



WORLDGOLD Whitepaper

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Author:

Carole Hofmann
ch@worldgold.io
www.worldgold.io

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"Paper money eventually returns to its intrinsic value, zero."

Voltaire

1 Summary

WORLDGOLD aims to address the current challenges and limitations within the existing financial systems. The objective is to create a decentralized, secure, and efficient gold-backed crypto currency that not only facilitates seamless transactions but also fosters financial inclusivity on a global scale.

WORLDGOLD is designed to provide an alternative and better money than current USD or other fiat based stablecoins, or upcoming CBDCs, in view of the continuously depreciating unbacked fiat currencies and an ongoing "de-dollarization" of the world economy.

Gold is naturally valuable and therefore predestined as the ideal backing to create a sound money that is independent of any interest politics or monetary policy.

WORLDGOLD is 100% backed by physical gold and can be exchanged 1:1 for physical gold bars at any time. It can therefore serve as universal store of value and medium of exchange.

WORLDGOLD works with a decentralized network of independent third parties to ensure resilience, censorship resistance and financial inclusion.

2 Key Facts

Name / Trading symbol	WORLDGOLD (GELD)
Denomination per coin	1g of gold, divisible up to 18 decimal places
Minimum purchase	none
Pricing	Market price (spot) + transaction fee
Gold backing	100% physical LBMA certified fine gold 999.9 Mainly 1kg bars, 400oz standard bars
Storage costs p.a.	none
Location of gold storage	Certified high security vaults in different geographic locations, with regular third party audit
Gold bar delivery	Any denomination, pick-up or value cargo
Issuance	Decentralized network of regulated issuers
Underlying crypto standard and blockchain	Ethereum ERC20 Further blockchains to be added
Website	worldgold.io

3 Gold as money

3.1 Making gold into an ideal money medium

Gold is an *almost* ideal money medium. It is durable as it is a precious metal and therefore does not perish or disintegrate. Gold is naturally scarce and therefore valuable, resistant to counterfeiting and cannot be multiplied by decree.

Gold naturally serves as a store of value and fungible medium of exchange. Gold is universally accepted, and bears no counterparty risk.

On the downside, gold is heavy for its size and not easily divisible. Physical transfers are costly and involve security risks. For larger quantities, cross border transport is cumbersome for the average gold owner.

The newest form of money, Bitcoin, is so successful because it also comes close to being an ideal money medium: Its supply is limited and is therefore scarce. It does not require gatekeepers. And it is not created from debt but from energy, and is therefore also regarded as (a form of) commodity based money.

Bitcoin provides financial privacy while being transparent. It is trustless, meaning there is no centralized control required. On the downside it is usually argued that Bitcoin is also a form of fiat, as it is created by (community) decree and essentially unbacked.

Now, combining gold with the capabilities of blockchain technology as a gold-backed crypto currency, makes gold the ideal money.

A gold backed crypto currency transforms physical gold into a flexible digital asset. It becomes liquid and transferable via the blockchain without the need to physically move gold bars. As a crypto currency gold is easily divisible and can be exchanged globally in a decentralized way, without the need for intermediaries.

A gold backed crypto currency that can be redeemed against physical bars can serve as universal store of value and medium of exchange.



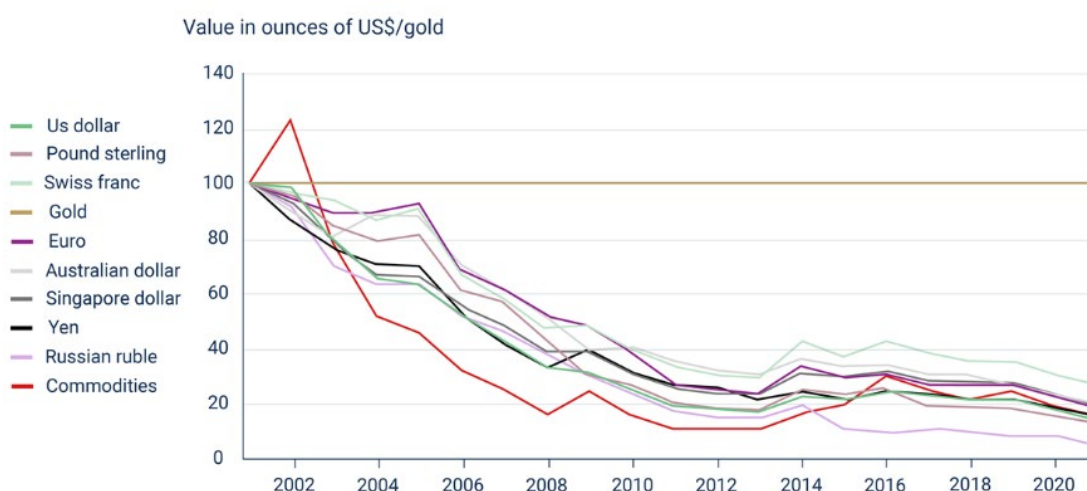
Gold backed NFTs offer direct ownership and intermediary free transferability of gold bars.
Source: <https://swissgold.io>

3.2 Gold outperforms fiat

In 1971, US President Nixon was forced to abolish the gold standard because the USA had printed too much money to finance the Vietnam War, among other things. The growing discrepancy between the value of the US dollar and the amount of gold held by the United States led to inflation and to Europe's central banks exchanging their dollars for gold en masse.

Since 1971, the US dollar has lost more than 90% of its purchasing power and as much as 97% of its value against gold. The purchasing power of the euro has fallen by 77% in the just over 20 years since its introduction in 1999. Even the Swiss franc has depreciated by 70% against gold. Essentially, gold has held its value, while fiat currencies have depreciated against gold due to the massive expansion of their monetary base.

Another important point that should be noted is that the price of gold is currently being kept artificially low mainly by speculation by the major US banks with paper gold (i.e. derivatives without backing) in order to keep gold unattractive against the further devaluing fiat currencies. There is widespread speculation that this dominance may no longer be sustainable in the near future as the main weight of the global economy continues to further shift towards the East.



Performance of fiat currencies and commodities versus gold.

Source: <https://www.goldavenue.com/de/blog/newsletter-edelmetall-spotlight/gold-gegen-papiergeld>

3.3 The world order is shifting East

The BRICS block formed in 2009, with 43% of the world population living in BRICS countries. The blocks expansion is underway with new members to include Mexico, Indonesia, Turkey, Argentina, Iran, Nigeria, Egypt, Bangladesh, Vietnam, South Korea, Saudi Arabia.

The Shanghai Cooperation Organization (SCO) formed in 2001 consists of 8 member states plus observers and partners, totaling to 60% of the world's population. The SCO will soon include four members of OPEC+ that provide at least 70% of the cartel's oil production.

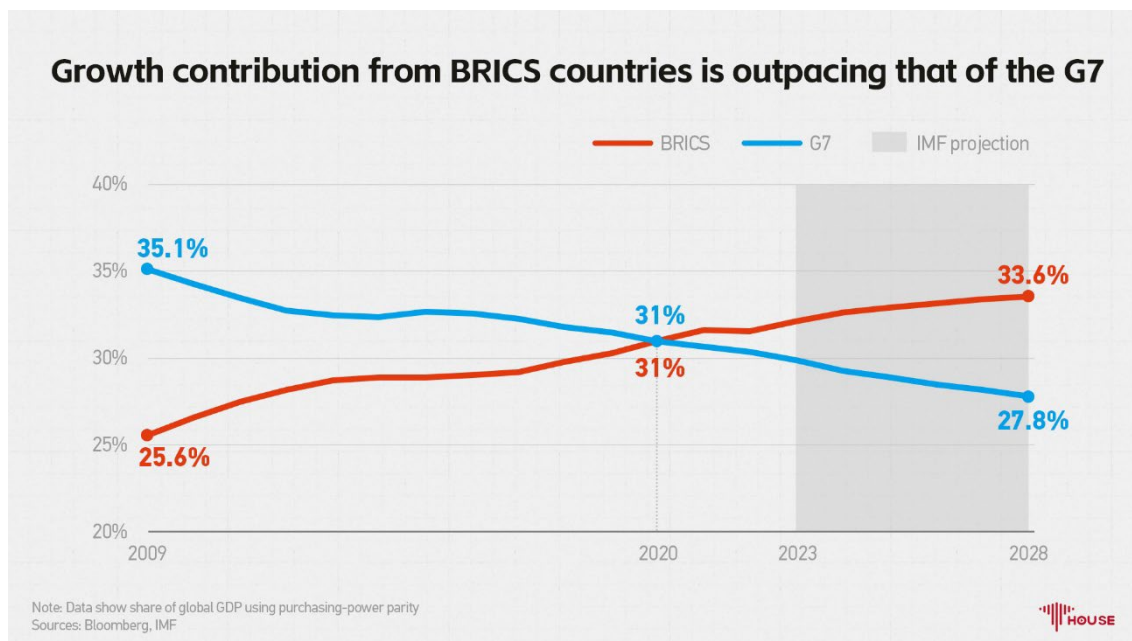
Together both organizations account for the majority of the world population, resources and oil production. Four of the BRICS nations are among the world's major gold producers,

namely, China, Russia, South Africa and Brazil and look to establish their own gold trading system. The central banks of the SCO countries have been accumulating gold in recent years at a rate not seen in 55 years, with over 1'136 tons in 2022 alone.

The BRICS have recently announced to move to a new reserve currency, and individual members have already started to abolish the US dollar in their bilateral trade transactions.

It is widely expected, that the ongoing "de-dollarization" of global trade, which is currently taking place gradually but could switch to suddenly at any given time, will lead to major challenges for the US dollar system, and thus for US dollar-backed stablecoins.

The first tipping point occurred back in 2020 when the GDP of the G7 countries started to fall behind that of the BRICS countries for the first time.



Source: <https://news.cgtn.com/news/2023-05-16/Growth-contribution-from-BRICS-countries-is-outpacing-that-of-the-G7-1jQYXgcMIOQ/index.html>

4 WORLDGOLD (GELD)

4.1 A world gold currency

WORLDGOLD is designed to provide an alternative and better money than current USD or other fiat based stablecoins, or upcoming CBDCs.

Gold is naturally valuable and therefore predestined as the ideal backing to create a sound money that is independent of any interest politics or monetary policy.

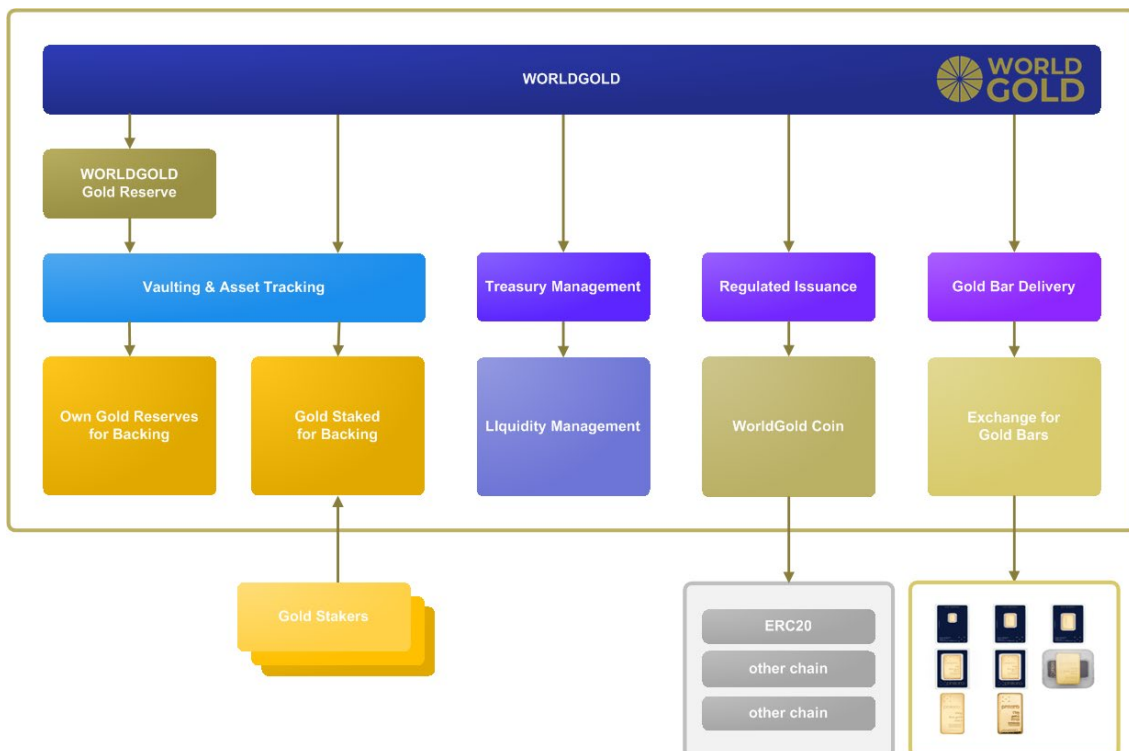
Gold as a crypto currency is not only technically an ideal money, it is also the ideal store of value compared to fiat money. As it is scarce, its value rises with increasing adoption, just like Bitcoin. It can therefore protect wealth and help people to truly participate in the wealth creation of the global economy.

To live up to the promise of blockchain technology, both storage of the gold used for backing and the issuance of the crypto currency must be as decentralized as possible to avoid risks emanating from a particular jurisdiction and/or political interests. Even a DAO-type organization is still one singular organization that can fall victim to vested interests.

WORLDGOLD is issued and brought to market through a decentralized network of geographically diversified partners that are regulated in their respective jurisdictions.

The gold used for backing is also decentralized by storing it in certified vaults in different geographical locations. The asset tracking technology used enables gold holders of all sizes to participate in the backing and earn on the gold staked.

4.2 Organizational structure



The organizational setup consists of the WORLDGOLD Organization that works with independent third parties in a decentralized network. The Organization coordinates the partners to issue the WORLDGOLD crypto currency, to back the issued supply to a 100% with gold, and to ensure the possibility to exchange WORLDGOLD into gold bars at all times. Furthermore the Organization coordinates treasury management, gold purchases for the gold reserve, liquidity provision and exchangeability of WORLDGOLD into the major fiat and crypto currencies.

The Organization governs the respective contractual partnerships with the involved parties and monitors the fee scheme and compensation arrangements for the services provided.

An advisory board comprised of selected domain experts is tasked with monitoring political risks, mitigating economic risks and delivering advisory services to the Organization.

4.3 Technical setup

The WORLDGOLD crypto currency is minted and issued in an ongoing Initial Coin Offering process. Coins are minted, backed accordingly with gold bars and placed for sale in the market via the issuing partners.

The first operative blockchain used for issuance is Ethereum using the ERC20 token standard. Further blockchains will be supported along a defined roadmap.

The blockchain contracts are governed by the Organization and the respective technical partners in a 2-of-3 setup.

The WORLDGOLD coin is issued as follows:

Type: fungible crypto currency

Supply: ongoing issuance, based on the ongoing backing and market demand

Denomination per coin: 1g of gold, divisible up to 18 decimal places

Backing: 100% physical gold bars, LBMA certified fine gold 999.9

Blockchain: Ethereum ERC20, further blockchains to be added

4.4 Issuance

To create the desired decentralization in order to achieve resilience, censorship resistance and global financial inclusion, the issuance (i.e. the sale of the backed coins on the market) is handled by a network of issuing partners.

The following types entities are eligible as issuing partners:

- banks
- VASPs
- financial intermediaries
- otherwise regulated entities authorized to sell crypto assets

Together they form a decentralized network of geographically diversified partners that are regulated in their respective jurisdictions.

4.5 Gold backing

The gold backing for WORLDGOLD is provided in the following three ways:

- physical gold bars in the WORLDGOLD gold reserve, stored in the designated vaults
- physical gold bars held by third parties that are deposited in the designated vaults and commissioned for staking
- gold backed NFTs, locked up for staking

Providers of gold for staking, both physical or via NFT, receive a staking reward.

Staking of physical gold bars is available for gold holders of any size, such as:

- Private Investors
- Trusts
- Fund Managers
- Pension Funds
- National / Central Banks

Currently, gold-backed NFTs from swissgold.io are accepted. Other providers may follow. To be eligible, NFTs must be backed with LBMA-certified fine gold 999.9 and the gold stored in a designated vault.

Vaulting is handled by professional and certified vaults in different geographical locations, offering real-time asset tracking, verification, and flexible commissioning / decommissioning of staked gold bars.

The gold backing, both physical and via NFT, can be viewed in real time via the WORLDGOLD website and is audited by an independent third party.

4.6 Gold delivery

WORLDGOLD can be exchanged for gold bars at any time. The exchange and bar delivery is handled by a network of gold delivery partners and available as pickup or value cargo (+ shipping fee) service.

The pickup/delivery service is subject to compliance with the legal provisions in the respective jurisdictions.

All bars are LBMA-certified fine gold 999.9.

The following bar sizes / denominations are available:

1g, 5g, 10g, 20g, 1oz, 50g, 100g, 250g, 500g, 1000g (1kg), 400oz (ca. 12.4 kg)

WORLDGOLD coins denominated in 1g of gold per coin can be exchanged 1:1 for gold bars of the respective size, e.g. 100 coins for a 100g bar of gold.

All gold bars are subject to an additional surcharge from the supplier/manufacturer, which depends on the size of the bar. The smaller the bar, the higher the surcharge, which reflects the production costs for the bar.

A transaction fee on the product value (gold bar value) is charged for the exchange.



Examples of physical gold bars for delivery.
Source: <https://philoro.ch>

4.7 Pricing and fees

The gold price reference used for WORLDGOLD is the market price (spot price) for gold in US dollar or the local transaction currency used by the issuing entity.

A transaction fee is charged for exchanges of WORLDGOLD from or in other currencies.

No transaction fee is charged for transactions in WORLDGOLD.

For the exchange of WORLDGOLD into gold bars, a transaction fee is charged.

The fee structure is governed by the Organization and subject to market volume. The larger the market volume of WORLDGOLD, the lower the fees charged.

4.8 Ecosystem and partnerships

WORLDGOLD is designed as an ecosystem that is open to all parties who share the vision of a decentralized gold-backed crypto currency as a sound money for everyone, and are ready to contribute their expertise, resources, and unique perspectives to the project.

Please see the website to get in contact for partnership opportunities at worldgold.io