Coin Governance System

Powered by the Wisdom of the Crowd

https://cgs.vote

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01. INTRODUCTION

Initial Coin Offerings (ICO) have proved their potential to carry out fundraisings for startups and other kinds of projects. It is a powerful tool that **democratizes crowdfunding and the participation** in innovative projects.

" *Startups and projects raised $5.6 billion last year through so-called initial coin offerings (ICOs)* "

Business Insider, January 31st 2018

However, there is a strong need for governance to protect token buyers from scams and projects that aren't executing correctly or aren't managing the funds raised properly.

" *Former Tezos board member says founders have caused a 'catastrophe'* "

Reuters, January 28th 2018

" *46% of Last Year's ICOs Have Failed Already* "

News.Bitcoin.com, February 23rd 2018

The **Coin Governance System** (CGS) is an **on-chain coordination mechanism** that will **align the interests** of ICO launchers and token buyers.

The **Coin Governance System** provides token buyers with an "insurance" mechanism for ICOs so that if the participants lose faith in the project, they may trigger a voting mechanism which will **enable ICO token holders to withdraw the funds contributed.**

As a result, Initial Coin Offerings that implement the Coin Governance System will be **more attractive for token buyers and investors.**

03
Makes ICOs more attractive for investors

01
Aligns interests of ICO launchers and token holders

02
Insurance for token buyers

02. THE COIN GOVERNANCE SYSTEM

We have built a governance system that aligns the incentives and interests of its participants, **decentralizing the most conflictive point of an ICO: the management of the funds raised.**

We have built a governance system that aligns the incentives and interests of its participants

Currently, there is a dangerous imbalance of power in favor of the ICO launcher. who has an almost absolutely free disposition of the raised funds. We know that transferring all the control over the funds from the ICO launcher to the ICO token holders will cause other problems, therefore the **Coin Governance System introduces a third party: the CGS arbiter (CGS token holder),** who will help keep the interests of the other two participants aligned.

ICO Token Holders can submit claims if they are not pleased by the way the project is managing the raised funds. As soon as the voting system of the Coin Governance System is triggered, a certain percentage of ICO funds would be locked up while the voting is taking place.

With the tokens locked in the escrow, **the community of CGS Arbiters (those who hold CGS Tokens) acts as a decentralized judge and will vote** whether to allow the withdrawal of the funds in the escrow contract. They are incentivized to vote correctly, because they can gain or lose CGS Tokens depending on the outcome.

PARTICIPANTS / ROLES

ICO TOKEN HOLDER

Any person that holds tokens sold by the ICO launcher. They can open a claim if they're not pleased by the ICOs execution. They can withdraw the remaining Ether if the result of the dispute is positive.
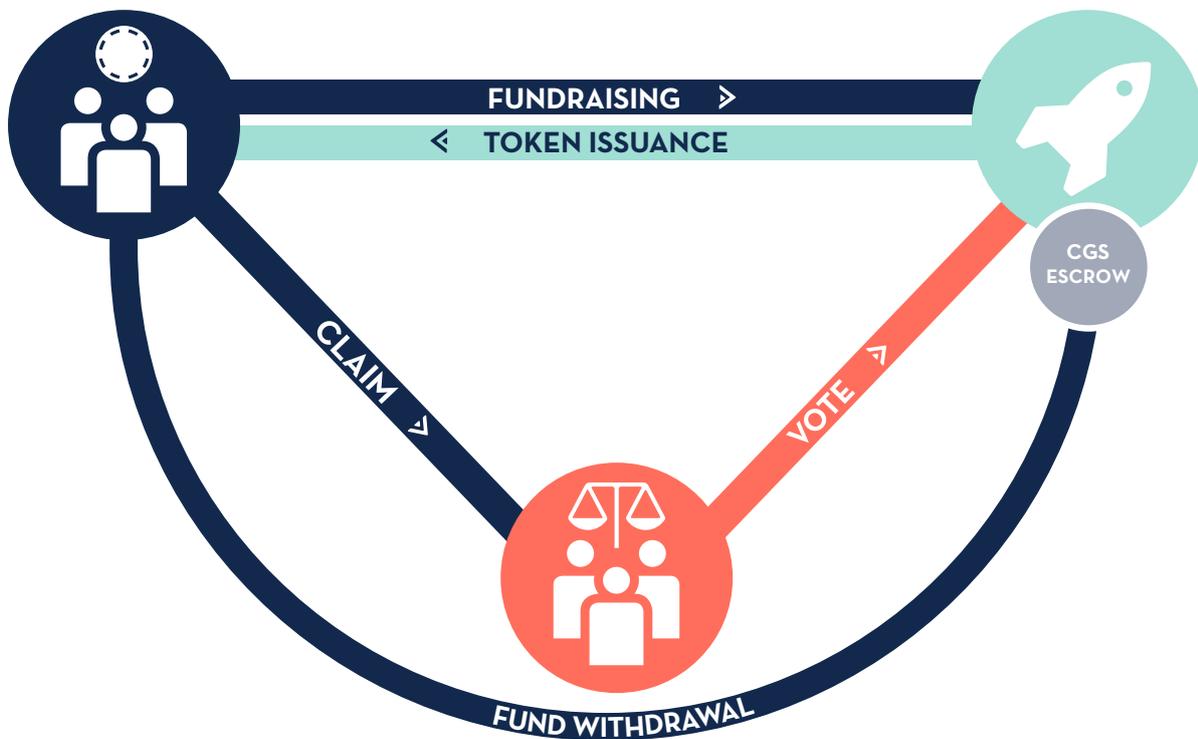
CGS ARBITER

Any person that holds CGS Tokens. They are independent from the ICO launcher and the ICO token holder. They decide upon the submitted claims and are incentivised by a prisoner's dilemma type game theory.

ICO LAUCHERS

The company that launches an ICO will implement the Coin Governance System. They will receive the ether raised in the ICO as time goes by and it becomes available.

FUNDRAISING

TOKEN ISSUANCE

CGS ESCROW

CLAIM

VOTE

FUND WITHDRAWAL

FUNCTIONING OF THE CGS

01
ICO Launch & CGS Start

02
Claim opening

03
Voting Proccess

A
KO & Redeem

Back to normal

B
Back to normal

01. CGS Deployment
Carried out by the ICO Launcher

A smart contract escrow will be created to hold the ethers raised in the ICO.
ICO launcher sets the tap rate (the eth/sec the smart contract will release).
ICO launcher deposits a CGS tokens in the CGS smart contracts.
Once it's done, the CGS smart contracts will be releasing ether as specified by the tap unless a claim is opened by the ICO token holders.

02. Claim Opening
Carried out by ICO token holders

If ICO token holders think the project is not being executed properly, they can open a claim by depositing a certain amount of ICO tokens in the CGS.

Then, the voting period will start.

03. Voting process.
Carried out by the arbiter community -CGS token holders-

CGS Arbiters can vote in any ICO that has an open voting process.
They can vote "OK" if they find that the execution of the project satisfactory, or "KO" if not.
The result with more votes will be the winner, and a certain amount of CGS tokens will be transferred from the losers to the winners, plus an amount of the CGS tokens deposited by the ICO launcher during the deployment of the CGS

If the result is "KO", the CGS smart contract will enter into "withdrawal mode" (redemption).

If the result is "OK", the CGS smart contract go back to normal.

A. Redemption
Ether withdrawal by ICO token holders

If the result is "KO", the CGS will enter into "withdrawal mode".
Every ICO token holder can send ICO tokens to the CGS smart contracts in exchange for the proportional remaining ethers. Then, the CGS will go back to normal.

B. Back to normal

The CGS smart contract will remain operational, reactivating the tap (ETH/second) again. After a period of time, a new claim can be opened in the same way as it was done before.

Would you like to **read the tech overview** of the
Coin Governance System?

Take a look at our Whitepaper

TOKENOMICS

The Coin Governance System is created to generate a win-win situation for all its participants:
a) ICO Token holders, b) ICO launchers, and c) CGS Token holders.

ADVANTAGES FOR ICO TOKEN HOLDERS

Empowering ICO supporters

The CGS protects the interests of ICO token holders against bad practices and misalignment of interests.

Guarantee and protection

CGS gives a mechanism to ICO token holders to withdraw the funds contributed if they are not satisfied with the execution of the project.

ADVANTAGES FOR ICO LAUCHERS

Sign of trust

ICOs with a CGS will be more attractive. It's a declaration of goodwill and a sign of reciprocal trust towards their funders.

Stabilization of the valuations of traded ICO tokens

Market valuation of the tokens will be indirectly supported by the amount of ether remaining in the CGS.
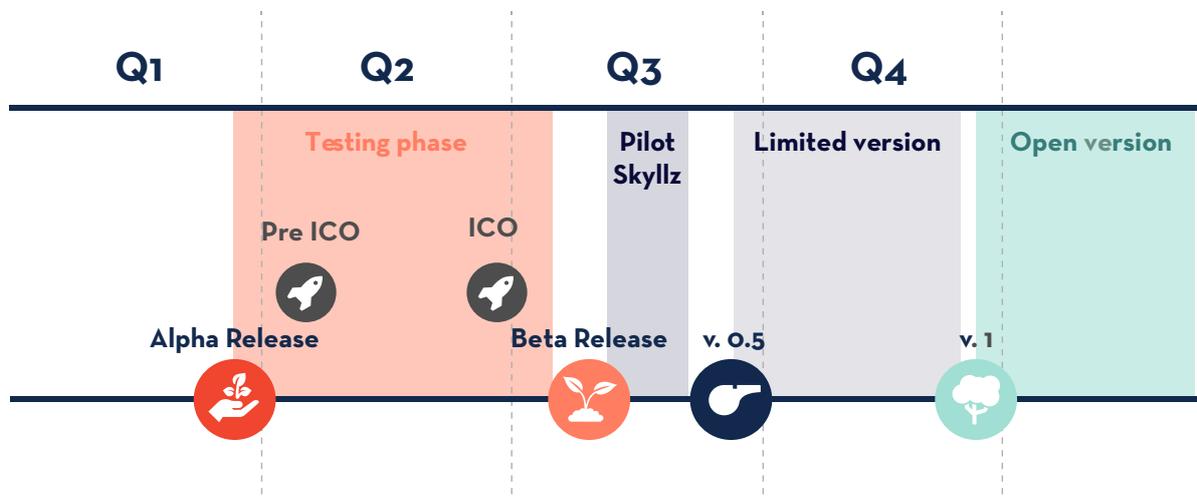
ADVANTAGES FOR THE CGS TOKEN HODERS

Incentive to vote "correctly"

When there is a claim, the system rewards users who have voted "correctly", and punishes users who voted "incorrectly"

Foster an increasing CGS user community

CGS is a decentralised application based on a community. It will be increasingly more useful as there are more ICOs that have implemented the CGS.

ROADMAP

Q1	Q2	Q3	Q4	
	Testing phase	Pilot Skyllz	Limited version	Open version
	Pre ICO	ICO		
Alpha Release		Beta Release	v. 0.5	v. 1

Alpha Release

The publication of the first working version of the CGS platform, which users will be able to interact with.

Testing Phase

A version of the platform will be open for the early adopters on Testnet. During the testing phase, users will receive testnet tokens to try the product and give feedback.

Pre ICO

A private token sale will take place prior the public one for a limited amount of participants.

ICO

A public token sale will take place towards the end of Q2 2018.

V0.1 Beta Release

This milestone marks the publication of the first working version of the CGS platform on the Ethereum Mainnet.

Pilot - Skyllz

The Skyllz platform is the first real life ICO project that will integrate the CGS. Investors will enjoy the protection of the CGS for the first time in a real ICO.

V0.5 - Limited Version

More projects will be included in the CGS. The projects will be manually added after a prior review to avoid spam and monitor the proper functioning of the platform.

V1.0 - Open version

The CGS platform will be open for any ICO. The governance of the system will be delegated to the CGS community, that will decide through votings certain parameters of the platform, such as number of tokens needed to create a project, etc.

TEAM

The Coin Governance System is the flagship project of the Icofunding Team. Icofunding is one of the pioneering ICO facilitators in Europe and has been involved in the advisory and execution of ICOs since 2016. The team is well balanced and made up of exceptional professionals with a strong background in blockchain and cryptocurrencies:

Alejandro Gómez de la Cruz

Cofounder and CEO

Adrián Calvo

Cofounder and CTO

Pablo Moreno de la Cova

Cofounder and COO

Carlos Kuchkovsky

Cofounder and Chairman

Anne-Lous van den Ende

CMO

Fernando Alamillo

Business Development

Carlos Mora

Software Architect

Esperanza Arquero

Visual Designer

Do you want to join us?

Send your CV to **info@cgs.vote**

03.ADDITIONAL INFORMATION

Coin Governance System

Website
https://cgs.vote/

Contact
info@cgs.vote

Whitepaper
https://goo.gl/wEj9AW

DOWLOAD