



PROPTOK

WHITEPAPER

THE FUTURE
OF REAL ESTATE!

THE WORLD'S PIONEERING
DECENTRALISED HIGH PERFORMANCE
REAL ESTATE PLATFORM

Introduction

"We did not come to fear the future. We came here to shape it"

- Barack Obama -

The global real estate market is worth \$217 trillion, which makes up more than half the value of all mainstream assets worldwide.

One great differentiation between real estate and other major asset classes is liquidity.

Compared to REITs & ETFs, real estate markets are not as organised or efficient, as transaction times are slow and price discovery mechanisms are inefficient. As a result, substantial capital is trapped in less liquid investments, often concentrated in certain geographic areas devoid of domestic investment opportunities.

While many investors with excess liquidity would welcome the opportunity to invest in foreign real estate assets, there are currently substantial impediments to such investment activity.

A significant problem is a need for international standards and comprehensive platforms on the market to enable property buyers or sellers to sell, secure, or record global property ownership online.

- Each country (as in the United Kingdom) maintains its own registry and establishes local/national rules for property deed registration and transfers.
- Registries of property rights were designed to handle local real estate transfers, not international transfers.
- Traditional real estate investment requires locking in capital for an extended period.
- The informality of procedures prevalent in certain jurisdictions makes them particularly susceptible to fraud or tampering.
- Real estate trade traditionally involves many intermediaries (agents, financing partners, lawyers, etc.), each of whom charges commissions for their services.

Mission

With Proptok, users can buy or sell, and tokenize (fractional) real estate ownership, including both commercial and residential properties, on a platform based on blockchain technology.

Proptok first replicates the official land registry records showing real estate transfers.

Furthermore, a vision is that jurisdictions accept Proptok as the official ledger of record; transferring property through Proptok constitutes a legal transfer and legal registration.

Solution

Proptok is targeting to raise \$7M to fund:

- Real Estate Launchpad
- NFT Marketplace
- NFT Tokenization Platform
- acquisition of new partnerships
- business development
- support team

Blockchain and Tokenization

Proptok native token is Proptok Token.

The token ticker is \$PPT

Contract Address: <https://bscscan.com/address/>

Chain deployments: Binance Smart Chain (BEP20), Ethereum Mainnet

Token sales on the website happening in the following stages:

- Seed sale, for the Proptok team and early investors: 0.001\$ per token
- Private sale, for VCs and large players, conducted using SAFT agreements: 0.003\$ per token
- Public sale: 0.004\$ per token

Proptok Tokens can be traded on crypto marketplaces.

Blockchain technology is used to bring money and real-life assets into the digital world, including real estate, enhancing the security of transactions.

While investors purchase an entire property with traditional real estate, tokenization/fractionalisation allows anyone to invest in smaller portions of the same property, thereby increasing accessibility to investment with lower costs.

Blockchain streamlines real estate transaction processes and times, allowing investors to engage in transactions directly with each other, improve title and property ownership records and transfers, and handle data and retrieval services in a transparent and low-risk way.

Read more about fractionalisation:

<https://medium.com/inside-r3/asset-fractionalisation-what-why-and-the-future-46a5b4b7e1a3>

Use case:

In 2019, a €6.5 million luxury villa in Paris was tokenized and split into 1 million pieces, valued as low as €6.5 each. Tokenization drastically reduced

the investment cost, which increased accessibility to a broader range of investors.

Diversification

- With low costs and a virtually open global market, investors can create highly diversified portfolios.
- Investors will be able to purchase shares of real estate property, eg. malls, movie theatres, and apartment complexes with ease.

Liquidity

- Tokenization increases liquidity by making trading cheaper, faster, and easier.

Efficiency

- Blockchain technology automates processes and cuts out middlemen.
- Smart contracts on blockchain drive down fees and costs associated with traditional real estate lengthy document reviews and layered communication.

Security and Transparency

- Difficult to obtain records of every transaction of a traditional real estate property.
- Blockchains operate as public ledgers, recording every transaction involving the token.
- Recorded transactions are unalterable and are verifiable by anyone publicly at any time.

Deal Structuring and Shareholders

Property owners decide the type of asset they wish to tokenize, they could form a Special Purpose Vehicle (SPV), a subsidiary created by a parent company, or become part of a Real Estate Fund or a Real Estate Investment Trust (REIT).

Shareholders may have various rights to dividends, equity shares, and partial governance depending on the asset allocation, expected funding, and taxation structure.

It is still unclear exactly what rights shareholders have with tokenized real estate, because of the uncertainties associated with the novel investment's governance, tax structure, and regulatory framework.

During the Security Token Offering (STO), digital tokens are created and issued on blockchain in the form of regulated assets.

Token issuance and distribution must meet certain regulatory standards. Currently, the regulatory framework is still uncertain for tokenized real estate. For example, whereas some regulators – like the U.S. Securities and Exchange Commission (SEC) – treat real estate tokens as securities, others categorise the tokens as property. Categorization affects the asset's tax and regulation structure.

Proptok gives investors the proper incentives to accumulate and hold Proptok Tokens, and support investments launched on the platform.

To tokenize the real estate property, the fee is 1 ETH, and the property owner needs appreciation and legal consultation with Proptok.

Proptok NFTs

The owner of the Proptok NFT will have the right to claim the LLC and register.

Proptok NFTs can be traded on the secondary market, each sale pays royalty fees to Proptok.

Membership Tiers

Proptok platform benefits all holders of the token and allows for fair launches giving traders of all sizes the opportunity to invest in the best upcoming Real Estate projects.

Membership types are with different benefits and requirements. Sellers need to attain at least the Silver membership.

- Bronze, Silver, and Gold members have access to First Come First Served (FCFS) and GAP Allocation on selected ticket raffles.
- Platinum and Diamond's members have access to First Come First Served (FCFS) and GAP Allocation fully.
- Adamantium members have access to First Come First Served (FCFS) and GAP Allocation and will be entitled to a share of Proptok Project Profits.

After decentralising a property, the first round of investment (80% of total investment) opens in the Dashboard for Platinum and Diamond members to buy their calculated allocations.

The unsold tokens from the first round are made available on a First Come First Served basis, to all tiers including Bronze, Silver and Gold.

Members can purchase an additional amount that is determined by a tier-based formula. After all, tokens are sold, the sale is concluded.

Users lock and unlock Proptok Tokens on the Proptok Governance Page.

Withdrawal fees

- No withdrawal fees when locking Proptok Tokens for 90 or more days.
- 15% withdrawal fees when locking tokens between 60 - 90 days.
- 25% withdrawal fees when locking tokens between 30 - 60 days.
- 30% withdrawal fees when locking tokens between 0 - 30 days.

Know Your Client (KYC)

Upon application of new users to comply with the regulatory law, Proptok verifies the user with the Know Your Client (KYC) process.

KYC is a regulatory process of ascertaining the identity and other information of a financial services user.

The KYC process helps against money laundering and prevents the financing of terrorist activities. It is a mandatory process required by many countries to ensure that the customers are actually who they are claiming to be.

Read more about the KYC process at this link:

<https://corporatefinanceinstitute.com/resources/knowledge/finance/know-your-client-kyc/>

Roadmap

- Collect use cases for all required functionalities
- Research all available blockchain networks
- Define technology stack
- Specify system architecture, hardware and system requirements
- Implement system design, application framework, entities, API
- Alpha release, running and testable software
- Use-case analysis
- Beta release
- External testing
- Public release, operating stage

Technical Architecture

Technical development

- XP agile model
- test-driven development
- rapid development cycles
- Continuous support
- SOLID coding fundamentals to ensure high software quality.
- Spiral software development life cycle model

Tech Stack

- Microsoft Azure cloud hosting
- Net C#, C++, C++/CLI, JavaScript, HTML 5, Batch, JSON
- OWIN, Nancy, SignalR, PowerShell, OAuth
- Multiple Blockchain Support / initial release on Binance and Cardano

Disclaimer

Intellectual Property

The copying, reproduction, printing, or distribution of this whitepaper or any of its contents, either in whole or in part without explicit permission from Proptok, is strongly discouraged and barred.

Limitation of Liabilities

The reader agrees to acquit Proptok and its associates, representatives, promoters, and employees from any direct or indirect losses, liabilities, costs, damages, and expenses incurred by using any of our products or services.

The information presented and provided in this document is not provided as a means of solicitation or a contractual relationship of any kind.

It does not constitute a prospectus and does not provide a means for buying securities in any way possible.

Proptok does not provide protection to any individual and all supporting documents have been written 'as is' for providing information in all necessity.

There shall be no warranties provided by us regarding this project and its connected services.

Consultation between you and your legal guardian is highly advised before venturing into cryptocurrency of any kind. This will help provide insight into avoiding penalties from the government and give a better explanation needed before buying digital currency.

The token sales and general cryptocurrency transactions on our platform will only be made available to those who are legally qualified to purchase and hold cryptocurrency in their country.

Always ensure to understand the law of the land regarding digital currency before initiating a purchase.

Ineligibility to hold cryptocurrency will most likely mean that it may be an

offence to also buy cryptocurrency, so we strongly advise you to make necessary findings and be aware of your status regarding this.

Purchases made under illegal circumstances, confiscation of digital currency and legal actions will be taken.

Be aware of the various risks of dealing with cryptocurrencies:

- Technical difficulties may occur and may result in downtime during transaction processing which is beyond us.
- During a period of downtime, users might experience issues with processing transactions.
- Security risks may also surface as users are required to secure their wallet information, be careful and take precautions before accessing the portal. Security risks can range from exploitable server vulnerabilities, malware attacks and providing sensitive information to third-party personnel.
- Proptok team shall not be held responsible for losses or damages incurred as a result of falling victim to the various risks and uncertainties associated with the usage of cryptocurrencies.

You expressly agree that you comply with all that has been stated in and will comply strictly to them to the fullest extent applicable by the law and will totally comply with the terms and conditions laid down.

This is a project under development, some of the estimates and projections made may be future statements that currently have not been brought into realisation.

All announcements regarding our project and its relevant documents will be made available on our website and our social network pages.

Glossary

Blockchain

A ledger is a digital or physical log that records transactions associated with a financial system. Blockchain networks are a type of decentralised ledger system designed to store transactions across multiple computers, ensuring data integrity and transparency by making information tamper-resistant and verifiable without a central authority.

Therefore, blockchains are resistant to modification of their data because once recorded, the data in any given block cannot be altered retroactively without altering all subsequent blocks.

Blockchain Token

A blockchain token can represent an asset.

So if you want to hand over an asset on the blockchain, you only have to sign the token with your private key and send it to the other person. As a result, the ownership of the property has changed. A token can also represent an access right.

Blockchain Tokenization

Blockchain tokenization is slightly, although not completely, different from traditional tokenization mechanisms. The conventional tokenization mechanisms focused on data only, while asset tokenization with blockchain brought the focus on assets. You can issue a blockchain token as a digital representation of any actual tradable asset.

Bitcoin

Bitcoin is a decentralised digital currency, without a central bank or single administrator, that can be sent from user to user on the peer-to-peer Bitcoin network without the need for intermediaries.

Decentralised Application (DApp)

A software program operating on a peer-to-peer network. It runs independently on the internet using smart contracts, outside the control of a single entity or authority.

Decentralised Autonomous Organization (DAO)

A decentralised autonomous organisation (DAO) is a community with no centralised authority, in which members collectively make decisions in a bottom-up manner regarding its governance and operation.

Decentralised Exchange (DEX)

A decentralised exchange (DEX) is a peer-to-peer marketplace that allows users to directly trade with each other. It doesn't need a custodian or intermediary to hold the users' funds or facilitate transactions.

Decentralised Finance (DeFi)

DeFi, short for "Decentralised Finance," is a term that represents financial services using blockchain technology without traditional intermediaries, such as banks. It aims to democratise finance by enabling direct peer-to-peer transactions and providing access to financial services using smart contracts on platforms primarily like Ethereum.

Ecosystem

It is an economic community supported by a foundation of interacting organisations and individuals, the organisms of the business world. The economic community produces goods and services of value to customers, who are themselves members of the Ecosystem. The member organisms also include suppliers, lead producers, competitors, and other stakeholders.

Non-Fungible Token (NFT)

NFT is a unique assignment of a specific number and further data, such as an artwork or a link, to an owner's public key in the blockchain.

NFT is generated when a unique assignment of a precise number and data to an owner (to the public key) in the blockchain.

It will be immutably and incorruptibly stored on the blockchain.

A program is needed to create – or “mint” – the token which then will be transferable and able to provide information about the present owner of the NFT, these and other assignments are managed by the use of Smart Contracts.

With NFT real-world objects like art, music, in-game items, and videos can be represented as digital assets.

Smart Contract

A smart contract is a computer program or a transaction protocol that is intended to automatically execute, control or document legally relevant events and actions according to the terms of a contract or an agreement. The objectives of smart contracts are the reduction of the need for trusted intermediates, arbitration and enforcement costs, fraud losses, as well as the reduction of malicious and accidental exceptions.

Liquidation

Liquidation in crypto refers to the process of converting assets, typically leveraged positions or collateral, into cash to cover losses or repay borrowed funds when the market moves unfavourably.

Whitepaper

A crypto whitepaper is a detailed document released by cryptocurrency projects, outlining their technical and operational specifics, goals, and mechanisms. It serves as a blueprint for potential investors and participants to understand the project’s vision and how it functions.