



# TELLURIA MARKETPLACE

New generation cryptocurrency marketplace

WHITEPAPER – Informational Document

Version 1.0

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## VISION

During the first quarter of 2018, the rapid growth of the cryptoasset market was replaced by a correction. However, despite the fact that its capitalization decreased significantly, as were the prices of most assets, the high volatility retained by the market allows traders to achieve some serious profitability. In general, the crypto market considerably surpasses the “classical” stock market based on this metric.

However, if cryptocurrency traders and investors previously received profits on account of long term investments, now though, that strategy does not work. Increasing ones capital and earning profits under current conditions is possible only with the active trading of assets.

As a result of this, cryptocurrency exchanges are becoming a central element within the market. However, most existing solutions are far from completion.

### **The main issues are:**

- Difficulties with scalability and hang time during peak load times.
- Low protection from cyber-attacks.
- Legal issues relating to new regulations taking effect in various countries.

### **The incompleteness of current solutions results in issues for cryptocurrency traders.**

#### **Here are a few example:**

- Issues with registering even on the biggest exchanges.
- Regular malfunctions in exchange operations.
- Loss of assets as a result of hacker actions.
- Low levels of liquidity.
- High commissions.

Solving these issues was one of the main tasks upon starting this project. The Telluria team has developed a highly productive platform, which has demonstrated that it can handle 3 million orders per second during testing.



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A high level of user security is a true priority for the Telluria team. We use tried and true cryptography mechanisms, which together with a continuous audit and the utilization of the best cloud market solutions have allowed us to build a reliable security system and minimize the possibility of stolen funds.

Telluria follows the law closely. Investors and traders need not fear the possibility of regulations emerging in regards to exchanges which are registered in the jurisdiction of nations which yet do not employ regulatory frameworks as per the subject matter. Due to the platform, already being compliant with the legal frameworks of the country in which it is registered. In comparison to exchanges registered in the jurisdiction of countries in which regulations are simply absent.

**Telluria Mission – to allow any individual from any part of the world to securely purchase and sale cryptoassets in just a few clicks.**

Telluria has analyzed the functionality of popular exchanges, their short fallings concerning productivity, and has applied its own, original solution plan. This will allow us to create the best product, solving existing issues, and take one of the top places in the leader list of similar platforms.



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# MARKET OVERVIEW

## Analysis of current tendencies

Over the course of a few years, the cryptoasset market developed rapidly. The market capitalization surpassed \$830B, a massive quantity of new traders entered the market, the amount of cryptocurrency funds increased significantly.

However, at the start of 2018, the rapid growth came to a stall, and was replaced by a prolonged correction. By the end of the first quarter, market capitalization dropped below \$300B. Many traders and funds suffered through huge losses. According to data gathered by Eurekahedge, the profitability of cryptofunds dropped from 1708.5% in 2017 to -56.67% during the first three months of 2018. According to Bloomberg, at least 9 cryptofunds closed their doors in 2018.

Despite this, there are market participants that have managed to demonstrate positive profitability even under such challenging conditions. Stemming from the market drop, the strategy of long term investments in base cryptoassets (BTC and ETH), stopped working. Nonetheless, the cryptomarket still retains its high volatility, and it is exactly that, which is the source of impressive profit.

The key to success lays within the formulation of a well thought out strategy, one which assumes regular trading operations and the monitoring of various asset prices. Another instrument which allows for drawing profits in volatile market conditions is marginal trading.

This results in a significant growth behind the importance of cryptocurrency exchanges, due to only them allowing for profitable trade operations to be made. The entire market is dependent on the effectiveness and stability of exchanges.



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## Issues with existing solutions

Practically all existing solutions in the field of cryptocurrency exchanges are far from ideal. Users regularly bump into problems, and this provides for a negative impact in terms of the entire market.

### Inoperability during peak loads

Practice demonstrates that nearly all exchanges experience issues during heavy user inflows. Their bandwidth is limited, and as a result, during sporadic increases of orders, systems malfunction, and this causes users to lose their funds.

During such malfunctions, precious time to execute orders is lost, and market prices may change drastically by the time a system recovers. The result of this is lost profits.

Aside from this, and during heavy market situation changes, many, even large exchanges disable new user registrations, or make verification processes inaccessible.

The limited registration of new users on the Bittrex and Bitfinex exchanges during the period of December 2017 can be used as an example<sup>1</sup>. If such measures would not have been taken, serious disruptions in the operations of the aforementioned exchanges would have occurred.

Even more serious issues during heavy loads was experienced by the Coinbase exchange, at the end of November, 12 million users were not able to log in to their profiles, and thus, could not factually access their assets<sup>2</sup>. Disruptions in the operations of other exchanges were occurring at the same time, which lead to a significant drop in the price of BTC and other cryptocurrencies.

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<sup>1</sup> <https://cointelegraph.com/news/binance-bitfinex-bittrex-temporarily-say-no-to-new-users>

<sup>2</sup> <https://www.ccn.com/bitcoin-exchange-coinbase-suffers-amid-trading-frenzy-record-highs/>



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## Lack of liquidity

Another important problem, characteristic for many cryptocurrency exchanges, is the lack of liquidity. This results in trade lags, closing orders ends up taking too much time. This leads to assets being sold/bought at prices that significantly differ from the ones during the initial order placement. As a result, users carry losses.

The situation is further accentuated by the markets high volatility. From one perspective, the volatility allows traders to reap profits, however, the lack of liquidity on an exchange coupled with volatility can lead to even greater price discrepancies from the time an order is placed. Hence, losses also increase.

The issue pertaining to the lack of liquidity is especially acute during the initial stages of an exchange, meaning, immediately after launch, when the quantity of users is insignificant. In this case, assets can be sold/bought only at a low/high cost, which is highly unfavorable for traders.

## Security issues

The next serious issue is tied to the security of cryptocurrency exchanges. Hackers regularly stage DDoS attacks, which lead to malfunctions in operations, or simply steal user funds, while these thefts can be colossal in size.

In the beginning of 2018, hackers stole over \$500M worth of NEM by hacking the Japanese cryptoexchange Coincheck<sup>3</sup>. As a result, many traders carried losses. But, the damage was not done just yet, the negative effects spilled out over the entire market – the market capitalization, as well as the cost of most assets, decreased.

Aside from hacker attacks, developer mistakes can also be seen as serious issues. For example, in March of the current year, a mistake was discovered in the Coinbase exchanges smart contract<sup>4</sup>, which allowed for an unlimited amount of ETH to be withdrawn.

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<sup>3</sup> <https://www.cnn.com/2018/01/27/hacked-japanese-cryptocurrency-exchange-to-repay-owners-425-million.html>

<sup>4</sup> <https://www.ethnews.com/coinbase-bug-allowed-users-to-fund-wallets-with-unlimited-ether>



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## Legal issues

In most countries, laws pertaining to crypto market regulations are still in their development stages, are being altered, or are simply ignored. While at that, companies whose operations are tied to cryptocurrencies, and their clients, frequently see issues arise due to uncertainties in terms of regulations. Therefore, platforms that are registered in nations where such regulations have already taken place, as well as their users, are exposed to less risks related to legislative difficulties.

It is highly important to devote enough attention towards legal questions and acquire appropriate licenses when creating a cryptocurrency exchange. Otherwise, the probability of having issues with regulators is quite high, which is fraught with large financial losses not only for platform owners, but for its users as well.

## High commissions

Users of many cryptocurrency exchanges run into high and untransparent commissions. Some exchanges establish high commissions for trade operations, others take a big percent from fund deposits/withdrawals. As a result, the profits of traders are cut back. This is especially relevant for those who not only trade assets on exchanges but also invests in ICOs. It is recommended to not use exchange wallets when purchasing tokens during an ICO, traders are forced to pay fees for sending ETH to their wallets, and then even more fees when sending tokens back to their exchange wallets.

Aside from this, and due to regular cyberattacks, many exchange users prefer to not store their funds on exchange wallets. In order to carry out trade operations, they are forced to regularly execute asset deposits/withdrawals and pay fees, to which a considerable portion of their profits goes to.



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## Conclusion

In conditions of the markets growth being suspended, the main source of profits for cryptocurrency traders are regular trade operations. In light of this, the need for stable and secure cryptocurrency exchanges arises.

The activities of most solutions in this field involve a slew of serious problems. Even the largest exchanges incur hacker attacks, as a result of which, scammers steal massive sums. Most exchanges end up being inoperable during peak loads. Users frequently run into lacks of liquidity and high commissions.

A significant problem relates to the discrepancies between the activity of cryptocurrency exchanges and legal norms or the very absence of such norms. Such exchanges fall under a Damocles sword, which cannot but raise doubts in the minds of investors and traders.

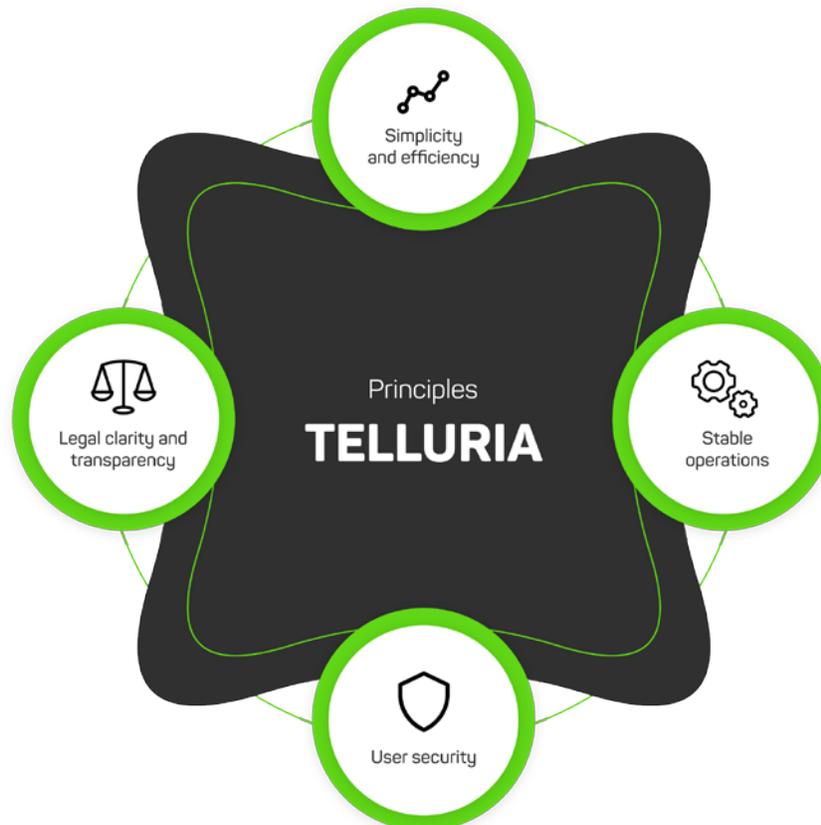
The creation of a quality and complete solution is necessary to solve all of the issues mentioned above. Telluria – a new generation cryptocurrency exchange, can become this solution.



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## TELLURIA SOLUTION

Telluria – is an innovative, new generation cryptocurrency marketplace, which eliminates the issues of existing solutions, significantly expands the possibilities of traders and allows for maximum profits to be drawn with minimal risks.



Telluria presents itself as a highly advanced technological exchange system, where high speeds and reliable trading is ensured by technological solutions based in intellectual balancing algorithms and load distribution. User and asset data is secured through the use of inbuilt defense algorithms and multifactor authentications. Aside from this, Telluria provides for rapid fund deposits and withdrawals, an easy to understand interface, as well as low trade commissions.



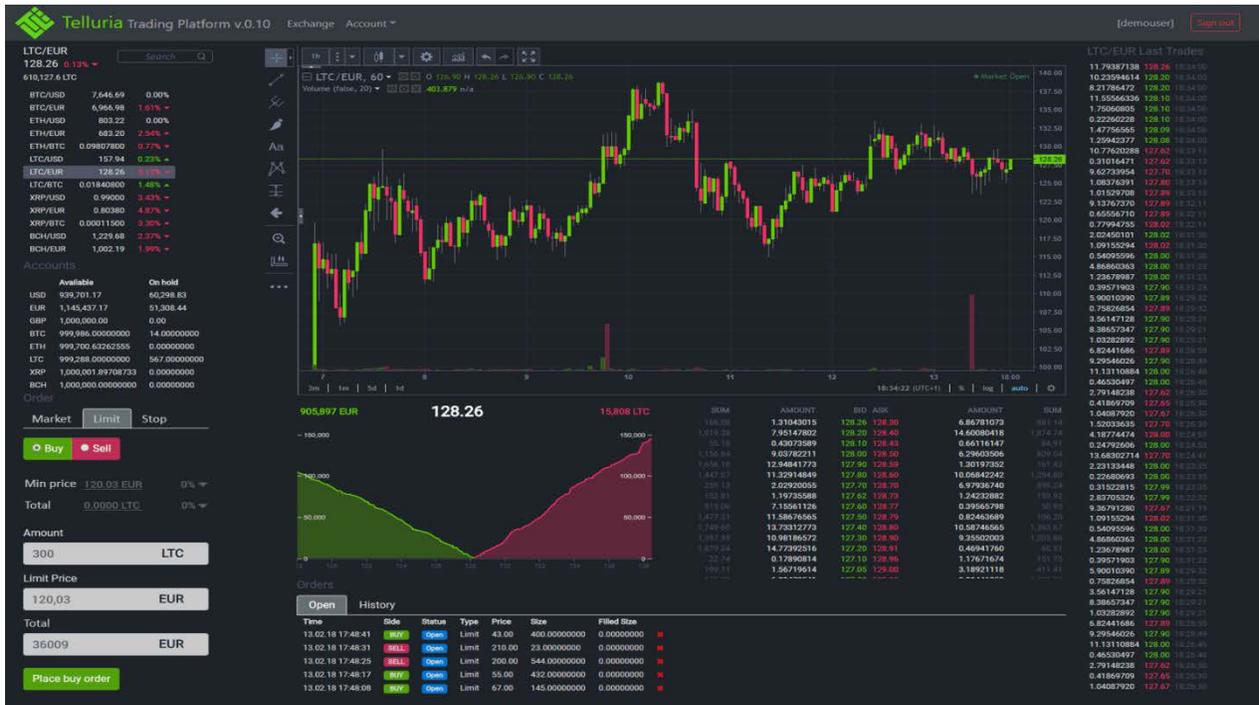
# Telluria goal

Telluria goal – to create a cryptocurrency marketplace, free from the shortcomings of existing platforms, allowing for millions of secure transactions to be made every second, and thus, a platform that increases trader profits.

# Telluria functionality

## Product completion

The Telluria team has created a highly advanced technological product, which is 95% complete.



We conducted multiple tests, through which the systems stability under various loads was checked, as well as load increases over a short and long term period.

At the moment, we have a fully functional platform base. All key Telluria marketplace functions are already available.

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## Trading **reliability**

The use of leading technology provides for highly stable platform functionality. The combination of IMDG possibilities and scalability along with the flexibility of Google Cloud opens up a broad range of possibilities to continually increase computing power.

Thanks to this, Telluria minimizes the probability of platform failures. This allows for users to earn profits and not have to worry about limited account access due to technical issues.

## Extensive **scalability**

The base for the Telluria platform is the In-Memory Data Grid. This technology allows for ultra-high speed access to data on account of it being stored in Random-access memory in a distributed state.

The use of IMDG provides for the execution of over 100,000 orders a second in one node. During a test of the systems test configuration, consisting of 16 servers, a capacity of 3,000,000 orders per second was achieved.

## Easy asset **deposits/withdrawals**

Telluria users will be able to realize deposits/withdrawals in just a few clicks. Upon the first stage of the platforms functionality, users will be able to top up their wallets and withdraw funds in USD₣ and EUR₣. These assets are pegged to their fiat analogues and are easily convertible. Wherein, they possess all of the benefits of cryptocurrencies, such as cryptographic security, transparency, and accessibility.

Two months following the platforms launch, deposits/withdrawals of funds will be made available for users by means of bank transfers.

The Telluria money is preparing all necessary documents to obtain E-money licenses, acceptable in Europe, Asia, and North America, in advance. Immediately upon receiving them, fund deposits and withdrawals will be realized through Telluria's own payment system. As a result, these procedures will go through instantaneously, while commissions will be minimal.



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## Adaptive **KYC/AML system**

Telluria realizes a convenient, yet adherent to regulatory standards, KYC/AML process. Passing verification on our platform will take a minimal amount of time and will be available during any time of the day.

The verification system assumes a few levels. For depositing/withdrawing funds and carrying out transactions that do not exceed 2 BTC, passing verification is not required. Filling out an appropriate form and providing necessary documents will be required in order to execute transactions of large sizes.

## High level of **security**

All Telluria servers function in a controlled and isolated Google Virtual Private Cloud (VPC) state. A continuous audit of the system is done, which allows for the actions of scammers to be instantaneously discovered and thwarted. The security of personal user data is ensured through the use of modern encryption technology.

Together with this, 98% of all assets within the bounds of the platform all stored on internal system cold storage wallets. Current transactions use a limited amount of assets, which is determined in accordance with estimated daily trade demand.

## Low **commissions**

Telluria offers its users one of the most favorable conditions in the market. Commissions from trade operations executed by users (market makers and market takers) comprises only 0.15%.

Aside from this, impressive discounts are provided to TELA token holders, which will significantly decrease commissions, which will positively reflect on profit volumes.



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## Broad spectrum of cryptoassets

Telluria opens up trade access to an as broad as possible spectrum of assets. Over 500 various cryptocurrency and ICO tokens are presented on the platform, starting from the most popular ones, and ending with the newest prospective assets.

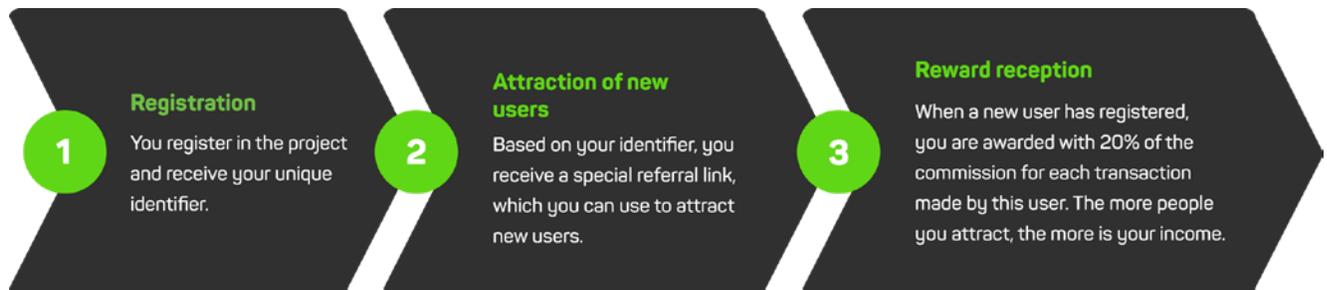
Users also have access to a huge lineup of currency pairs. The platform allows for the exchange of any liquid assets.

## Fork support

The platform supports any cryptocurrency forks. Once a fork is implemented, and in accordance with its rules, users automatically accrue the newly created cryptocurrency.

## Referral program

Telluria provides all registered users with the ability to receive additional passive income within the bounds of the referral program. The referral program operates in three stages:



The more users YOU attract - the greater YOUR income.



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## Technical solutions

### In-Memory Data Grid

IMDG technology allows for the highest speeds in processing large data sets to be achieved. IMDG provides within itself a distributed object storage, similar to a regular hash-table with its interface. Thus, IMDG allows for any business-model object value to be used as a key, which significantly increases flexibility.

#### The main advantages of IMDG are:

- Scalability of sectioned data in a cluster (Data Partitioning).
- Transaction support, corresponding to ACID requirements (atomicity, consistency, isolation, durability).

Today, IMDG is successfully used in fields such as Risk Analytics, Trading Systems, Fraud Detection, Biometrics, and eCommerce.

The technology contributes to significant performance and scalability, which is especially pertinent in terms of creating a cryptocurrency exchange. It is the basis of the Telluria platform, and ensures stability and security when operating under any loads.

### Google Virtual Private Cloud

The Google company presented one of the best solutions in the field of cloud server creation. Google VPC provides the ability to automatically set up a virtual topology. Along with the products development and growth, users will be able to easily and quickly change VPC sizes and connection terms.

Aside from this, a VPC allows to significantly broaden the companies geographic horizons of operation, as well as to ensure a high level of security thanks to the support of Google data centers.



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A distributed software architecture allows for the system to be scaled up rapidly without harming or sacrificing performance. Another benefit of the Google VPC is the ability to monitor the deployment of a cloud, based on the use of VPC flow journals and Stackdriver integration. As a result, this opens up broad possibilities for analyzing system performance, as well as uninterrupted control over security, and the detection and suppression of intruder attacks.

## Project development

### Addition of new and liquid cryptoassets

With each day, the cryptomarket is replenished with new tokens or cryptocurrencies. According to coinmarketcap data, there are over 1500 various assets in the market today. However, many of them are far from being liquid.

As the platform develops, Telluria analysts will conduct detailed analyses of new assets, study new ICOs, and weed out scams, adding only the most prospective and liquid assets to the platform. This will significantly broaden the capabilities of users and protect them from scammers.

### Margin trading

Margin trading can bring significant profits to cryptocurrency traders. The integration of this mechanism is one of Tellurias priority tasks.

The realization of a marginal trade mechanism is impossible without obtaining a broker license. In the worst case, this will entail significant legal consequences. As the platform develops, and upon the reception of sufficient financial assets, a broker license will be received. Users will be able to securely short assets, which will allow them to significantly expand their operation volume.

### Marketplace decentralization

Currently, many projects take up attempts to create decentralized cryptocurrency exchanges. However, in light of technology not being developed enough, such solutions are far from ideal.



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The Telluria team monitors all technological innovations. Upon new solutions appearing in the sphere of cryptocurrency trading, we will create our own decentralized marketplace. This will increase the level of security even more, and open up new possibilities for users. They will be able to trade cryptoassets without the involvement of third parties. At the same time, the TELA token will be used for internal settlements within the system.

## Integration of own Blockchain

Another important step in the development of the project is the integration of our own Blockchain for storing data on trades conducted by users. This will become another instrument for increasing security and system transparency.

## Telluria bank

Upon the project developing, Telluria will transform into an extensive ecosystem, tying together within itself a cryptocurrency marketplace, payment system, and commercial bank, at the base of which lays Blockchain technology.

As a result, all standard banking services, such as the opening of multicurrency accounts, payments, and transfers, placements of deposits, receiving loans, bank card emissions, and the installation of POS-terminals will become available to users.

The Telluria bank will provide services to both individuals and businesses. All operations will be available in fiat and cryptocurrencies. All required licenses will be obtained to do so, a connection to SWIFT and active payment systems (Visa, MasterCard, etc.), has already been made.



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## Legal aspects

Compliance with legal requirements and following the letter of law – is one of the main principles of Telluria. The platforms operations are conducted exclusively within legal frameworks, established by legislative acts in the field of regulating cryptocurrency and token operations, as well as matters pertaining to conducting ICOS.

In order to provide users with optimal conditions for depositing/withdrawing funds, Telluria will carry out active work on acquiring PSP and E-money licenses. Estonia was chosen for jurisdiction purposes. The country differs on its governments positive disposition towards leading technology, in particular, the field of Blockchain and cryptoasset technology. In Estonia, soft legislations, regulating the cryptomarket have been adopted. In addition, Estonia is a member of the European union, licenses obtained here apply throughout the entire EU territory.

Current plans include the obtainment of similar licenses in North America and Asia. This will allow for our user based to increase many times over, increase liquidity, and thus, create even more beneficial terms for traders.

## TELLURIA ICO

During the ICO, the Telluria platform will realize the emission and distribution of TELA tokens.

## TELA token

Token name	TELA
Platform	Ethereum
Standard	ERC-20
Maximum number of tokens to be released	300.000.000



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## Token holder advantages

TELA tokens can be used to pay for any commissions on our platform.

**When paying commissions using TELA tokens, you receive significant discounts:**

Validity period	Discount amount
<b>First month</b>	100% discount (no commissions for holders of more than 5000 tokens)
<b>1 year</b>	50%
<b>2 year</b>	25%
<b>3 year</b>	15%
<b>4 year</b>	10%
<b>5 year</b>	No discount

Maximum discounts will be available during the initial stages of the platform. There will be no fees for the first month for holders of over 5000 TELA tokens.

Every 4 months, 25% of the profit received by Telluria will be directed towards the repurchase of TELA tokens at their market price. Repurchased tokens will be “burned”, which should aid in increasing demand for them and their price.

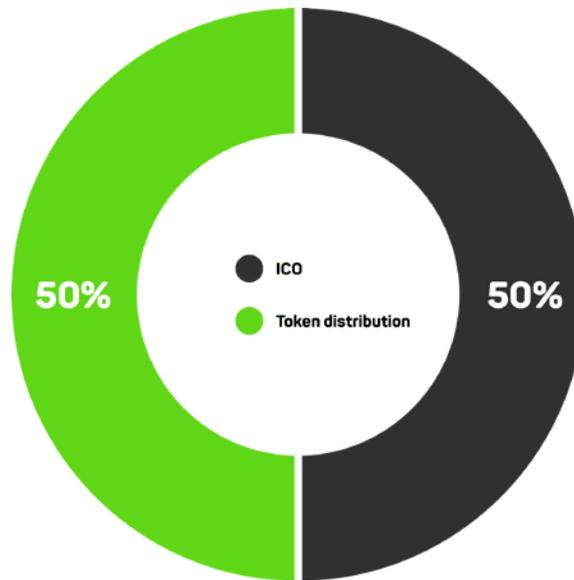
The repurchase policy will be effective until the volume of repurchased tokens reaches 150,000,000. Repurchased tokens will be “burned”. There will be a maximum of 150,000,000 TELA left in circulation.



## Token distribution

50% of tokens will be distributed throughout the ICO

50% tokens will be directed to the investment fund of the company



## ICO stages and token pricing

ICO stages	Week 1	Week 2	Week 3	Week 4
CET/GMT +01:00	8:00 07.05 8:00 14.05	8:00 - 14.05 8:00 - 21.05	8:00 - 21.05 8:00 - 28.05	8:00 - 28.05 8:00 - 04.06
1 ETH	5200 TELA	4600 TELA	4100 TELA	3700 TELA

ICO stages	Week 5	Week 6	Week 7	Week 8
CET/GMT +01:00	8:00 - 04.06 8:00 - 11.06	8:00 - 11.06 8:00 - 18.06	8:00 - 18.06 8:00 - 25.06	8:00 - 25.06 8:00 - 02.07
1 ETH	The price will grow by 1% each day.			

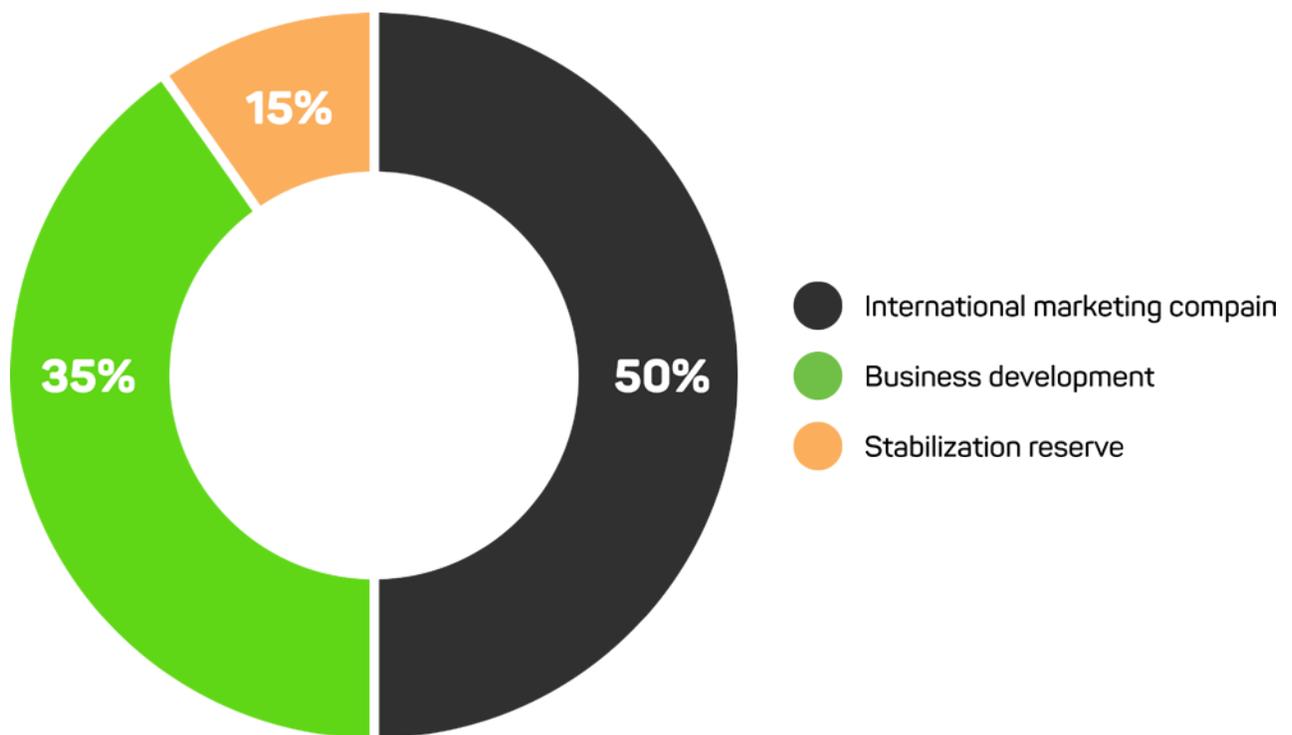


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## Use of funds

Funds acquired during the ICO will be distributed as follows:

- 50% - international marketing campaign
- 35% - business development and the acquisition of necessary licenses
- 15% - stabilization reserve



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## ROADMAP

<b>August 2017</b>	Commencement of business - idea, strategy, creation/formation of the team, development of the prototype.
<b>November 2017</b>	Registration of the company in Austria - the country with the blockchain-friendly jurisdiction, aimed at the crypto currency regulation.
<b>March 2018</b>	95% readiness of the project - completely operating product with the basic set of functions. Testing of the system under the conditions of repeated short-term and long-term increase/change of load.
<b>April 23, 2018</b>	Engaging Ethereum technology. ICO announcement. White Paper publishing.
<b>May 7, 2018</b>	Start of ICO
<b>June 2018</b>	Launch of the trading platform / crypto marketplace
<b>July 2018</b>	Registration/Obtaining PSP license in Asia
<b>August 2018</b>	Registration/Obtaining E-Money license in Europe
<b>2019</b>	Registration/Obtaining E-Money license in the USA and Asia
<b>2020</b>	Start of the project phase on opening of both the cryptobank and pay system based on blockchain-technology in Europe.



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## TEAM



### **Hans-Peter Hülsebusch**

**Company director. Financial adviser. Co-founder of the company.**

More than 20 years of experience as an adviser in private financing. The concept and marketing of closed real estate funds, the provision of various financial services, loans, insurance and financing services.



### **Vladislav Chetyrkin**

**Company director. Coordinator of the software development department. Co-founder of the company.**

Software engineer. Diploma in Engineering - St. Petersburg Academy. More than 20 years of experience in design, development and implementation of software in large companies in banking sector and telecommunications industry - among them Wirecard, BMW Bank, SSP EUROPE, etc.



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## TEAM



### Alexander Utschitel

**Head of AML / KYC Compliance Department. Co-founder of the company.**

Lawyer. Diploma in Law - the University of Regensburg. A certified anti-money laundering specialist. Legal adviser in the field of corporate regulation and enforcement of established requirements.



### Christian Otto Ries

**Christian Otto Ries Economic adviser. Co-founder of the company.**

Economist. Diploma in Economics - the University of Bayreuth. Advising in the field of taxes and law. Complex and proactive advising services, tax advice when making both operational and strategic decisions in the company.



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## TELLURIA ADVISORS



**Dr. Oliver Völkel, LL.M.**

**Cryptocurrency adviser**

Banking & Finance · Capital Markets ·  
Health Care · Corporate Law · Civil Law ·  
Law of Virtual Currencies  
(Cryptocurrencies)



**Dr. Arthur Stadler**

**E-commerce adviser**

EU Law · E-commerce, Internet Law, Data  
Protection Law · Gambling and Betting  
Law · Competition Law · Payment Services,  
Cryptocurrencies, Bitcoin

