



YEM FOUNDATION

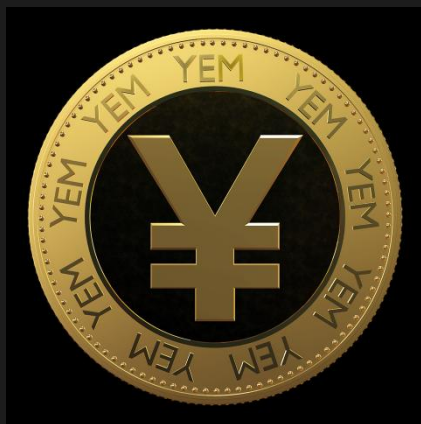
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## CONFIDENCE IN YEM

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# YEM FOUNDATION

REGULATORY  
AUTHORITY  
OF THE  
YEM

THE **YEM** WAS CREATED WITH THE AIM OF PROVIDING A DIGITAL MEANS OF PAYMENT THAT COMBINES THE STRENGTH OF VARIOUS CRYPTO-CURRENCIES WHILE ELIMINATING THEIR WEAKNESSES:

## THE STATUS QUO OF THE CRYPTO CURRENCY LANDSCAPE

In recent years, thousands of crypto-currencies have been produced worldwide. However, many of these have proven to be fraudulent and/or have been used in projects that failed in the early stages. Of the few crypto-currencies that persist, the vast majority is not in use as pure currencies but instead disguise company holdings or investments.

A fair number of decent crypto-currencies remain, which in principle would have the potential to be used as means of payment, one of them being Bitcoin.

**YEM:**  
SUSTAINABLE  
STABLE  
SAFE



## REQUIREMENTS FOR DIGITAL MEANS OF PAYMENT

In 2014, the European Banking Authority (EBA) published a 46-page study on the risks and opportunities of crypto-currencies (EBA/Op/2014/08), where 70 risks are identified and evaluated in detail.

In February 2018, the German Federal Ministry of Finance (BMF) sent a letter to all tax authorities (III C 3 - S 7160-b/13/10001), stating that the VAT of Bitcoin and other virtual currencies is regulated.

The BMF clarifies: 'Virtual currencies (crypto-currencies, e.g. Bitcoin) are treated as legal tender, provided that these so-called virtual currencies have been accepted by the parties involved in the transaction as an alternative, contractual and direct means of payment and do not serve any purpose other than their use as means of payment.'

## CONCEPTUAL WEAKNESSES OF TRADITIONAL CRYPTOCURRENCIES

Traditional crypto-currencies such as Bitcoin have weaknesses that greatly hinder their ability to be used as an everyday digital means of payment. As these weaknesses are inherent to the crypto-currencies' conception and design, they cannot simply be solved by legal regulations or technical improvements.

- **VOLATILITY**

Since crypto-currencies such as Bitcoin are largely used for speculative day trading, the prices fluctuate much more than shares or exchange rates, for instance. After Bitcoin reached its peak in December 2017 with a value of USD \$20,000.00, the price fell by more than 80%, only to rise again by more than 300%, and then fell in value by another 50% and so on. This volatility makes it difficult for companies and individuals alike to accept Bitcoin as a daily means of payment without converting it instantly back into fiat money.

## TRADITIONAL CRYPTOCURRENCIES ARE NOT SUITABLE AS SUBSTITUTES FOR FIAT CURRENCIES IN PUBLIC PAYMENT TRANSACTIONS



- **ANONYMITY**

No state in the world will tolerate a long-term payment system that is beyond its control. Naturally, legislature needs several years to respond effectively to changes in the monetary system. It is to be expected that anonymous payment systems will be banned worldwide. Nevertheless, it is anticipated that some individuals will continue to use anonymous means of payment, especially in informal sectors of the economy such as the darknet, which is frequently used to sell illegal drugs, purchase weapons, human trafficking and to oversee ransom demands facilitated through Emotet malware).

- **TAX TREATMENT**

Another reason that makes it virtually impossible to accept Bitcoin (and other such crypto-currencies) as a means of payment is that transactions on usual blockchains fail to capture one essential piece of information: the fiscal value of a transaction in the national fiat currency of the sender and receiver. However, it is precisely this value that is decisive for the tax posting of the transaction. If the value of each fiscal transaction is not captured in real-time, a long backlog of taxes owed would inevitably accumulate. This would place a large burden on tax authorities. And for businesses and consumers alike, the work involved valuing hundreds or thousands of transactions correctly for tax purposes in retrospective is disproportionate to the turnover.

In a nutshell, traditional crypto-currencies such as Bitcoin are not suitable as a substitute for fiat currencies in public payment transactions.

## CLEAR THE STAGE FOR THE YEM



## **THIS IS WHERE THE YEM COMES INTO PLAY.**

The YEM (an acronym for Your Everyday Money) is, to our knowledge, the only digital currency that was created as an authority-friendly means of payment with the aim of becoming a global alternative in public and private payment transactions.

### **ORIGIN AND ORGANISATION**

The YEM was launched in 2017 (then known as "TWNKL") under the leadership of United American Capital Corporation and founded by more than 3,700 Internet users. Right at the beginning, the "Rainbow Currency Foundation" (dba YEM FOUNDATION) was founded as an independent and non-profit umbrella organization, whose leadership consists of 7 democratically elected members from 7 different (sub) continents.

The **YEM FOUNDATION** is the regulatory authority for the YEM and takes measures for its protection and stability. The YEM was introduced to the International Monetary Fund, the United Nations via UIA, as well as governmental institutions such as central banks, ministries of finance and other institutions and non-governmental organizations.

According to the statutes of the United Nations, the YEM FOUNDATION has the status of an International Non-Governmental Organization (INGO) and is accordingly a member of the Union of International Associations (UIA) with identification number "XM7617".

The UIA, with a headquarters location in Brussels, keeps records of all active non-governmental organizations on behalf of the United Nations.

At present, the YEM FOUNDATION is seeking to obtain participant status in the Economic and Social Council of the United Nations and also in the Council of Europe.

# YEM FOUNDATION

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## AN OUTSTANDING CONCEPT



## THE CONCEPT OF THE YEM

The YEM was designed from the offset with the aim of eliminating the crucial weaknesses of traditional crypto-currencies, thus paving the way to being the first crypto-currency that can be used as a substitute for traditional fiat currencies in every respect, while demonstrating the advantages of traditional crypto-currencies, such as stability, privacy and tax security.

- **STABILITY INSTEAD OF VOLATILITY**

The YEM FOUNDATION has not allowed the YEM to be traded on public trading platforms. There is only one official exchange where YEM can be exchanged for USD and a regulated virtual marketplace where the YEM is exchanged for various fiat currencies in private transactions.

The YEM is regulated by the YEM FOUNDATION with upper and lower limits (a range). The YEM FOUNDATION sets a minimum price and upper limit on a weekly basis, which is not based on a speculative trading volume but on the actual use of YEM as a means of payment. This gives market participants the certainty that no speculative bubbles can arise and simultaneously prevents price manipulation by automated trading.

- **PRIVACY INSTEAD OF ANONYMITY**

All YEM owners must verify themselves before they can use YEM. Since 01.01.2020, verification is guaranteed at bank level by “IDnow”, which is a leading and internationally certified verification service provider. This makes anonymous payments with YEM impossible, as the sender and recipient of every transaction can be identified at any time. At the same time, the privacy of all users is ensured. Identification is possible because each individual YEM holder has a PerNum (Personal Number), which is a unique identification number. PerNum is available through the service provider PerNum, Inc., (a member of Unicorn Network), where PerNum wallets are hosted and managed.

## ADVANTAGES OF THE YEM

## INTERNATIONAL INNOVATIVE STRONG



- **TAX SECURITY**

To our knowledge, YEM is the only digital currency where not only the value in YEM is stored on the blockchain at the exact time of the transaction in a forgery-proof manner, but the value in USD and the national currencies of the parties involved is stored too. This means that every user can download tax-relevant transactions to serve as an account statement at any time to meet his or her tax obligations.

In discussions with politicians from various countries, tax security brought by the YEM was praised.

## THE STANDING OF THE YEM

The YEM FOUNDATION team is in contact with governments and central banks around the world to inform them about the great potential of the YEM.

The YEM FOUNDATION is an International Non-Governmental Organization (INGO) under the rules of the United Nations.

The YEM supports the United Nations' goals for sustainable development (UNSDGs), as follows:

The YEM contributes to the achievement of UNSDG Goal 9 "Building resilient infrastructure and promoting innovation", as the YEM's blockchain serves as a robust financial infrastructure and the YEM promotes innovation by supporting the transition from the cashless economy to the digital economy.

In addition, the YEM supports the attainment of UNSDG Goal 8 "Promoting inclusive economic growth" because the YEM is able to give people without access to bank accounts access to international payment methods nevertheless.

<https://sustainabledevelopment.un.org/sdg9>

<https://sustainabledevelopment.un.org/sdg8>

## ACHIEVEMENTS

### PROJECTS

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### STABILITY



In many low-income countries, communities of people living in rural, peripheral areas are often excluded from formal financial institutions. However, the YEM offers these groups of people the opportunity to make valid financial transactions from home, thereby overcoming rural-urban barriers.

Within the European Union, the YEM is accepted as a legitimate form of payment because it is aligned to the criteria set out for virtual currencies in an official public letter from the German Ministry of Finance.

In November 2018, a German auditing company confirmed the value of the YEM based on several hundred thousand transactions. This report was prepared for submission to the Kiel register court. On 15.02.2019, the registration court accepted the auditing report and entered a company into the commercial register whose capital contribution of EUR €50,000.00 was paid entirely in YEM. This company, UAC Holding GmbH, sets the bar as the first ever corporation in Germany to have its capital fully paid in a virtual currency.

## SAFETY FEATURES OF THE YEM

Safety is the top priority of the YEM. The YEM has its own blockchain to guarantee that all transactions are securely recorded and cannot be manipulated. The YEM is authority-friendly and meets all necessary legal requirements in terms of security, transparency, quality and data protection, combined with maximum "know-your-customer" and anti-money laundering processes (KYC/AML processes and customer verification).

## SMART CONTRACTS

In addition, YEM works with intelligent contracts (Smart Contracts). This means, for example, that a contract agreed between two parties is written to the blockchain, and if an event drawn in the contract occurs, the necessary command is executed. Therefore, the fulfillment of smart contracts is indisputable with the highest level of confidence. Real estate valued at more than USD \$430 million has already been digitized, converted into tokens and made available to YEM owners.

SAFE  
&  
SMART



## How companies benefit from YEM

We are in the middle of an information technology revolution in which blockchain technology and crypto-currencies are transforming the entire monetary system as we know it. This change is inevitable and it is already happening.

As part of this transition, more and more companies are transitioning to use digital currencies to stay ahead of the competition. Because the YEM has a guaranteed minimum price and a ceiling, dangerous price fluctuations for companies are virtually impossible. The value of the YEM may naturally increase over time, which is why it is also a wise business strategy to invest in the YEM at the earliest possible opportunity in order to capitalize from its growing value.

Companies that accept YEM as a means of payment can invest their YEM in advertising and marketing strategies through the SafeZone<sup>1</sup> platform, reaching thousands of potential new customers while growing their business.

Companies can choose to integrate the PerNum Pay API onto their website to enable customers to pay for goods, services and products directly with YEM at the click of a button.

<https://www.safe.zone/>



## HOW STATES BENEFIT FROM YEM

The YEM stores the purpose and value of each transaction on the blockchain. This generates digital tax information. Digital tax information reduces the risk of corruption and money laundering because all transactions are transparent. This in turn provides a business-friendly and business-enhancing environment that can increase business activity and investment in the region.

In addition, digital tax information can make it easier for governments to levy more taxes that could be used for investment in education and infrastructure, thereby further stimulating business activity.

# BENEFITS FOR EVERYONE



## HOW CUSTOMERS BENEFIT FROM YEM

The Internet can be a dangerous place for online shoppers given the sheer volume of offers and websites. Many websites are confusing, misleading, fake or untrustworthy.

Since companies and customers alike must identify themselves through internationally recognized verification processes, customers have the reassurance of knowing that they will not be vulnerable to fraudulent online shops and scams.

Because the YEM works via a secure wallet system that securely stores each customer's data, customers no longer have to enter their personal contact and bank details every time they make an online transaction. This saves time and protects private data from hackers and fraudsters. The YEM creates an enjoyable online shopping experience for consumers because they know they are buying legitimate, trusted products and services. Customers also enjoy the benefits of a guaranteed minimum price, an increasing value of YEM over time, and, therefore, increasing purchasing power.

# SUMMARY

Given the challenges posed by existing crypto-currencies, namely anonymity to conceal the identity of senders and receivers, illegal crypto-markets facilitating illegal activities and money laundering, and frequent price fluctuations, the YEM was created not only to overcome these problems, but also to exploit the new possibilities and strong potential of digital currencies and blockchain technology.

The YEM, designed as an authority-friendly form of payment with the highest level of KYC/AML processes, security and a guaranteed minimum price, is designed to further develop the current landscape of crypto-currencies and to demonstrate how digital currencies, when used appropriately, can sustainably improve and transform the current monetary system as we know it.

