user upon the expiry date.

The user chooses the amount of cryptocurrency to be stored and creates an unblocking password. Funds will be immediately returned to the user upon entering this password.

We are considering adding a feature that allows you to store any type of data: private keys, seed phrases, documents, etc. All data will be encrypted with a SHA-256 algorithm. No one except you will have access to your data, but it will be impossible to restore the data if you lose the password.



User Accounts and Assets Insurance

In the most pessimistic scenario (platform or separate user hack) all losses will be compensated. We will constantly add funds to our reserve fund at the rate of 5% of our profit.



Bug Bounty Program

Security is not something a company can save on or ignore. Therefore, we will stimulate white hat hackers (via our bug bounty program) to find security issues.

The CitaBit will use many approaches to ensure that security of the user's data and assets is intact. We will hire a team of highly experienced Security Analysts and third-party security audit teams who ensure that community is provided with a foolproof trading ecosystem. CitaBit Exchange will have gone above and beyond their due diligence to keep their users' assets and data on the platform as safe as possible.

CitaBit has a serious approach towards security measures, and offers the following mechanisms:



2 Factor Authentication

In order to log in to the CitaBit website, a user won't be allowed to simply utilize a login + password access type. CitaBit Exchange will enforce a secure 2FA protection client. Since weak 2FA (like SMS) are vulnerable to phishing attacks, by default they won't be authorized or will only be temporarily tolerated, so that hacking attacks can be avoided. By default, Google Authenticator will be used, or, alternately, a U2F device (like Yubikey or FIDO).



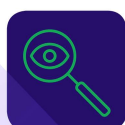
Secure Web Services

CitaBit Exchange will use highly available, redundant, and customized AWS EC2 solutions with scalability and few levels of firewalls. We will also use Amazon Cloud Servers, which secures the entire platform, increasing the reliability of the security of CitaBit Exchange as a whole.



Low Latency

Latency may be the reason for traders' losses. We understand it and will establish servers in different locations around the world to cut the latency for our users. Some processes will be executed in RAM memory to provide the fastest task execution without using disc memory. The server will be set up on a high-performance stack to provide minimum latency and huge bandwidth.



Security Audits

In order to ensure maximum security, CitaBit will conduct thorough and periodic penetration tests with zero-knowledge.



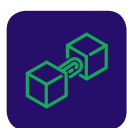
Pause All Withdrawals For Twenty-Four Hours

When you reset your password, we will stop all withdrawals from your account for 24 hours to protect you from hack attacks.



Account Freeze Button

If you have noticed any suspicious account activity or unauthorized withdrawals, you can freeze your account with a special “Freeze My Account” button. The withdrawal procedure will be paused until an investigation can be completed. All other unprocessed withdrawals will be canceled.



Accounts and Blockchain Monitoring System

We are going to launch a proactive user account monitoring system to protect our clients. The account will be frozen until the end of the investigation if there is any suspicious withdrawal activity or deposits of illegal money.



High Liquidity

Unlike the majority of traditional crypto platforms, CitaBit Exchange will cover the issue of liquidity by building a community around the platform, while also utilizing other mechanisms for bringing liquidity. It will offer referral campaigns, discounts, and bonuses for incentivizing user participation. Moreover, for the initial stage, we will also enable integration of the Order Book matching with liquidity pools and some exchanges.



Faster Order Processing

At the launch stage, the CitaBit Exchange will support an order processing speed of 500,000 orders per second. Over time and with growth, the exchange will continue to improve speed even further through integration of AWS Cloud Computing and modular site structure.



Privacy Ensured

CitaBit Exchange will allow users to take control of their digital assets (i.e. the crypto they hold directly in their wallets) and trade without having to worry about their privacy being shared with a third party. All data gathered for KYC is encrypted, and only the user and the platform can access it.



User Interface

The CitaBit Exchange will offer an extremely user-friendly interface, ensuring an intuitive user experience. There will be two types of interface:

1. The basic interface will feature hints for successful trading and have a simple UI. This interface will include simple charts.
2. The pro interface will include easy-to-use UI with a lower amount of hints. It will also include options for setting up the UI on your own. You will be able to use more detailed charts, including all Tradingview options.



A Legal Structure

By using CitaBit services you can be sure that we are working within a legal framework. You can find more details in section: 23 Legal framework and licenses.



Friendly and Quick Customer Support

CitaBit will offer a dedicated professional customer support team, which will be provided to users 24/7, all year long. There will also be a live chat functionality enabled with a customer agent. Furthermore, all requests submitted by email or phone are taken care of quickly within two hours, unlike other exchanges which take a long time to respond.



Fiat Enabled Exchange

We will allow direct dealing in fiat currencies such as USD, Euro, JPY and CHY. We will also allow trading in these currencies paired with other leading cryptocurrencies. The exchange also enables users to purchase coins through direct bank transfer, cards etc., easing first time buyers seamlessly into the digital asset community. Users can also transfer coins from CitaWallet to CitaExchange instantly and without any fees.



Fair Listing and Monetizing Policies

Unlike traditional greedy crypto models, our approach for listing a new coin is simple: present a quality solution that truly affects the crypto community in a positive way, and your coin will be listed for free. Furthermore, the trading fee for both buying and sell orders are kept minimal, which will ensure that traders can exchange coin without having to worry about a good share of their trading being deducted as fees.

Solutions for Banking Users:



Banking the Unbanked

CitaBit will create a dedicated online mobile based banking solution where users can enjoy all banking products and features directly from their mobile phones. Downloading the CitaBit Bank App will allow users to perform easy KYC; once that is completed, users can enjoy banking features directly from their phone.



Worldwide Coverage

Our CitaBit Bank services will be available worldwide. A physical card will be sent to your address in your country.



Fast and Simplified KYC

As mentioned earlier in the problems section, banks are required by law to perform their own "Know Your Customer" (KYC) checks according to the specific jurisdictions in which they reside. We will simplify the KYC process by interacting with some banks and services such as Cryptonomica. We will also process KYC requests fast.



AML Policy

CitaBit Bank will feature an alert mechanism for tracking potential "bad people" through AML. Any known or suspected bad actors will be identified and denied access.



Minimal Fee

Unlike traditional banks, we will not have branches. Accordingly, operating expenses will be lower. Furthermore, there is no account creation charges, no KYC charges, and even no interwallet transfer fee (inside the platform).

KEY PRODUCTS

9 CITABIT EXCHANGE

Our CitaBit exchange is an up-to-date trading platform that aims to provide traders with a high level of services and to solve all the issues traders face using traditional crypto market places. We will offer easy-to-use UI with the lowest level of latency and the highest level of stability, which is an advantage for all categories of traders. We will provide the majority of the most popular coins and charge competitive fees. Trading costs will be maintained at 0,05%.

Based and fully regulated in Estonia, CitaBit Exchange will be the go-to spot for all traders who demand instant deposits and withdrawals, trade execution, safe wallets, and industry-standard security practices.

Some of the Other Features Will Include:



Referral System

We will adopt a referral system whereby we provide commissions for every successful referral that starts to trade through a referral's link. That means a referrer is given 60 percentage of the profit from our fee.



Margin Trading

The CitaBit Exchange platform will also support real-time margin trading with high leverage. It will provide a huge pool of borrowers and brokers who help the traders by giving them extra crypto assets, based on the crypto holding they already have, and take a certain percentage of the commission they have earned.



Payment Codes

In order to provide additional service to its users namely transferring funds between users, the CitaBit Exchange will also support payment codes. The CitaBit-based payment code is a combination of 59 characters: numbers and Latin letters, which makes it almost impossible for hackers to access or crack. Thus, these codes serve as a helpful tool for transferring funds (both crypto and fiat) between users of the CitaBit Exchange.

How does it work?

For example, a friend of yours is willing to buy some coins from you for fiat money. You need to generate a payment code for a particular amount of Bitcoin, which will be frozen in your account. Once your friend gives you fiat money, you give him a code. Bitcoins are transferred from your account to your friend's. The transaction is done. If deal is not completed or times out, the coins return to your account.



CitaBit Dark Pool

The CitaBit Dark Pool is a special order book available to big traders only. Only you have access to your orders. This allows you to order a large amount without concern for sharp price fluctuations.

Why will we introduce a dark pool?

Large orders may cause significant price changes when seen by other market participants. This will lead to a situation where you are unable to buy or sell at a particular price. With the introduction of the Dark Pool, we are solving this issue once and forever.

CitaBit will offer these features:

- + A variety of crypto pairs
- + API-interface to place orders with access to market data
- + Self-sustainable business model with multiple revenue streams
- + Limit, stop loss order, stop limit, market orders
- + Users' accounts and assets insurance
- + U2F Advanced authorization
- + Low latency
- + Accounts and Blockchain monitoring system, account freezing due to suspicious activity
- + Faster order processing
- + Fiat Enabled Exchange
- + Instant transfers between CitaBank, CitaExchange, and CitaWallet with zero fees
- + Derivatives
- + and more

We are going to provide a cross-platform solution that includes:

- + Webclient
- + Android and iOS Apps
- + Windows and macOS native clients
- + REST API

10 CITABIT BANK

A recent study by Deutsche Bank revealed that people are increasingly adopting non-cash based payments while paper payments are declining. This applies to developed countries only. In underdeveloped countries, such as African countries or several Asian countries, more than 40% of people still lack access to basic banking, let alone the ability to make cashless payments.

We aim to create the bank of the future and provide access to everyone. This will be a bank where there is no influence of the bureaucratic and geographic restrictions. A bank where transactions are seamless, quick, cost-effective, and third party commissions are non-existent.

CitaBit Bank will work as an online banking platform that features a variety of financial products and services, including but limited to online bank accounts, payment processing, and debit card support. CitaBit Bank will enable a multi-feature online banking ecosystem that allows users to avail all features of banking while at the same time using a cryptocurrency with which they can perform daily transactions.

Adhering to its philosophy "All-In-One Safe Solutions," the CitaBit team will offer these features:

- + Web accounts supporting
- + First-class, Bank Grade security
- + Bank deposits in EUR and USD
- + Minimal fees
- + Free of cost account
- + Donation support to charities
- + Bank transfers
- + Virtual, debit cards
- + Fast KYC
- + Mobile online banking

Comparison with Traditional Banks

Feature	Conventional Bank	CitaBit Bank
Jurisdiction of operations	Limited to a certain country or a certain combination of countries	Global
Customer	A customer needs to reside in the country where the bank is located	Global
Remittance and International transaction fee	1-5% of the amount	0.1-0.5% fee depending on the currency chosen
Transaction speed	May take up to a week	Instant
Currency exchange fee	2-3%	<1% Crypto to Fiat
Currency Supported	Fiat: Local Currency	USD, EUR, and others
Periodic Charges	Annual Charges	Zero
Role of third parties	At every step	Non-existent
Sending money to another fiat account holder	1%	0%

CitaBit Debit Card

The Debit Card will be used to withdraw and use the CitaBit funds from any place in the world with no exchange rate cost.



CitaBit will use a technology called “One Time Funding.” A brief review is provided below:



1 User is issued a physical or virtual CitaBit debit card that is linked to their account wallet, which has a zero balance at all times



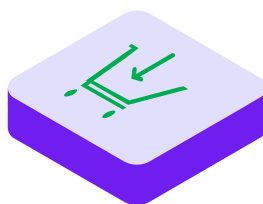
2 User swipes card to pay for a purchase and the transaction is sent to CitaBit



3 CitaBit checks which fiat currency is requested i.e. USD, Pound or Euro



6 CitaBit checks if the user account wallet contains enough coins (which you selected before) to make the purchase



5 A market order is placed for the respective coins against USD

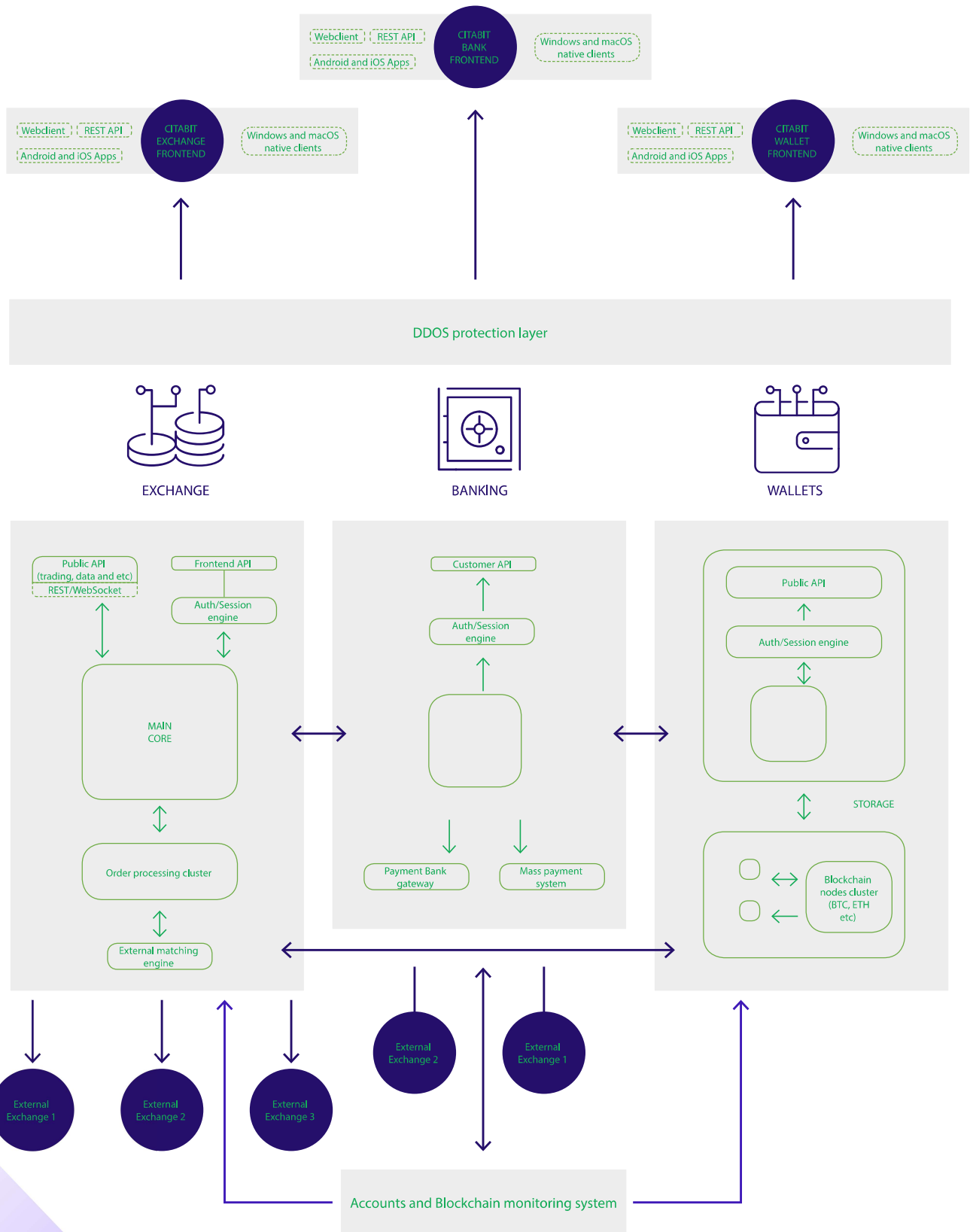


4 Fiat money is moved to the debit card and the transaction is approved

Some other features:

- + Interest on the balance of funds
- + API for accepting and sending payments in fiat currencies (it will be very useful for many crypto exchangers)
- + The ability to order a virtual crypto card (both for cryptocurrency and paper money) with instant receipt of details for its use.
- + Multi-device compatibility
- + Support for NFC technology
- + Cash-out fiat through an ATM anywhere in the world
- + Unlike other crypto banks, CitaBit will support Mobile Top-ups, Airline Ticketing, Hotel Booking, and Payments for all possible online payment gateways and more services

Tech structure:



11 CITABIT TOKEN

CitaBit Token (CITA) is an ERC-20 token, allowing users to make p2p payments. It is deployed on a decentralized Ethereum Blockchain system.

The token will be used for daily transactions and as stored assets. CITA will be listed with different pairs in the CitaBit exchange. The token will be used to pay fees with a discount in the CitaBit ecosystem. All users will have a particular discount while making payments with the token.



Features of the CitaBit Token:



Ethereum Blockchain

Ethereum Blockchain is able to process any volume of transactions with no risks of failure, contrary to any other projects creating Blockchains for their own coins. There is no necessity to launch a Blockchain and look for node owners and pools to maintain it. There is no need to develop a core wallet, which allows the team to concentrate on other important tasks. Ethereum Blockchain is protected against 51% of attack.



Easy Transactions and Cheap Transactions

You can transfer CITA to anyone around the world if the recipient is connected to the Internet. There will be a transaction fee, which is only a couple of cents.



Transparency

Users gain access to the network data at any moment. Everyone has equal terms due to the complete transparency of the Blockchain.



Multi Wallet Support

CitaBit Token supports a variety of digital Wallets that have encryption available, e.g. MyEtherWallet, Jaxx, Mist, Metamask etc. The encrypted technology of these wallet would allow you to secure your CitaBit Token, so that you can view transactions and your account balance.

12 INDUSTRY OVERVIEW AND MARKET OPPORTUNITY

The global demand for cashless payments continues to increase, so the end of cash as payment is now a stark reality. The Global Digital Payment market is expected to reach \$10.07 trillion by 2026, according to the latest reports.²¹

This sharp growth in interest is the result of the proliferation of digitalization and the Internet, which is accessible to almost everyone nowadays. Digital Payment market refers to any payment made without cash through digital means.

The POS (Point of Sale) market has seen a huge increase in demand in 2018. Those devices are used widely by the majority of commercial companies, including small shops, big malls, bars, restaurants, etc. There is also a huge demand for online payment transactions using mobile banking and cryptocurrencies. All these factors stimulate the need for cashless payments and will create further demand for this industry in the future.

The revenue of the Asia Pacific market is forecasted to reach \$3.62 Trillion by 2026.²¹ Digital payments are growing significantly in the region, quickly substituting the traditional cash payment method.

- + Banks and other financial institutions are going to hold their lead with about 22% of the market share. This amount is expected to increase by 2026. Banks and other financial institutions are the main players in this industry. They provide services to other participants, which helps them dominate and have the strongest market share in the segment.
- + POS devices had the largest market share of 56.4% in 2018.²² They are segmented into Contactless Near Field Communication devices allowing users to conduct payments without inserting their cards into vending machines or POS terminals. We can name Samsung Pay and Apple Pay as examples of NFC. VISA cards are developing this inbuilt feature as well.
- + Mobile banking is a direct transaction between the bank and the merchant, which uses a particular third party application. What is the biggest difference between net banking and mobile banking? Net banking requires an account and is done via the official banking website, while mobile banking requires no special banking account. The Compound Annual Growth Rate for this segment is expected to reach 25.2% by 2026.²³
- + Economists expect APA to grow for 19.1% and its revenue is forecasted to reach \$3.62 Trillion by 2026 in the digital payment segment. This market is driven by both the proliferation of digital payment systems and the awareness of governments.²⁴

- + The Compound Annual Growth Rate of North America is predicted to reach 12.8% by 2026. This region is the biggest contributor with 33.6% of market presence due to its predominance in the field of economics and the increased use of cashless payments.²⁵
- + The WEF and World Bank forecast that 10% of the GDP generated by all the countries will be in Blockchain by 2025. Global GDP is forecasted to reach \$95.5 Trillion by 2025, meaning about \$10 Trillion will be generated in Blockchain. McKinsey predicts a \$90 Trillion global economic growth by 2025.²⁶ Cryptocurrencies have recently made a significant step towards spreading their popularity and use cases. Their place in the global financial system is determined and they have already had a particular impact on the markets. There is no doubt that financial markets will welcome a cryptocurrency exchange provider, allowing them to transfer coins between users and businesses without any limits.
- + The LAT cryptocurrency exchange has issued the results of their own research predicting the total market capitalization of cryptocurrencies to reach \$5 Trillion by 2025. This volume may be easily reached due to the increased speed of the adoption of new technologies.

Those significant transformations can already be seen. Amendments to regulative documents like MiFid2, PSD2, and others are providing new opportunities for fintech companies to work within the legal framework of many countries. Furthermore, other countries are monitoring the results of those amendments and are ready to start transforming their legislation, as well. The uniqueness of the present moment consists in the fact that many markets still have no idea about the final results of those transformations. The majority of countries prefer to monitor the situation instead of being pioneers and they have outdated equipment that slows down the adoption process.

They will have to make significant transformations to toughen their hardware equipment along with the overall changes to the system. This will take time and cost a lot, but in the future they'll have to make those changes in order to stay competitive.

The future is coming. Those who respond to its challenges today are one step closer to innovation and will benefit from this advantage tomorrow, without a doubt. CitaBit creates the bank of the future where there will be no restrictions or geographic limitations for users. The main advantage of this digital bank is a significant decrease in transaction time and fees. All the operations are conducted by the user himself and on automated software, allowing the user to save a great amount of money on personnel.

CitaBit aims to create services with maximum benefits for users, rather than simply providing transactions. We at CitaBit have conducted thorough market research, especially the problems that customers face when using banks or cryptocurrency exchanges. We have also studied the demand for these services from traders and investors. The results of our research allow us to create a better product.

13 TARGET AUDIENCE

CitaBit Exchange:

- + Traders: May be novice or veteran.
- + Investors: Individual investors who are participating in certain projects by acquiring tokens.
- + Investment companies: Funds, venture capitalists, and family offices who are investing in a certain project by holding or acquiring their coins through the CitaBit Exchange.

CitaBit Bank:

- + Potential customers of crypto banks are:
- + Anyone who needs to access basic banking products and solutions.
- + Anyone who wants to use crypto and fiat in a single application/account.
- + Anyone who wants to remit money to his friends and family abroad.
- + A person who wants to get paid, receive money from someone else, or send it to another person.
- + Individuals and legal entities who are interested in deposit services.

CitaBit Wallet:

- + A web wallet will be useful to anyone who wants to keep cryptocurrencies in a safe place, or send cryptocurrencies and paper money to their friends, relatives and colleagues.
- + Even those people who do not understand the mechanisms underlying the function of the cryptocurrency market will be able to purchase any cryptocurrency in their personal account with just a few clicks.
- + Representatives of small and medium-sized businesses, from individual freelancers to online stores, will be able to accept payments in cryptocurrency using CitaBit.
- + Anyone who needs to securely store their cryptocurrency assets, including individuals, investors, small cryptocurrency projects, and holding companies.

We will invite new users to the CitaBit ecosystem with no previous Blockchain skills in order to increase the crypto community. We will create educational materials to help them understand everything faster.

14 REVENUE MODEL

CitaBit Bank:

1. Withdrawal fee
2. Fiat to fiat conversion fee
3. One-time fee for card issuance
4. Remittance and foreign transfer fee
5. Deposit maintenance fee

CitaBit Wallet:

1. The withdrawal of funds will be carried out with a fixed commission in the withdrawal currency;
2. Commission for custodial services
3. Commission for the purchase and sale of cryptocurrency using a bank card

CitaBit Exchange:

1. A certain fee on all trading activities. This fee will be lowered when trading with CitaBit Tokens.
2. The withdrawal of funds will be carried out with a fixed commission in the withdrawal currency.
3. A small fee for trading operations.

The trading fee will be no more than 0.05%. If you plan to pay using CITA, you will get a 50% discount on the trading fee. The discount rates are provided below:

TIME	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year
Percentage of discount	50%	25%	12.5%	6.25%	0%

4. A small fee for creating a payment code
5. A certain fee on using the 'Margin' trading feature
6. A listing fee for listing new projects with cryptocurrencies
7. A certain fee for using 'Dark Pool'

Moreover, the CitaBit Token has direct utility within the following platforms:

1. It will be used as a trading pair in the CitaBit Exchange.
2. It will be used as a trading pair in Margin trading.

Everyone who takes part in a token sale will get the opportunity to use the platform without commissions forever.



15 DECREASING SUPPLY AND TIGHTENING DEMAND OF TOKEN

CitaBit Token also has an attractive feature: the supply of tokens will be reduced due to “forced demand.” Every quarter we will burn CITA tokens based on the trading volume of the ecosystem until we burn 50% of all CitaBit Tokens. All operations you can track in the blockchain ethereum.

We limit the purchase because we want to do everything possible to attract buyers who do not buy tokens due to a misconception that this is an investment, or who do not use the token as an investment but instead intend to use the tokens to contribute to our ecosystem. A future emission of tokens is impossible and there is no fundamental risk for a decline in token price.

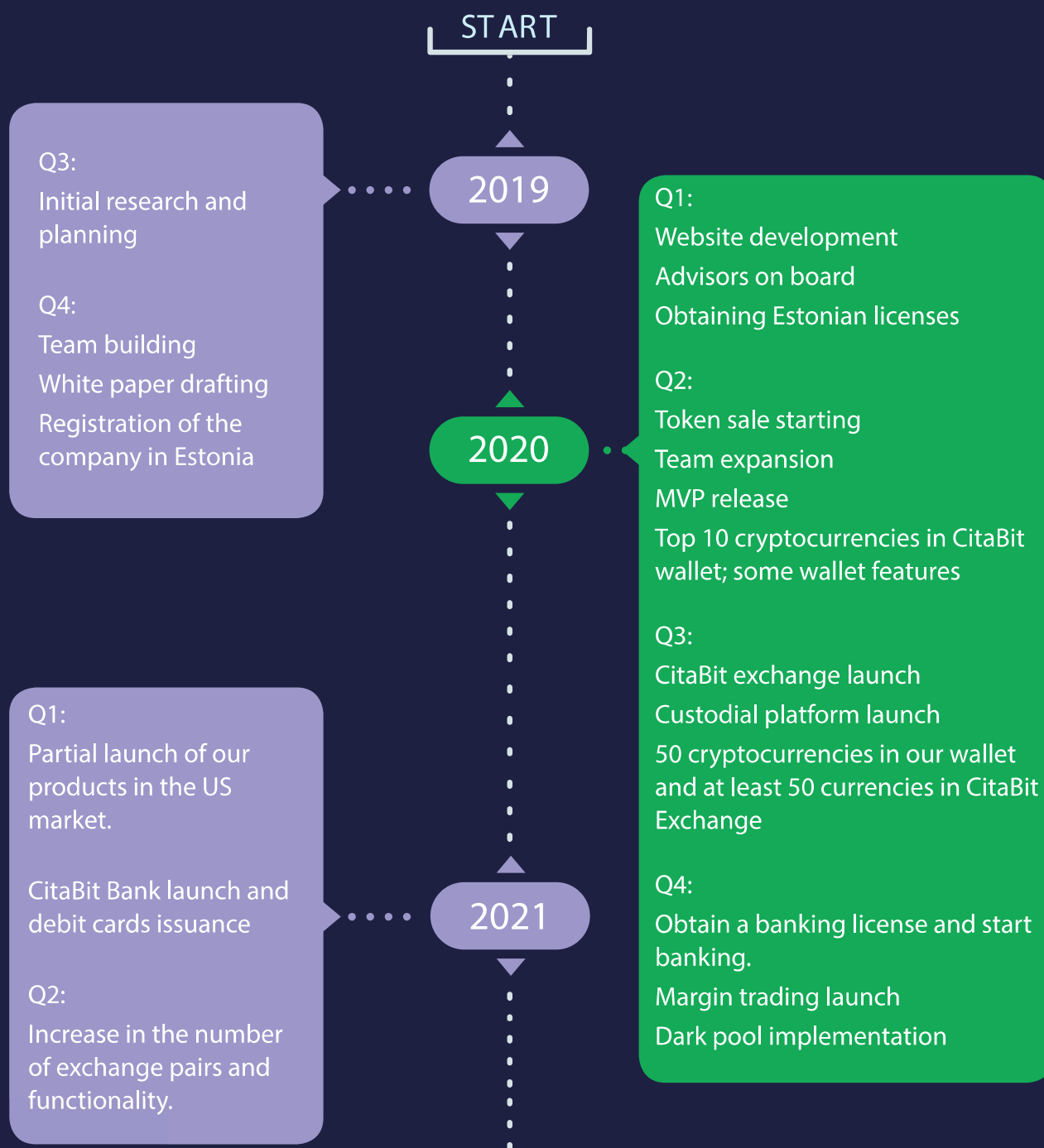
Charity

We do not only think about profits, unlike many other financial companies. We are going to spend 2% of our quarterly return to save unique and endangered animals from the IUCN Red List.

16 COMPETITOR ANALYSIS

Provider	Traditional Banks	Crypterium	CryptoPay	Bankera	CitaBit
Token Sale	Not applicable	Finished	Finished	Finished	Ongoing
24/7 Support	Yes	Non	Yes	No	Yes
24/7 Service	No	Yes	Yes	Yes	Yes
Dedicated Exchange	No	No	No	Yes	Yes
Credit/Debit Card	Yes	No	Yes	No	Yes
Crypto Custodial	No	No	No	No	Yes
Bank Deposits	Yes	No	No	No	Yes
Margin Trading	No	No	No	No	Yes
Mobile Accounts	Yes	Yes	Yes	No	Yes
Remittance	Yes	No	No	No	Yes

17 ROADMAP



What are we going to do after a token sale?

After the end of the token sale procedure, the team will gather at the office and start the active development and promotion of the ecosystem. We are also going to hire additional personnel and use the services of outsourced companies. CitaBit will invite the best specialists from around the world, regardless of their skin color, nationality or location, to work in segments where talent is required, such as in design, UX&UI and other modern technologies.

18 FUNDRAISING DETAILS

CitaBit Token Information :

- + Token type: ERC-20
- + Ticker symbol: CITA
- + Token decimal: 8
- + Price of one CITA token: 0.20
- + Minimum purchase: \$20
- + Minimum collection of funds: \$4,500,000
- + Maximum collection of funds: \$29,000,000
- + Total number of emitted tokens: 500,000,000
- + Unsold tokens: Will be destroyed

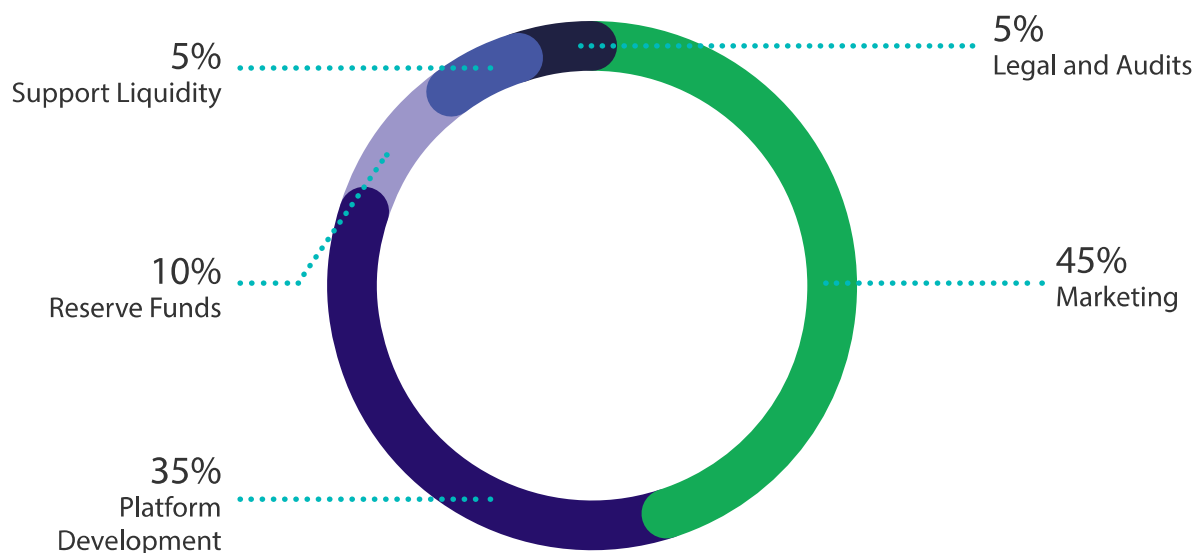
Stages:

Announcemen 3 April 2020

Description	Date From	Date To	Price (USD)
Private Sale	16 April 2020	30 April 2020	0.1 (Bonus: discount 50%)
Pre-IEO	1 May 2020	22 May 2020	0.14 (Bonus: discount 30%)
IEO Round 1	23 May 2020	20 June 2020	0.16 (Bonus: discount 20%)
IEO Round 2	21 June 2020	19 July 2020	0.18 (Bonus: discount 10%)
IEO Round 3	20 July 2020	17 August 2020	0.20

Investors will get tokens 5 working days after the token sale ends.

Use of Proceeds and Funds Distribution:



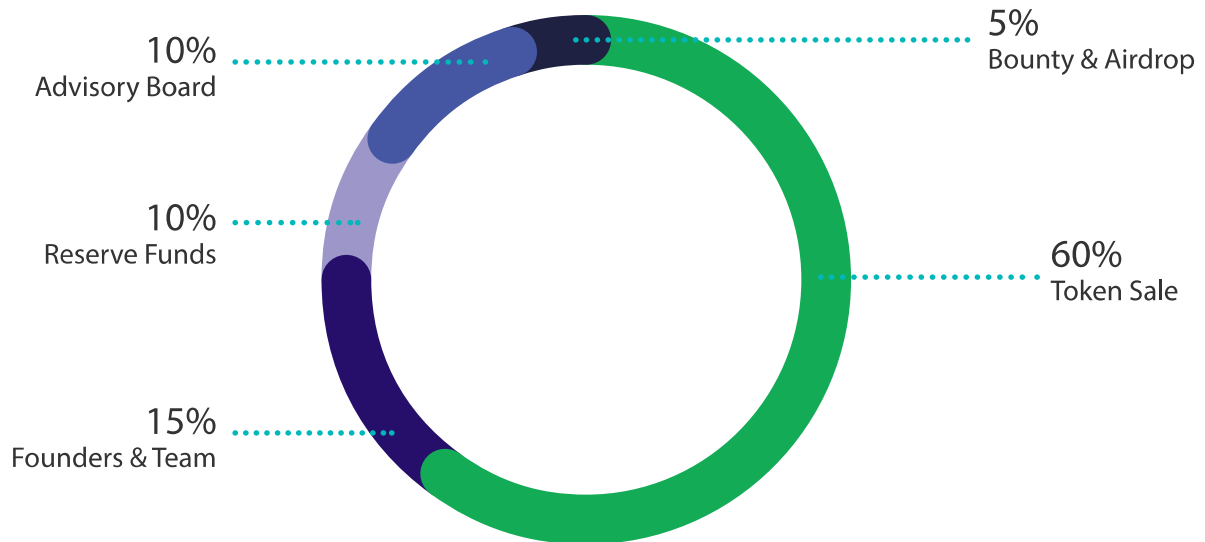
All funds from the sale of tokens will be distributed, as follows:

- + 45% on raising awareness of the project, marketing, branding, advertising, promotion of tokens and listing. It is enough to provide a continuous inflow of traders and attract new users to the crypto industry.
- + 35% platform development, recruiting and training employees.
- + 10% on the reserve fund in order to deal with any extraordinary situations.
- + 5% to support liquidity. This is a basic amount to create liquidity.
- + 5% on expenses for legal services and consultations, audit and licensing.

Why do we need such an amount?

To create a unique and competitive platform, as well as to promote it later, a significant amount of funds are required. The cryptocurrency segment is full of projects. To provide stable growth, these funds are needed and allow the development of a bigger platform in a shorter time frame. The amount we are planning to collect will be enough for two years because we do not plan to attract new investments in the future.

Token Distribution:



- + 60% Available for purchase
- + 15% Founders and team
- + 10% Reserve fund
- + 10% Advisors
- + 5% Bounty / AirDrop

The tokens allocated to the Founders and the team frozen for 2 years.

21 SOCIAL CHANNELS

Facebook: <https://www.facebook.com/citadelbit/>

Twitter: <https://twitter.com/CitadelBit>

LinkedIn: <https://www.linkedin.com/company/citabit/>

Telegram: <https://t.me/citabit>

Medium: <https://medium.com/@citabit>

Reddit: <https://www.reddit.com/user/CitaBit>

GitHub: <https://github.com/citabit/>

YouTube: <https://www.youtube.com/channel/UCoLQpuCuQjWrxwiNUGpkTYA>

22 LEGAL FRAMEWORK AND LICENSES

In order for CitaBit to work exclusively in the legal field, we had to consult lawyers to ensure complete legal compliance. The main company, CitaBit, was originally created under European Estonian jurisdiction, taking into account existing rules with KYC and AML policies in order to ensure unhindered access to our services.

Why Estonia?

Some may argue that it is easier to work from offshore jurisdictions where licensing is not required. This may be true at first, but soon you will find that people usually do not trust shadow jurisdictions. Therefore, having a license in the EU is not only a matter of compliance, but also a marketing investment.

Estonia is a European country with zero taxation, with a transparent legal structure, and access to the single EU market. The country boasts a low level of bureaucracy and a very friendly attitude towards entrepreneurship. The electronic system allows you to reduce the administrative burden by many times and speed up the exchange of information. In addition, the authorities and supervisory authorities do not act on the principle of “catch and punish,” but on the principle of “inform about errors and help.” After all, Estonia is a leader according to the Doingcrypto rating. 35

We will also create a number of subsidiaries that will be independently registered in other jurisdictions to provide the functions required by our users. One of them is in the Cayman Islands, specifically for the provision of banking services.

The next logical step to providing our services legally is to obtain the appropriate licenses that allow you to make transactions with fiat and cryptocurrency assets, as well as with electronic money. Obtaining these licenses has become the main priority for the successful legal development of the project.

A banking license in the Cayman Islands allows the holder to issue banking cards and offer different banking services. The cost of registration is significantly reduced due to the absence of lending. If we are unable to receive bank licenses, we are going to use third party services or banks to issue debit cards.

We have already received both licenses.:

“Estonian license” and “Provision of virtual currency to fiat currency exchange services” allows exchanging cryptocurrency for fiat and cryptocurrency for cryptocurrency. FVR001392 [link for check](#)

The Estonian license “Providing a virtual currency wallet service” provides storage services (both “hot” and “cold” storage) in cryptocurrency wallets. FRK001273 [link for check](#)

Legal Aspects of Token Sales

Under Estonian law, all token sales are regulated by the recommendations of the EFSA regulator.²⁰ CitaBit tokens do not give investors the rights to a company, nor is its value related to future profits or successes of a business; accordingly, the token is not security and does not need to be registered with EFSA. In conclusion, CitaBit Token is an utility token.

23 DISCLAIMER

PLEASE READ THIS DISCLAIMER SECTION CAREFULLY. IF YOU ARE IN ANY DOUBT OF THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX, OR OTHER PROFESSIONAL ADVISOR(S).

This document is a white paper setting out the current and future developments of the CitaBit Ecosystem. This paper is for information purposes only and is not a statement of future intent. Unless expressly specified otherwise, the products and innovations set out in this paper are currently under development and are not currently in deployment. CitadelBit OÜ gives no warranties or representations regarding the successful development or implementation of the technologies and innovations or conducting of any other activities, which are described in the white paper. The Company disclaims any warranties implied by law or otherwise to the extent permitted by law.

No one is entitled to rely on the contents of the white paper or make any conclusions on the basis of the document, including in relation to any interactions with CitadelBit OÜ or technologies described in this document.

The company rejects any liability for losses or damages (which can be foreseeable or not) that may arise from any individual acting on any information and views referenced in the CitaBit platform, Ecosystem, or CitaBit token, described in this document or any other data which will become public or gathered via inquiries, including any negligence, default, or lack of care.

All information CitaBit included in this document derives from the sources CitaBit believes to be reliable. However, CitaBit gives no warranties on the accuracy of this data, its completeness, or reliability. It should not be relied upon and should not confer rights you or any of your partners, employees, creditors, or any other persons.

CitadelBit OÜ may amend, modify, or update this paper without notice to the reader or recipient. CitaBit, its founders, directors, employees, contractors, and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement, or otherwise) arising from any statement, opinion, or information, expressed or implied, arising out of, contained in, derived from, or omission from this paper. Neither CitaBit nor its advisors have independently verified any of the information, including the forecasts, prospects, and projections contained in this paper.

Final word:

Our goal is to make the CitaBit project the most secure solution in the industry. We will follow all the standards including ISO/IEC-27001:2003 and cryptocurrency security standard CCSS. We understand the level of competition in this industry. There are many teams planning to implement similar solutions. However, we are ready to throw our hat in the ring by using our experience and providing something special.

If you believe in our project taking into account all the risks, join our token sale!

24 REFERENCES

- 1 https://globalindex.worldbank.org/sites/globalindex/files/chapters/2017%20Findex%20full%20report_chapter2.pdf
- 2 <https://internetofbusiness.com/retail-iot-nfc-enabled-pos-terminals-take-off/>
- 3 <https://www.newyorker.com/magazine/2018/09/17/the-real-cost-of-the-2008-financial-crisis>
- 4 <https://scholarship.law.berkeley.edu/cgi/viewcontent.cgi?article=3306&context=facpubs>
- 5 <https://www.cnbc.com/2019/01/02/ubs-2019-outlook-global-growth-to-slow-in-2019.html>
- 6 <https://bitcoin.org/bitcoin.pdf>
- 7 <https://www.coindesk.com/900-20000-bitcoins-historic-2017-price-run-revisited>
- 8 <https://coinmarketcap.com/>
- 9 <https://www.investopedia.com/articles/investing/052014/why-bitcoins-value-so-volatile.asp>
- 10 <https://www.coindesk.com/understanding-dao-hack-journalists>
- 11 <https://www.cnbc.com/2018/01/26/japanese-cryptocurrency-exchange-loses-more-than-500-million-to-hackers.html>
- 12 <https://www.coindesk.com/coinbase-reveals-password-glitch-affecting-3500-customers>
- 13 <https://www.bloomberg.com/news/articles/2019-05-08/crypto-exchange-giant-binance-reports-a-hack-of-7-000-bitcoin>
- 14 <https://cointelegraph.com/news/binance-exchange-halts-trading-withdrawals-over-server-issue-assures-no-hack>
- 15 <https://www.bloomberg.com/news/articles/2019-11-04/lone-bitcoin-whale-likely-fueled-2017-price-surge-study-says>
- 16 https://www.koreatimes.co.kr/www/biz/2017/11/488_239405.html
- 17 <https://www.financemagnates.com/cryptocurrency/exchange/bittrex-to-halt-crypto-trading-services-in-31-countries/>
- 18 <https://www.businessinsider.com/bittrex-customers-withdrawal-problems-identification-2017-12>
- 19 <https://blockonomi.com/mt-gox-hack/>
- 20 <https://www.fi.ee/en/investment/aktuaalsed-teemad-investeerimises/virtuaalraha-ico/information-entities-engaging-virtual-currencies-and-icos>
- 21 <https://www.globenewswire.com/news-release/2019/07/25/1888147/0/en/Digital-Payment-Market-To-Reach-USD-10-07-Trillion-By-2026-Reports-And-Data.html>

- 22 <https://blog.technavio.com/blog/mobile-payment-trends-nfc-payments-leads-growth>
- 23 <https://www.globenewswire.com/news-release/2019/07/25/1888147/0/en/Digital-Payment-Market-To-Reach-USD-10-07-Trillion-By-2026-Reports-And-Data.html>
- 24 <https://www.reportsanddata.com/press-release/global-digital-payment-market>
- 25 <https://m.economictimes.com/industry/banking/finance/view-cashless-india-could-be-a-model-for-the-world/articleshow/69669960.cms>
- 26 <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/shifting-tides-global-economic-scenarios-for-2015-25>
- 27 <https://blog.blockport.io/the-multi-trillion-dollar-potential-of-cryptocurrency/>
- 29 <https://support.kraken.com/hc/en-us/articles/360001391906-Introducing-the-Kraken-Dark-Pool/>
- 30 <https://cointelegraph.com/news/coincheck-stolen-534-mln-nem-were-stored-on-low-security-hot-wallet>
- 31 <https://steemit.com/bitcoin/@cryptoiskey/usd20-000-7btc-stolen-from-bittrex-captured-live-on-video-huge-lesson-learned> , https://www.reddit.com/r/Bitcoin/comments/731pdk/6btc_stolen_from_my_bittrex_account_even_my/
- 32 <https://research.binance.com/analysis/institutional-insights-2nd-edition>
- 33 <https://techcrunch.com/2018/07/10/bancor-loses-23-5m/>
- 34 <https://proofofreview.com/cryptobridge-enforces-zero-notice-kyc-on-all-users/>
- 35 <https://doingcrypto.org/#ranking>

