

# DCS TOKEN WHITEPAPER





# 1. Introduction

## Overview of Payments

Payments relate to how parties exchange mediums of value for goods and services, making the payment industry crucial in everyday life. Over the centuries, these mediums of exchange have evolved, and today, they mainly operate with fiat currency.

## Evolution of Payments

Blockchain technology introduces a new digital infrastructure to facilitate value exchange through cryptocurrencies and tokens. However, such payments are still largely confined to blockchains and have not yet been widely adopted as a trusted means of exchange. More than a decade after Bitcoin's debut in 2009, web3 and web2 remain segregated.

Web2 has advanced to digital and mobile payments, quickly replacing physical cash and cards. Processing digital and mobile payments is complex: it requires messaging flow (information exchange), fiat fund flow (fund movement), and reconciliation to keep both flows in sync. Blockchain technology simplifies the payment process; cryptocurrency transactions do not need separate reconciliation processing. When a transaction is confirmed on the blockchain, the digital asset has already been transferred.

## Challenges with Web3 Tokens

To counteract the high speculation and volatility of cryptocurrencies, stablecoins were introduced. These are forms of cryptocurrency with value supported by fiat currency, commodities, or algorithms, making them less speculative.

Today, stablecoins pegged to fiat currencies are the most accepted tokens for payments due to their stability and market liquidity. However, there is still a risk, as most of these highly traded stablecoins are issued and managed by fintech companies following self-declared protocols and operations.

Financial institutions are best positioned to lead the integration of web3 payment infrastructure because they operate under defined regulatory frameworks and are deeply entrenched in the payment needs of the real economy in web2. Several government authorities worldwide have begun contemplating new regulations for web3 activities, aiming to provide a secure and reliable environment. However, it will take time to establish a unified regulatory framework for stablecoins globally.

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## Introduction to DCS Tokens

Considering the above-mentioned challenges, DCS Tokens is pleased to introduce an innovative payment solution named DCS Tokens. With 50 years of unparalleled experience in operating credit card issuing and merchant acquisition, DCS Tokens operates under the trusted governance of the Monetary Authority of Singapore (MAS) under the Banking Act.

DCS Tokens is uniquely backed by a 1:1 fiat guarantee. Unlike other tokens that rely on self-declared protocols or algorithms, DCS Tokens is built on our robust and well-established credit card issuing and merchant acquisition business. Every DCS Tokens is minted and burned seamlessly as part of our existing operations, ensuring that the policies governing the DCS Tokens are deeply integrated with Web2 payment processing and fully aligned with established regulatory frameworks for traditional payment processing.

By leveraging our extensive experience and unwavering commitment to regulatory compliance, DCS Tokens effectively bridges the gap between Web2 and Web3. This offers a secure, reliable, and advanced payment solution within the Web3 ecosystem, making financial transactions more efficient and trustworthy.

# 2. Mission

The mission of DCS Tokens is to bridge the gap between Web2 and Web3 payment systems by providing a stable, secure, and regulated digital currency solution. Leveraging over 50 years of expertise in credit card issuing and merchant acquisition and operating under the stringent regulations of the Monetary Authority of Singapore (MAS), DCS Tokens aims to simplify and enhance the payment process for everyone.

By integrating blockchain technology with traditional payment infrastructures, DCS Tokens seeks to offer a seamless, real-time settlement option using on-chain transactions and smart contracts, reducing the complexity and inefficiencies associated with fiat-based transactions.

Our goal is to foster broader adoption of digital payments within real-world assets, providing a trusted and stable medium of exchange that aligns with global regulatory standards. We aim to expand our reach and usability within the Web3 ecosystem, promoting a future where digital and traditional financial systems converge.

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# 3. DCS Core Business

## Credit issuing and Merchant Acquisition Business

Established in 1973, DCS Cards Centre was appointed as the exclusive franchisee of Diners Club International for card issuing and merchant acquisition and has since undergone a significant transformation to become mobile-first, refining its product solutions to stay ahead of competitors and better support underserved segments of the payment industry in Singapore. DCS Cards Centre now issues cards and acquires merchants for UnionPay International, MasterCard, and Visa.

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#### Credit Issuing Business

DCS provides credit to its customers based on thorough credit assessment and scoring. Customers can purchase products and services with the credit allocated by DCS, and DCS pays the merchants or service providers once the transaction is successfully posted. Customers then repay their total outstanding card balance monthly. With a robust credit assessment and scoring system, DCS has built a solid credit business with a strong customer base and a low charge-off rate. This reliability attracts investors to directly invest in DCS or indirectly through ABS bonds, which fund further credit issuance.

#### Merchant Acquisition

Merchants rely on acquirers to facilitate card payments for the exchange of products and services. DCS is licensed to provide merchant acquiring services for Visa, MasterCard, UnionPay, and Diners Club International. Additionally, DCS supports QR payments through wallets such as Alipay and WeChat Pay.



## 4. DCS Tokenomics

The operations of the DCS tokens are deeply integrated with DCS's core credit card issuing and merchant acquiring business. This integration ensures that the DCS tokens leverages DCS's established financial infrastructure, providing robust and reliable support for its usage.

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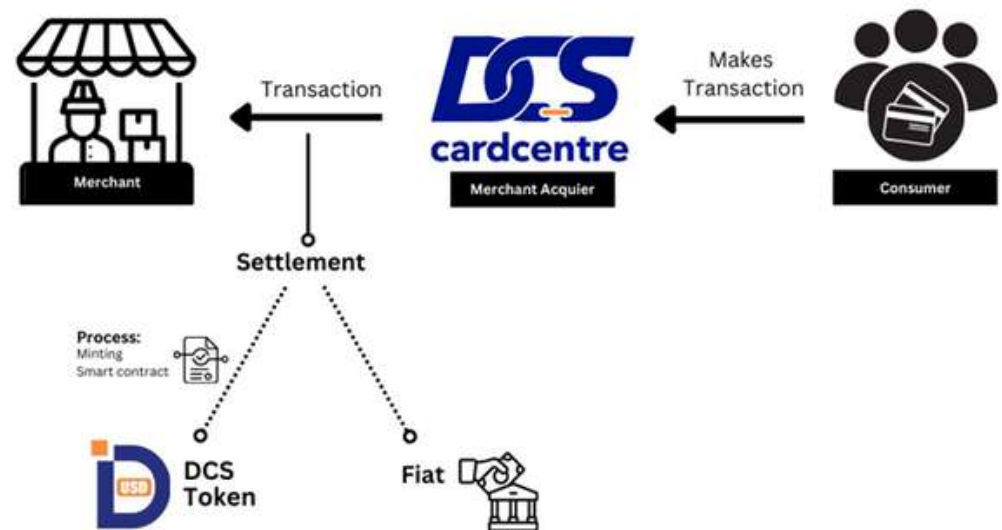
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From minting to burning, every aspect of the DCS token's lifecycle adheres to the foundational processes and stringent regulatory standards. This adherence not only ensures compliance with existing financial regulations but also instills trust and confidence among users and stakeholders, reinforcing the DCS tokens as a secure and dependable asset in both web2 and web3 environments.

#### Token mint for Acquired Merchants (Settlement)

DCS acquired merchants now have an alternative settlement option. Rather than only receiving settlement via a bank account, merchants can now opt to receive DCS tokens as a form of settlement. These merchants will register a designated web3 recipient wallet address that will be validated and then act as a default account for all subsequent transfers. The fiat value equivalent to the quantum of DCS tokens minted as merchant settlement will be ensured.



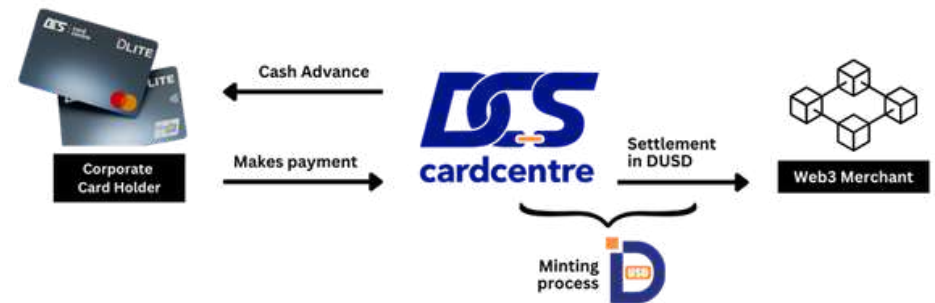


## 4. DCS Tokenomics

### Token mint for Web3 Payment (On-Chain Transaction, Smart Contracts)

DCS cardholders can use their credit limits to make payments to a preferred web3 wallet address with their DCS cards. This transaction will be processed similarly to a cash advance, but instead of disbursing cash to the cardholder, DCS tokens will be issued to the assigned web3 wallet address. The fiat value equivalent to the quantum of DCS tokens minted for the payment will be ensured.

***Currently this token payment service is only available to corporate cardholders.***



### Token Redemption to Increase Card Spend Limit

To redeem DCS tokens, the token holder must first apply for a DCS Card via the DCS Cards App. The application requires only a passport, and approval is instant. Once approved, the token holder can initiate the redemption of DCS tokens within the app, available 24/7 and fully automated.

All returned DCS tokens undergo KYT screening. Upon clearance, the equivalent fiat amount is transferred in real-time from the token reserve account to the cardholder's account. This increases the card spend limit, allowing immediate use for both online and in-person transactions.

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## 4. DCS Tokenomics

### Multi Chain Deployment

DCS Tokens is deployed on the Ethereum, PlatON, and Polygon blockchains. DCS Tokens on Ethereum (Ticker: DUSD) offers greater accessibility to individual web3 users, while the DCS Tokens on PlatON provides cost efficiency for corporate users. Additionally, DCS Tokens is available on Polygon to enhance outreach and scalability.

Ethereum Contract: 0x3581F76498675912D2EffB9def320464f49a3538

PlatON Contract: lat13st36t5kvx06rzu0f87m7044tzde02taxn0l3q

Polygon Contract: 0x04d237a38503DF2b98304050b234a0B6E9dBbe7d

## 5. Roadmap

DCS tokens will engage in more web3 native use cases, which includes but not limited to:

a) **Multi-Chain Availability:** Broaden the issuance on DCS Tokens on additional blockchains. Multi-chain issuing will be managed by DCS, like USDC operation, while welcoming bridging service providers to offer cross chain services.

b) **Lending:** DCS Tokens serve as an excellent tool for digital asset holders to cover daily expenses. Programs will be implemented to facilitate lending, allowing users to use their digital assets as collateral for fiat.

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c) **Increasing Exchange Listings and Expansion:** We will focus on getting listed on multiple exchanges to increase the token's accessibility and liquidity. This includes both centralized and decentralized exchanges, facilitating easier access for our users across various platforms. Additionally, we will expand our reach within the crypto ecosystem, ensuring a broader presence and adoption.

d) **Increasing Token Utility and Token Adoption :** We aim to increase the utility of DCS Tokens and drive adoption within various sectors of the web3 space, including GameFi, SocialFi, TradeFi, and other emerging areas. By increasing our token's use cases and forming strategic partnerships, we will contribute to the growth of the web3 ecosystem. This approach ensures that DCS Tokens become integral to the broader digital economy, fostering innovation and expansion across these diverse sectors.

# 6. Summary

The DCS tokens will seamlessly integrate native web3 payments with DCS's extensive web2 payment network, eliminating the divide between web2 and web3 transactions. This unified approach will facilitate smoother and more versatile payment experiences for users.

As the acceptance of the DCS tokens grows from both individual spending to corporate settlements, it will solidify its position as a foundational payment method in the web3 ecosystem, bridging the gap between traditional and decentralized finance.