## Digital Coin Specifications

1. Digital Coin is NOT a Single Uniform Commodity, like gold, silver, fiat money or bank credit. It is *virtual goods and services from specific suppliers.*

2. Digital Coin consists of two elements, the *unit of measurement* called Perpetual Coin (PC) and the *functional means of exchange*, the “digital object” called a Credit Coin (CC).

3. A “digital object” is a *secure unique serial number*

   Like paper cash without the paper, a “digital object” can be securely exchanged instantaneously, peer-to-peer without any third party involvement, like banks, PayPal or alternative currency databases. No accounting is required unless desired, and no records are generated.

4. Credit Coin is a “digital object”. It is a secure unique serial number representing a *time-limited contract for delivery of goods and services from a specific supplier*, hereinafter called *the Issuer*. Failure of the Issuer to redeem its credit contracts with its advertised products or services is a *breach of contract* and grounds for legal remedy, and ultimately, if not remedied, the *liquidation of the Issuer’s assets.*

5. Credit Coin is spent at one time and redeemed for product or service at a *maximum value at a later time* (up to 14 months). Thus all money in this system is a direct *investment in production* which is later rewarded with *a dividend payable only in goods and/or services.*

5\. All Issuer Credit Coin is *rejected by default*. It must be voluntarily accepted.

   Every individual can thus determine their own unique circulation of accepted credit from the local level of a few friends to global corporations and governments. Like the social networks, this would result in complete freedom of association, with every circulation potentially unique. These systems can be as isolated from the rest of the world or unified with it as the members desire and still use the same technology and value unit.

6. The value of all things is expressed in Perpetual Coin, which may or may not have an actual existence as a “digital object” depending on the means of implementation.

7. The value of Perpetual Coin is initially defined by a formula ensuring that the value of one PC is always the midpoint of a basket of all existing major currencies. The new PC currency, once established is ultimately left to find its own value.

   This technique is reportedly the same as was used to introduce the Euro. The use of the formula is a transition strategy that not only prices PC in all other currencies, it smoothes out inter-currency fluctuations, “removing the noise from the signal”, and represents the true value of global money. Ultimately PC will be defined by the prices of real goods and services as all money in a free market ultimately is.

   One method would be to sell PC for existing national currencies and use it like a conventional alternative until its value was established in the minds of enough people. The other would be to start with Credit Coin, the PC value unit simply defined by the same formula initially.

In either case the new PC currency is ultimately left to find its own value, as all currencies ultimately do anyway.

8. Private circulations would be based on trust and self-enforcement. The value of any Credit Coin in private circulations would be one Perpetual Coin at all times unless otherwise agreed upon amongst the parties involved.

9. Issuers such as governments, corporations and societies would issue Credit Coins traded on a global *automated public exchange.* Parity of any Issuer's Credit Coin with Perpetual Coin could only be achieved by that Issuer achieving *perfect balance-of-trade*. Thus the system enforces balanced budgets on everyone by *automatic re-valuation of credit in real time* such that Issuer *credit issued = real demand* for the products and/or services of that Issuer at all times.