A FIQH-COMPLIANT BLOCKCHAIN-BASED FINANCIAL ECOSYSTEM

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ABSTRACT
CAIZ

A governed approach to our global crypto economy is needed to accommodate the underserved market for easy access to high-quality financial products and services, while still being compliant with local jurisdiction laws. Caizcoin is designed to provide access to financial services, going a step further by being compliant with Islamic financial law. We create a financial ecosystem that provides easy access to ethical and Fiqh-compliant financial products that are based on our hybrid DeCe blockchain model, which combines the best properties of the decentralized and centralized financial worlds. The Caiz Blockchain is a hard fork of the Stellar blockchain, a permissioned distributed ledger technology (DLT). By using our innovative Islamic Federated Byzantine Agreement (IFBA) system as the consensus mechanism and the Fiqh compliant governance layer, operations are controlled by governed and verified stakeholders; this is done in order to ensure Fiqh compliance while providing a highly efficient and extremely robust ethical blockchain solution. Our use-case driven financial ecosystem features an elastic tokenomics that creates deflationary pressure while the ecosystem grows. Through the DeCe model, the focus lies on regulatory compliance for every product and service offered in the Caiz Ecosystem, which will give our users and regulators the confidence of a safe and secure environment. Our mission is to create an alternative for the current Western style fiat financial ecosystem for the billions of financially underserved and unbanked people, especially in the Islamic world, by providing a Fiqh compliant, blockchain based financial ecosystem system with ethical financial products and services to enable our users to engage in long-term beneficial economic behavior and wealth creation.

Our name "Caiz" stems from Arabic and freely translates as lawful, trustworthy and legal. It generally refers to the ethical and moral rules found most prominently, though not exclusively, in Islamic religious beliefs. These underlying ethical rules are the foundation on which Caiz aspires to build its blockchain network and applications. Our overarching goals, reflected in the design of our technology, are inclusion, fairness, charity and security.

Founded in 2020, we are an EU-based crypto and blockchain-enabled decentralized – centralized finance (DeCe) fintech provider. We offer a token called "Caizcoin" and a Fiqh-compliant blockchain solution - the Caiz Blockchain. The Caiz Blockchain offers transactions and the creation of financial products that follow the rules of Islamic law. In addition to that, it allows the trade of a payment token and transfer features on an ESG-friendly blockchain solution working with the IFBA consensus mechanism. App & Web solutions are offered to all clients and are designed to directly integrate the roll out of upcoming additional use-case driven solutions. The Caizcoin token is currently an ERC20 token, which will be replaced by a native token on the Caiz Blockchain in Q2-2023. A bridge will be provided to port the ERC20 token to the native Caizcoin. Financial services, like bank accounts, remittances, small scale capital raises, for the financially underserved are currently almost exclusively provided by exploitative financial institutions and financial middle men (intermediaries). The provided levels of quality and service by these financial institutions and financial middle men are medium to low, while the security and the transparency of the cost structure are often very low. We need a worldwide compliant, high-performance financial network that facilitates remittances, settlements, the creation of ethical financial products and above all provides easy, secure and low-cost access. The implementation of AML/ATF (anti-money laundering and anti-terrorist financing, respectively) compliance procedures in all relevant Caiz solutions can help fight token transfers connected to illegal activities and prevent funds/token circulations that are considered haram (forbidden).

To ensure compliance with the Islamic financial rules, we have embedded them into the Caiz Blockchain. These rules contain the principle of "Riba", which loosely translates as "interest"- it prohibits the charging of interest on loans that would generate additional wealth for an individual without creating additional value. Another principle which is relevant for an Islamic-compliant blockchain is "Ghara" - it excludes actions that involve trading of risk and the sale of something that has not been obtained, which would thereby result in profit from another person's uncertainty. By following "Ghara" the blockchain has to exclude the options of leverage trade, futures trade, and shorting or longing an asset. The last and most prominent rule is the prohibition of support of products, services, and companies that are considered not compliant with Islamic rules. Therefore, all connections to alcohol, drugs, pornography, gambling and violence have to be excluded from the ecosystem.

The aforementioned Islamic financial rules represent a high hurdle for not only blockchain systems but also for classic financial institutes; consequently, this hurdle has led to a gap in technological innovation, not only in modern concepts like blockchain but also in traditional banking. For the benefit of end-users and institutions, a new technology compliant with Islamic financial rules is needed to provide access to the blockchain potential and to update the traditional banking sector with improved and more efficient workflows. This will put less strain on consumers and companies by providing stability, transparency, more efficient energy usage, and reduced financial expenses (or expenditure). Developing a governance layer and a well-regulated ecosystem for this blockchain to enforce and sustain ethical rules would connect a huge market to new technology and significantly enhance the future of banking.

PROBLEM STATEMENT

Our human species has evolved from having barely enough resources to survive to a life of practical abundance; however, as of 2017 approximately 1.7 billion people remained underserved in emerging economies (the latest figure is estimated to be at least 2.2 billion). On a global level, the regions with the highest proportion of developing or emerging economies top the list. Having access to a transaction account is the first step towards broader financial inclusion since a transaction account allows people to store money and send and receive payments. A transaction account serves as a gateway to other financial services (mortgages, investments, etc.), which is why ensuring that people worldwide can have access to a transaction account continues to be an area of focus for the World Bank Group (WBG).

The most common reason individuals provide for being underbanked was simply a lack of money. 30% of unbanked adults said they therefore did not need an account. About 26% stated that accounts are too expensive and 26% also stated an account is not necessary because a family member already has an account. Other reasons include distance, documentation requirements, distrust in the financial system, and religious concerns. Failure of most banks to provide an inclusive financial system that adheres to religious concerns is one key reason for individuals being underserved in Islamic countries. [1]

The concerns can be summarized as follows:
No/little trust in banks
Account fees are too high or are unpredictable
Identification, credit or banking history problems
Lack of privacy
Inconvenient hours or locations
Banks do not offer the necessary products or services
Unacceptable overdraft fee level
Lack of Fiqh compliant banking services and products

There is a high correlation in global statistics between the unbanked and poverty. For one, 75% of all unbanked people are poor. Besides that, they are often unable to access basic social support services, it can mean things are much worse for women, and there is often the need to travel towards a certain location to receive the financial services which costs time and money. This takes away crucial resources that could be used otherwise for earning. Besides that, they are left at the mercy of loan sharks who charge exorbitant prices for loans, which only serves to drive them further into poverty. [2]

Region	Investments in FinTech (2020-current)	Current growth embedded finance	Migrant remittance outflow
Middle East & Africa	$2.8 billion and $2 billion	~$10.35 billion	~$39.2 billion
APAC	$ 27.5 billion	~$358 billion	~$27 billion
Europe	$44.9 billion	~$400 billion	~$67 billion

In the Middle East and Africa, 50% of the population is financially excluded, in South and Central America the figure is 38%, in Eastern Europe and the former Soviet republics it is 33%, and Asia Pacific's share stands at 24%. A 2019 report from the Federal Reserve showed that 22% of adults in the United States (63 million people) were underbanked (16%) or fully unbanked (6%). [6] Women account for most of the unbanked. [2]

Market Economy Health

POPULATION VS UNBANKED VS CARD TRANSACTIONS VS INTERNET PENETRATION
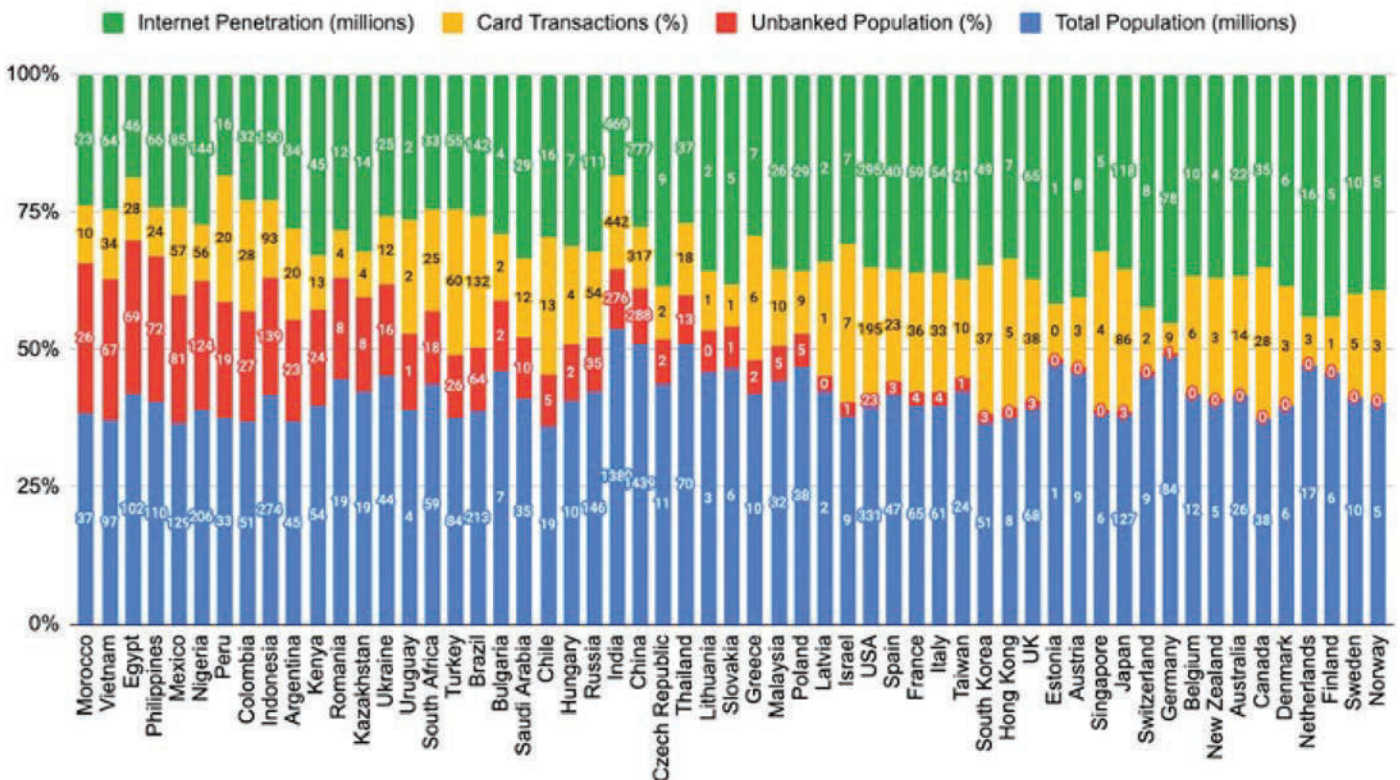
ROADMAP
CAIZ

Caiz Earn	Caiz Wallet Beta	Caiz Gold Setup	Caiz App Beta	Sharia Certificates
2023 Q1 ✓	2023 Q2 ✓	2023 Q2 ✓	2023 Q3 ✓	2023 Q3 ✓

Caiz Chain Testnet	Payment and Banking Partners	Caiz Chain Closed Launch	Caiz Chain Mainnet Launch	Caiz Wallet
2023 Q4 ✓	2025 1st Half	2025 1st Half	2025 1st Half	2025 1st Half

Caiz App	Caiz Remittances	Caiz Gold	Caiz Tokenization	Full MiCa Compliance
2025 1st Half	2025 1st Half	2025 2nd Half	2025 2nd Half	2025 2nd Half

Caiz Stable	Secret Product Release No. 1	Caiz Relief – Charity program	Secret Product Release No. 2	Secret Product Release No. 3
2025 2nd Half	2026 1st Half	2026 1st Half	2026 2nd Half	2026 2nd Half

Caiz Multifunctional NFTs	Regulatory Expansion
2026 2nd Half	2025-2026

Based on the existing blockchain solution for P2P transactions we have:

- Permissioned Ledger: accessible to the public, governed by nodes run by verified institutions, individuals and Islamic scholars.
- Low latency: nodes can reach consensus as fast, if not faster, than transaction speed.
- Stellar is known for fast transaction speed (3-5 seconds)
- Multi-currency support
- Low transaction fee
- Low energy consumption

	Caizcoin	Bitcoin	Ethereum	Visa
Primary Function	Payments and Transfers	Digital Currency	Smart Contracts	Payments
Funds Cleared	3-5 seconds	10-60 minutes	3-5 minutes	Over 24 hours
Transactions per second	1,500-3,000	7	25	3,526
Energy per transaction	0.03 Wh	634,000 Wh	43,000 Wh	1.69 Wh
CO2 per transaction	0.000015 kg	310.75 kg	21.08 kg	0.0083 kg

The Caizcoin Token - Caizcoin Token is a digital currency (a payment token) that serves as a payment mechanism within the Caiz Blockchain, enabling fast and secure transactions while also functioning as a store of value. Its primary function lies in providing access to the applications, products, and services available within the ecosystem, including buying and selling goods and services, participating in Caiz Earn and accessing premium features.

Caiz Blockchain with the governance API - The Caiz Blockchain is a distributed database solution that functions as the host for Caizcoin and all related API's to facilitate decentralized, peer-to-peer transactions. The blockchain operates on a network of federated nodes that approve transactions, governed by a Fiqh-compliant governance layer. To ensure Fiqh compliance, the Caiz Blockchain incorporates innovative methods, such as full KYC requirements for new users to access the ecosystem, and an IFBA protocol, which stands for Islamic Federated Byzantine Agreement. This protocol offers a more robust consensus mechanism than Stellar while also ensuring compliance with Islamic transaction principles.

Caiz User Account – every Caiz user account in the Caiz Ecosystem is a user account linked to a person or a company. Before the Caiz User Account is fully functional, the user needs to pass a KYC and AML verification. A full KYC is required in the Caiz Ecosystem to provide transparency and security, and is part of being Fiqh compliant.

Caiz Earn – Caiz Earn is a liquidity provision program within the Caiz Ecosystem, allowing users to lock their Caizcoin into a liquidity pool wallet and provide liquidity services via predefined market-making algorithms. This activity helps stabilize and promote ecosystem growth while enabling users to earn. The program operates in coordination with the Exchange Liquidity Wallet and the other locked Caizcoin in the Caiz Earn program.

Caiz Wallet - The Caiz Wallet is a digital wallet that enables users to store Caizcoin and various financial products in the Caiz Ecosystem. It serves as the core element for a user's interaction with the Caiz Blockchain and the financial products offered within the Caiz Ecosystem.
Integrated into the Caiz App, the Caiz Wallet can be downloaded by users on their mobile devices. Prior to utilizing the Caiz Wallet and Caiz App, users must complete a Know-Your-Customer (KYC) process, which includes identity verification and several checks to ensure compliance with anti-money laundering regulations. Furthermore, the Caiz Wallet offers additional features, such as confirming transactions are compliant with Islamic law and allocating a percentage of funds to Zakat.

Caiz App – The Caiz App is a central application that integrates all Caiz services and products, facilitating user access and interaction with the Caiz Ecosystem and Blockchain. It can be downloaded onto a mobile phone or accessed via a web version. The Caiz App will be consistently enhanced with new features as they become available.

Payment and Banking Partners – The Payment and Banking Partners within the ecosystem serve as financial institutions, such as banks, that enable the facilitation of transactions between fiat money and cryptocurrencies. This integration allows for seamless processing of local, international, and online payments. The objective of this partnership is to enhance the convenience and accessibility of financial transactions for users in a secure and efficient manner.

Secret Product Release No. 1 – we are working hard on a secret product. We will be talking more about this towards its release.

Caiz Sukuk – Caiz Sukuk are Fiqh compliant investment products that enable users to participate in investment projects initiated by Caiz or other users in the Caiz Ecosystem. By investing in a Sukuk, the user becomes an equity investor in the project and shares in its profits or losses.

Caiz Tokenization – Caiz Tokenization is a program that allows Caiz users to tokenize ownership of assets they own and sell these tokenized assets to the Caiz Ecosystem in a regulatory and Fiqh compliant manner.

Through tokenized ownership of assets, Caiz users can earn through dividend payout, utility payouts (like receiving part of the rent paid on a tokenized house), and asset appreciation.

Caiz Relief – The Caiz Relief program is a community-driven charity initiative that enables users to collectively decide on the distribution of Zakat contributions via the Caiz Wallet. Users can participate in selecting charity programs listed on the Caiz Charity website and cast their votes accordingly. The program emphasizes the importance of almsgiving and community involvement in charitable activities.

Secret Product Release No. 2 – We are working hard on another secret product. We will be talking more about this towards its release.

Caiz Gold – Caiz Gold is a stablecoin built on the Caiz Blockchain that is entirely backed by physical gold. It merges the desirable traits of a cryptocurrency, such as fast and inexpensive transfers and irrevocability, with the price stability of tangible gold. As a stable store of value, Caiz Gold can facilitate stable value transfers in Caiz Remittances and be utilized as an investment vehicle in other Caiz products.

Caiz Stable – Caiz Stable is a stable coin within the Caiz Ecosystem that is backed by fiat currency. It is designed to maintain a stable value, meaning it will not be affected by market volatility or day-to-day price fluctuations that other cryptocurrencies experience. It also allows for fast and cost-efficient payments, and is pegged to a stable currency, such as Euro. With Caiz Stable, users can move their money around quickly, without having to worry about the impact of market volatility.

Caiz multifunctional NFTs - Caiz NFT is a service on the Caiz Blockchain that digitizes unique pieces, such as designs, art, and texts, into Non-Fungible Tokens. Each NFT is hashed into a unique character string and stored on decentralized online storage, with a reference on the blockchain. NFTs have special functionality to monetize or utilize them and can be sold on the Caiz Exchange.

Regulatory expansion – The Caiz Blockchain and Caiz Ecosystem prioritize compliance with financial regulations. Our objective is to offer our range of financial products and services to a global audience. In order to accomplish this, it is essential to secure the appropriate financial licenses for each country. We constantly strive to expand our collection of licenses, enabling us to cater to as many individuals as possible. This is a vital step towards ensuring that our platform remains accessible and legally compliant on a global scale.

Risk Management - AML, ATF laws and Islamic finance rules compliance are enforced in our governance layers; this helps us to prohibit bad actor/tokens from entering our system, enables us to monitor malicious activity on the chain, and help to comply with the local state law enforcement. Using integrated encrypted mechanisms and inter-banking instruments, P2P can use our system as a remittance and settlement layer while being 100% compliant with the relevant regulations.

The Caiz Blockchain is based on our hybrid DeCe blockchain model, which combines the best properties of the decentralized and centralized financial world. The Caiz blockchain is a hard fork of the Stellar blockchain, a permissioned distributed ledger technology (DLT). By using our innovative Islamic Federated Byzantine Agreement (IFBA) system as the consensus mechanism and the Fiqh-compliant governance layer, operations are controlled by governed and verified stakeholders, to ensure Fiqh compliance while providing a highly efficient and extremely robust ethical blockchain solution. Our use-case-driven financial ecosystem features an elastic tokenomics that creates deflationary pressure while the ecosystem grows.

Decentralized – Centralized (DeCe) Hybrid Blockchain Model

DeCe stands for Decentralized – Centralized, and refers to the hybrid model the Caiz Blockchain introduces. This hybrid DeCe model combines the best features of decentralized finance with the best features of centralized finance.

Decentralized finance (DeFi) offers users accessibility to financial solutions that are transparent, quick, affordable, and widely available. DeFi also focuses on giving its users control over their assets and investments. It, nevertheless, lacks oversight and regulation, leading to dangerous, overleveraged, and very risky products.

Centralized finance (CeFi) is a financial framework in which large financial institutions provide users with a regulated environment, where they can access a range of financial products designed to minimize financial uncertainty and risk. CeFi institutions offer advisory services to their customers, serving as knowledge partners, who can explain the intricacies of complex financial products. However, CeFi institutions are often associated with drawbacks such as high costs, slow processing times, and limited accessibility.

The DeCe approach combines the best features from DeFi and CeFi into one hybrid model. The DeCe Caiz Ecosystem provides full transparency as well as fast, cheap, and easily accessible financial products and services, which are fully regulated by the relevant financial authorities. As the Caiz Ecosystem provides Fiqh-compliant, ethical financial products, the products and services are easier to understand because no leverage is used, and risk is equally shared.

Through the DeCe setup, high-quality financial services and products can be offered at low cost and with easy access. DeCe is the ideal solution for providing financial services to financially underserved regions. The Caiz ecosystem offers centrally-created and managed financial capabilities on a decentralized basis.

Islamic Federated Byzantine Agreement Systems (IFBA)

Here, we introduce the Islamic federated Byzantine agreement (IFBA) model, which is an improvement over Stellar's federated Byzantine agreement (FBA) model. Like the federated and non-federated Byzantine agreement systems, IFBA addresses the problem of how to agree on what transactions and updates to apply for nodes to avoid contradictory, irreconcilable blockchain states.

An IFBA system runs a consensus protocol that ensures nodes agree on ledger contents in an Islamic compliant way, while providing ultimate resilience in a continuous decision-making process by always ensuring quorum intersection. This means, nodes in the network will always be able to make a decision, ensuring the blockchain will always run.

The normal Federated Byzantine Agreement (FBA) model
The Federated Byzantine Agreement (FBA) model solves the problem on how nodes in a network agree on which updates to apply in the blockchain network with the distributed ledger, while avoiding contradictory and irreconcilable states. An FBA system runs a consensus protocol that ensures the nodes in its system agree on the contents of every update.

A node x can apply and store a transaction t in the next ledger update u when it has safely applied the updates upon which t depends and it believes all correctly functioning nodes will eventually agree on transaction t in the ledger update u. At that point, it is said that node x externalized transaction t for ledger update u and asserted its validity. The outside world may react to the externalized values in irreversible ways, so a node cannot change it anymore at a later point.

The nodes in the network are participants that can be individuals or organization that run servers, which assert the validity of transactions and make decisions based on the assortments of the nodes it trusts.

Quorum Slices and Decision-Making by Nodes
In a consensus protocol, the nodes in the network exchange messages, which assert statements about ledger updates. When a node hears enough nodes assert a statement (transaction), it assumes no well-functioning node will ever contradict that statement. This set of sufficient number of nodes is called a quorum slice.

To permit progress in the face of a node failure, a node can have multiple quorum slices, each one of which is sufficient to convince the node of the validity of a statement.

A quorum is a set of nodes sufficient to reach an agreement in the network. A quorum slice is the subset of that quorum that convinces a particular node of agreement. Traditional, non-Federated Byzantine agreement requires that all nodes in the network assert the validity of a statement in order to convince a node of the statement. This is rigid and the network is prone to halt decision-making when malfunctioning or ill-behaving nodes in the network exist.

FBA, as introduced by Stellar, generalizes Byzantine agreement to accommodate a more robust decision making, which provides more progress and robustness in decision making by the network in case of malfunctioning and ill-behaving nodes try to fraud the network. However, FBA does not ensure quorum intersection, which means that the nodes in the network can fail to reach agreements, because they are not all connected with each other via quorum slices. A node could be left with indecision because the node cannot be convinced of the validity of a statement.

Islamic Federated Byzantine Agreement (IFBA) solves this problem.

The Islamic Federated Byzantine Agreement (IFBA) System and the Caiz Consensus Protocol
Islamic Federated Byzantine Agreement (IFBA) has three main innovations over FBA that provide optimal resilience in decision-making, improves transparency, increases the costs for malfunctioning and ill-behaving nodes, and ensures the blockchain is Fiqh compliant. These innovations ensure the nodes in the network of the Caiz blockchain can always reach consensus, meaning the blockchain will never stop running. The three innovations are:
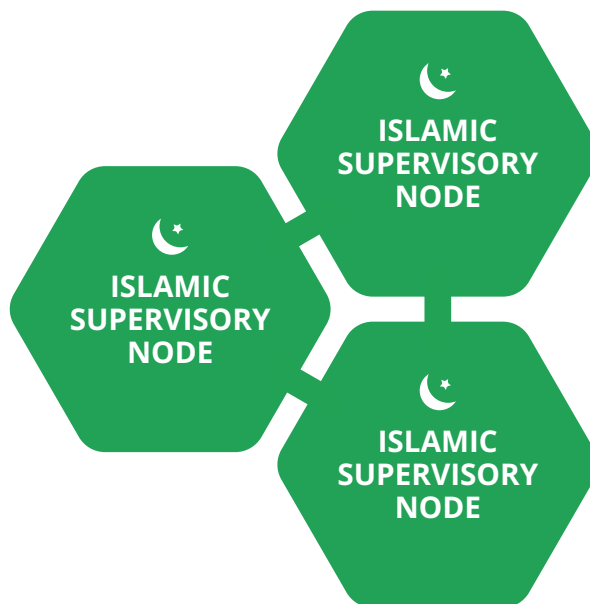
1. Introduction of Islamic Supervisory Nodes
2. Verified, public nodes
3. Caiz Consensus Protocol

Islamic Supervisory Nodes
An Islamic Supervisory Node is a special node that is run by Islamic scholars. The Islamic scholars are theological, spiritual, and public leaders who are examples of social, ethical, and Islamic accountability.

Nodes in the network can be assured that Islamic Supervisory Nodes are well-behaved, because of the high public and ethical standard these Islamic scholars have.

All Islamic Supervisory Nodes are connected in a quorum slice, creating the stable core of the Caiz network.
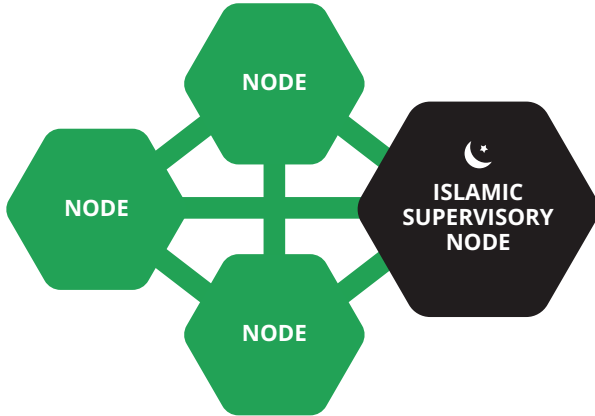
Figure: nodes with an Islamic Supervisory Node to establish the compulsory quorum slice

All nodes in the Caiz Network can create as many quorum slices as they like. In fact, as they increase the number of quorum slices, the quorum intersection becomes stronger, and the decision-making becomes more robust.

Figure: Ensured quorum intersection of the nodes in the Caiz network
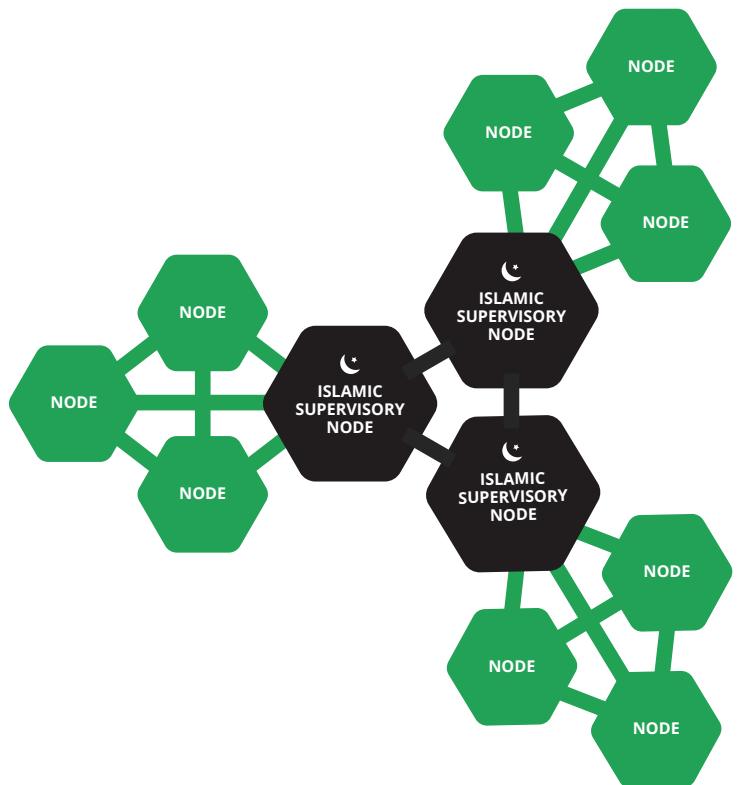
Verified, Public Nodes

Every individual and organization can run a node in the Caiz blockchain network after they have completed a successful identity and compliance verification. The identity of the owner of every node is, thereupon, published in the Caiz Explorer.

This verification process and the public identity increases the cost of ill-behavior as malevolent behavior directly reflects on the reputation of the owner of the node in the physical world.

Caiz Consensus Protocol

The Caiz Consensus Protocol is the consensus protocol that is used by the nodes to assert the validity and Fiqh compliance of a statement or ledger update. The Caiz Consensus Protocol is an extension of the Stellar Consensus Protocol (SCP), and has three sub-protocols: i) the Compliance Protocol, ii) the Nomination Protocol, and iii) the Ballot Protocol.

The Nomination and Ballot protocols are the same as used by the SCP. The Nomination Protocol is used to produce the candidate values in a deterministic way to produce the single composite value for a ledger update; and when enough nodes signaled, they believe the nomination protocol has converged; the Ballot Protocol is, therefore, executed to employ federated voting to commit and abort ballots associated with composite values. When the nodes agree to commit a ballot, the values in the ballot are externalized for the ledger update.

The Compliance Protocol

The Compliance Protocol is the first protocol every node will execute in order to validate the compliance of a transaction and ledger update.

The compliance protocol checks if the provided transactions meet the requirements for Fiqh compliance. These requirements are full transparency in terms of the identity of the sender and receiver (if applicable), the nature of the transaction, and the financial setup of the transaction.

The transactions sent to the nodes for validation include flags that indicate whether the sender's and receiver's identity have been verified, whether the transaction is considered halal (permissible), and whether the financial setup of the transaction adheres to Islamic finance principles. These flags are set by the Caiz governance API, which adds the transaction to the transaction memory pool of the Caiz Blockchain.
The Caiz governance API analyzes the nature of the transaction; while the Compliance protocol ensures only Fiqh compliant transactions are considered.

If the Compliance protocol approves the transaction, the transaction is presented to the Nomination Protocol for further execution. If the transaction is not approved, the transaction is removed from the transaction memory pool and cancelled in the Caiz ecosystem.
For deeper insights on the technical functionality of the Stellar protocol please refer to the Stellar Whitepaper. [8]
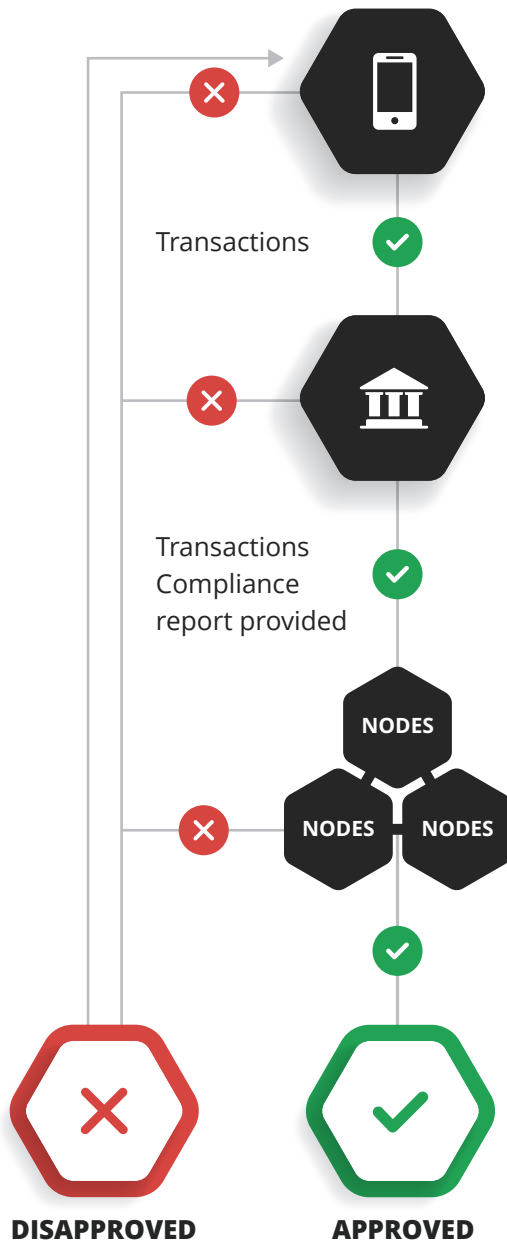
ECOSYSTEM

- Caiz Apps
- Wallet
- Financial Product

Transactions

GOVERNANCE LAYER
Additional compliance checks

- Transaction Fiqh compliant?
- Sender verified?
- Receive verified?
- Transaction Halal?

Transactions Compliance report provided

NODES

NODES
Proccess transactions by approving or disapproving them.

NODES   NODES

DISAPPROVED   APPROVED

Caiz Governance Layer:

While being compliant with Islamic finance rules and local jurisdiction, our governance layer ensures that contaminated tokens (or tokens from sources believed to be contaminated) cannot interact with other "pure" parties. It therefore isolates bad actors and sources and leaves them inoperable.

Total Token Supply	999.999.999 Caizcoin
Circulating Supply @ Q1-2023	40.000.000 Caizcoin
Locked Circulation Supply	20.000.000 Caizcoin Purpose: Ecosystem - Exchange Liquidity

Elastic Coin Release Schedule

Explanation

The Caiz Ecosystem is a 'use case' driven ecosystem; and it is designed to be deflationary. The number of Caizcoin in circulation is determined by the number of verified wallets in the ecosystem.

The Elastic Token Release Amount is the amount of Caizcoin Tokens that are released to the distribution wallet for distribution to the ecosystem whenever a new wallet is verified. The first slot in the schedule allows for a release amount of 7.75 Caizcoin per verified wallet, but this amount decreases with each slot. With the growth of the Caiz Ecosystem, the average number of Caizcoin Tokens available for every verified wallet (or user) decreases, making it deflationary.

The slots are determined by the number of verified wallets in the ecosystem, and the release amount is reduced by a reduction factor of approximately 35.4% for each subsequent slot. This means that the release amount will be smaller as more wallets are verified. Slot number 7 runs from the 500 millionth to almost the billionth wallet, and has a slightly adjusted reduction factor. In the final slot, new verified wallets will not lead to an increase in circulating Caizcoin Tokens as the maximum supply of 999.999.999 Caizcoin Tokens will have been met.
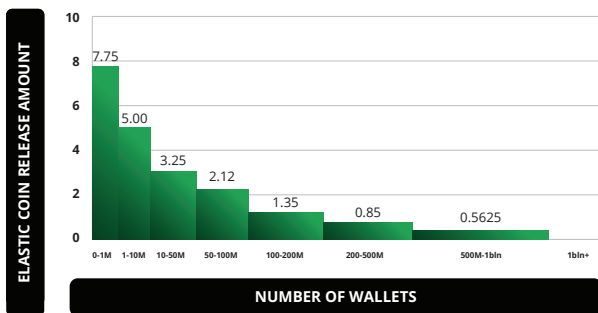
This schedule is designed to make the supply of Caizcoin Tokens in circulation tight, and ever tighter when the Caiz Ecosystem grows.

In case the number of verified wallets in the Caiz Ecosystem decreases, the Distribution Wallet will transfer Caizcoin Tokens back to the Minted Wallet. The Minted Wallet will also stop transferring Caizcoin Tokens to the Distribution Wallet until the surplus of Caizcoin Tokens is absorbed by the creation of new verified wallets.
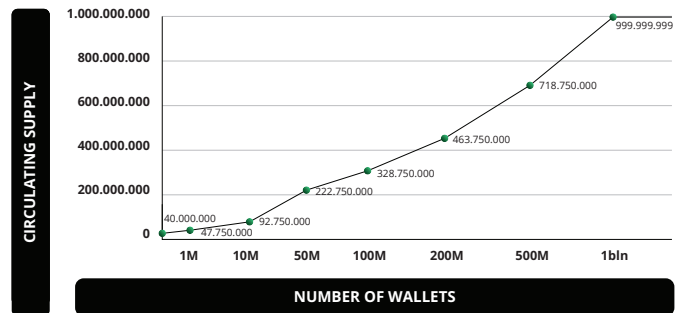
Slot 0 is the initializing slot, with a token release of 40 million Caizcoin, of which 20 million are locked in the Ecosystem Liquidity Wallet—these are not meant for distribution in the Ecosystem.

TOKENOMICS

Slot	Wallet Upper Limit	Elastic Coin Release Amount	Circulating Supply
0	0	40.000.000	40.000.000
1	1.000.000	7.75	47.750.000
2	10.000.000	5.00	92.750.000
3	50.000.000	3.25	222.750.000
4	100.000.000	2.12	328.750.000
5	200.000.000	1.35	463.750.000
6	500.000.000	0.85	718.750.000
7	999.999.999	0.5625	999.999.999
8	1 bln	0	999.999.999

TOKENOMICS
C A I Z

Elastic Coin Release Amount

ELASTIC COIN RELEASE AMOUNT

- 7.75
- 5.00
- 3.25
- 2.12
- 1.35
- 0.85
- 0.5625

0-1M · 1-10M · 10-50M · 50-100M · 100-200M · 200-500M · 500M-1bln · 1bln+

NUMBER OF WALLETS

Circulating Supply

CIRCULATING SUPPLY

- 40.000.000
- 47.750.000
- 92.750.000
- 222.750.000
- 328.750.000
- 463.750.000
- 718.750.000
- 999.999.999

1M · 10M · 50M · 100M · 200M · 500M · 1bln

NUMBER OF WALLETS

Token Release Procedure

MINTED WALLET

Daily run of token release algorithm

DISTRIBUTION WALLET

Algorithmic token sale by optimal liquidity sales algorithm

EXCHANGE / ECOSYSTEM LIQUIDITY POOL
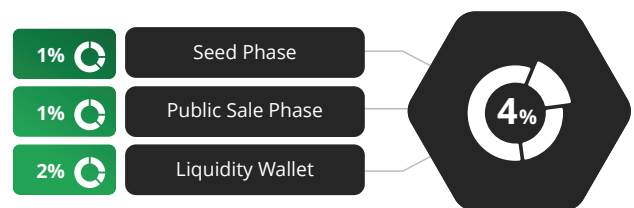
- Ecosystem
- Treasury
- Op's & Dev

Explanation:

- The Minted Wallet: This wallet contains all the Caizcoin that have been minted, which means they have been created and added to the blockchain. The Caizcoin Tokens in the Minted Wallet are not yet released to the Caiz Ecosystem.

- The Distribution Wallet: This wallet contains all the Caizcoin that have been released and are ready to be distributed to the Caiz Ecosystem.

- The Token Release Algorithm: This algorithm runs daily at 2 pm CET to release the total amount of Caizcoin Tokens from the Minted Wallet to the Distribution Wallet. The amount released is determined by the number of verified wallets in the previous 24 hours, multiplied by the respective Elastic Token Release Amounts.

- The Optimal Liquidity Sales Algorithm: This algorithm is responsible for selling the tokens from the Distribution Wallet in a manner that is optimized to avoid creating selling pressure on the market. It ensures that the new Caizcoin Tokens are sold only during up-market movements to avoid impacting the value of Caizcoin, negatively.

- The Ecosystem Liquidity Pool: This is a thin layer that connects all trading venues for Caizcoin, ensuring that there is always liquidity available for buyers and sellers. It is algorithmically managed and is connected to the Caiz Earn program, where users can pool their Caizcoin Tokens in the Liquidity Pool to provide liquidity to the ecosystem and earn a liquidity trading profit.

Coin Allocation

Caizcoin has currently allocated and distributed 4% of its coins. Of all Caizcoins:
1% is sold and distributed in the seed phase
1% is sold and distributed in the public sale phase
2% is distributed into the Caiz Liquidity Wallet, used to provide liquidity to the exchanges.

1%	Seed Phase
1%	Public Sale Phase
2%	Liquidity Wallet

4%

This 2%, or 20 million Caizcoin, is dedicated to the Liquidity Wallet and will never be distributed for other usage in the ecosystem.

Ecosystem	70%
Treasury	10%
Team	8%
CaizGold	5%
Growth, legal, advisory, and promotion	5%
Charity	2%
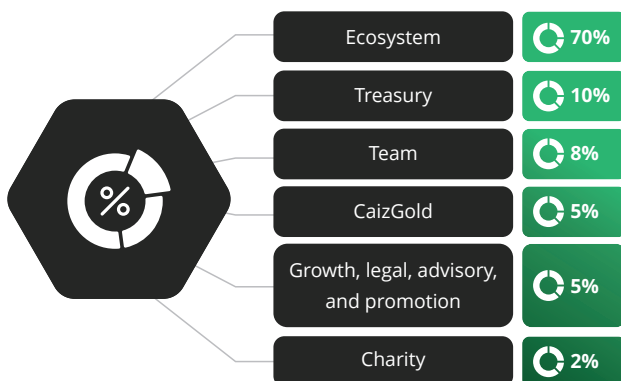
As soon as the native Caiz Blockchain launches, the user growth in terms of verified wallets will lead to the release of an amount of extra Caizcoins. This amount is called the Elastic Coin Release Amount.

Why is the Caiz Blockchain Fiqh-Compliant

The Caiz Blockchain has Fiqh compliance built in it, from the consensus mechanism with IFBA, and the governance layer, to the products and services which are all compliant with Islamic finance.

This means, the Caiz Blockchain has several unique properties and features to give the Caiz users an ethical financial ecosystem that enables long-term beneficial economic behavior and wealth creation, while, at the same time, enjoying the peace of mind that financial security brings.

These unique properties and features are:

- Only Fiqh-compliant and ethical products and services that focus on creating real wealth with a long-term economic focus
- Minimized counterparty uncertainty because all users in the Ecosystem are known and verified
- No risk of losing access to tokens and assets through a secure recovery process
- Inheritance planning to ensure no tokens and assets are lost
- Low and transparent fees for all products and services
- User centered Ecosystem to provide transparent and honest advice

Fiqh Compliance

We have received several Fatwa certificates from the World Islamic Blockchain Federation that officially certify that the Caiz Blockchain, Caizcoin, the Caiz Wallet, the Caiz App, and the Caiz Earn Program, among others, are Fiqh Compliant.

Conclusion

With its DeCe blockchain-based financial ecosystem, Caiz delivers a comprehensive suite of financial products and services that adhere to Islamic Fiqh principles and ethical standards. The ecosystem's use-case-driven approach, coupled with easy, fast, and low-cost access, aims to serve the 1.5 billion financially underserved and unserved individuals, regardless of their geographic location.

Caiz' commitment to providing Fiqh-compliant and ethical financial products and services, supported by Fatwas, helps us gain the trust and confidence of our users. By prioritizing our users' needs and striving to deliver genuine value, we can build long-lasting relationships with our clients.

Our core belief is that the current economic landscape is ready to adopt a progressive and ethical outlook toward finance, which gives utmost importance to the well-being of individuals, families, societies worldwide, and the environment. We strive to implement this vision by providing a financial system that is rooted in ethical principles and dedicated to improving the overall quality of life for all.

At Caiz, we have created a deflationary tokenomics system that motivates users to participate as early as possible. In addition, our innovative ethical products offer a unique opportunity for users to take part in the development and expansion of the Caiz Ecosystem, empowering them to be active stakeholders in our shared success.

Caiz has uniquely positioned itself as a distinctive provider of an alternative to the conventional fiat financial system. We wholeheartedly welcome you to join our ranks and actively participate in this revolutionary initiative.

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