



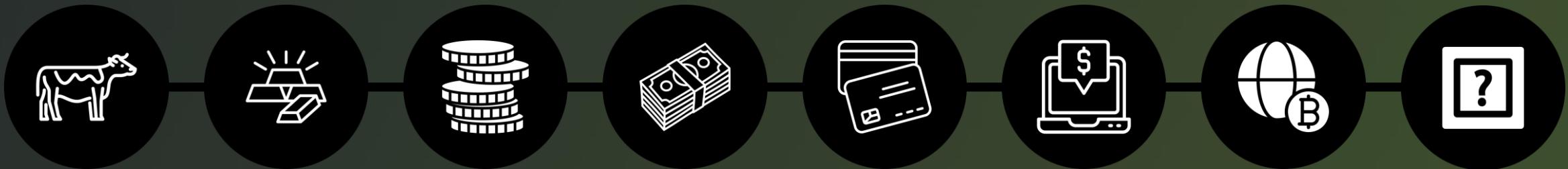
Beyond Bitcoin:

Can programmable money on the Blockchain change the World ?
(and pass the MiCAR-test)

Adri Wischmann, Founder PBTokn.com



Evolution of Money:



Barter

Silver & Gold

Coins

Paper money

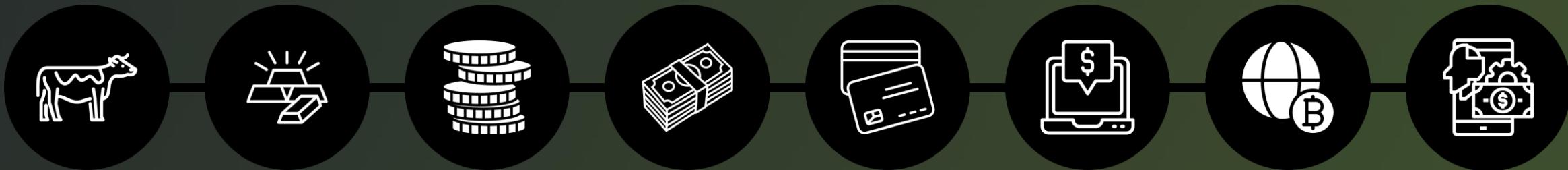
Credit cards

Electronic
money

Virtual
money

Next?

Evolution of Money:



Barter

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Programmable Money



What is 'Programmable Money'?

Programmable money is digital currency with built-in logic that allows it to be spent, transferred, or managed automatically according to pre-set rules and conditions.

Why 'Programmable' Money?

>90% of our transactions are conditional.

Programmable Money will be able to handle the conditions by itself.

Modern business models and new use-cases require more advanced payment methods.

(CBDC are not going to solve this, the leap is to BIG and the users of CBDC's are to scared of virtual Public Money)



The road to adoption:

Multi-stage with lots of hurdles:

- **Foundational infrastructure** (assessment & feasibility)
- **Regulatory alignment & framework development** (regulatory clarity & legal and policy updates)
- **Technical & operational rollout** (robust technology & interoperability)
- **Stakeholder engagement & Ecosystem building** (merchants & banks integration, incentives)
- **User education & Public Trust** (education campaigns & transparency and trust)
- **Scaling & Continues improvements** (phased rollout & continuous monitoring)

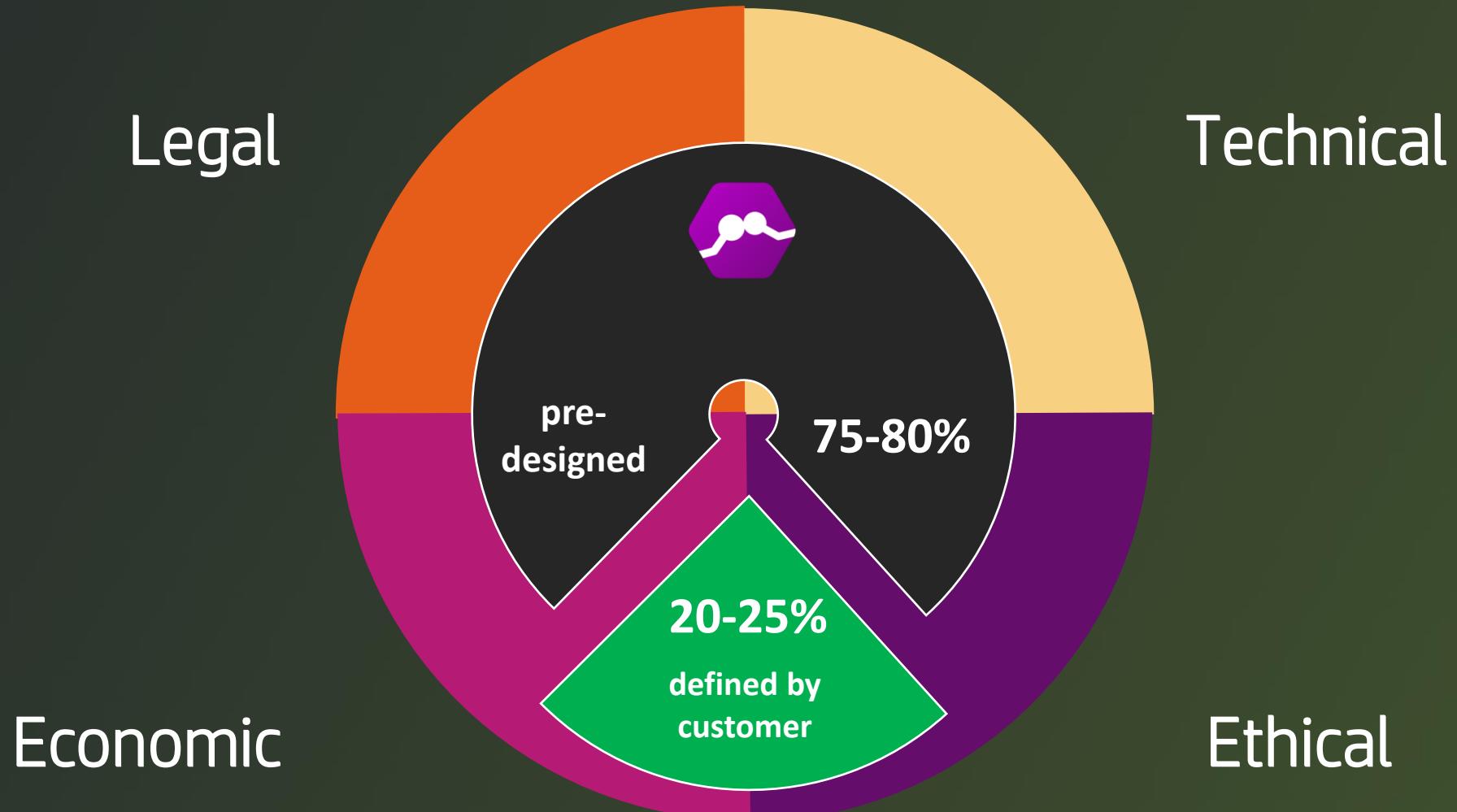
How WE are doing it:

Think BIG, start small.... but **START!**

Start with 'small scale' Private Money (currently 100k user over different projects)

- gain experience in the field and find positive use-cases).

BIG incentives for users and merchants (money from subsidies, grants and budgets)





Legal

- Tokenizing products, services, assets
- Onboarding contract with merchants
- Within legal Rules & Regulations (MiCAR – Utility Token?)

Technical

- IOTA-protocol on multi-country private network
- Energy efficient, feeless
- Own wallet (**MultiKnip**), non-custodial
- Distributed by QR-code
- Military encryption
- Privacy by design



Economic

- 2nd layer solution on top of fiat money
- Settlement in fiat
 - (compliant with conventional monetary system)
- Product/service-design
- Onboarding/Whitelisting retailers
- Issuer defines: who, how much, where, on what and when..

Ethical

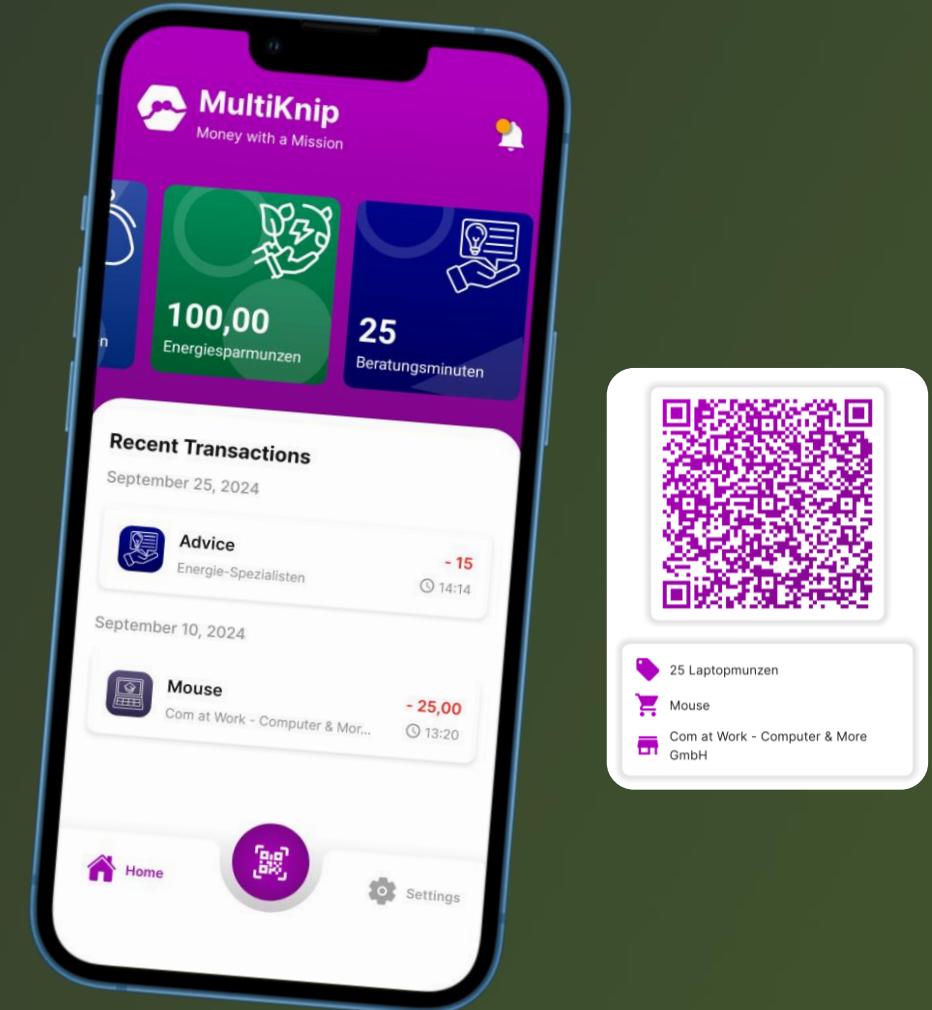
- GDPR-proof
- NO metadata-leak possible
- Personbound?
- Ethical trapdoors in transparency [example]

MultiKnip-solution

Just as grandma had a wallet with different types of money (grocery money, clothing money, vacation money) the **MultiKnip** app has the ability to have different types of earmarked money on your phone.

Simply pay by scanning a QR code at the vendor/shop and press 1 button (“do you want to pay? Yes/No”) The store gets, usually the next day, fiat money in their bank account (straight from the Municipality's account).

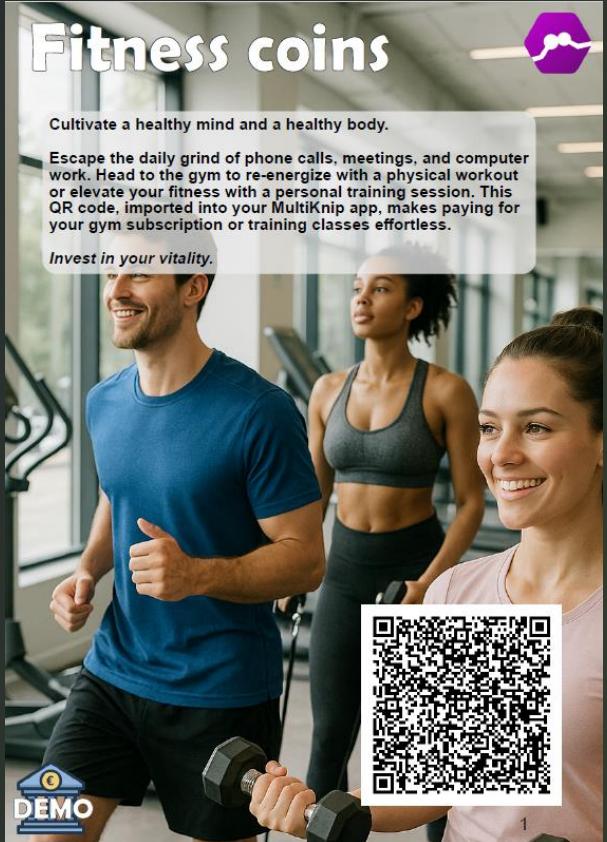
No commission, No transaction fee (Retailers get 100%)
App-first Saas-solution using ‘Privacy by Design’
End-users/Citizens do not need to have a bank account.
(not even an e-mail address)





Programmable Money has MANY advantages:

- **Lowering administrative burden**
(less people checking receipts and making payments to residents/retailers)
- **Decreasing the chances of administrative errors**
(by automating the whole process)
- **Drastically lowering fraud and misuse**
(it is not possible to use the money for other purposes than intended by the issuer or attempt double spending and much less corruption –fully trackable-)
- **Increasing efficiency and speed**
(faster payments towards retailers and service providers)
- **Improving monitoring and control**
(near real-time insights in spending and having the ability to send coins to a specific wallet)
- **Stimulating the local economy**
(by whitelisting retailers and preventing money flowing to big players like amazon.com)
- **Playing by the rules of the conventional monetary system (National banks and Tax authorities)**
(by settling in fiat money)



These cards are live, working examples but we have QR-cards available at the conference so you can get hands-on experience on your own phone.



A few examples of use of programmable money :

- For residents:

- Energy subsidy that can only be spent on energy saving products.
- Relief money to prevent (energy) poverty.
- Healthy food packages triggered by cooking classes.
- Social inclusion: Vouchers for the purchase of a school laptop
or to pay for children's sports club.

but also:

- handing out bicycles to Ukrainian refugees.
- X kilogram exemption for the recycling facility.
- handing out rain barrels or other resources,
- combating heat stress in the city center, etcetc .

- For entrepreneurs:

- Grants used exclusively for making office buildings more sustainable.
- Vouchers for hours of an energy consultant or
for installing a charging station for electric cars.

Increasing citizens engagement with Tokens using 'new' business models:

Use case: increasing mobility for Ukrainian refugees with bicycles

Conventional/Old way:

- Using the municipal budget to buy 100 bicycles from 'Ali Express' and gifting them to Ukrainian Refugees.
(the money leaks to a foreign economy)

Unconventional/New way:

- Use the municipal budget to start a campaign to ask resident if they have a bicycle in their garage which they do not use anymore.
(if yes, bring them to a selected bicycle shop and get tokens/purpose bound money to eat in local restaurants)
- Give the bicycle shop 50€ per bicycle to clean and make it as 'new'
- Give the Ukrainian refugees a Token to 'buy' a bicycle at the selected shops.
(the money benefits the local economy)

Now we have a **win-win-win-win-win-situation**:

Happy Residents, Happy Restaurants, Happy Bicycle shops, Happy Municipality, Happy Refugees
AND we saved hundreds of bicycles from the scrapyard (circular economy)



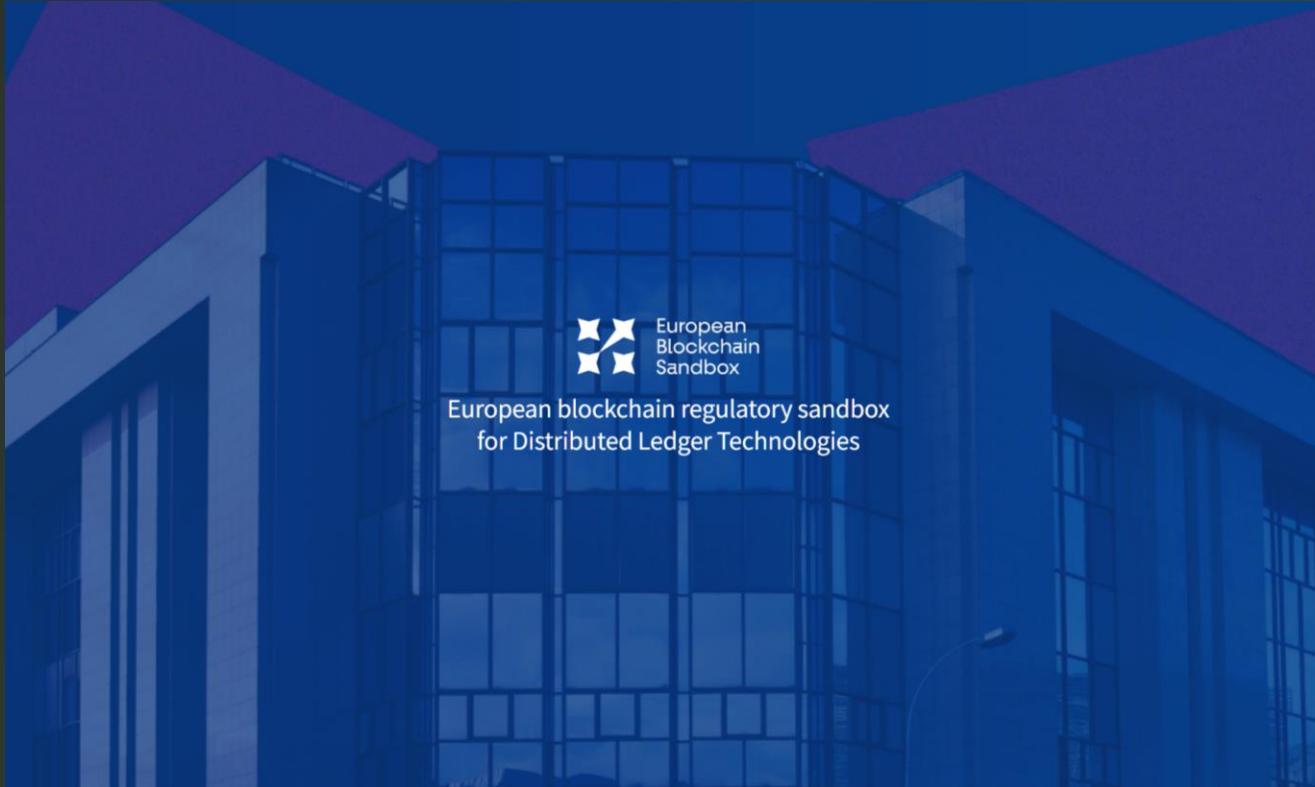
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For regulatory clarity:

emphasis on MiCAR



European Blockchain Regulatory Sandbox Cohort 2024



Passing ALL the rules and regulations for MiCAR is HARD!

(lots of interpretation and discussion amongst regulators)

WE got ruled: **Exempt**

- Municipalities are government -> **Exempt**
- Tokens cannot be bought or sold, users receive them for free -> **Exempt**

Biggest reason:

Internally we do not transfer the tokens to the merchant; they are returned to the issuer (with a 'colorization' to mark where the user went to buy goods). The merchant can check the balance of the coins with his 'colors' but does NOT have ANY control (does not even have private keys).

Ruling: NON transferable -> **Exempt**



Can programmable money on the Blockchain change the World ?
It not only CAN but it.. WILL change the world!

and pass the MiCAR-test?

Not in this version of MiCAR... but maybe the next...
(luckily we can go on deploying, testing, improving, gaining trust and experience)



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Questions?

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www.incentiwise.de
www.multiknip.nl



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