Shipfinex

Lite Paper

www.shipfinex.com

Value of Blockchain

Industry 4.0 involves innovations with upcoming digital technologies, and Blockchain is one of them. Blockchain can be incorporated to improve security, privacy, and data transparency both for small & large enterprises. Industry 4.0 is a synthesis of the new production methods that allow manufacturers to achieve their target more rapidly. Research has been conducted on various Industry 4.0 technologies like Artificial Intelligence (AI), Internet of Things (IoT), Big data, and Blockchain, and how they could create significant improvements in recent years. Blockchain is a technology that has gained much recognition and can enhance the Maritime industry.

Blockchain can be defined as a decentralised, distributed directory driving smart contracts and providing the opportunity to traceability aid, record management, automation for the supply chain, payment applications and other business transactions. Blockchain provides a record of almost real-time replicated between a network of business partners and is unchanging. The process takes information that would have previously been stored in the Enterprise Resource Planning (ERP) of the company. It now makes it available in a distributed network of records across disparate companies. Several benefits of blockchain enable organisations to better understand their customers, particularly on the demand side.

International Trade

International trade is a $16 T market that involves the exchange of capital, goods & services globally.
From a shipping perspective, the trade & financing industry suffers from a lack of trust & coordination between exporters and importers.
Additionally, the industry is unable to get rid of various operational inefficiencies due to the complex interlocked web of operational processes in the international trade of goods and commodities. For instance, shipping & trading still heavily relies on human input and is affected by manual paper-based processes which are very expensive, slow and error-prone.

Traders face challenges to finance their transactions, which limits growth and minimises the benefits of globalisation. Historically, this space resisted adopting efficient practices made available by advances in technology and digitisation

How will blockchain impact bulk commodities logistics?

The movement of huge volumes of basic commodities that are needed to keep the world running is complex. It consists of counterparties that lack effective coordination because of systems that were designed in industrialisation era. As markets become more globally open, trading has turned into a low-margin service business. Today, traders can only compete by providing a solidly reliable shipping service between buyers & sellers. These aspects immediately raise the risk of transactions, contributing to the limited access for new or growing companies. Blockchain's cost-reducing capabilities will increase margins while its deterministic trust structure will drive accessibility within the market.

>80%

of the global trade moves by Ships

Yet only a small minority of the fleet is publicly traded

Smart contracts

Smart contracts are computer programs that run automatically as the parties to an agreement fulfil its terms. Based on blockchain technology, they're set to transform the way we do business by removing the need to interpret contractual performace

How do smart contracts work?

With the security of blockchain, smart contracts can run automatically, which removes the need for supervisory oversight. All it takes is a computer program configured to recognize an event that triggers execution (i.e. if X happens, run Y).
Because the programmed rules cannot be amended once the smart contract enters into force, each party must understand and agree to them. Each agreed action or clause is then registered in the blockchain.

How to use smart contracts

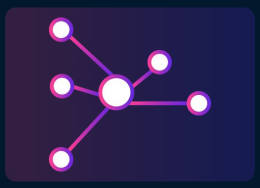
Smart contracts can also function in traditional financial ecosystems outside the blockchain network. Contracting parties can add an “oracle”, an external source of information they designate to update the key information in the blockchain, verify fulfilment of the agreement and trigger the appropriate actions.
Smart contracts can help transform traditional business transactions. Imagine a frozen food company wants to sell its products to a supermarket chain. They’re not in the same country and it’s the first time they’re doing business. They use a smart contract to guarantee they each hold up their end of the bargain.
The oracle could be the shipping company, which records the delivery in the blockchain through a smart contract. Once the products arrive, the payment order will issue automatically. A device connected to the Internet of Things (IoT) could monitor the temperature of the container and notify a break in the cold chain, which would trigger the penalty clause

What is decentralization in blockchain and why is it important?

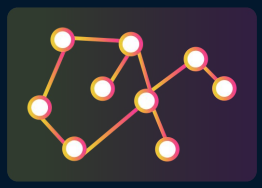
Blockchains are essentially types of distributed databases. The database is the blockchain, and each node on a blockchain has access to the whole chain. No one node or computer regulates the information it contains. Every node can validate the records of the blockchain. This is all done without one or several intermediaries in control of everything. It is architecturally decentralized, and there is no single point of failure that would bring down the blockchain, which makes it a critical component of blockchain systems. However, the nodes of a blockchain are logically centralized, as the entire blockchain is a distributed network performing certain programmed actions.

Peer-to-peer (P2P) transmission

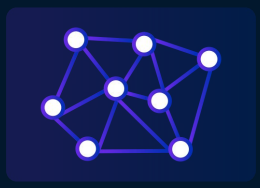
Centralized



Decentralized



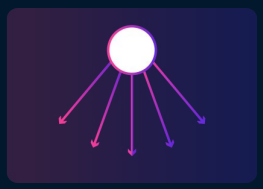
Distributed



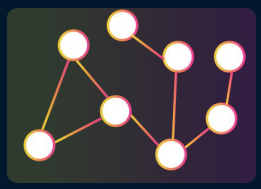
Peer-to-peer (p2p) transmission
In decentralized peer-to-peer (P2P) transmission, communication always occurs directly between peers rather than through a central node. Information about what is happening on the blockchain is stored on each node then passed to adjacent nodes. In this way, information spreads through the whole network.

Peer-to-peer (P2P) transmission

Centralized



Centralized



Decentralized finance (or "DeFi") is a financial ecosystem based on blockchain technology. It lets users buy and sell assets and financial services as a form of investment or financing without middlemen.

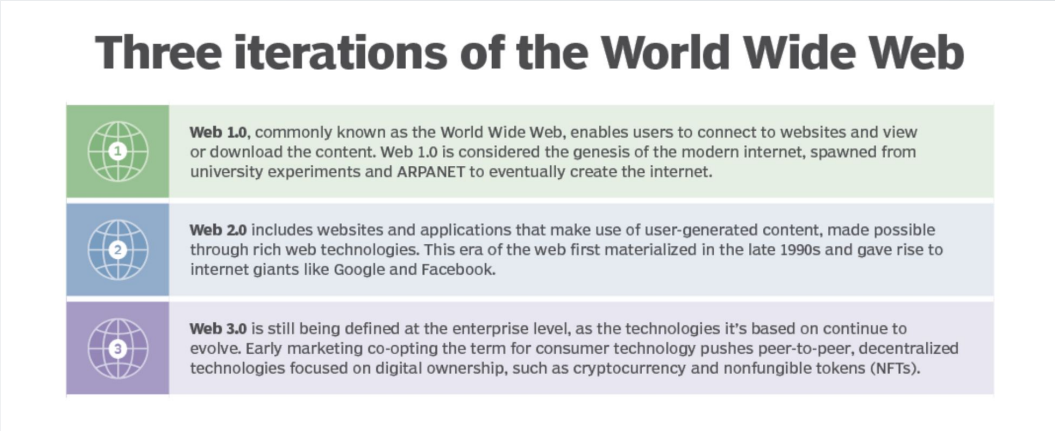
How does DeFi work?

To understand how DeFi works, we must first delve into what’s behind it. DeFi uses blockchain, which connects users without a central server and can transfer data and assets securely, under the users' own watch. Transactions are regulated under "smart contracts", computer programs that also use blockchain and run automatically when the parameters the parties set in advance are met.
They use blockchain to store and transfer digital assets and smart contracts to make sure the parties keep their end of the bargain

Web3.0

Web 3.0 (Web3) is the third generation of the evolution of web technologies. The web, also known as the World Wide Web, is the foundational layer for how the internet is used, providing website and application services.

Web 3.0 is still evolving and being defined, and as such, there isn't a canonical, universally accepted definition. What is clear, though, is that Web 3.0 will have a strong emphasis on decentralized applications and make extensive use of blockchain-based technologies. Web 3.0 will also make use of machine learning and artificial intelligence (AI) to help empower more intelligent and adaptive applications.



Web 3.0 applications

With blockchain at the foundation, Web 3.0 enables a growing number of different types of new applications and services to exist, including the following:

NFT: Nonfungible tokens (NFTs) are tokens that are stored in a blockchain with a cryptographic hash, making the token unit unique.

DeFi: Decentralized finance (DeFi) is an emerging use case for Web 3.0 where decentralized blockchain is used as the basis for enabling financial services, outside of the confines of a traditional centralized banking infrastructure.

Cryptocurrency: Cryptocurrencies like Bitcoin are Web 3.0 applications that create a new world of currency that aims to be separate from the historical world of fiat currency.

dApps: Decentralized applications (dApps) are applications that are built on top of blockchain and make use of smart contracts to enable service delivery in a programmatic approach that is logged in an immutable ledger.

Cross-chain bridges: There are multiple blockchains in the Web 3.0 world, and enabling a degree of interoperability across them is the domain of cross-chain bridges

DAOs: DAOs are set to potentially become the organizing entities for Web 3.0 services, providing some structure and governance in a decentralized approach.

SHIPPING IS RELIANT ON
HIGHLY INEFFICIENT
LEGACY SYSTEMS

&

OPERATES IN ENVIRONMENTS
WHERE
INFORMATION ASSYMETRY
IS COMMON

Shipping

Sea transport is the main medium through which to conduct global trade and is in large part
responsible for the growth of the world economy. With more than 90% of the world trade, the international shipping industry shadows over ground and air transports (International Chamber of Shipping, 2015).

While all forms of transport are interconnected and dependent on the standardization measures that exist between each other, the vast size of sea transport makes shipping the most consequential in the era of global trade.

The phenomenon of globalization revolves in a reciprocal nature with the shipping industry as new innovations in the shipping sector usher in an ever-increasing connectedness of nations. These trade links in turn promote agreements between nations that reduce the barriers of trade. Increasing trade has pushed the shipping industry to innovate as the enterprises that make up the industry compete for business and a larger share of the trade market.

When attempting to understand the maritime transportation sector and its intricacies, it is important to begin with the underlying reason for the existence of the shipping industry. Shipping's purpose is simply to move cargo from a place of supply to a place of demand. As a result, the motivation of the companies that exist in this sector is to compete for the right to move cargo by offering clients value. This value is defined as a low cost of transport and quality service.

In order to successfully operate as a ship owner/Operator, they must meet the various needs of the organizations which demand or supply the cargoes that require transport. Meeting the demands of customers involves many factors but the key items to consider are price, speed, reliability and security.

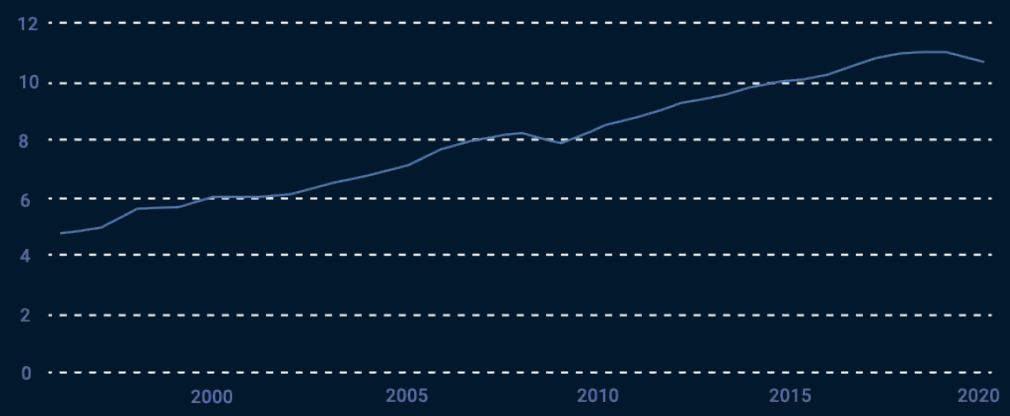
Four Determining Factors in Shipping

Price	Form of cargo, weight, distance to destination
Speed	Affects inventory costs, commercial needs
Reliability	Provide the service promised in the time needed
Security	Secure transportation without risk of damage

Four Determining Factors in Shipping (Stopford, Maritime Economics, 2009, p. 61)

These factors combine with the needs of customers and the type of goods required to determine the function of the shipping sector.

Key Statistics



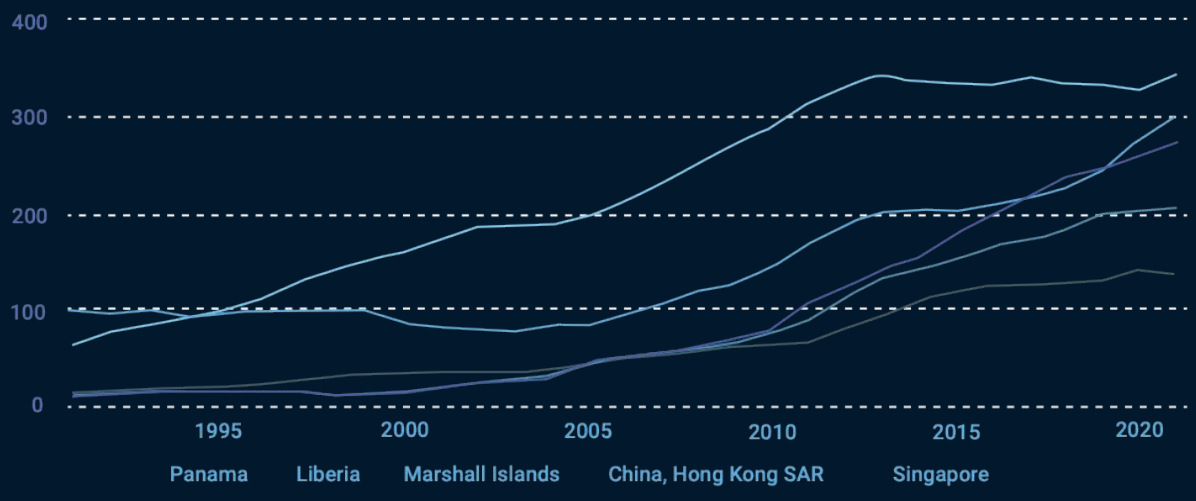
Goods Loaded Worldwide (Billion tons)

World commercial fleet grew by 63 million dwt

between January 2020 and January 2021

16% of the global fleet carrying capacity

registered in Panama



Sources: UNCTADstat (UNCATAD, 2021a); Clarksons Reasearch.
Note: Commercial Ships of 100 gt and above. Beginning-of-years figures. Ranked by the values as of 1 January 2021.

For references, see UNCTAD Handbook of Statistics 2021, annex 6.4.

Assets, services, payments

Typically ships cost millions of dollars each. Ships operate globally carrying cargo from one port to another. This can be between many countries. Each voyage and port visit incurs expenses in addition to the usual daily maintenance costs. A wide variety of businesses operate to help keep ships operate smoothly and in time so that goods are delivered to the end customers as promised. Some examples of these businesses are Ship managers, Bunker fuel suppliers, Ship brokers, crew managers, spare part suppliers, Towage companies, Stevedores, Security service providers and port agents. There are dozens more that are typically involved in each voyage operation.
In a nutshell operating ships is a global effort that needs multiple businesses to work symbiotically & get paid in paid on time for their services. Each vessel draws on this complex web of support system to arrive at a scheduled port in time.

So to summarise, the ecosystem consists of 3 distinct components from our perspective:

1. Ships (assets)
2. Services
3. Payments

Shipfinex is digitalising a Trillion dollar Maritime Economy accessible to everyone using Decentralisation. The maritime economy consists of Ships which are multi million dollar assets, operations to keep them employed globally using services such as Ship repairs, Insurance, Supplies & Payments for such services. Traditionally, this market runs on reputation, trust & connections.
Shipfinex is tokenising this economy to enable fractional ownership of assets, wallet based instantaneous transactions, token-based trust for all stakeholders & participants, transparency & market based fair price discovery for assets / services.

Shipfinex Ecosystem consists of 5 different platforms:
1. Marine Coin Utility Token
2. Maritime Asset Digitalisation Platform
3. Maritime Asset Offering Platform
4. Maritime Asset Exchange
5. Maritime Services Market Place

Marine Coin Utility Token

Asset Digitalisation Platform

Asset Offering Platform

Asset Exchange

Services Marketplace

Shipfinex offers an all-in-one Asset tokenisation & offering platform & Digital Token Exchange designed for the Maritime Industry – One of the largest industries in the world with individual asset values ranging from a few hundred thousand dollars to hundreds of millions of dollars for a complex ship

The Shipfinex Platform offers 360* solutions in the areas of Legal, KYC/AML, Finance, IT & Marketing. Each issuer raising capital on our platform will receive immediate assistance from our teams, which will facilitate the whole fundraising process from start to finish, so Maritime companies can focus on what they are doing best — growing their businesses.

Shipfinex was conceptualized and established by a team of professionals with deep experience in the Maritime, Information Technology, Distributed Ledger Technology, Corporate Finance and Private Equity.

Leveraging on the experience of the team and the Marine Finance Supervisory Committee, the Company's strategic objectives are as follows:

1) To help prospective companies use Shipfinex to enable them to raise Liquidity by using Blockchain & DeFi;

2) Global adoption and growth in utility of MarineCoin ;

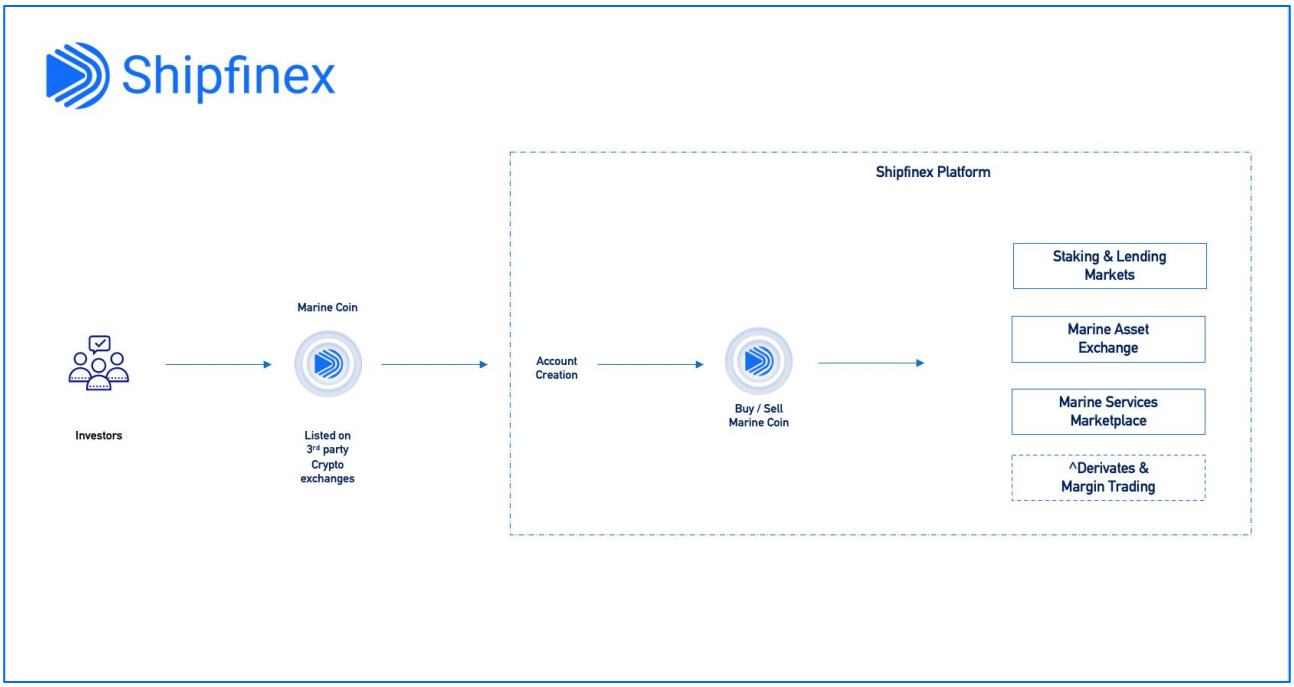
3) Generating, growing and maintaining a sustainable growth revenue model;

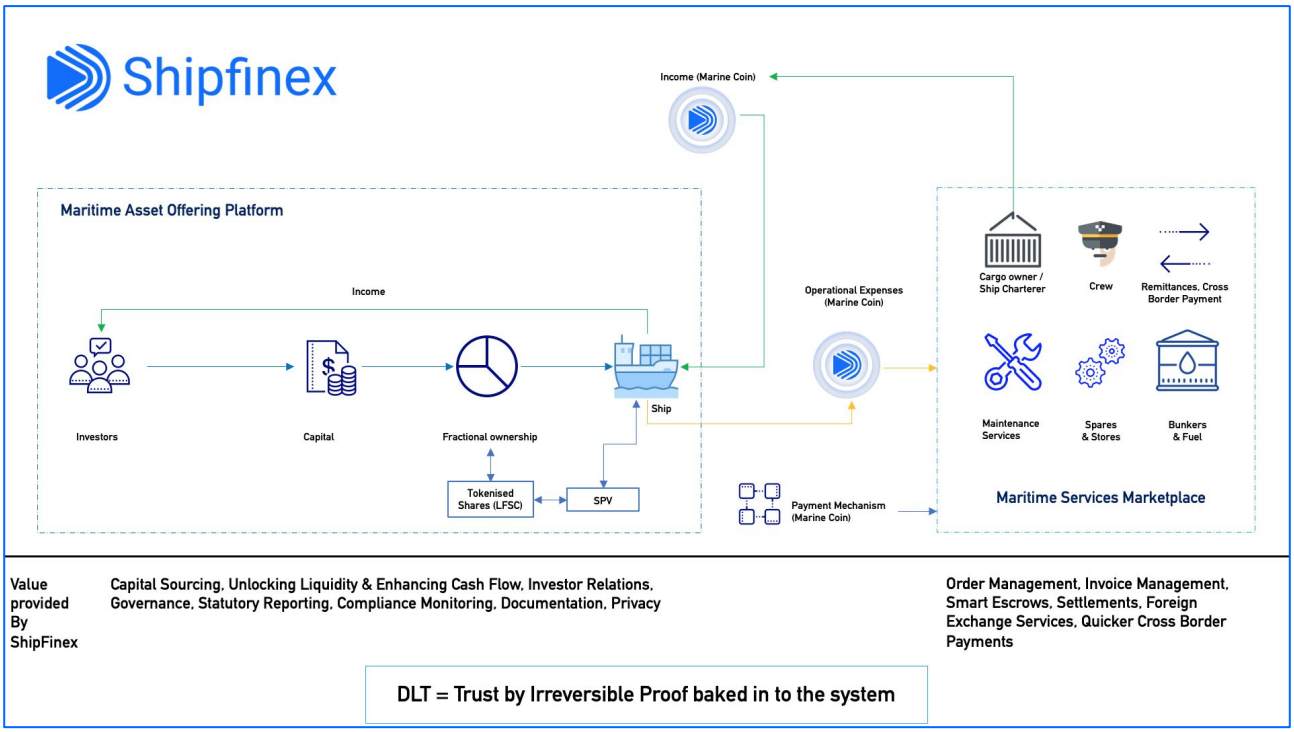
4) Taking measures to protect our intellectual property by means of documenting proprietary information, algorithms and know-how and placing such information in a safe facility, using physical protection measures as well as contractual undertakings by a limited number of designated authorized employees or consultants who have been granted access to this information, to ensure confidentiality and limited access to the same; and

5) To create long-term Shareholder value.

The Platform

The Shipfinex platform is accessed only through Marine Coin. It offers innovative investment opportunities built using world class technology optimised for speed,, reliability, redundancy & security.
Shipfinex has all the infrastructure and tools that sophisticated investors need to participate in real world asset opportunities





Features

Marine Coin

MarineCoin is the native Exchange token of ShipFinex.
The token will enable Fractional ownership of Ships that generate income, Global Payments, remittances & operational expenditure by shipping companies worldwide

Exchange Token

Shipfinex runs on MarineCoin. It's the only way to participate on the Shipfinex Exchange

Staking

Participate in our Staking program to earn attractive APY & rewards

Invest

Only holders of MarineCoins can buy fractional shares of Ships

Earnings

Dividends to investors in ships are only paid in MarineCoins

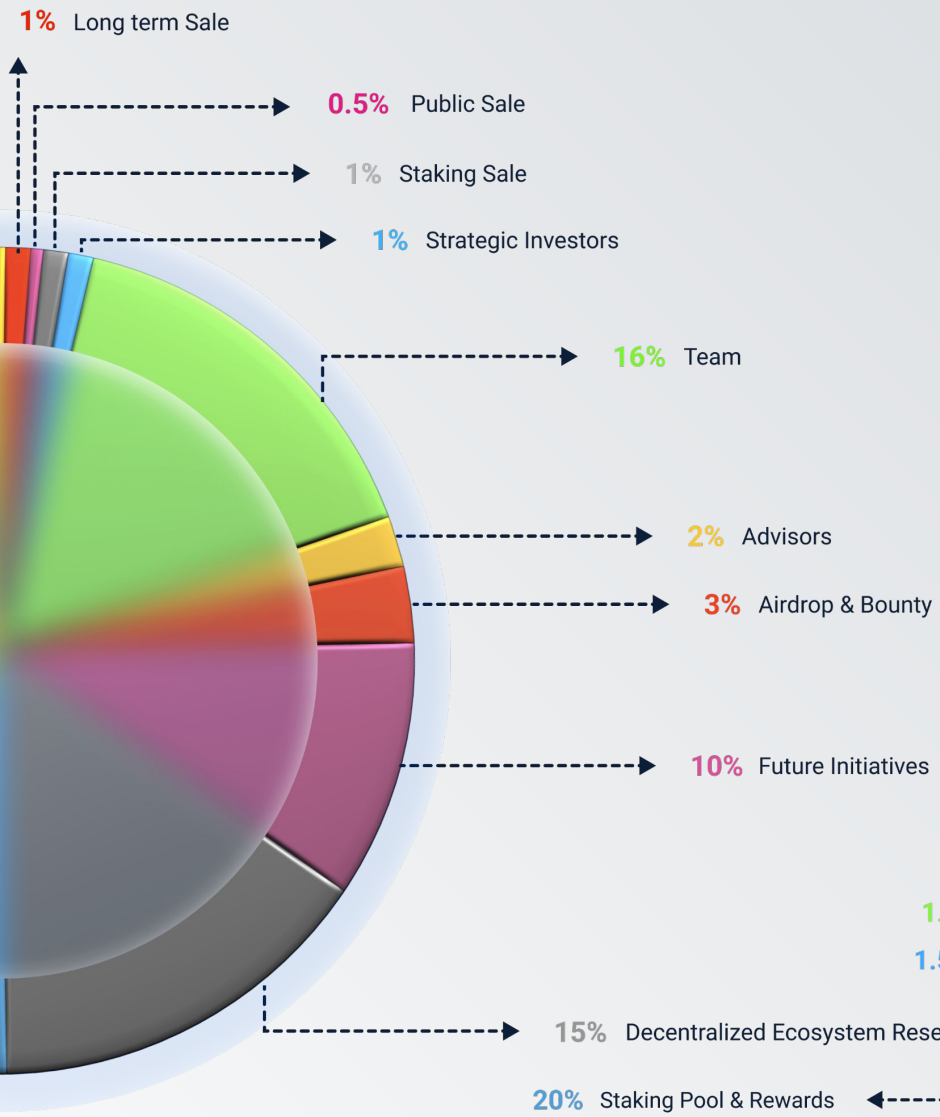
Rewards & Discounts

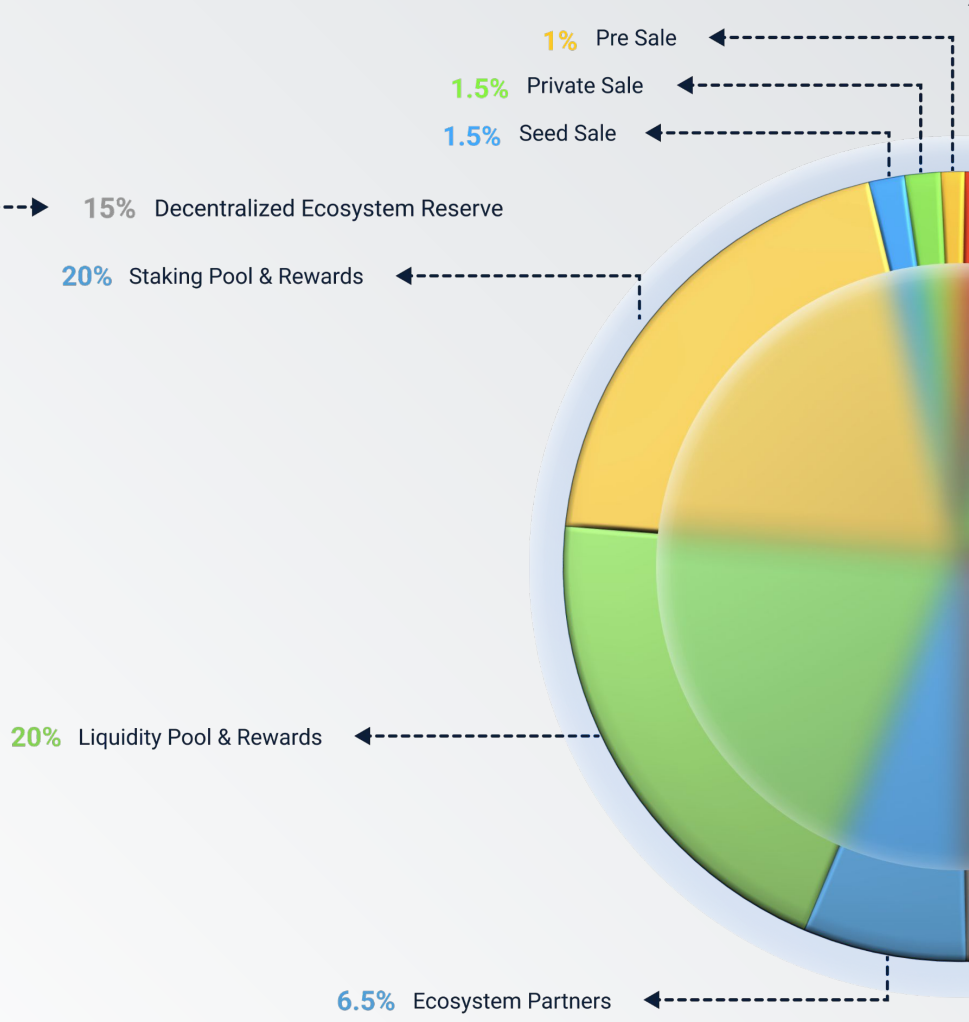
Hodlers will receive preferential discounts, early invites to new launches, exclusive rewards

Exciting Future

Shipfinex will enable more markets, partnerships & features enhancing MarineCoin utility & adoption

Tokenomics


1% Long term Sale
0.5% Public Sale
1% Staking Sale
1% Strategic Investors
16% Team
2% Advisors
3% Airdrop & Bounty
10% Future Initiatives
15% Decentralized Ecosystem Reserve
20% Staking Pool & Rewards


1% Pre Sale
1.5% Private Sale
1.5% Seed Sale
20% Liquidity Pool & Rewards
6.5% Ecosystem Partners

Team

CEO
Sunil Arora

COO
Capt Vikas Pandey

CMO
Suraz Kottakki

Chief Business Development Officer
Kelly Fenemore

CTO
Kawal Arora

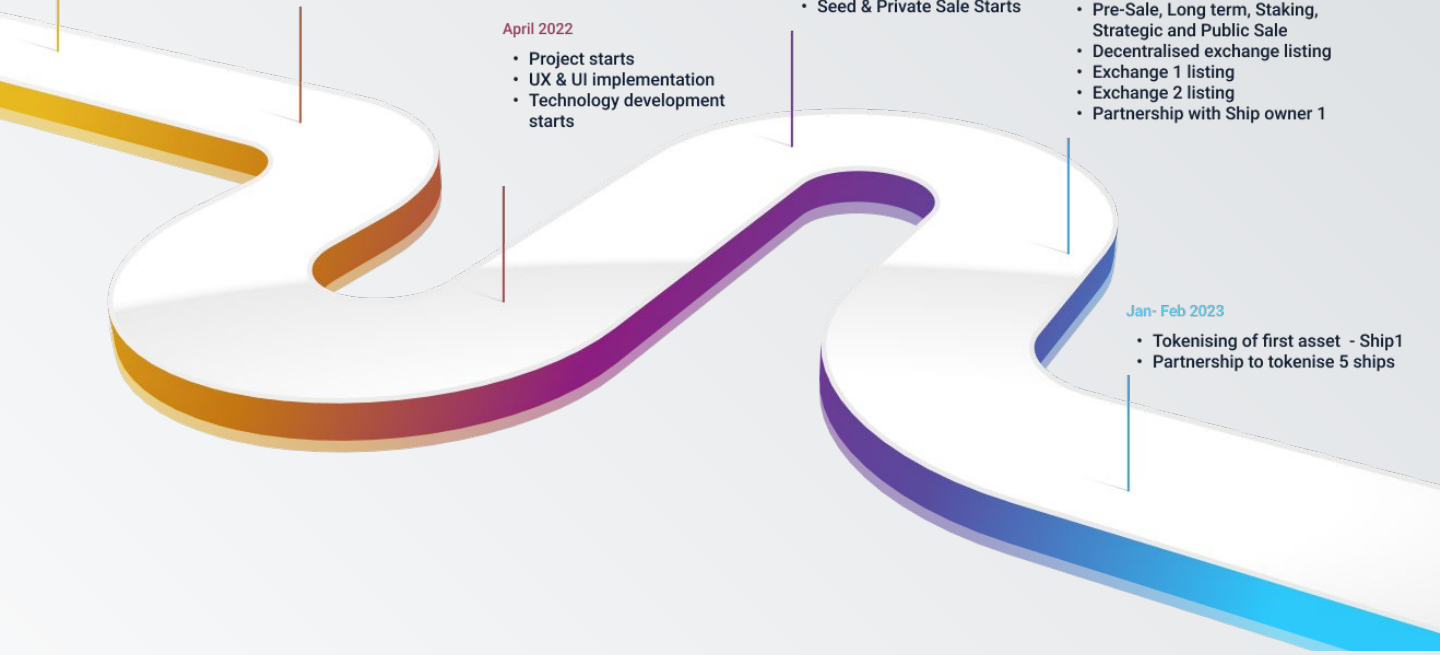
Chief Commercial Officer
Ravi Shankar

Legal Counsel
Capt Vishant Prakash

Product Head
Ashish Kots

Blockchain Engineer
Sanjeev Kumar

Roadmap


2018-2021
• Ideation of Shipfinex 1.0
• Dec 2021
• Evolution of idea to Shipfinex 2.0
Jan-March 2022
• Assembled Core team
• Initiated Research about Product, Technology
• Build advisory team
April 2022
• Project starts
• UX & UI implementation
• Technology development starts
June-July 2022
• Launch Project
• Seed & Private Sale Starts
August-Nov 2022
• Pre-Sale, Long term, Staking, Strategic and Public Sale
• Decentralised exchange listing
• Exchange 1 listing
• Exchange 2 listing
• Partnership with Ship owner 1
Jan- Feb 2023
• Tokenising of first asset - Ship1
• Partnership to tokenise 5 ships