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June 02, 2018, 10:00:49 AM 📃



Bitcoin Forum > Alternate cryptocurrencies > Announcements (Altcoins) (Moderator: mprep) > [Whitepaper][POSW] POSW COIN | The World's First Trustless Profit-Driven Economy

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Topic: [Whitepaper][POSW] POSW COIN | The World's First Trustless Profit-Driven Economy (Read 20087 times)



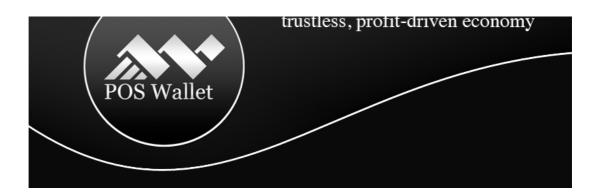
[Whitepaper][POSW] POSW COIN | The World's First Trustless Profit-Driven Economy September 17, 2017, 10:57:18 PM

Activity: 125 Merit: 10

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Note: this White paper will outline key features in upcoming posw coin. We will update with further technical details as we get closer to release. Traditionally, development teams release static whitepapers in PDF form for the community as well as new investors to read and analyze individually. While often a step further is taken whereby the community discusses the merits of a whitepaper and investors search for discussions and additional information to make more educated decisions, it's not a very effective form of communication which doesn't invite much collaboration.

As PoSW is primarily a community-driven coin, we're matching course and heading by experimenting with a new concept, namely a community-driven interactive whitepaper. This thread will allow readers to review an evolving overview of the vision and mission statement of the project, as well as the highlevel technical details in an easy to digest manner.



This White Paper will outline key features which will be implemented in the coming PoSW coin upgrade. If you have a problem/question about your account at poswallet.com, please join us in our Discord. The invite link to the channel is here: https://discord.gg/cyF5yCA. Please only post constructive comments. For more information, please go to https://posw.io



PoSW is one of only 15 coins and tokens (to date) that are supported by the Ledger Blue and Nano S hardware wallets. Ledger is a world leading cryptocurrency hardware provider, with the aim of providing users with a simple, portable and highly secure solution for holding coins without the added risk of storing them on easily compromisable devices, such as smartphones and personal computers. An existing integration means that users can purchase a Ledger wallet as a low cost solution and store their private keys on it, and existing Ledger users already have a ready-made integration (provided they upgrade to the latest version).

We believe this will accelerate the rate of adoption and increase consumer trust in the PoSW network, as security concerns are frequently cited as being barriers to use of cryptographic assets. The integration also fits in perfectly with our Trustless Proof-Of-Stake solution as users no longer need to disclose their private keys in order to stake and be eligible for RSBs, which we find to be in harmony with our longer term goals.



At its very core, the modern banking system is based on a simple paradigm -'Trust'. We give our money to banks and they provide us with services in return (deposits, loans, and investments). While we could perform these services ourselves, it has proven much more convenient to use this centralized, trust-

based system.

To mitigate the potential for abuse presented by such a global centralized system, decentralized blockchain-based assets (such as Bitcoin) have been introduced. To

secure a decentralized network and ensure users cannot double-spend their funds, Bitcoin utilizes a Proof-Of-Work (PoW) algorithm, which requires miners to prove that they've spent a certain amount of computational resources in order to make an attack on the network uneconomical. PoW networks aren't financially ideal as only miners can receive block rewards and transaction fees in return for precious resources, whereas regular users do not see any ROI from holding their coins.

This is where Proof-Of-Stake (PoS) networks come in; the transaction confirmation mechanism shifts from a burden of proof of the expenditure of resources over to total stake held - transactions are confirmed by simple nodes who hold large balances, and the greater the balance the user holds, the more likely they are to receive fees and block rewards. While this significantly reduces the amount of resources required to confirm transactions and effectively allows the average user to see positive ROI on balances held, this system still requires a user to maintain connectivity at all times, to do so via a high-bandwidth connection, and for their wallets to be unlocked 24/7. During any timeframe in which all aforementioned conditions aren't met, the user is skipped by the network and does not receive their fair share of stake rewards.

PoSW has devised a solution to the problems being faced by users of decentralized networks today: Trustless Proof-Of-Stake (TPoS). TPoS essentially allows users to own a stake in PoSW, a Proof-Of-Stake currency, and have any other node (merchant nodes) do the staking for them using their high-bandwidth continuous connectivity (to ensure maximal rewards distribution) while not having to share any spendable balance or private keys with the node owner. Your funds are yours and yours alone, and will safely and securely grow over time even while you sleep.

To accomplish this, we have created a multi-layered cryptographic architecture that expands the private-public key paradigm, called Triplet-Based Encryption. This three-layered model will feature a public key, which serves as a public address and stores unspent balances, a private key, which can authorize the spending of a balance stored on the public address it was used to create, and a "shared" key. The shared key is created whenever a user chooses to allow a merchant node operator to stake their funds and its sole purpose is to authorize the staking of a user's balance. It cannot spend or move the balance around; for those the private key is required. Now that a user has a new key that can be used for remote staking only and the private key no longer needs to be disclosed, the concept of trust is once again eliminated, allowing the economics of the PoSW network to prosper.

We believe TPoS will be the next stage of evolution in terms of guaranteeing ROI on balances, and our adoption strategy will ensure it becomes the standard across financial services worldwide.



PoSW Masternodes will be dedicated hardware nodes that reside on servers around the world to ensure network decentralization and needed redundancy. Masternodes serve a critical role in adding a self-governing, service-providing layer to the network, as well as supporting the PoSW vision and mission statement by performing network-related functions.

To secure the long-term health of the PoSW network, Masternode operators will

be financially incentivized to keep their nodes running for extended periods of time, primarily by getting paid for services rendered. These will include the following:

1. X% of all block rewards, minus a fee paid directly to the treasury and subject to the Block Equalizer rate of each period

2. Transaction fees, including usage of PoSW's Stealth Send and Flash TX services

3. Revolving Stake Bonuses (RSB; expanded upon in section 1)

4. Trustless staking fees paid by entering into contracted partnerships with users who wish to earn extra stake rewards by utilizing our unique Trustless Proof-Of-Stake feature (TPoS; expanded upon in section 3)

Masternodes will also store an exact replica of the PoSW blockchain each, thus allowing average users to use thin SPV web, phone and PC/Mac wallets. Statistically speaking, the average user will tend to want to use thin wallets for greater usability. We believe that in order to achieve the mass adoption we have planned, a reduced barrier of entry will need to be introduced to our users. Masternodes help eliminate the requirement for running a copy of the blockchain on a user's machine as wallets will connect to Masternodes directly and securely.

Masternodes will require a set amount of PoSW coins as collateral, fully redeemable should the owner ever wish to take their node offline. This is to reduce the financial viability of performing malicious attacks on the network by setting up malicious nodes, as well as guarantee that only stakeholders in the PoSW network are allowed to vote on proposals, thus ensuring their quality.



The PoSW project regards user anonymity and financial privacy as a core value. For a global payment network to be ready for mass adoption, payments between users must be confidential and unlinkable, and public addresses used to store funds cannot reveal a user's balance. To illustrate this point, failing to do so will result in vendors' inability to set prices and negotiate effectively as both suppliers and customers will be able to see their transaction history, what they charge and what they pay. This is clearly an undesirable outcome that we seek to prevent.

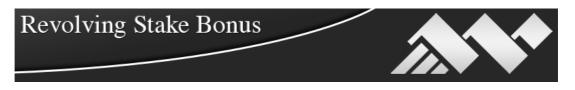
To answer growing privacy concerns, PoSW will introduce Stealth Mode. Stealth Mode will be a two-way obfuscation-de-obfuscation service enabled from within a user's wallet GUI. Users will have two types of public addresses, standard and Stealth addresses. Standard addresses will act similarly to any classic blockchain solution - send, receive and store unspent balances that are visible to the world. Stealth addresses will be obfuscated ones that will conceal both transaction information as well as balances stored.

Users will be able to transfer balances back and forth between their standard and Stealth balances, and send funds from one Stealth balance to another. This will also make use of the Masternode network and fees will be applicable. While the coin collateral requirement will make sure to reduce the number of potentially malicious nodes (if at all), even a large number of malicious nodes on the network working together will find it extremely difficult to uncover the transaction information as well as the users involved.



In the interest of facilitating rapid transactions across the network, preventing any future scaling difficulties, as well as providing a payment service that's ready for point-of-sale commercial use, PoSW will feature Flash TX- the ability to send near-instantenous transactions between users. When using Flash TX, the sender essentially requests the Masternode network to oversee the transaction being made, which allows for several interim confirmations until the first blockchain

confirmation occurs. The receiver will immediately see the transaction as spendable in their wallet. This prevents double-spend while increases the number of transactions per second the PoSW network can handle.



Deflation is the method PoSW rewards coin holders, executing this via the RSB mechanism. RSB "Revolving Stake Bonus" will build and support a network of businesses (i.e poswallet.com) whose proceeds are sent to their respective & assigned burner addresses. The scope of these operations will be limited to properly incentivize businesses to perform the 'proof of burn'.

There then can be a suite of applications built on top of these addresses analyzing in real time the health and statistics of the ecosystem. Holders will track exactly how much value these bonuses provide directly from within our wallet and which organizations are providing them. There are many models and layers you can build on this framework, let's start with a popular one—financial services.

#### Hedge funds

It is important to understand the effects blockchain will have on the world of traditional financial services, in particular Hedge Funds. We are living in one of the most disruptive eras of growth in human history with massive amounts of wealth being generated in relatively short periods of time. A hedge fund model is perfectly positioned to capitalize on hyper growth industries as they have appropriate risk assessment and diversification models to benefit from these gains taking place. Our treasury ( $\sim$ .001% of total market cap a month) controlled by our masternode holders could in theory behave as an individual client of a chosen hedge fund. Through our budget/ proposal system fund managers would accept a principal from our MN holders and provide a transparent portfolio with audit-able gains and losses. Once their proposal is approved we (the community) assign them a burner address which they use to send their agreed upon proceeds. There would be little of an incentive for a fund manager to 'run away' with our budget if we work with reputable names as RSB provides transparency and trust. For the fund manager this will result in larger budget approvals for that given individual or firm as time goes on.

There will also be re inventions of these funds along with all other financial service models. One being that we could soon start to see 'anonymous' hedge funds where individual identities are concealed but their brands are reputable, verifiable and public. Just like an immutable blockchain being released in the wild we could see portfolios released getting popular whose origins are not traceable but results famous.

### **PoSW Ventures**

A common problem arising amongst treasuries is oversight. It is difficult to find a model (outside of delegating core team members themselves) that allows ongoing diligence after a budget is paid. This causes inefficiencies, delays and losses for investors. This current structure is also limited to shorter terms (months vs years) and is problematic for projects requiring long-term development and growth. One solution is to work with private venture firms, outsourcing day-to-day operations and larger investment projects which ensures our ecosystem will grow to scale and allow further degrees of organization while maintaining control to our Masternode holders.

A VC firm is a bit more dynamic vs a hedge fund as it deals with long term business development, equity distribution, and higher risk/ reward ratios. Focusing on development that services the PoSW community however will strengthen our long term position and growth coupled with more traditional treasury operations. Using equity distribution mechanisms on the blockchain

coupled with smart contracts ownership can be distributed accordingly to end users via the RSB burn passing the value to the average users.

Staking services, pools, masternode hosting etc. will easily integrate with our RSB model and will be the first to arise. Our proof of concept will be our very own poswallet.com, where by integration of our API into the QT wallet we will not only be able to provide information on the RSB address but also statistics relating to servers, nodes and other relevant operations to users and investors directly, in real time. Imagine having an interface where you can see data on each bonus address showing you not only the health and statistics of the given business but also the rewards it is providing to the holders of the currency as well.

## **Incentivized Prizes**

Why is the free market so efficient? It is because individuals are racing to get a prize—profits. They will put time, energy, and pain to get them and many sacrifice to great lenghts. We can use this economic principle and put it on steroids offering 'X' amount from our treasury to whoever solves a given problem, adds a feature, builds a service that helps our community. If the prize is big enough there will be multiple teams competing against each other building entire businesses just to obtain the prize alone. We could track the progress of everyone from within our RSB interface giving real time data and statistics as they race against each other to the finish.



As a fully Proof-Of-Stake currency that lacks mining rewards, PoSW maximizes block rewards and fees for its staking users and Masternode operators. The network can therefore more comfortably afford to allocate a certain share of all distributed fees and rewards to a central fund, known as the treasury. The treasury is a cryptographically sealed public address that holds all funds allocated to it by the network, whose funds can only be spent on proposals submitted to the network officially via a dedicated portal. Each proposal can be voted upon democratically by Masternode operators proportionally to the stake they hold in the Masternode network (i.e 2 Masternodes will entitle the operator to 2 votes). Once a proposal is approved, funds are allocated to it.

The treasury and its democratic voting nature ensures that the network not only has a chance to receive project proposals that help develop and propel it further, but that project contractors compete against each other to deliver the highest quality projects on time and under budget.

The PoSW R&D team is currently reviewing a possible introduction of a "Normalization Shockwave". This shockwave will be a multiplier placed on all running proposals across the network to maintain their real value. For example, let's assume that a graphic redesign project for a new website for PoSW is being lead and has received funding for a total of 1,000 PoSW coins. A week later, the price of PoSW increases by 25% (very common in the cryptocurrency world). The community will vote on a shockwave multiplier of 0.8 in order to restore the project's real value to 1,000 PoSW at the moment of approval. This will also work the other way around; a multiplier above 1 will ensure that if the price of PoSW drops below its initial value the project isn't frozen and is brought to completion.

Mathematically speaking, since all multipliers preceding the most recent one are already factored into the most recent one, there is no need to keep track of each individual iteration and engage in complex calculations that could wrongfully inflate or deflate any project's funds. We believe in simplicity of design.



As Masternodes serve a vital role in the ongoing operation and development of the network, having too few across the network negatively contributes to its health and resilience. On the other hand, having too many can hinder future growth. As Masternodes require collateral, having an excessive amount significantly restricts coin liquidity, which prevents commercial application and adoption outlook. It also reduces the number of coin-staking users on the network.

It is therefore valuable to create a mechanism that strikes an ideal balance between the two. Block Equalizer determines the current balance between the fees and rewards earned by Masternode operators and the stake rewards earned by users as a whole. If the balance is tilted in favor of one of the sides, it reduces its rewards and increases the rewards earned by the other side. For example, if there are too many Masternodes and too many rewards are earned by them as a result, Block Equalizer will reduce the Masternode share of the block rewards and increase the share users earn by the same ratio, and vice versa.

This will be dynamically and automatically recalculated every N blocks by the blockchain.

**PoSW Official Links** 

This list will be updated as more links come online.

Follow us on Twitter - https://twitter.com/POSWallet PoSWallet.com - https://poswallet.com PoSW Coin Information Page - https://posw.io Join us on Slack - Please send a private message for an invite to be sent to your email. Join us on Telegram - https://t.me/joinchat/BdGxxws3b4\_DdBdbChI4g Follow us on Facebook -

https://www.facebook.com/POSWalletOfficial/



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Good stuff.. will be investing some more to it.











#2

IOS - The secure, scalable blockchain

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**Mrbates** Sr. Member 8888

## Re: [Pre-ANN][POSW] POSW COIN | The World's First Trustless **Profit-Driven Economy** September 17, 2017, 11:13:12 PM

I got my posw ledger in hand, bout time we see the new upcoming features

https://twitter.com/MrBatesK408/status/999138484777500673?s=20

Activity: 532 Merit: 250

Maybe a fed.

2

I'm serious.



Activity: 184 Merit: 100



Re: [Pre-ANN][POSW] POSW COIN | The World's First Trustless **Profit-Driven Economy** September 17, 2017, 11:21:28 PM

POSW IS BACK BABY !!!!

publicly displayed for all to see 🙂

"To accomplish this, we have created a multi-layered cryptographic architecture that expands the private-public key paradigm, called Triplet-Based Encryption. This three-layered model will feature a public key, which serves as a public address and stores unspent balances, a private key, which can authorize the spending of a balance stored on the public address it was used to create, and a "shared" key. The shared key is created whenever a user chooses to allow a Masternode operator to stake their funds and its sole purpose is to authorize the staking of a user's balance. It cannot spend or move the balance around; for those the private key is required. Now that a user has a new key that can be used for remote staking only and the private key no longer needs to be disclosed, the concept of trust is once again eliminated, allowing the economics of the PoSW network to prosper."

# FREAKING GENIUS

phore



#### Re: [Pre-ANN][POSW] POSW COIN | The World's First Trustless Profit-Driven Economy #5 September 17, 2017, 11:27:26 PM

Activity: 310

Nice to see POSW back on its feet and ready to roll.

Merit: 250

I am highly optimistic of the project's success this time around.

DELIVER

ING BLO



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https://phore.io/



fishfishfish31 Sr. Member 0000



Activity: 378 Merit: 252

## Quote

PoSW is one of only 15 coins and tokens (to date) that are supported by the Ledger Blue and Nano S hardware wallets.

Telegram

Youtube

Discord

> Reddit

#3

#4

phore.io

#6



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This alone is reason enough to give a serious look at POSW.

#### Quote

Users will be able to transfer balances back and forth between their standard and Stealth balances, and send funds from one Stealth balance to another. This will also make use of the Masternode network and fees will be applicable. While the coin collateral requirement will make sure to reduce the number of potentially malicious nodes (if at all), even a large number of malicious nodes on the network working together will find it extremely difficult to uncover the transaction information as well as the users involved.

Excellent feature! Thank you team. I wold definitely use this.

In my opinion, this ANN is great. It gives a clear direction that the coin is moving to, and these are ambitious and awesome features that are sought after in the current market (especially anonymity)

## Quote

TPoS essentially allows users to own a stake in PoSW, a Proof-Of-Stake currency, and have Masternode owners do the staking for them using their high-bandwidth continuous connectivity (to ensure maximal rewards distribution) while not having to share any spendable balance or private keys with the node owner. Your funds are yours and yours alone, and will safely and securely grow over time even while you sleep.

This gives POSW much more value than the current price reflects.

Fantastic job POSW team! I've been looking forward to reading the new ANN and this made me an even larger supporter of your project.

The only thing I'm waiting on now is my Ledger . . 🔀 Awesome.

probably read about it and update this post once I have.



TWITTFR FACEBOOK



Re: [Pre-ANN][POSW] POSW COIN | The World's First Trustless **Profit-Driven Economy** September 17, 2017, 11:33:38 PM

I don't know what PoSW does or wants to do, but it seems interesting so I will

Activity: 336 Merit: 250





Billionaire Token - Are you burning to play?



Re: [Pre-ANN][POSW] POSW COIN | The World's First Trustless **Profit-Driven Economy** September 17, 2017, 11:36:42 PM

#8

#7

Activity: 336

Quote from: fishfishfish313 on September 17, 2017, 11:29:20 PM Quote

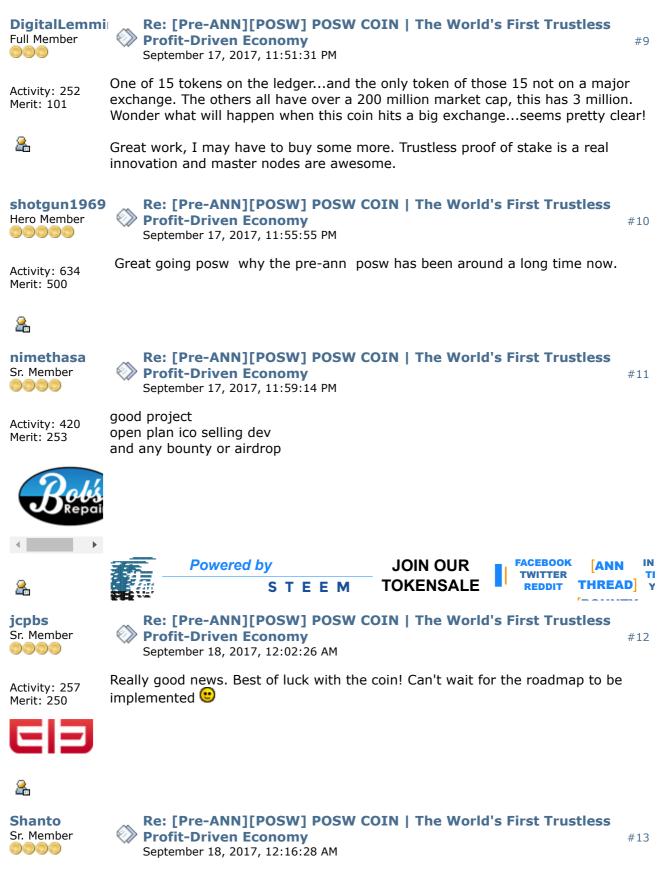
PoSW is one of only 15 coins and tokens (to date) that are supported by the Ledger Blue and Nano S hardware wallets.



Merit: 100

This alone is reason enough to give a serious look at POSW.

This is why I bought a limited edition PoSW Ledger Nano S Hardware Wallet two weeks ago. Having Ledger support is a big reason I bought another one to have.

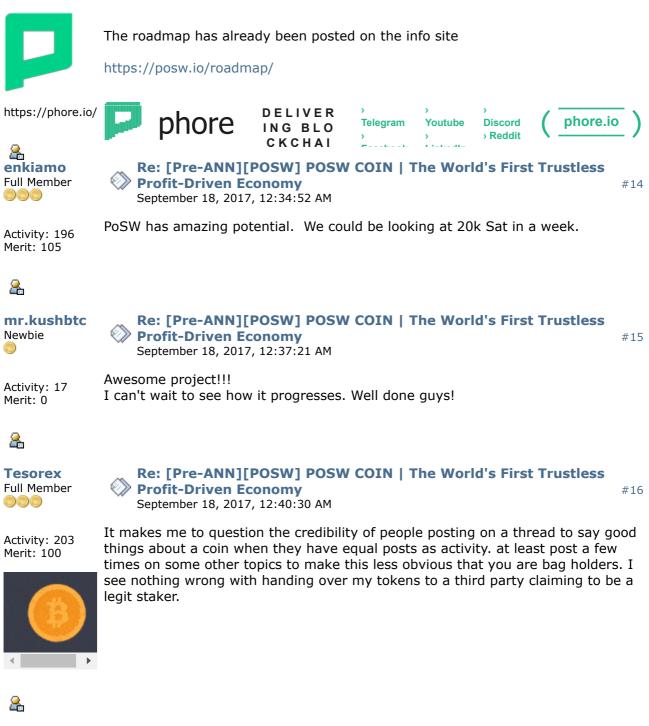


Quote from: jcpbs on September 18, 2017, 12:02:26 AM

Activity: 310

Merit: 250

Really good news. Best of luck with the coin! Can't wait for the roadmap to be implemented





Re: [Pre-ANN][POSW] POSW COIN | The World's First Trustless **Profit-Driven Economy** 

#17

Activity: 532 Merit: 250

Maybe a fed.

옪

September 18, 2017, 12:42:53 AM

Quote from: Tesorex on September 18, 2017, 12:40:30 AM

It makes me to question the credibility of people posting on a thread to say good things about a coin when they have equal posts as activity. at least post a few times on some other topics to make this less obvious that you are bag holders. I see nothing wrong with handing over my tokens to a third party claiming to be a legit staker.

It ran reputably for awhile then closed down registrations as it came under new control.

Feel free to check my post history 🙂

I've said unflattering things about posw, but everything bad happened under prior management.

My faith got restored after my posw ledger actually showed up and all customers who lost anything in the issue had funds reimbursed.

I'm serious.

mr.kushbtc Newbie O	Re: [Pre-ANN][POSW] POSW COIN   The World's First Trustless Profit-Driven Economy September 18, 2017, 12:45:04 AM	≠18
A	Quote from: Tesorex on September 18, 2017, 12:40:30 AM	
Activity: 17 Merit: 0	It makes me to question the credibility of people posting on a thread to say good things about a coin when they have equal posts as activity. at least post a few times on some othe topics to make this less obvious that you are bag holders. I see nothing wrong with handing over my tokens to a third party claiming to be a legit staker.	
	If by bagholder you mean buying it up as fast as I can get funds to do it, Then Guilty!	
@maxking Newbie O	Re: [Pre-ANN][POSW] POSW COIN   The World's First Trustless Profit-Driven Economy September 18, 2017, 12:52:52 AM	<i>‡</i> 19
Activity: 24	Wow! PoSWallet is getting exciting now! This is like PoSWallet reborn!	
Merit: 0	I got a feeling that PoSWallet will soar soonand I don't wanna miss a thing no with PoSW. I wanna ride with you guys! $\bigcirc$	W
mr.kushbtc Newbie O	Re: [Pre-ANN][POSW] POSW COIN   The World's First Trustless Profit-Driven Economy September 18, 2017, 12:54:27 AM	≠20
Activity: 17	Quote from: @maxking on September 18, 2017, 12:52:52 AM	
Merit: 0	Wow! PoSWallet is getting exciting now! This is like PoSWallet reborn!	
<b>&amp;</b>	I got a feeling that PoSWallet will soar soonand I don't wanna miss a thing now with PoSW I wanna ride with you guys! 🜍	v.
	Come on ride that train, that POSW train!	
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