



ZAKZAK Exchange

www.zakzak.me

Whitepaper V1.7

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INTRO

It is a very exciting time to be involved in the cryptocurrency revolution. No doubt you are aware of the exponential growth that has been seen in the cryptocurrency market in the last several years. Market sources say that 80% of cryptocurrency users entered the market between 2016 and 2019. During this period, we have also seen an approximate 20 times increase in the cryptocurrency market capitalization. This growth is set to continue.

As we move towards a trillion-dollar market cap many new investors are looking to take their first steps into cryptocurrency trading. They are rightly worried about things going wrong. Security breaches, lost passwords and the general complexity of beginning their investment journey are rightly giving them reason to hesitate. The aim of ZAKZAK was to come up with an ecosystem that allows the lay investor to enter into this market with confidence by providing a trading platform and transaction system that combines ease of use with the utmost security.

It is not only individual investors who can reap the benefits of adopting cryptocurrency and blockchain technology. Companies of all sizes are now becoming aware of the power of tokenization to allow convenient splitting up and ownership of assets. Investment funds are starting to issue tokens as well as shares. Such tokens allow investors get out of their investments by selling their shares any time through exchanges instead of holding on to them for years. Within the ZAKZAK ecosystem, investment managers will now have access to a platform that will allow them to create and distribute tokens for tokenized projects with full technical support and access to a pre-existing user base.

Our goal at the ZAKZAK exchange is to ensure that all investors, regardless of experience level, can be part of the exciting growth that is bound to occur in cryptocurrencies in the coming years by providing most usable, secure, and regulated exchange on the market.

COMPANY MISSION

ZAKZAK's mission is to solve ongoing issues faced by cryptocurrency users by providing the following:

The most user-friendly way to trade and spend crypto

While interest has grown in cryptocurrency, it is still not a user-friendly market. This is greatly slowing up widespread adoption. So far there has failed to be a familiar and comfortable entry point for the lay investor. ZAKZAK intends to offer a user-friendly way for users to buy, sell, and manage cryptocurrency without being overwhelmed with technical barriers.

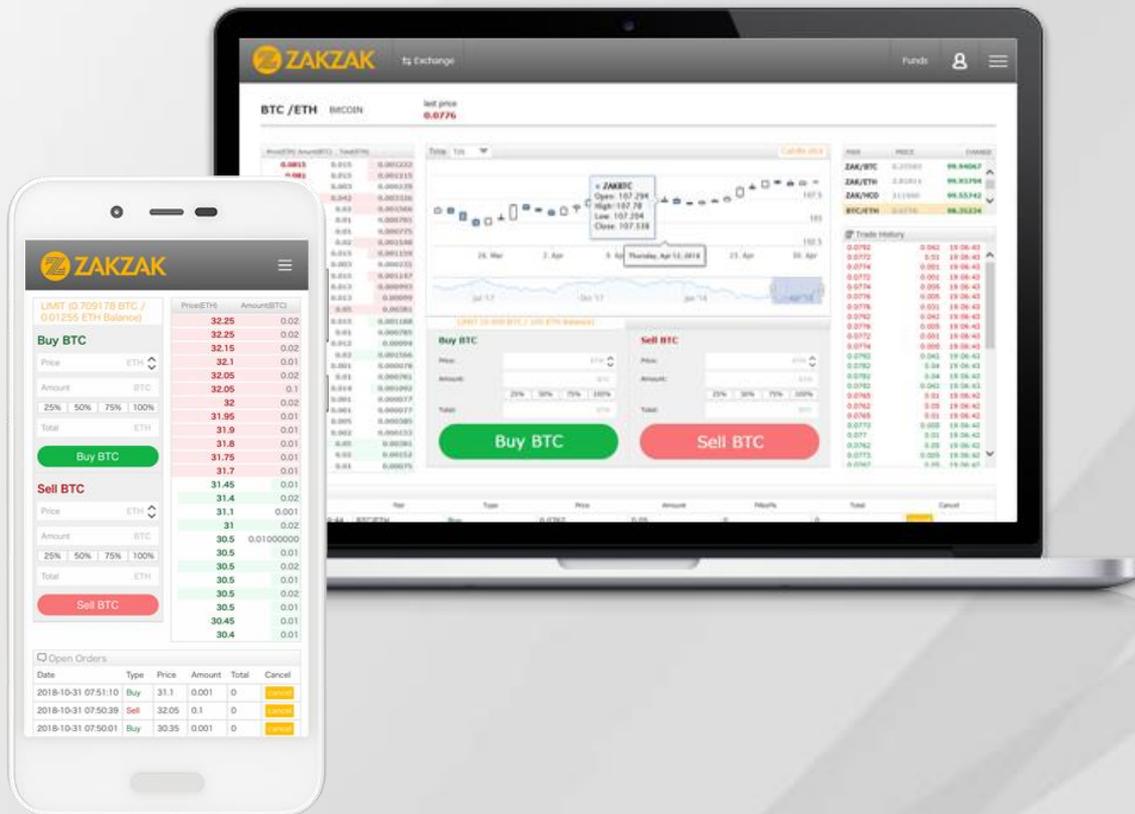
Bulletproof Asset Security

An October 2018 Security Exchange report has shown that over half of all crypto exchanges still have readily exploitable security vulnerabilities. The creators of ZAKZAK have been building secure systems for the financial and medical sectors for decades, and we have applied our expertise in building this system to the highest standard before carrying out extensive auditing and penetration testing on it. ZAKZAK is also fully regulated in the EU under the Virtual Financial Assets Act.

A Streamlined Process to Issue and Trade Security Tokens

With the increasing popularity of Initial Exchange Offerings as a crowd funding method the ZAKZAK exchange is here to provide a simplified solution for projects that wish to create asset-backed digital tokens. After registering with our system and passing our thorough verification process, a project manager can use our IEO Dashboard to run their token offering and maintain full control over their token's creation, pricing, and regulation.

The ZAKZAK Exchange



The ZAKZAK Exchange is a crypto-to-crypto trading platform that lists vetted utility tokens and ensures a safe, secure, and compliant exchange environment. Investors can trade cryptocurrency tokens with maximum transparency and ease of use.

Building on the underlying blockchain technology utilized by cryptocurrencies, we have developed an ecosystem that simplifies and accelerates the process of cryptocurrency investment, while providing robust security and liquidity features.

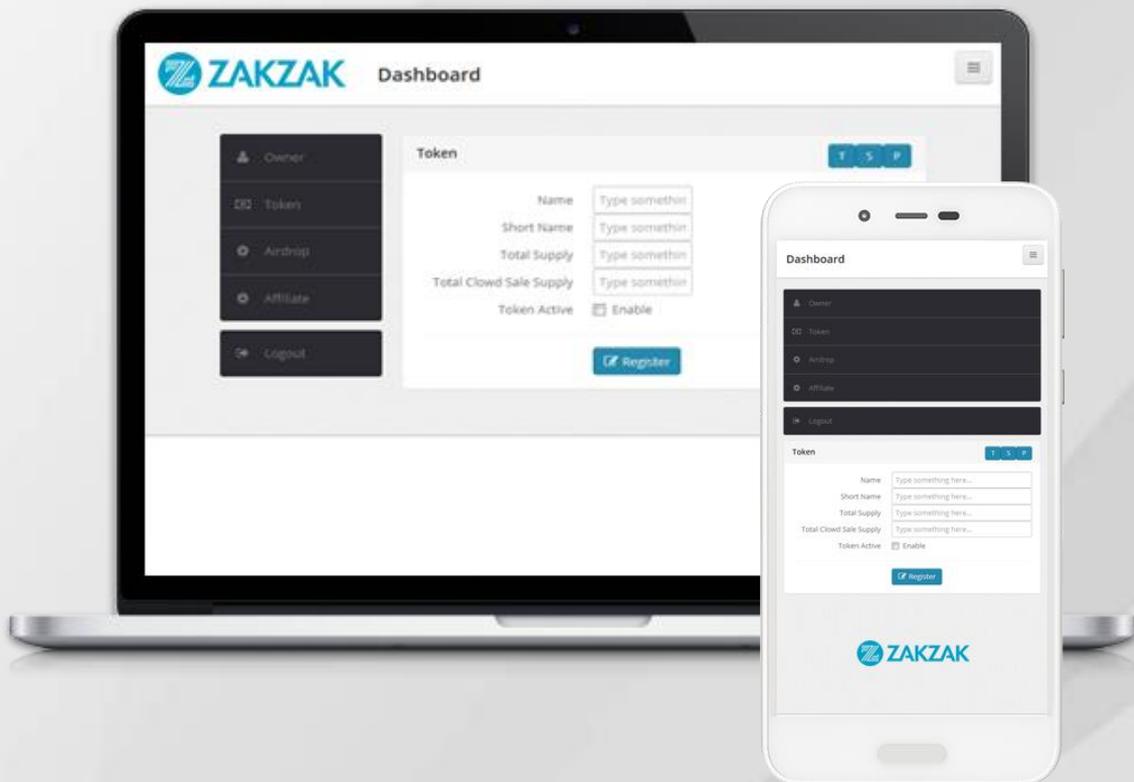
Coin Trading

ZAKZAK will support trading pairs in the following coins:

- BTC
- ETH
- ZAK (ZAKZAK Coin)

More coins will be added over time. We will only add coins that have strong credibility, user base, and liquidity.

The ZAKZAK IEO Dashboard



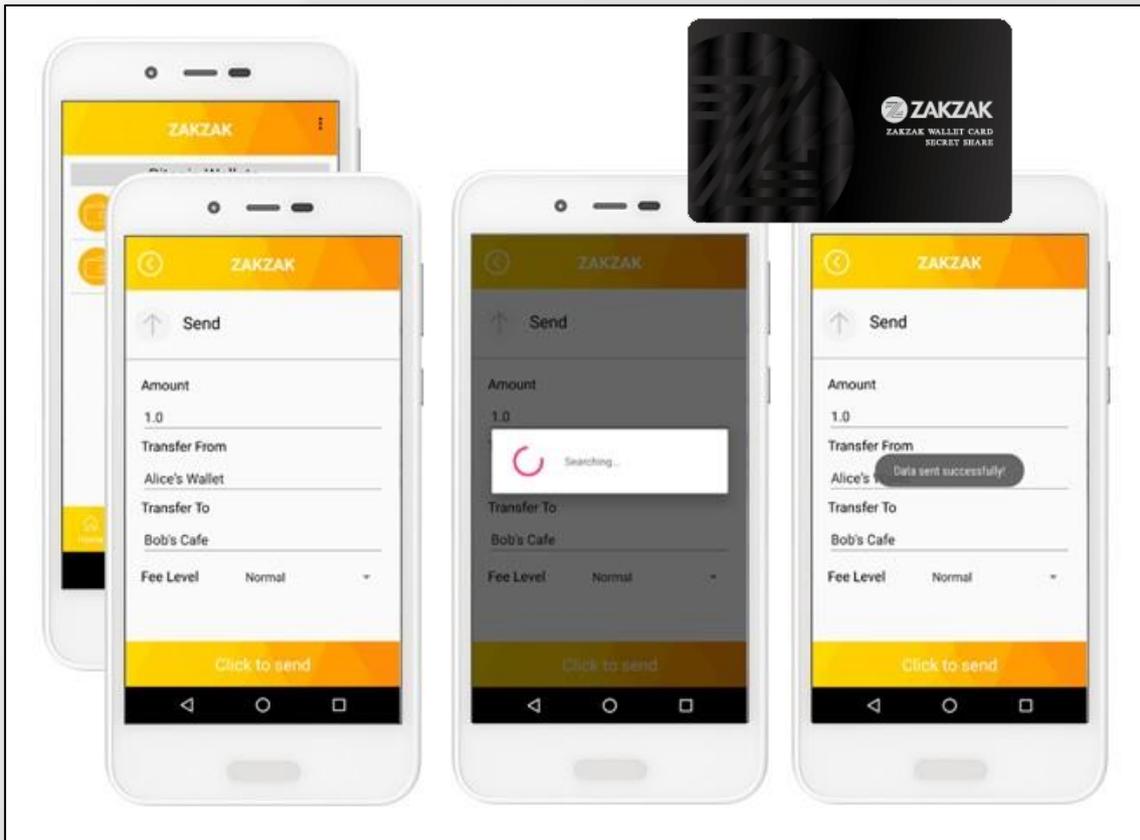
The ZAKZAK IEO Platform will allow project managers to carry out their own Initial Exchange Offering. They can register their project information before it is thoroughly vetted by our team of KYC specialists at ZAKZAK. We will expedite the due diligence process before allowing the investment project to go ahead. With authenticity properly confirmed and trust built with investors, increased confidence in projects will allow for greater IEO success. All necessary controls over the IEO can be fully managed from the IEO Dashboard.

ZAKZAK will support Initial Exchange Offering for industry partners with the following features

- Project Registration
- Token Creation
- Token Exchange Sales
- Airdrop Distribution of Tokens
- Promotion Code Issuance
- Affiliate Management (Conversion, Amount, Remuneration)
- Token Sales Management

The ZAKZAK Wallet

ZAKZAK Wallet's logon system operates using our patented ZAKShare™ distributed secret key technology. Used in combination with the ZAKZAK Card, the user can rest assured their digital assets are safe at all times.



ZAKShare Security Technology

In the early stages of the cryptocurrency wave we witnessed security breaches that affected many who lost large sums; such problems still continue. In response to this, we decided to use our expertise to create a robust security system that uses radio-frequency identification smart labels to eliminate the threat of unauthorized cryptocurrency transactions, while also avoiding the long, cumbersome passwords that are standard in cryptocurrency security.

Previously it was impossible to achieve absolute security in protecting assets using the multi-

signature scheme or even using a hardware wallet that separated assets from network. The ZAKZAK Wallet is a distribution wallet based on a secret key newly generated with RFID every time a user logs on. This completely new technology is more secure than any standard password-based wallet on the market.

Problems and Risks with Competing Wallets

Hot wallet (Online)

Hot wallets are prone to attacks because they are always connected to the network. They can be compromised in a multitude of ways such as phishing, hacking, malware, viruses. Hot wallets pose the greatest risk of unrecoverable theft in the event of an attack.

Mobile wallet

In a mobile wallet, your mobile device (or the app) actually stores your private keys. So if your software is buggy or can be cracked, then it can be exploited and your private keys can be extracted. If you lose your smartphone without a backup, don't set a PIN on your mobile, or the attacker has already got your pin, you will lose your currency. With backing up the device to the cloud, ID and password hacks are also possible.

Desktop wallet

While a desktop wallet on a computer is more secure than online or mobile, it is still at risk if the computer is connected to the internet. It is vulnerable to malware and viruses, failed hard drives, and can even be compromised by computer repair people or those sharing the device.

Hardware wallet

While having major security advantages over software wallets, hardware wallets can still fail, be lost or destroyed. Most hardware wallet systems are based on open source software making it possible for attackers to infect them with malware.

Multi-signature wallet

A Multi-signature wallet is a cryptocurrency wallet that requires input from multiple parties in order to complete a transaction. Since multiple signatures are required, security becomes stronger. However, such wallets are inconvenient because they require another person or terminal for operation. Retail investors and those using cryptocurrencies for retail transactions need quick, unhindered access to the quickly changing crypto marketplace.

How Does the ZAKShare Wallet Solve These Problems?



ZAKZAK Wallet uses our patented ZAKShare™ cryptographic security system which converts the user's private key into three discrete share keys, which are separated from one another as explained in the graphics below. Theft of your cryptocurrency is impossible to an attacker who is not in possession of your designated RFID card, providing full protection to users of the ZAKZAK wallet.

Simply touch the RFID on your smartphone to instantly generate a one-off use secret share key and sign the transaction. After signing, the key data that performed the transaction disappears from the network, so it cannot be stolen.

Benefits:

Anti-theft measures

The discrete share keys used to generate the signature are stored separate from each other, so even if one is stolen, the asset's vital private key is completely safe and cannot leak.

Hacking measures

The vital signature generating key (RFID) is not online so cannot be hacked.

Loss, Troubleshooting

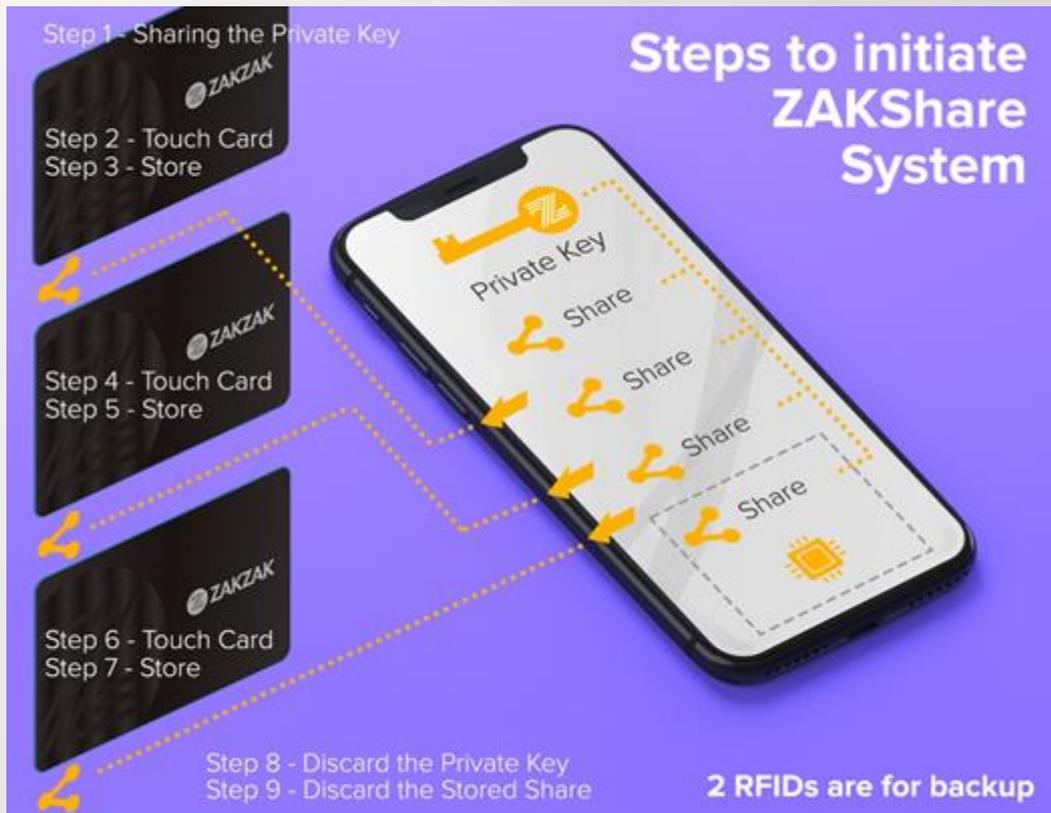
If one part of the three-part signature generating system breaks down or is lost, your assets remain safe. The private key can be safely restored from the remaining two pieces of distributed information.

Password Free

There is no need for long, complex passwords that are easy to lose or forget, and hard to recover.

Outline of the Operation of Standard and ZAKShare Wallet







Revenue Model

ZAKZAK's revenue will come from the following sources:

Exchange Fee

ZAKZAK will initially charge a 0.2% fixed fee per trade. Other variations will be subsequently introduced, including maker-taker, volume-based tiering and 0 fee promotions.

Withdrawal Fee

ZAKZAK will charge a nominal fee for withdrawals.

Listing Fee

ZAKZAK will select innovative coins and other assets to be listed on the exchange, there may be a fee associated with those listings.

IEO Fee

ZAKZAK will offer an innovative platform for partners to perform IEO and Airdrops for their own crowd funding purposes.

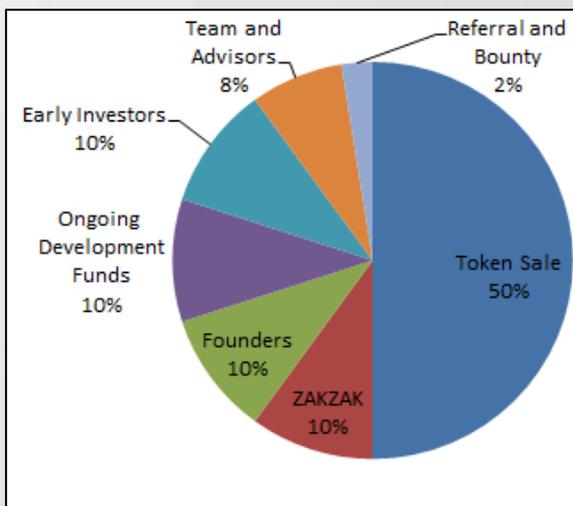
Token Distribution

ZAK (ZAKZAK Coin) Token

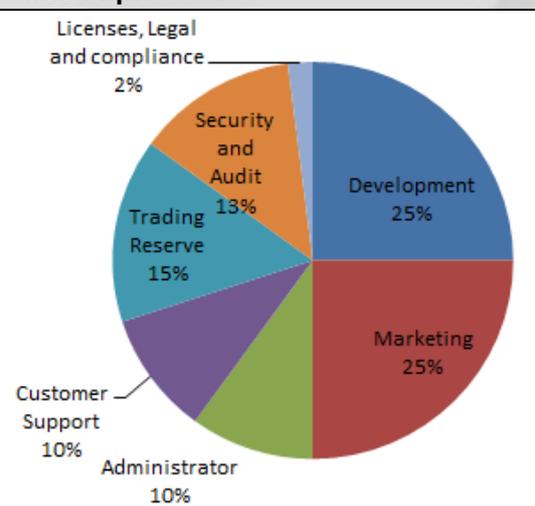
In order to develop, launch and grow the exchange, ZAKZAK is introducing the ZAK Token which will provide small & institutional level participants with the ability to contribute to this project. ZAK is an ERC20 utility token utilized for the Initial Token Sale (ITS) and exchange operations.

The chart outlines the distribution of the 200 million ZAK tokens that will be issued. 100 million will be sold during the token sale; the other 100 million tokens will be leveraged in a number of different ways, including partnerships and promotion of the exchange.

Allocation



Use of proceed



Initial Token Sale Details

The ITS will be done in BTC and ETH on multiple platforms around the world. The hard cap for the ITS is 30 million EUR.

The ZAKZAK ITS will be structured in two parts, starting with the Pre-ICO and followed by the ICO. The sale price for ZAK token during the ITS is fixed at 1 ZAK = 0.25 EUR, whereas special Pre-ICO discounts will apply as outlined below. Hence, the price of ZAK will fluctuate as measured in Bitcoin and Ethereum during the time of our ITS.

The public Pre-ICO takes place from the 1st until the 31th of January 2019. In this phase, we will offer 5% of all ZAK for purchase with a bonus of 40%.

This means that each Pre-ICO participant will receive an extra 40% of the number of tokens they purchase on top for free, so if one buys 1,000 ZAK they will receive a total of 1,400 ZAK for the same purchase price.

The ICO will take place from 1st of February 2019 until the 31st of July 2019. Here we will offer an additional 50% of all ZAKs for purchase. In this phase, we will provide a staggered bonus to encourage earlier purchases: The sooner you buy ZAK tokens the higher the bonus is, 25% in February, 20% in March, 15% in April and 10% in May. From June to July, no bonus will be provided.

After the ICO Finishes

Value increase of the ZAK token

The asset value of the ZAK tokens is expected to rise and profits will be made on their sale. ZAKZAK will advance the following measures to increase the value of ZAK token.

- **Buyback**

Once the ZAKZAK exchange platform is trading, at least 10% of the net profit will be applied to the buyback of ZAK tokens every quarter. The tokens bought back will be burned immediately. ZAKZAK will continue the process of buying tokens back and burning them until 50% of the total supply is destroyed.

- **Increase awareness**

Every time an IEO of a new token occurs, the recognition of the ZAKZAK exchange goes up, increasing the value of the ZAK token.

- **Increase ownership**

Since the ZAK token is listed on the ZAKZAK exchange, token ownership will increase.

- **Increase liquidity**

As the ZAK token is used as the exchange settlement currency, liquidity will be high and the value of ZAK token will rise.

ZAKZAK Premium for coin holders

Once ZAK tokens are placed in the ZAKZAK Exchange wallet, owners can access the assets they have been allotted during the IEO. ZAK token owners will benefit from upcoming IEOs without having to register for Airdrops every time.

ZAK Tokens Locking Period

ZAK tokens held by the founders are subject to the following lockout periods before tokens can be sold:

- 0 to 6 months 100%
- 0 to 1 year 75%
- 0 to 1.5 years 50%
- 0 to 2 years 0%

ZAK tokens held by ZAKZAK are subject to the following lockout periods before tokens can be sold:

- 0 to 1 year 100%
- 0 to 2 year 75%
- 0 to 3 years 50%
- 0 to 4 years 25%

ZAK Tokens held for on-going development and for the team will be used at the discretion of ZAKZAK to fund continual research and advancements beyond the token sale, which is subject to a 6-month 100% lockup.

ZAK tokens issued during pre and public sale have no lockup period and will be tradable once the token is listed on the exchange.

The combination of these policies works to maintain the integrity of the ZAK token and the long-term sustainability of the platform.

Team



Keiichi Noda– Chief Executive Officer

Keiichi Noda is the founder of ZAKZAK and Health Media, Inc. Japan, a privately held company providing internet based healthcare services with highly controlled patient privacy. He is the Senior Researcher of the Keio University Research Institute at SFC where his current areas of research focus are Cryptocurrency Security and Blockchain Management with a Key Centric Approach. He applied this expertise to the creation of ZAKZAK, which is the culmination of his vision of a high security, user friendly cryptocurrency system that will usher in an era of mass adoption.



Brian McCaffrey– Chief Operations Officer

After completing his degree in computer science Brian started off his career in network security in the United States and has since gathered experience in managing teams across the US, Europe, and Asia. His experience and leadership have been focused on developing and delivering technology-driven business services and solutions and driving profitable revenue growth. An early adopter of cryptocurrencies, his entrepreneurial spirit drives him towards the development of new technologies, with a dedicated focus towards cryptocurrency and Blockchain.



Masaru Imai – Chief Technical Officer

Masaru has more than 25 years of experience in the IT industry and has extensive experience with decentralized C2C platforms, e-commerce technology and electronic transaction security. Watching the growth and development of the crypto asset market he has chosen to apply his skills as a system engineer to make cryptocurrency just as accessible as e-commerce is today, while giving the user the utmost confidence in the safety and security of their assets.



Satoshi Aikawa – Chief Financial Officer

President and Director of the Atagoyama Accounting Firm, Satoshi has many years of experience in financial auditing and advisory with Ernst & Young, led numerous audits on global conglomerates listed on the Tokyo Stock Exchange and advised on Japanese GAP, IPO, IFRS and M&A. With over a decade of running his own firm with offices in Tokyo, Singapore, Thailand, Myanmar, Vietnam and Hong Kong, Satoshi recognizes the important role cryptocurrency is taking in the financial industry and has chosen to lend his expertise and extensive industry connections to the ZAKZAK project.



Cindy Leung – Senior Program Manager

Cindy's background in marketing and sales in the computer software industry has given her expertise in evaluating customers' requirements. She lends her experience in technology, network and HR to her role overseeing the ZAKZAK development team. Her love of culture, collaboration and technology results in a human-centered design approach in every project she leads.

Health Media Inc. – Partner

Our ZAKShare technology has been created in conjunction with the stellar development team at Health Media Inc. Japan who have been at the forefront of online data privacy and security for over a decade.

Roadmap for 2018/2019

Phase 1 (Jan-Apr, 2018)

- ZAKZAK Exchange ongoing development
- Release Whitepaper v1.0
- Continue with regulatory compliance in select countries
- Beta launch of the ZAKZAK Exchange

Phase 2 (May-Aug, 2018)

- Press release with additional features (i.e. IEO Dashboard, Airdrop)
- Explore partnerships with established companies
- Beta launch of ZAKZAK Exchange

Phase 3 (Sep-Dec, 2018)

- Announce new additions to the ZAKZAK team (management, partnerships, and advisors)
- Explore incentivized development partnership deals
- Beta launch of wallet integration (iOS, Android, desktop)

Phase 4 (Jan-Mar, 2019)

- Official ZAKZAK Exchange Launch
- Full integration and functionality of additional features
- Wallet integration

Phase 5 (Apr-, 2019)

- IEO and Airdrop offerings to begin

Cryptocurrency License

The ZAKZAK group of companies has already obtained the licenses for Cryptocurrency businesses and is planning to expand their presence in the EU and Asia.

Exchange Service License

MTR (Estonia) has registered activity license No FVR000474 for ZAKZAK OÜ in the field of business - Virtual currency exchange service.

Wallet Service License

MTR (Estonia) has registered activity license number FRK000387 for ZAKZAK OÜ - Virtual currency payment service.

Legal Disclaimer

The purpose of this White Paper is to describe the intention of the ZAKZAK Exchange project to potential users and token holders. The information within this document does not imply any contractual relationship between the user and the ZAKZAK Exchange team or platform. Nothing in this White Paper shall be deemed to constitute any sort of offering to buy any securities in any jurisdiction. Certain statements or claims within this White Paper constitute forward-looking statements that are subject to uncertainties, the actual events or platform associated with ZAKZAK Exchange may differ from the estimated results outlined in this document.

