

# **LIGHT PAPER**

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## **BRIDGING THE GAP: CAIZCOIN'S FIQH-COMPLIANT FINANCIAL ECOSYSTEM FOR UNDERSERVED AND UNBANKED POPULATIONS**

### **Providing Easy Access to Ethical Financial Products and Services**

The world's financial ecosystem has come a long way, yet billions of underserved and unbanked people still lack access to quality financial goods and services. This actual structure leaves behind individuals and small enterprises whose needs and demands differ and who are exploited by traditional financial institutions and intermediaries.

At Caizcoin we aim to bridge this gap by providing a Fiqh-compliant financial ecosystem that offers easy access to ethical financial products and services to enable users to engage in long-term beneficial economic behavior and wealth generation. Founded in 2020, we are an EU-based fintech provider that develops solutions via a blockchain-enabled decentralized-centralized (DeCe) system.

Our name "Caiz" [ja'iz] stems from Arabic and freely translates as lawful, trustworthy, and legal, which are the values we are based on.

## BREAKING THE BARRIERS: WHY ARE SO MANY PEOPLE STILL UNBANKED?

How Access to Transaction Accounts Can Improve the Global Economic Well-being

**1.8** BILLION  
PEOPLE

Remained underserved in emerging economies by 2017, now estimated to be at least **2.2 billion people.**

A significant portion of the global population, particularly in developing countries, lacks access to financial services. This is primarily due to the impossibility and low presence of transaction accounts, which are required for storing money and making payments. Those accounts are also a gateway to other financial services like investments and mortgages: tools that give people the opportunity to grow their businesses and invest in their future.

Not having easy access to services leads individuals to spend valuable time and money traveling to obtain financial goods, actions which divert resources that could be used to generate income. Furthermore, in countries where Islam is practiced, many people do not have access to Fiqh-compliant banking services and products.

# 26%

## OF UNBANKED ADULTS

stated that accounts  
are too expensive

The current system has several critical issues and creates a variety of concerns for people such as:



NO/LITTLE  
TRUST IN BANKS



ACCOUNT FEES ARE TOO  
HIGH OR ARE UNPREDICTABLE.  
PROBLEMS WITH IDENTIFICATION,  
CREDIT OR BANKING HISTORY



LACK OF PRIVACY



EXCESSIVE  
DOCUMENTATION  
REQUIRED



INCONVENIENT  
OPENING HOURS



DISTANCE TO BANK  
LOCATIONS TOO FAR



BANKS DO NOT OFFER  
THE NECESSARY PRODUCTS  
OR SERVICES



UNACCEPTABLE  
OVERDRAFT FEE LEVEL



LACK OF FIQH COMPLIANT  
BANKING SERVICES  
AND PRODUCTS

## THE GLOBAL FINANCIAL EXCLUSION EPIDEMIC: WHO IS BEING LEFT BEHIND?

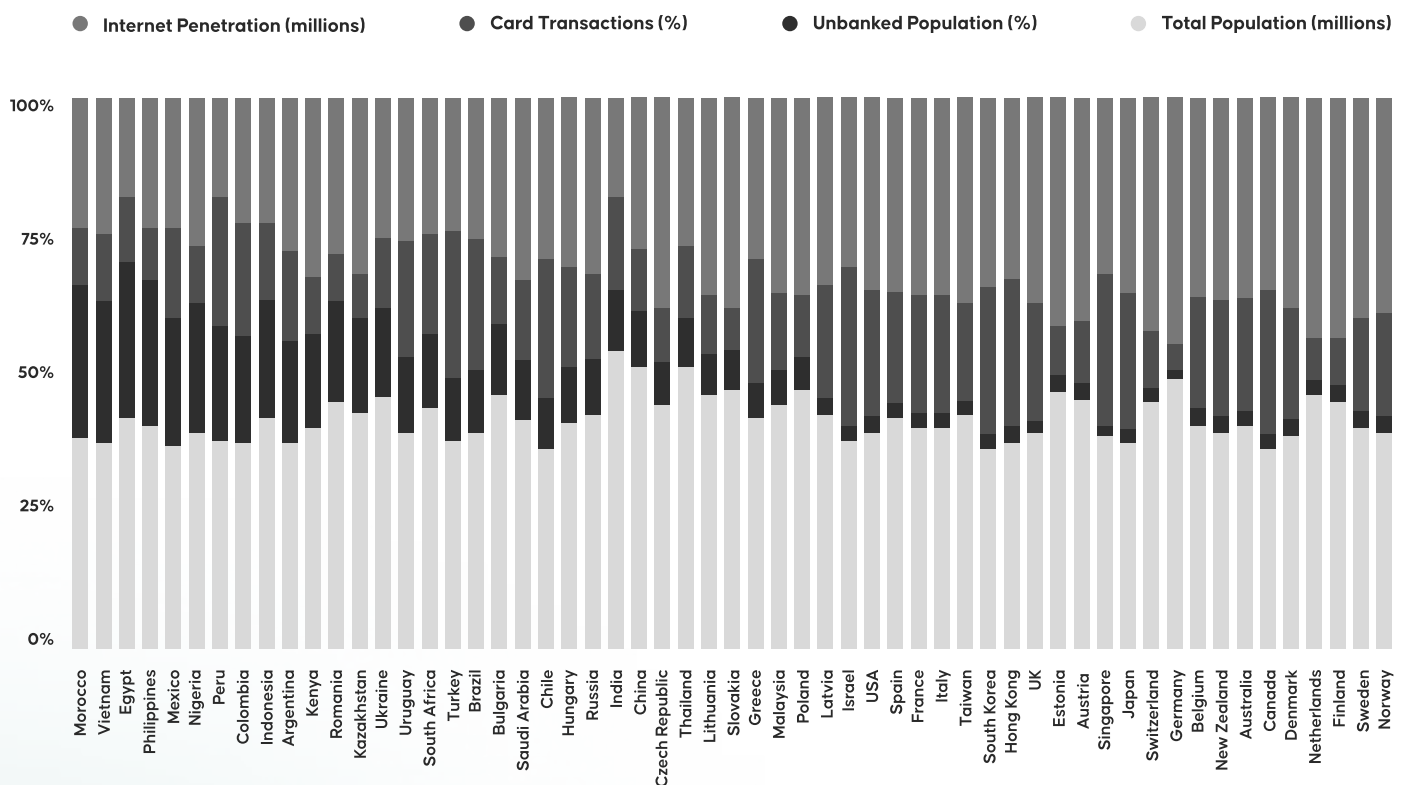
Analyzing Financial Inclusion Statistics and Gender  
Disparities Across Continents

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%). Women account for most of the unbanked.

Market economy health

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

## POPULATION VS UNBANKED VS CARD TRANSACTIONS VS INTERNET PENETRATION



## HOW DOES OUR ECOSYSTEM WORK?

**The benefits of using Caizcoins for high-performance and ethical financial services.**

Our Caizcoin Ecosystem provides transactions and financial products that are Fiqh-compliant and ESG-friendly, with low-cost access to services thanks to our Caizcoins. Our goal is to provide a high-performance financial network that is compliant also with worldwide regulations while remaining easy to access for everyone. Being built on Islamic finance principles means that interest on loans for example is prohibited. By embedding these principles into our system, we ensure that our financial services are ethical in addition to the fact that our system is designed to prevent illegal activities and haram transactions through the implementation of AML/ATF compliance procedures.

**The Caiz Blockchain is based on a hard fork of the Stellar Blockchain, with several key innovations which create the Fiqh-compliant financial ecosystem. These innovations and properties are:**

- **Fiqh Compliant:** the complete Caiz Blockchain with all products and services included comply with Islamic law and Islamic financial law.
- **New consensus mechanism called Islamic Federated Byzantine Agreement (IFBA):** a low latency and extremely robust consensus mechanism with nodes run by individuals, entities, and Islamic scholars.
- **Very high and cheap transactions:** the Caiz Blockchain offers transaction speeds between 3-5 seconds at minimum costs, which allow real-time transactions and use cases.
- **Deflationary Tokenomics:** The Caiz Blockchain has a unique use-case driven tokenomics that ensures there are never too many Caizcoin token in circulation.
- **Decentralized-Centralized (DeCe) blockchain based setup:** the Caiz Blockchain combines the best properties of the centralized financial world with the best of the decentralized financial world.
- **Fully regulated:** the Caiz Blockchain has a focus on regulatory compliance. Every product and service is regulated.
- **Full suite of financial tools and wealth building products and services:** the Caiz Ecosystem provides its users all the financial tools an individual and business needs to build a successful financial future



# CAIZCOIN COMPREHENSIVE SOLUTIONS

Fair Finance for All

## Our ecosystem elements



### Caizcoin

Is a fast, secure, and versatile digital currency that operates within the Caiz Blockchain ecosystem, offering access to a wide range of applications, products, and services.



### Caiz Blockchain with the governance AP

Is a Fiqh-compliant, decentralized solution enabling secure peer-to-peer transactions through a federated network of nodes.



### Caiz User Account

To use the Caiz Ecosystem, every user must link their account to a person or a company and pass a KYC and AML verification. KYC is mandatory in the Caiz Ecosystem to ensure Fiqh compliance and provide transparency and security.



### Caiz Earn

Is a program in the Caiz Ecosystem where users can earn rewards by providing liquidity services using predefined market-making algorithms. This program operates alongside the Exchange Liquidity Wallet and other locked Caizcoin to stabilize and promote ecosystem growth.



### Caiz Wallet

Is the central element for storing Caizcoin and accessing financial products in the Caiz Ecosystem. It's integrated into the Caiz App and requires a KYC process for identity verification and anti-money laundering checks. The wallet ensures compliance with Islamic law and offers additional features like fund allocation to Zakat.



### Caiz App

Is a comprehensive application that integrates all Caiz services and products, allowing users to interact with the Caiz Ecosystem and Blockchain. It's accessible through a mobile phone or web version and will be continuously updated with new features.



### Payment and Banking Partners

Payment and Banking Partners in the ecosystem function as financial institutions that enable seamless processing of local, international, and online payments between fiat money and cryptocurrencies. The partnerships aim to enhance the convenience, accessibility, security, and efficiency of financial transactions for users.

# CAIZCOIN COMPREHENSIVE SOLUTIONS

Fair Finance for All

## Our ecosystem elements



### Caiz Sukuk

Is an investment product that comply with Fiqh principles and allow users to invest in projects initiated by Caiz or other users in the Caiz Ecosystem. By investing in a Sukuk, users become equity investors in the project and share in its profits or losses.



### Caiz Tokenization

Lets users tokenize ownership of their assets and sell them to the Caiz Ecosystem in a compliant way. Tokenized assets allow users to earn through dividends, utility payouts, and asset appreciation.



### Caiz Relief

Is a community-driven charity initiative that allows users to collectively distribute Zakat contributions via the Caiz Wallet. Users can choose charity programs listed on the Caiz Charity website and cast their votes. The program emphasizes community involvement in charitable activities and the significance of almsgiving.



### Caiz Gold

Is a stablecoin on the Caiz Blockchain backed entirely by physical gold. It combines the desirable traits of cryptocurrency with the stability of tangible gold, making it a secure investment and facilitating stable value transfers in Caiz Remittances.



### Caiz Stable

Is a stablecoin in the Caiz Ecosystem backed by fiat currency, maintaining a constant value regardless of market volatility. It allows for fast and affordable payments and is pegged to a stable currency like the Euro. Users can move their money easily without worrying about market fluctuations.



### Caiz multifunctional NFTs

Digitize unique pieces like art and designs into Non-Fungible Tokens on the Caiz Blockchain. Each NFT is stored on decentralized online storage with a reference on the blockchain, making it unique. NFTs can be monetized, utilized, and sold on the Caiz Exchange.

# CAIZCOIN COMPREHENSIVE SOLUTIONS

Fair Finance for All

## Our ecosystem elements



### Regulatory expansion

We prioritize compliance with financial regulations in the Caiz Blockchain and Ecosystem, aiming to offer our services to a global audience. To achieve this, we obtain the necessary financial licenses in each country. We continually seek to expand our collection of licenses, enabling us to serve more people and remain legally compliant worldwide.



### Risk Management

We enforce AML, ATF laws, and Islamic finance rules to prevent bad actors/tokens and monitor malicious activity on the blockchain, while complying with local state law enforcement. Our encrypted mechanisms and inter-banking instruments enable P2P to use our system for compliant remittance and settlement.

## What's next?

1



2



We are working hard on other secret products.

We will be talking more about these towards their releases.

## WHY IS THE CAIZ BLOCKCHAIN THE IDEAL SOLUTION FOR THOSE SEEKING A RELIABLE AND EFFICIENT FINANCIAL ECOSYSTEM?

Discover how a combination of a Decentralized-Centralized blockchain solution with built-in Fiqh compliance, deflationary tokenomics, and verified stakeholder governance make Caiz unique.



The Caiz Blockchain combines decentralized and centralized financial systems, using the Stellar blockchain as a base and a permissioned distributed ledger technology (DLT). It is governed by verified stakeholders who ensure Fiqh compliance and uses an innovative consensus mechanism called the Islamic Federated Byzantine Agreement (IFBA) for efficiency and robustness. The blockchain also features an elastic tokenomic system that creates deflationary pressure as the ecosystem grows, making it a promising solution for those seeking an ethical and adaptable blockchain system.

## Decentralized – Centralized (DeCe) Hybrid Blockchain Model



The Caiz Blockchain introduces a hybrid model called DeCe, which stands for Decentralized – Centralized. It combines the best features of both decentralized finance (DeFi) and centralized finance (CeFi). DeFi offers users accessibility, transparency, and control over their assets and investments, but lacks oversight and regulation. CeFi provides users with a regulated environment, minimizing financial uncertainty and risk. The DeCe approach combines the best of both worlds, offering fast, affordable, and accessible financial products and services that are fully regulated and Fiqh-compliant. This makes it easier to understand, with no leverage used and risk equally shared. The Caiz Ecosystem provides centrally created and managed financial capabilities on a decentralized basis, making it ideal for providing financial services especially to underserved regions.

## Islamic Federated Byzantine Agreement (IFBA)

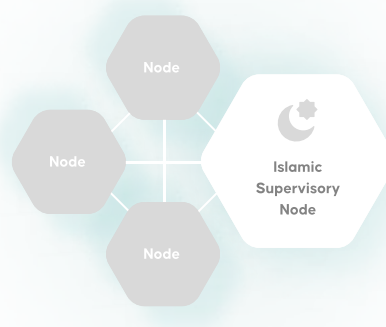
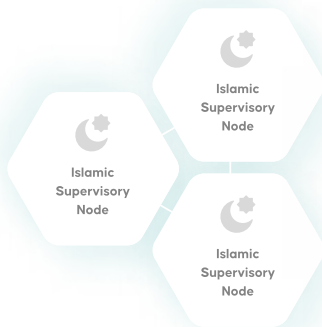
The Islamic Federated Byzantine Agreement (IFBA) model improves upon the Stellar Federated Byzantine Agreement (FBA) model, which helps nodes in a network agree on which updates to apply to the blockchain network to avoid contradictions. IFBA runs a consensus protocol that ensures nodes agree on ledger contents in an Islamic-compliant way, while always ensuring quorum intersection for ultimate resilience. This means nodes in the network will always be able to decide, ensuring the blockchain will always run. In the FBA model, nodes exchange messages and assert statements about ledger updates, but IFBA ensures quorum intersection and accommodates more robust decision making to provide progress and robustness by the network.



## The Islamic Federated Byzantine Agreement (IFBA) and the Caiz Consensus Protocol

Islamic Federated Byzantine Agreement (IFBA) has three main innovations over FBA that already provides 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 type of node run by Islamic scholars who are respected leaders in the community.

### Islamic Supervisory Nodes

To join the Caiz blockchain network, individuals and organizations must pass identity and compliance verification.

### Islamic Supervisory Nodes

The Caiz Consensus Protocol is used by nodes in the network to ensure the validity and Fiqh compliance of statements or ledger updates.

### OUR GOVERNANCE LAYER:

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

# INDUSTRY ASSESSMENT

Fair Finance for All

## AT WHAT STAGE IS OUR INDUSTRY?

### Comparative Analysis

	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

# TOKENOMICS

## HOW DOES OUR TOKENOMICS WORK?

### A Deflationary Value-Enriching Architecture

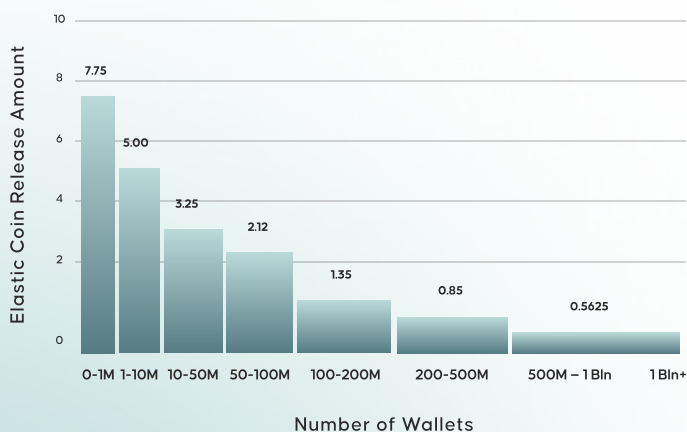
Total Token Supply	999,999,999 Caizcoin
Circulating Supply @ Q1-2023	40,000,000 Caizcoin
Locked Circulation Supply	20,000,000 Caizcoin Purpose: Ecosystem – Exchange Liquidity

## Elastic Coin Release Schedule

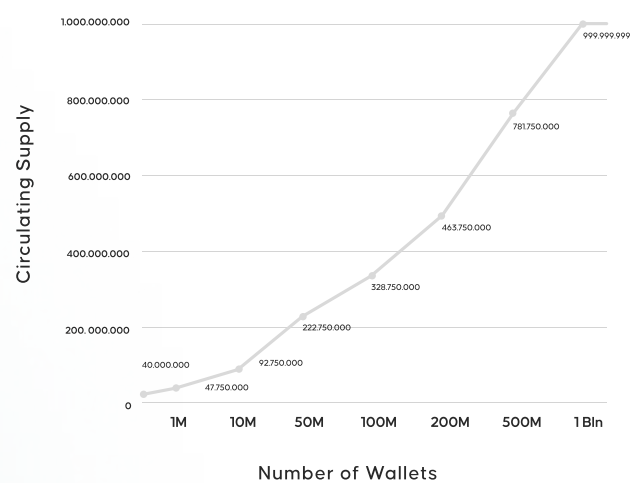
The Caiz Ecosystem is an ecosystem that operates based on specific use cases and is designed to be deflationary. The number of Caizcoins in circulation is determined by the number of verified wallets in the ecosystem. When a new wallet is verified, a certain number of Caizcoins are released to the distribution wallet for distribution. The amount of tokens released decreases with each slot, which is determined by the number of verified wallets. This schedule is designed to make the supply of Caizcoins in circulation tight, and ever tighter when the Caiz Ecosystem grows. If the number of verified wallets decreases, the Distribution Wallet will transfer tokens back to the Minted Wallet. The initializing slot has a token release of 40 million Caizcoins, of which 20 million are locked in the Ecosystem Liquidity Wallet.

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

## Elastic Coin Release Amount

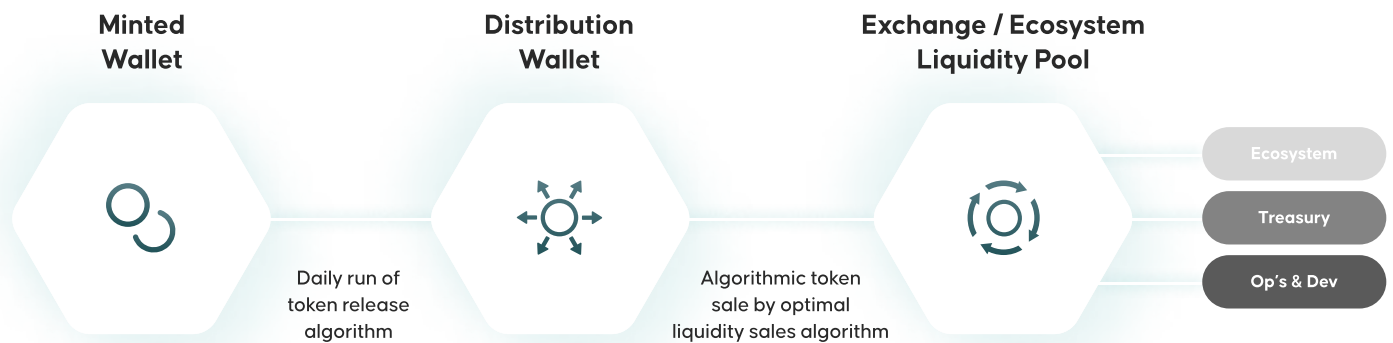


## Circulating Supply





## Token Release Procedure



### 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.



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



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.

# ROADMAP



Caiz  
Earn

2023, Q1



Caiz  
Wallet Beta

2023, Q2



Caiz  
Gold Setup

2023, Q2



Caiz  
App Beta

2023, Q3



Sharia  
Certificates

2023, Q3



Caiz Chain  
Testnet

2023, Q4



Payment and  
Banking Partners

2025, 2nd Half



Caiz Chain  
Closed Launch

2025, 2nd Half



Caiz Chain  
Mainnet Launch

2025, 2nd Half



Caiz  
Wallet

2025, 2nd Half



Caiz  
App

2025, 2nd Half



Caiz  
Remittances

2025, 2nd Half



Caiz  
Gold

2026, 1st Half



Caiz  
Tokenization

2026, 1st Half



Full MiCa  
Compliance

2026, 1st Half



Caiz  
Stable

2026, 1st Half



Secret Product  
Release No. 1

2026, 2nd Half



Caiz Relief –  
Charity Program

2026, 2nd Half



Secret Product  
Release No. 2

2027, 1st Half



Secret Product  
Release No. 3

2027, 1st Half



Caiz Multifunctional  
NFTs

2027, 1st Half



Regulatory  
Expansion

2025-2027

# CONCLUSION

Fair Finance for All

## THE FUTURE OF FINANCIAL INCLUSION STARTS HERE

Not just an impact, a moral Imprint

### Our Dece System

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 2.2 billion financially underserved and unserved individuals, regardless of their geographic location.

### Our Commitment

Caiz's 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 Deflationary

Tokenomics 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.

### Our Ethics

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.

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 journey and actively participate in this revolutionary initiative.