



# Zero Value Token

Whitepaper

# CONTENTS

INTRODUCING ZERO VALUE TOKEN ..... 2

CONCEPT ..... 3

DISTRIBUTION MECHANISM ..... 3

TECHNICAL DETAILS ..... 3

TIMELINE ..... 4

THE TEAM ..... 4

ETHICAL CONSIDERATIONS ..... 5

## INTRODUCING ZERO VALUE TOKEN

The world of Finance is vast and ever changing. Those who work in Finance know all too well that they know just a fraction of it. What is known today might be obsolete tomorrow. Permanent education is thus crucial. That’s why the authors have embarked on journey to learn about Digital Finance at the University of Applied Sciences in Business Administration Zurich<sup>1</sup> and bring their careers and businesses forward. The field of blockchain technology and cryptocurrencies has been of particular interest.

Bitcoins and Ether are the most common cryptocurrencies. There are however many more, issued through so called Initial Coin Offerings. The popularity of ICOs reached a new peak in mid-2017 with more than 60 ICOs in August and over USD 1 billion in ICO volume since the beginning of the year according to an analysis by PWC Strategy<sup>2</sup>. Given their very recent rise in importance, ICOs have only briefly discussed during the Certificate of Advanced Studies (CAS) course. There is however little structured information what should be considered when performing an ICO. The idea was thus born to compose a basic and actionable practitioner’s guide to a successful ICO as the author’s CAS study paper.

*“An actionable practitioner’s guide to a successful ICO”*

Given the scope and time limitations the guide will only cover the very basic necessary yet crucial issues. No matter how limited the guide may be, it was clear from the start that it would only be useful when it is written by people who themselves had experienced an ICO first-hand from start to finish.

This is Zero Value Token.

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<sup>1</sup> <https://fh-hwz.ch/produkt/cas-digital-finance/>

<sup>2</sup> [http://www.finance20.ch/wp-content/uploads/2017/09/20170913\\_Strategic-Implications-of-ICO\\_PwC-Strategy\\_DanielDiemers\\_vF.pdf](http://www.finance20.ch/wp-content/uploads/2017/09/20170913_Strategic-Implications-of-ICO_PwC-Strategy_DanielDiemers_vF.pdf)

## CONCEPT

Assigning no value to the token, which is to be issued, has various reasons:

1. Time: The submission date of the study paper leaves only 2 months' time to realize the project. There is no time for extra features.
2. Scope: While an ICO is usually just a means to an end, the authors' focus is on the process of an ICO itself.
3. Regulatory issues: The concept of an ICO is new and largely unregulated and thus it must be fit into existing legislation. Assigning zero value to the token and disclosing this transparently means less regulatory risk.

These considerations are discussed in greater detail in the study paper.

The study paper itself will be published in German and is intended to be translated in English, should the authors collect the necessary means through the ICO.

At the time of writing the topics covered are:

- Use Case
- ICO Design
- Legal Considerations
- Tech-Setup & Audit
- Marketing
- Reputation

The study paper is integral part of the ZVT project as it will be offered to the ICO participants as a token of appreciation<sup>3</sup>.

## DISTRIBUTION MECHANISM

The amount of ZVT that each investor is receiving for his or her ETH is defined by a fixed exchange rate:

$$1 \text{ ETH} = 1'000 \text{ ZVT}$$

Minimum suggested contribution is 0.01 ETH. The total amount of ETH raised is capped at 100 ETH.

## TECHNICAL DETAILS

Zero Value Tokens are standard Ethereum tokens<sup>4</sup>. The token allocation happens via a smart contract. Smart contracts are computer code that have fixed if-then relations, thus facilitating cryptocurrency contributions and token issuance. The Zero Value Token smart contract uses the

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<sup>3</sup> Pun intended.

<sup>4</sup> [https://theethereum.wiki/w/index.php/ERC20\\_Token\\_Standard](https://theethereum.wiki/w/index.php/ERC20_Token_Standard)

Zeppelin-standard contract<sup>5</sup> as template thus reducing the risk of vulnerabilities as it is tested and community-reviewed. The ZVT contract implements an ERC20-compatible Ethereum token, which will be distributed to the contributors of the fundraiser.

Our ZVT statistics can be viewed on Etherscan:

<https://etherscan.io/token/0xb29359ba6f960f3a99fa5655dfff5c5b2e89b2f0#balances>

Security verification: We used the free formal verification tool by Securify ([www.securify.ch](http://www.securify.ch)) to analyse our contract for critical security vulnerabilities and insecure coding.

Having noted that, this is a project of very limited scope hence very modest budget. We did NOT have an independent formal security audit and cannot guarantee that

- the ICO will entirely perform as intended
- a hack won't occur.

## TIMELINE

The ICO commences on 11 October 2017, 5pm Zurich time and will close on 20 October 2017, midnight.

We will submit our study paper for grading on 20 October 2017.

All ZVT investors, who wish to get a copy of our accepted final paper, can expect to receive it by 01 December 2017. A screenshot of their ZVT holdings need to be submitted:

- Twitter: Tweet with the hashtag #proud2haveZVT and @ZeroValueToken tag
- Facebook: Post with the hashtag #proud2haveZVT  
<https://www.facebook.com/groups/168796433678634/>
- LinkedIn: Post with the hashtag #proud2haveZVT  
<https://www.linkedin.com/groups/8622621>
- Email: welove"at"zerovalueDOTio

## THE TEAM

The project team consist of four members:

- Malte Holzberger, CAS Digital Finance candidate
- Alain Morf, CAS Digital Finance candidate
- Simeon Belopitov, CAS Digital Finance candidate
- Raj Unny, Blockchain Technology Expert

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<sup>5</sup> <https://openzeppelin.org/>

Malte, Alain and Simeon formed a team during the CAS course in Digital Finance at the University of Applied Sciences in Business Administration Zurich with the goal to write an outstanding the study paper covering Initial Coin Offerings.

As candidates have no IT background, the team was extended to include Raj - a blockchain software entrepreneur and tech expert who brought onboard the skills to code and deploy our smart contract.

The official consultant for the study paper is Dr. Daniel Diemers, Managing Director with Strategy& Switzerland<sup>6</sup>

## ETHICAL CONSIDERATIONS

The authors are fully aware that asking for money without giving something back might trigger ethical questions. Four steps have been undertaken to mitigate this issue:

1. Transparency: The investor is always and repeatedly made aware that he or she will receive a token of zero value.
2. Cap: The ICO has an upper cap of 100 ETH. At the time of writing this was the equivalent of thrice the CAS course costs, which amount to CHF 9'500 per person. The authors will thus have the chance to recover their study costs at best. There is no possibility of disproportionate financial benefit.
3. Taxes: The team commits to fully declare any income dutifully to the tax authorities.
4. Free study paper: The investor receives a free copy of the study paper, should she or he wishes so.

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<sup>6</sup> [https://www.strategyand.pwc.com/global/home/who\\_we\\_are/leadership/details/daniel-diemers](https://www.strategyand.pwc.com/global/home/who_we_are/leadership/details/daniel-diemers)