

## *MUNCH Whitepaper V2.0*

*26th April 2021*



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## EXECUTIVE SUMMARY

In 2020, Visa generated \$6.3bn from transaction fees around the world. Also in 2020, almost every humanitarian crisis was accelerated and added to by the global pandemic.

The events of the year demonstrated how the financial system is built on imbalance. As the need for asset distribution grew more urgent, global wealth became more concentrated.

Through cryptography and blockchain technology, individuals are now able to decentralize their financial power and have more control over the distribution of accumulated wealth.

MUNCH uses a transaction fee on buys and sells to distribute resources to charitable causes. This fee is converted to Ethereum (ETH) at the point of transaction and sent directly to the charity wallet.

The idea was born from the idea that the money people invest in DeFi is money they can afford to risk. This is also money they can afford to donate to causes that interest them. MUNCH is aimed at people that want to improve systems that they have so far been locked out of. People that want to establish a standard where financial services have inherent redistribution of equity built in via a more egalitarian system.

By allowing the community to choose the distribution and donation ratios, and the causes (from an approved and accredited shortlist) every holder of MUNCH is invested in taking a bite out of inequality.

### Quick facts:

- 10% transaction fee
- 5% fee to be distributed to token holders
- 5% fee to charity (directly to the charity, we don't own the wallet)

The original distribution was designed to be 2% in distribution and 1% in donations but this was changed to the 5 and 5 model after feedback from the community.



**TOTAL SUPPLY: 100,000,000,000,000, (100T)**

- 30% to burn during specific burn events (30T - Time-locked for 5% burned per week)
- 10% Dev team allocation with a range of ownership between 0.5% and 2% per person
- 5% presale with a max of 0.5% per person held across 10 accounts
- 5% Marketing budget
- 70% circulating supply

This gives us a circulating supply of 70T, but as the burn wallet holds 30T and will receive tokens in distribution from all transactions there is also a deflationary reduction to the total supply.



## **DEFI TOKENS: A GROWING MARKETPLACE**

DeFi (Decentralized Finance) is a peer-to-peer decentralized, pseudonymous, and open system that enables financial services.

DeFi tokens, such as MUNCH offer decentralised financial applications via blockchains which recreate traditional banking and finance concepts, in a decentralised manner. Automated and trustless systems make third party go-betweens unnecessary.

By creating a parallel financial system, DeFi tokens are creating new expectations for transparency with significantly lower costs and faster processing. This allows users to conduct financial operations, such as earning interest, receiving loans, network staking and derivatives, to insurance, gaming and trading synthetic assets. DeFi tokens enable decentralised applications to run on their network infrastructure.



## INDUSTRY CHALLENGES

### Disreputable operator activity

By far the biggest challenge to DeFi's adoption for financial services is the trust issues caused by a number of bad actors currently operating within the space. MUNCH aims to set the standard for legitimacy and trust in the industry, and help people recognize the signs of a sustainable DeFi project in the future.

The first, and most common example of such practices are known as 'Rug pulls'. Tokens can be launched with a single wallet controlling a large proportion of the circulating supply, or a number of wallets controlled by a coordinated group of people.

Once liquidity reaches a certain threshold, this wallet, or group of wallets, sells all their tokens, removing all liquidity and leaves holders without the option to sell their tokens as there is no liquidity remaining. Without locked liquidity, and with a single source holding a high proportion of tokens, these pulls can leave token holders with no recourse.

The second challenge comes from what is known as 'Pump and Dump' schemes. This is where individuals with a large amount of resources inject huge amounts of liquidity into a project, without an interest in the function of the project. They rely on hype to push the price up further and then withdraw their funds in large single transactions, creating a panic-sell.

MUNCH has implemented a structure to guard against both:

- **Locked liquidity**

The initial liquidity, provided by the core team and pre-sale, has been locked using Uniswap. This locked liquidity means the project will continue to exist regardless of price fluctuations.

- **No mint function**

There is no ability to generate new tokens beyond the existing supply.

- **Minimal single ownership**

The core dev team split 10% of the total supply, ranging from 0.5% to 2% depending on



the initial liquidity they provided, which has been locked.

- **Minimal distribution and pre-sale**

To ensure there was no single wallet or person that could disrupt the project, pre-sale was limited to a maximum of 0.5% per person with a maximum of 10 pre-sale investors.

- **Vetted and trusted early investment group**

The early investment group was hand-picked by the core team and are also contributors to the long-term success of the project.

### **Clear and transparent community communication**

- To keep the community engaged through potential volatility, we make our developments and plans as transparent and clear as possible.

- **Accessible core team**

The development team is public and available through all communication channels for questions and submissions.

- **Organic growth**

MUNCH is a long-term project as such we are targeting developments to increase our legitimacy, trust, and utility for the community, rather than substanceless promotion.

The MUNCH contract has also been independently audited by [Solidity](#) to assure these standards.

## **Source of funds verification**

The second issue facing the DeFi industry and charity tokens is the source of funds verification. Crypto transactions are anonymous by design so highly accredited charities can be wary of accepting large donations from anonymous sources.

To help MUNCH work with the widest range and most effective charities we are committed to only working with accredited exchanges that conduct rigorous KYC procedures. All exchanges



undergo a due diligence process to ensure we attract genuine community members and investors.

We also agree donation terms with highly accredited charities in advance of donations starting from MUNCH. Using the block chain ledger to track funds enables us to monitor wallet addresses that have been highlighted for unscrupulous practices and take efforts to address this such as withdrawing from any exchanges with multiple addresses with negative reputations.

## **Use cases**

The DeFi space is also currently heavily represented by so-called 'Meme Coins' with no real utility or future roadmap. The coins use popular cultural symbols to attract initial interest and rely on speculation and mania to generate momentum. While this can generate impressive numbers, it is unsustainable and fails to utilise the potential of DeFi technology.

The success of MUNCH relies on differentiating from this group and proving the standards of the financial model and the future use-cases for the protocol.



## **MUNCH SERVICES**

MUNCH offers a unique financial model that rewards its community and distributes resources to where they are needed.

### **Community distribution**

5% of every MUNCH transaction is redistributed back to the holders. This means, every transaction will increase your total amount of MUNCH. Being a MUNCH holder means you are invested in the future of the project and have a say in the causes supported by it.

Similar to network staking, holding MUNCH means users receive rewards from the future transactions on the network. This distribution is proportional in relation to the holding to prevent users creating multiple addresses solely to receive distribution tokens.

### **Charitable donations**

5% of all transactions are sent directly to a charitable cause, chosen from an approved shortlist by the MUNCH community.

These tokens are never stored in escrow in a wallet owned by MUNCH, they are converted to ETH at the transaction point and sent directly to the charity address.

By converting each transaction to ETH, and not storing multiple transactions, it makes the process trustless and automated. The community never has to trust that a person or team has to send the tokens to charity, it is locked into the design of the contract.

This also means that there is not a large build up of donations that would represent a major sell-off when sent to the charity. With MUNCH, the charity address receives a steady stream of ETH, keeping MUNCH stable and allowing the charity to extract the full value of the donation.



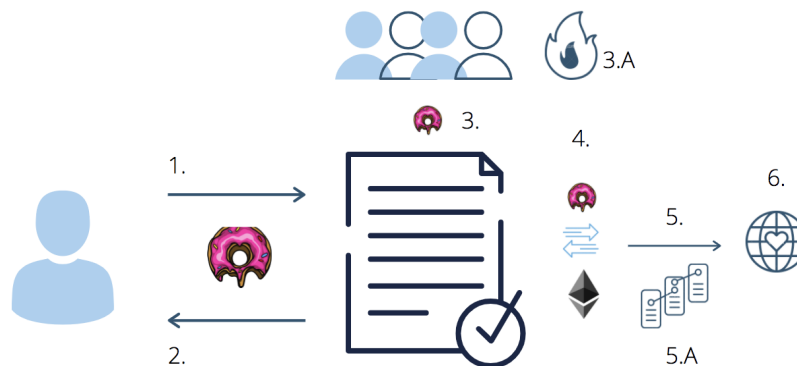
## **Deflationary growth**

When the burn schedule is complete, 30% of the initial MUNCH supply will be held in an inaccessible 'burnt wallet' which means that these tokens can no longer be used in circulation.

This wallet will continue to receive tokens distributed from the transaction fees so a proportion of tokens will continue to be burnt, creating a deflationary supply.



## THE MUNCH ECONOMY AND COMMERCIAL MODEL



**1.** A user buys MUNCH tokens through an exchange or Uniswap.

**2.** A 10% transaction fee is collected, meaning they receive 90% of the original transaction value in MUNCH in return for their origin currency (USDT, BTC, ETH)

**3.** 5% of this amount is then distributed back to holders of MUNCH, based on their proportional holdings.

**3.A** As the irretrievable burn wallet contains 30T MUNCH tokens (after the full burn schedule is complete) so tokens will be distributed here, creating a gradually deflationary supply.

**4.** 5% of the transaction is then automatically converted to Ethereum (ETH), using a router function.

**5.** This ETH is then sent automatically to a designated charity ETH address so there are no large single transactions in MUNCH that would disrupt the token.

**5.A** All charity donations can be tracked via the immutable ledger of the the Ethereum blockchain

**6.** The charity is then free to store these donations as ETH, or convert them to FIAT currency to use as required. This allows for a tremendous transfer of resources to the charity without the need for third-parties or any operational costs.



## **Trustless transactions**

Using this model means that no funds marked for donation are ever stored in a MUNCH wallet or in the MUNCH token. As the transaction occurs, the router function converts the transaction to ETH and it is sent automatically to the designated community-chosen charity wallet.

Users of MUNCH can trace their transactions through the ledger to follow and verify all reported funds match all reported donations at any time. The charity wallet is visible in the contract and can be checked at any time, by any individual.

## **Stable and usable value**

In addition to making this system trustless, MUNCH is the first charity project to offer a trustless model with long-term stability built into the design. In less sophisticated models, donated funds are stored in a separate wallet, often under individual ownership. Once funds reach a certain threshold, they are converted to ETH or BTC and sent to the charity. However the size of this transaction, in relation to the market cap of the coin, causes slippage and can instigate panic in token holders as the value drops. This destabilizes the token value and leaves charities with donations that are worth less than the original intended amount.

By converting at the transaction point, MUNCH builds this outflow into its tokenomics. There are no large single transactions and the charity receives the full amount in ETH, which has a stable value that can be converted to fiat without loss.



## THE COMMERCIAL INCENTIVE

Charities are a business. They have running costs, marketing costs, and third-parties to pay in order to raise and distribute resources to where they can help people.

Laurie Styron, an analyst with the philanthropy group revealed that marketing spend can often outweigh program spending by dramatic margins. Looking into the operation of a number of high-profile charities for the LA Times, revealed the scope of the problem.

“The National Veterans Foundation spends [19%](#) of their budget on programs, and it costs them \$89 to raise \$100 in public donations,”. “The California Department of Justice reported that for the year 2008, commercial fundraisers collected \$355.8 million in donations and, after expenses, sent [\\$156.4 million](#) of it to the charities.”

The unique, trustless, and decentralized structure of MUNCH means that DeFI could be used to better route resources from people to people without losing as much through operational leakage along the way.

By partnering with MUNCH, charities would be able to generate a source of donations that doesn't require any marketing or routing costs. Automating the process through blockchain technology, MUNCH represents a financial model with lossless donations to charitable causes that can be implemented in numerous fundraising use cases.

## Ecommerce opportunity

Goods and services industries also are known to associate themselves with worthwhile causes, but the problems of traditional finance mean these efforts are often mistrusted or misrepresented, even when conducted by otherwise reputable brands.

Consumers have to trust corporations to accurately and honestly distribute revenue to the causes. This involves 'black box' processes and transactions that users have no visibility or agency over.



Using MUNCH's unique protocol, it allows businesses to transact with a set proportion of revenue directed to automated and verifiable sources. By offering transactions in MUNCH it would enable businesses to engage in redistribution with a loss-less and automated system that all stakeholders can verify at any time, on any transaction.



## THE MUNCH TOKEN

**MUNCH is an ERC-20 token.**

ERC20 is an official protocol for proposing improvements to the Ethereum (ETH) network. ERC stands for Ethereum Request for Comment, and 20 is the proposal identifier. This is a common standard for creating tokens on the Ethereum blockchain.

The difference between an ERC-20 token and a currency such as Bitcoin (BTC), is that ERC-20 tokens are issued on the Ethereum network rather than of running on their own dedicated blockchain

ERC20 tokens are stored and sent using ethereum addresses and transactions, and use gas to cover the transaction fees. The ERC-20 protocol applies a defined set of rules that apply to all ERC20 tokens which enables them to interact with other tokens.

Wallets and exchanges then use this standard to integrate multiple ERC20 tokens onto their platforms, enabling the exchange of multiple ERC20 tokens and other cryptocurrencies.

While MUNCH is an ERC20 token, there exists the possibility to build a 'bridge' to other networks, such as the Binance chain that would allow more people to join the MUNCH community.



## **FUTURE DEVELOPMENT:**

### **Q2 2021:**

- Contract audit - Complete
- Discord setup
- Marketing partnerships
- Influencer marketing
- Binance bridge
- New website

### **Q3 2021:**

- Automated voting system based on proportional holdings
- Partnership with NFT platform
- New website V2
- Organisational level partnerships
- Listing on Kucoin and other Tier 1 exchanges

### **Q4 2021:**

- Launchpad platform v1 (social causes)
- Launchpad platform v2 - new crypto projects (IDO)
- Listing on new exchanges

### **Q1 2022:**

- Launchpad platform 2 (individual causes)
- Accepting crypto payments/donations as a service, automated wallet setup and partner APIs.



## MANAGEMENT AND ADVISORY BOARD



### Rodrigo Silva

MUNCH was devised and developed by **Rodrigo Silva**. Rodrigo is the architect of the contract and has a deep pedigree in technology, owning his own technology company in London.



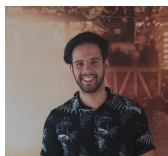
### Rafael Cardoso

Rafael is an experienced developer with over 9 years' of experience in designing and implementing cloud solutions. Over the past years, he traveled across Europe to design and implement projects for several companies in the gaming industry, financial sector, retail stores, and software trademarks.



### Roughan Bass

Roughan is a highly experienced developer with over 20 years' of commercial experience, designing and implementing bespoke technology solutions in Ireland, U.K., Dubai, and Canada. Roughan has owned his own technology services company in Dublin Ireland since 2013.



### Pedro Costa

Pedro has over 8 years of experience in Social Media Marketing, great passion for graphics and motion design.





### **Pete Martin**

Pete is an experienced entrepreneur and investor with over 10 years' sales and account management experience. His skills lie in strategic development and networking.



### **Matthew Howarth**

Matthew has over 10 years' experience in Business Development and growth strategy at the C-Level in multiple start-ups and young businesses in both Barcelona and the UK.



### **Jon Fletcher**

Jon is a branding and marketing expert with experience helping new crypto projects develop their messaging and branding, launch, and run successful security token offerings. .



### **Mike Si**

Mike is a startup advisor, investor, and product leader. He has led business/product strategy, roadmap and development at American Express, Barclays and across multiple hyper growth fintechs.

## **Advisory Board**

The MUNCH team also has a trusted group of advisors that were the group invited to take part in the limited presale. Each member was chosen for their ability to add value to the project



throughout and their track record of involvement with successful and trusted crypto projects in the past.



## GLOSSARY

**Blockchain:** A system in which a record of transactions made in bitcoin or another cryptocurrency are maintained across several computers that are linked in a peer-to-peer network.

**Decentralized:** Decentralization or decentralisation is the process by which the activities of an organization, particularly those regarding planning and decision making, are distributed or delegated away from a central, authoritative location or group.

**DeFi:** An umbrella term for financial services on public blockchains, primarily Ethereum. With DeFi, you can do most of the things that banks support — earn interest, borrow, lend, buy insurance, trade derivatives, trade assets, and more — but it's faster and doesn't require paperwork or a third party. As with crypto generally, DeFi is global, peer-to-peer (meaning directly between two people, not routed through a centralized system), pseudonymous, and open to all.

**Deflationary:** Characterized by or tending to cause economic deflation

**ERC-20:** Ethereum Request for Comment, with 20 as the proposal identifier.

**Ether:** Ether is the native cryptocurrency of the Ethereum platform.

**Ethereum:** Ethereum is a decentralized, open-source blockchain with smart contract functionality

**MUNCH:** Used to refer to the ongoing project but can be interchangeable with the MUNCH token

**MUNCH Token:** Used to refer directly to the currency of the MUNCH project



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*MUNCH*

