



Confidence in YEM

Justification

The special features of the YEM (Rainbow Currency)

The Rainbow Currency (YEM) was founded in 2017 as a counter concept to Bitcoin and practically all other so-called crypto currencies. The only common feature is the underlying technology of the block chain as infrastructure.

In order to understand the specifics of the YEM, it is necessary to look at the market of conventional crypto currencies.

In the last 3 years, tens of thousands of crypto currencies have been released worldwide, about 50% of them are fraudulent and about 40% are projects that failed in the early stages. Of the remaining 10%, the vast majority are not currencies in the true sense of the word, but are disguised company holdings or investments.

In the end remain 3-5, maximum 10, crypto currencies, which could actually be used exclusively as means of payment, including Bitcoin. However, we come to the three biggest disadvantages of the conventional crypto markets.

Disadvantage 1: Volatility

Since crypto currencies such as Bitcoin are used almost exclusively for speculative day trading, the prices fluctuate much more than, for example, shares or exchange rates. After Bitcoin reached its highest level so far in December 2017 at around USD 20,000, the price fell by over 80%, only to rise again by more than 300% and then halve again. Today, Bitcoin is still trading about 50% below its high. This volatility makes it impossible for companies to accept Bitcoin as a means of payment.

Disadvantage 2: Anonymity

No state in the world will tolerate a payment system that is beyond its control in the long term. Naturally, the legislature needs several years to respond effectively to new situations. It

is to be expected that anonymous payment systems will simply be banned worldwide, which of course will not stop some "rebels" from continuing to use Bitcoin, especially where it is already the preferred method of use, namely in the dark-net for illegal activities.

Disadvantage 3: Tax treatment

It is simply impossible for a company to accept Bitcoin & Co. as a means of payment because the transactions on the common block chains do not store one essential piece of information, namely the tax value of a transaction in the national fiat currency of sender and receiver. However, it is precisely this value that is crucial for the tax accounting of the transaction. The amount of work involved in correctly valuing hundreds or thousands of transactions for tax purposes is disproportionate to the turnover.

The importance of the YEM

In short, traditional crypto currencies are not suitable as a substitute for fiat currencies in public payments. And this brings us to the YEM, to our knowledge the only digital currency that was created as an 'authority friendly' form of payment with the aim of becoming a global alternative in public and private payment transactions.

The YEM, an acronym for 'Your Everyday Money', is a digital currency created by 3,725 Internet users around the world. YEM was founded in 2017 with the aim of conducting safe and secure financial transactions online as well as at local points of sale. YEM can be accessed online with a smartphone, tablet, laptop or other suitable electronic devices. As of May 19, 2020, more than 1 million wallets of individuals and businesses have been in operation, processing transactions ranging from small purchases to multi-million-dollar investments on a daily basis.

The YEM is also used as value for liable capital and as an asset in many companies. Since August 2018, YEM transactions worth more than \$51 billion have been made, with a current average volume of more than \$100 million daily.

How does the YEM differ from the other crypto currencies?

The Rainbow Currency was launched in 2017 under the leadership of United American Capital Corporation by more than 3700 Internet users. Right at the beginning, the Rainbow Currency Foundation (dba YEM FOUNDATION) was founded as an independent and non-profit umbrella organization, whose leadership consists of 7 democratically elected members from 7 different continents.

The YEM FOUNDATION is the regulatory authority for the YEM and takes measures for protection and stability. It also represents the YEM to the International Monetary Fund, the United Nations, as well as governmental institutions (e.g. central banks) and non-governmental organisations. In accordance with the statutes of the United Nations, the YEM FOUNDATION has the status of an International Non-Governmental Organization (INGO) and is therefore a member of the Union of International Associations (UIA) with its headquarters in Brussels and the identification number "XM7617"¹. The UIA keeps records of all active non-governmental organizations on behalf of the United Nations.

At present, the YEM FOUNDATION is seeking to obtain participant status in the Economic and Social Council of the United Nations and also in the Council of Europe².

The currency abbreviation for the Rainbow Currency is YEM (Your Everyday Money). In order for the YEM to be used locally and internationally as a means of payment, it was necessary to consistently exclude risks and disadvantages right from the start.

Already in 2014 the European Banking Authority (EBA) published a 46-page study on the subject of risks and opportunities of crypto currencies (EBA/Op/2014/08), in which 70 risks are listed and explained in detail. During the development of the YEM and the block chain, which was designed especially for the YEM but is now also used by other coins and tokens, these 70 risks were excluded or at least reduced as far as possible.

In February 2018, the German Federal Ministry of Finance (BMF) sent a circular letter to all tax authorities (III C 3 - S 7160-b/13/10001), which regulates the VAT treatment of Bitcoin and other virtual currencies.

The BMF clarifies: "Virtual currencies (crypto-currencies, e.g. Bitcoin) are treated as legal tender, provided that these so-called virtual currencies have been accepted by the parties involved in the transaction as an alternative contractual and direct means of payment and do not serve any purpose other than their use as means of payment.

As YEM fully meets these requirements, the first real estate purchase in Germany was already completed entirely in YEM in March 2018, after all legal concerns had been clarified in consultation with the Federal Chamber of Notaries, among others.

Since then, not only in Germany, the YEM has been used consistently and more and more as a means of payment - with a strong upward trend.

¹ <https://uia.org/s/or/en/1122282533>

² <https://www.un.org/ecosoc/en/home>

In November 2018, a German auditing firm then confirmed the value of the YEM at that time in an expert opinion based on several hundred thousand transactions. This report was prepared for submission to the Kiel register court. On 15.2.2019, the register court accepted the expert opinion in full and entered UAC Holding GmbH into the commercial register as the first corporation whose initial capital contribution of EUR 50,000 was paid fully in YEM.

The YEM as a daily means of payment

Currently the Rainbow Currency has more than 1 million users and about every 120 seconds a new user is added. Every day, the YEM is used as a means of payment in thousands of transactions worldwide. This is possible because the three main disadvantages of the other crypto currencies mentioned above do not exist in the YEM.

Stability instead of volatility

The YEM FOUNDATION did not approve YEM for trading on public trading platforms. There is only one official exchange where YEM can be exchanged for USD and a regulated virtual marketplace where the YEM is exchanged for various fiat currencies in private transactions. In addition, the YEM FOUNDATION sets a weekly minimum price, which is not based on a speculative trading volume, but on the actual use of the YEM as a means of payment. This gives market participants the certainty that no speculative bubble can arise and at the same time, manipulation of the price through automated trading is excluded.

Privacy instead of anonymity

All YEM holders must identify themselves before they can use YEM. From early 2020, identity verification is guaranteed at bank level by IDnow, a leading and internationally certified verification service provider. This makes anonymous payments with YEM impossible, as sender and receiver can be identified.

Tax security

To our knowledge YEM is the only digital currency where not only the value in YEM is stored on the block chain at the exact time of the transaction in a tamper-proof way, but also the USD value (as reference currency) and the value of the national currencies of the parties involved. This allows every user to download tax-relevant transactions as an account statement at any time and to comply with his/ her tax obligations.

In discussions with politicians in various countries, the tax security in particular was praised.

To date, transactions with a total value of more than USD 51 billion have been processed, including for real estate, construction projects, services, investments, new vehicles, but also for travel, food, household appliances and electrical goods. There are users in more than 150 countries.

Due to this constantly growing economic cycle, a growing demand for YEM is emerging, yet this demand is not comparable to the 'bought' convertibility through speculative day-trading, as is the case with Bitcoin, for example. The convertibility of the YEM into fiat currencies is currently not yet that of a currency, but rather, especially for larger sums, more comparable with the liquidity of a real-estate property. Here too, time is needed to find a suitable buyer. And this certainly would not lead to a property being considered worthless.

How is the value of the YEM determined?

The current trade value of the YEM always corresponds to the purchase price of the last trade on www.cryptocoin.house³, the only official exchange for the Rainbow Currency. Other values, which can be found sporadically on the Internet, are wrong.

A new exchange⁴ is in the works and will replace Cryptocoinhouse.

In order to stabilize the performance, the YEM FOUNDATION sets a minimum price every Monday at 8 a.m. UTC time, which must not be undercut in trading. This process is comparable to the linking of a fiat currency to the US dollar or Euro. The YEM FOUNDATION as the regulatory authority and currency guardian of the YEM has basically the same instruments at its disposal as a national central bank.

The intrinsic value of the YEM results from its own economic cycle. Since the YEM's supply is limited to 100 billion units, a growing economic cycle automatically leads to an increasing value.

There are already several digital coins that use the YEM as their reference currency. The most successful is the Twinkl Estate Coin (TEC).

YEM security measures

Security is at the forefront of YEM. The YEM does indeed have its own blockchain to ensure that all transactions are safely recorded and cannot be manipulated. The YEM is authority friendly and has fulfilled all the necessary legal requirements in terms of security,

³ www.cryptocoin.house

⁴ www.YEMexchange.com

transparency, quality and privacy, combined with maximum 'Know Your Customer' and 'Anti-Money Laundering' processes (KYC/AML processes/ customer verification).

YEM Holders are secure thanks to a unique wallet technology with 2-factor authentication. There is no need to store YEM in expensive hard-wallet devices. No YEM can be lost due to a lost private key.

Furthermore, YEM works with smart contracts. This means, for example, that a contract agreed between two parties is written into the blockchain, and if an event outlined in the contract is imminent, the necessary command is executed to make this happen. Therefore, the fulfillment of smart contracts will be undisputed and bestowed with the highest degree of confidence. Real estate valued at more than \$430 million has been digitized, converted into tokens and made available to YEM owners.

Credibility of the YEM

The YEM FOUNDATION team is in contact with governments and central banks around the world to raise awareness of the potential of the YEM and to offer education on YEM's unique advantages.

The YEM FOUNDATION is a fully accredited International Non-Governmental Organization (INGO) under the rules of the United Nations.

The YEM is recognized to support the United Nations' goals for sustainable development (UNSDGs):

For example, the YEM contributes to the achievement of UNSDG Goal 9⁵ "Building resilient infrastructure and promoting innovation", since the YEM's blockchain serves as a proven robust financial infrastructure and the YEM fosters innovation by encouraging the transition from cashless to digital economies.

In addition, the YEM supports the achievement of UNSDG Goal 8⁶ "Promoting inclusive economic growth" because the YEM is able to give people without access to bank accounts access to international payment methods nonetheless.

In many low-income countries, communities of people living in rural, peripheral areas are often excluded from formal financial institutions. However, the YEM offers these people the opportunity to engage in valid financial transactions without the need of a bank or other financial service providers.

⁵ <https://sustainabledevelopment.un.org/SDG9>

⁶ <https://sustainabledevelopment.un.org/sdg8>

Within the European Union, the YEM is accepted as a legal form of payment according to an official public letter from the German Ministry of Finance, as explained above.

Finally the YEM is officially listed at CryptoCoinHouse.

The benefits YEM brings to businesses

We are in an information-technology revolution where blockchain technology and crypto currencies are revamping the entire monetary system as we know it. This change is inevitable and it is already happening.

As part of this transition, businesses are moving more and more towards the use of digital currencies to keep ahead of the game and beat competition.

In particular, businesses are choosing the YEM. Since the YEM has a guaranteed minimum price, businesses are less vulnerable to price volatility. Furthermore, because the value of the YEM is likely to increase over time, it is a smart business strategy to invest in the YEM at the soonest opportunity in order to enjoy the highest possible returns.

Businesses that collect YEM can spend it for advertising and marketing strategies across the SafeZone platform, reaching thousands of new customers while growing their businesses.

Businesses are able to display a PerNum Pay API on their website, which allows customers to pay directly with YEM hassle-free at the click of a button.

The benefits of YEM for customers

The Internet can be an overwhelming place for online shoppers, given the sheer volume of deals, offers and websites available. Many websites are confusing, misleading, fake and untrustworthy. To overcome these challenges, more and more customers choose to use the YEM.

Since the YEM operates through a secure wallet system that safely stores each customer's data, customers no longer have to enter their contact and bankcard details every time they complete a transaction online. This is time saving and protects private data from exposure to hackers and fraudsters.

The YEM creates an enjoyable online shopping experience for consumers, since they know they are purchasing legitimate, trusted products and services.

Customers also enjoy the benefits of a guaranteed minimum price and an increasing value of YEM and thus they can buy and enjoy more with their money.

How can the YEM support further economic development?

The YEM stores the purpose and value of each transaction on the blockchain, which generates digital tax information. Digital tax information is likely to reduce corruption, since all transactions are transparent. This, in turn, fosters a more business-friendly and business-enabling environment, which may increase business activity and investment into the region. Furthermore, the digital tax information can facilitate governments to collect more taxes, which could be used to invest into education and infrastructure, thereby further fostering business activities.

Summary

In recognizing the challenges brought by existing cryptocurrencies - namely anonymity to conceal the identities of senders and receivers, unlawful crypto-markets that facilitate illegal activities and money laundering, and frequent price volatility- the YEM was created not only to overcome these issues, but to support the emerging opportunities and incredible potential of digital currencies and block chain technology. The YEM, designed as an authority friendly form of payment with the highest levels of KYC/ AML processes, security and a guaranteed minimum price, intends to evolve the current landscape of cryptocurrencies and demonstrate how digital currencies- when used appropriately- can truly enhance and transform the current monetary system as we know it.