



Neco
for the common good

Neco White Paper

Version 2.5 (2020 pre-ICO)

“People do not understand our banking and monetary system, for if they did, I believe there would be a revolution before tomorrow morning”

Henry Ford

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1. Executive Summary

“Nothing is more powerful than an idea whose time has come”

Victor Hugo

Each day, our global community faces increasing challenges around climate change, ecosystem destruction, mass extinction of species, poverty, hunger, inequality, debt, inflation, corruption and many other issues that impact the quality and security of life on Earth. At the beginning of the new millennium, we are presented with the opportunity and responsibility to change these trends, instead of continuing to contribute to the problem. Overcoming these interconnected challenges requires a transformation of the economy and the financial system at the root level – a fundamental redesign to support value creation for the common good.

We have launched the Neco project to address these challenges. Our objective is to create a better future for all living beings on Earth. We believe that the major issues of our times are either caused by the financial system, or could be solved by a better one. Instead of trying to fix the existing system, we have designed a new, sustainable system that supports the *PPP principle* - people, planet and profit. We have created a stable currency to provide the funding for global solutions to our ecological, social and economic problems. And we have set up a decentralized collective organization to manage this system intelligently and democratically.

Neco is a stable currency for the common good. For our users, we generate profits, provide universal basic income and protect the climate. Our vision is to build a sustainable financial system that serves the people and the planet.

Neco is a global currency with no inflation and low [volatility](#). Its value is secured by a [reserve](#) and regulated collectively by all users. Our system is protected against bankruptcy and bank runs.

Neco is positive money without debt, interest and transaction fees. We aim for a positive *triple bottom line* (TBL) by generating [profits](#) for our users, providing [universal basic income](#) (UBI) and protecting the [climate](#). Our primary goal is to increase the [happiness](#) of our user community.

The [Neco currency](#) and the [Necosystem](#) are managed by the [Neocracy](#), a *decentralized collective organization* (DCO). The Neocracy is a global organization with distributed authority and without hierarchies, based on the [Holacracy](#) management system. Our stakeholders can participate in the decision-making process through [Collexa](#), a system of *collective intelligence* (CI).

Our [mobile banking platform](#) runs on [Stackchain](#), a carbon-neutral *distributed ledger technology* (DLT) that will outperform *Blockchain* in efficiency, performance, security, and transparency. Through the Neco app, users can transfer Neco tokens globally without transaction fees.

My name is Florian Goette (“Flo”), founder and chairman of Neco. I have written this white paper to share my vision with you, and cordially invite you to support our ambitious project. To build a better financial system for all of us, we need your help. You can contribute to the [Neco movement](#) in many ways, such as purchasing Neco tokens, donating, working or volunteering for our organization, or by sharing our vision with your friends and colleagues.

Neco will improve your triple bottom line - financially, socially and environmentally. You can receive quarterly returns on your investment, claim a monthly basic income, and offset your carbon footprint. Open your Neco account today to use our services and earn a voting right in our new financial system. [Join the Neco movement](#) to help us build a financial system that serves the people and the planet.



2. Build your economic system

*“You never change things by fighting the existing reality.
To change something, build a new model that makes the old model obsolete”
Buckminster Fuller*

According to recent studies, over 90% of Germans and Austrians would like a new economic system. Neco's objective is to offer a choice between the old economy and the *Neconomy*, our sustainable economic system for the common good.

In this chapter, we introduce the core components of the Neconomy and invite you to build your preferred economic system.

2.1 Choose your currency

The main purposes of a currency are to serve as a store of value and a means of exchange. Traditional currencies (known as *fiat currencies*) such as Euro, US Dollar or British Pound have been around for centuries. In recent years, digital currencies (known as *cryptocurrencies*) like Bitcoin, Ethereum or Litecoin have gained in popularity.

Which currency would you choose?

Currency	Neco	Euro	Bitcoin
Fees & costs	Free of charge	Banking fees	Transaction fees
Long-term value	Increases	Decreases	Fluctuates
Stability	Stable	Inflationary	Speculative
Volatility	Low	Medium	High
Reserves	Fractional reserve	No reserves	No reserves
Acceptance	Global	Eurozone only	Global

Learn more about the [Neco currency](#).

2.2 Choose your financial system

A financial system covers the creation and distribution of money as well as the transactions between the players in the market. Traditional financial systems are centralized with a central bank that manages the money supply, regulates banks and provides financial services. In recent years, decentralized systems have been discussed to avoid the concentration of financial power.

Which financial system would you choose?

Financial system	Necosystem	Fiat system
Money creation	Collective (user community)	Centralized (banks & central



		banks)
Type of money	Positive money (credit)	Negative money (debt)
Financial bottom line (profit)	Positive (no debt, no fees)	Negative (debt, fees)
Social bottom line (people)	Positive (universal basic income)	Negative (poverty, inequality)
Ecological bottom line (planet)	Positive (reforestation, recycling)	Negative (environmental destruction, waste)

Learn more about the [Necosystem](#).

2.3 Choose your governance model

The governance model defines the authorities and processes to regulate and control a financial system. In the traditional model, the financial authorities (central bank and government authorities) regulate and control the financial market. In the Neconomy, a decentralized collective organization called *Neocracy* is responsible for the regulation of the Necosystem.

Which governance model would you choose?

Organization	Neocracy	Central Bank
Decision-making	Collective (user community) & direct democratic	Centralized (council) & non-democratic
Organization structure	Non-hierarchical	Hierarchical
Separation of power	Yes (executive, legislative, judicial)	No
Values	Equality, Sustainability, Diversity, Sufficiency, Solidarity, Transparency, Stability	Stability
Type of organization	Not-for-profit organization	Independent government authority

Learn more about the [Neocracy organization](#).



3. The Neco currency

“Inflation is taxation without legislation”

Milton Friedman

Which currency would you choose?

1. a stable currency with low volatility which is secured by a reserve
2. a volatile currency which continuously loses value and is not backed by anything

The Neco currency forms the backbone of the Necosystem. Neco is a stable currency that can serve as a global means of exchange and preserve value over the long term. Its value is secured by a fiat currency reserve and protected against bankruptcy and bank runs. The Neco is regulated collectively by its users through a process designed to continuously increase its value and reserves over time. Neco is a free currency without interest, banking or transaction fees.

3.1 Stability & volatility

Neco is a stable currency with no inflation and low volatility, designed to increase in value over time. Its value is regulated collectively by our users.

The core purposes of a currency are to serve as a means of exchange and store of value. Today's fiat currencies fail to meet the later. For example, the US Dollar, has lost 97% of its value since 1913 while the Euro has lost over 20% since 2002.

Cryptocurrencies like Bitcoin are notoriously plagued by high volatility and speculation. In 2018, Bitcoin lost 75% of its value in just one year, with price fluctuations of over 10% on a single day. During the Corona crisis of 2020, Bitcoin lost around 50% of its value within just one month. For this reason, financial experts consider Bitcoin a speculative asset rather than a real currency.

Neco is a currency that serves as a global means of exchange while preserving its value. In 2018, our first full year of operation, the Neco has proven to be free of inflation and low in volatility, yielding a 5% gain compared to the Euro. In the first quarter of 2020, Neco increased its value from 0.35 EUR to 0.40 EUR, generating over 14% of profit for our investors. Even during the global lockdown in the Corona crisis, the Neco remained stable.

The price of most currencies is determined by the market through demand and supply, inevitably leading to daily fluctuations. Unlike traditional currencies, Neco's value is regulated democratically by the user community and changes only quarterly.

The quarterly regulation of the Neco's value follows simple stability rules:

- The value rises if the reserves have increased over the previous quarter
- The value remains the same if the reserves have not increased
- The value decreases if the reserves have fallen below the minimum

For more details on the [token pricing](#), the [Neco Reserve](#) and the [collective regulation](#), please refer to [Tokenomics](#) chapter.

By utilizing [Collexa](#), the collective intelligence of our user community, to regulate the value of the Neco instead of the unpredictable markets, we believe long-term stability will be achieved.

To lower Neco's volatility, its price will be changed only quarterly. Traditional currencies and most cryptocurrencies change their value constantly, causing perpetual fluctuation and volatility.



3.2 Security & reserves

Neco's value is secured by a reserve which backs up a fraction of the total Neco token supply with traditional currencies (*fiat currencies*). The system is designed to increase the reserve over time. The [Neco Reserve](#) is regulated collectively by our users.

Trust is the most important asset of a currency. Since the end of the gold standard in 1971, fiat currencies are no longer backed by anything and do not have an intrinsic value. These currencies only have value because people still trust it. The same applies to most cryptocurrencies such as Bitcoin.

When people lose trust in an unsecured currency, for example in a financial or political crisis, its value can collapse quickly. From 2012 to 2013, the Venezuelan Bolivar lost about 90% of its value, taking the country into a severe social and economic crisis. Bitcoin, the world's most used cryptocurrency, lost 75% of its value in 2018, causing a crisis in the young crypto market that the industry has yet to recover from.

To increase trust and protect our currency from such issues, Neco is secured by a reserve consisting of multiple fiat currencies. The [Neco Reserve](#) is a *fractional reserve*, as it does not need to secure 100% of the total Neco money supply but just a fraction of it. This approach is similar to *fractional reserve banking*, a system in which banks only hold a fraction of the money their customers' deposits as reserves. Fractional reserve banking is the most common form of banking practised by commercial banks worldwide. It allows banks to use the rest of it to make loans and thereby essentially creating new money.

The *minimum reserve rate* (currently 10%) defines the lower limit for the Neco Reserve in relation to the total [Neco money supply](#). It represents a key parameter of the Necosystem and is regulated collectively by our users through [Collexa](#). In the quarterly [Neco regulation](#), users can vote to increase the money supply and reserves.

As history has shown, fractional reserve banking causes critical vulnerabilities in the financial system - bank runs and bankruptcies. A bank run occurs when a large number of customers of a bank withdraw their deposits simultaneously. As the bank's fractional reserve does not cover all of their customers' loans and deposits, the bank collapses. In fact, the two most severe financial crisis, the Great Depression in the 1930s and the global financial crisis in 2008 were caused by bank runs and subsequent bankruptcies of major banks.

In contrast to the current system, Neco is protected against bank runs and bankruptcies. We are required to keep a minimum reserve and cannot convert Neco tokens into fiat currencies when the [reserve rate](#) is lower than the minimum. We have implemented mechanisms to protect the reserve from bank runs and may impose (temporary) budget restrictions to avoid such critical financial situations.

As our organization uses Neco as our main currency for all payments, we always ensure having enough money to pay our bills and can operate even without external funding. Our organization has no debt and will not accept any debt or other financial obligations that could lead to bankruptcy.

In 2018 and 2019, our organization successfully passed two stress tests to verify that our system is immune against bank runs and bankruptcies.

3.3 Fees & costs

Neco is a free global currency - without interest and transaction fees. We offer a freemium model where all basic services are free of charge. The rates for the premium plan or the [carbon offset](#) are regulated collectively by our users.



The traditional banking system is expensive. Banks charge their clients a multitude of fees ranging from account management charges to interest. Clients may also be charged hidden fees such as currency conversion fees or credit card fees. Users of cryptocurrencies like Bitcoin are charged with transaction fees or usage fees for wallets and exchanges.

Neco's basic offering will be free of charge - no management fees, no transaction fees, and no hidden charges.

Neco will always be interest-free as interest is one of the main reasons for the growing inequality between the rich and poor worldwide. For this reason, charging interest had been illegal for centuries in most cultures and religions, and is still prohibited in today's Islamic banking systems. While the [Neco Constitution](#) prohibits our organization from charging interest because it conflicts with our core value of equality, we tolerate Neco users who agree to charge interest amongst each other.

Our rates for the premium plan or [Freetaxes](#) such as the [Carbon Freetax](#) will be regulated collectively by our users through [Collexa](#).

Service fees from external parties such as credit card charges, bank transfer fees, debit returns, etc. will be charged according to the *costs-by-cause principle*. While Neco transactions will be free of charge, fiat transactions might incur costs which are outside our organization's responsibility and control.

If you wish to exchange your costly, volatile and unsecured fiat currency for a free, stable and secured cryptocurrency, purchase Neco tokens or [join our movement](#).



4. The Necosystem

“We can't solve problems by using the same kind of thinking we used when we created them”

Albert Einstein

Which financial system would you choose?

1. a sustainable system that serves the people and the planet?
2. a system that exploits people and destroys the planet?

The Necosystem is a sustainable financial system that serves the people and the planet. We aim for a positive *triple bottom line* (TBL) by generating profit, providing *universal basic income* (UBI) and protecting the climate. Our overall goal is to increase the happiness of our user community, adopted from the *Gross National Happiness* (GNH) goal of the Kingdom of Bhutan and measured by our [Community Happiness Index](#).

4.1 Positive money

Neco is positive money without debt and interest, designed to increase in value over time. Price, allocation and distribution of Neco tokens are regulated collectively by our users.

In recent years, global debt levels have become ever more critical. Since the financial crisis of 2008, global debt has increased over 30%. As of 2018, global debt is estimated at over 250 trillion USD, almost three times the global *gross domestic product* (GDP) of around 85 trillion USD.¹

The scale of this situation becomes undeniably evident when you compare the global debt with the global money supply. The total amount of money in the world only amounts to about 90 trillion USD, about a third of global debt. It is therefore impossible to repay the debt because we do not have enough money. We have to accept that our financial system is bankrupt.

This should not come as a surprise. It's not the result of poor financial management but an inevitable outcome of how money is created in the fractional reserve banking system. Contrary to popular belief and school book education, most of our money is not created by central banks. Over 90% of the world's money has been created by private banks “out of thin air” when banks make loans. As the loan is essentially debt and has to be paid back with interest, this type of money is called *negative money*. The debt from the loan increases exponentially due to interest (an exponential mathematical function), leading to an exponential growth of debt over time. For this reason, there will always be more debt than money in the system, inevitably leading to a debt crisis and ultimately the collapse of the system. The global debt crisis is already happening. We believe that the collapse of the current system will happen within the next decade.

Neco is positive money and does not carry debt or interest. By design, the Necosystem will never have public debt. This *no-debt principle* is crucial for the economic sustainability of the system and enshrined in the [Neco Constitution](#).

In the Necosystem, Neco tokens are created collectively by our users through [Collexa](#) and distributed as donations or credit (not debt!) to causes such as [universal basic income](#), [reforestation](#) or profit for our users (people, planet, profit). Our users decide how much money is created within the limitations of the [reserve requirements](#). This process of collective creation and distribution of money is called [Crowdfundraising](#).

¹ The Money Project: <http://money.visualcapitalist.com/worlds-money-markets-one-visualization-2017/>



As our reserves increase over time, the Necosystem will provide more money to finance the common good and tackle global issues such as poverty, hunger, disease, climate change and pollution. Humanity already has the resources and solutions to solve these problems, but is limited by the financial system.

4.2 Universal basic income

Neco will provide universal basic income (UBI) to all Neco users unconditionally. The budget for UBI is regulated collectively by our users. The monthly UBI allowance per user depends on their [Karma level](#).

Inequality is getting worse. In 2018, hundreds of millions of people lived in extreme poverty while the wealth of ultra rich increased by 2.5 billion USD every day! An Oxfam report estimated that 26 individuals owned more wealth than the 3.8 billion poorest people².

Poverty comes with a huge global death toll. Right now, more than one billion people suffer from hunger and undernourishment. 36 million people are estimated to die this year because of starvation³. According to the World Health Organization, hunger is the single gravest threat to the world's public health and by far the biggest contributor to child mortality⁴. Furthermore, every year millions of people die from curable diseases because they cannot afford the medicines or treatments. Poverty is also related to shorter life expectancy, higher rates of suicide, crime and other social factors.

Neco wants to tackle poverty and its related issues by providing universal basic income to all Neco users. As various studies on UBI in developed and developing countries have proven, recipients of UBI do not reduce their work effort or spend the money on drugs. Instead, UBI leads to a wide range of positive outcomes including food security and educational attainment, investment in small businesses and long-term earnings, improved living standards, psychological well-being, and life expectancy.⁵

With UBI showing significant positive effects on many components of our organization's key performance indicator, the [Community Happiness Index](#) (CHI), we have made it our main social project.

Neco's UBI is funded through Crowdfunding, i.e. through collective creation of new money (Neco tokens) rather than through taxation. In the quarterly [Neco regulation](#), our user community collectively allocates tokens for UBI, within the limits of the [reserve requirements](#). The monthly UBI allowance per user is determined by the user's [Karma level](#), i.e. the maximum amount of UBI depends on how many Karma tokens a user has earned. The higher the Karma level, the higher the UBI allowance.

With Neco's reserves expanding over time, the UBI allowance per user and month will increase. Starting with a small amount intended to help the poorest people on this planet, we envision UBI to grow to a point where work is no longer necessary to make a decent living. Many people work in underpaid, stupefying jobs that do not contribute to the common good, but create even more social and ecological problems such as mental and physical health problems, resource consumption and pollution. UBI can make these jobs obsolete and help these "workers" get out of financial slavery and live a better and more fulfilled life with more time for family and hobbies.

Artificial intelligence (AI) could replace 40% of jobs in the next 15 years⁶ and lead to large-scale unemployment. With UBI, however, this trend could become an opportunity for people to reduce their work and live a happier life rather than fearing for their existence.

² Oxfam: <https://www.oxfam.org/en/5-shocking-facts-about-extreme-global-inequality-and-how-even-it>

³ The World Counts:

https://www.theworldcounts.com/counters/global_hunger_statistics/how_many_people_die_from_hunger_each_year#top-facts

⁴ Wikipedia: <https://en.wikipedia.org/wiki/Starvation>

⁵ IPA: <https://www.poverty-action.org/study/effects-universal-basic-income-kenya>

⁶ Fortune: <https://fortune.com/2019/01/10/automation-replace-jobs/>



4.3 Carbon offsetting & reforestation

“We need to put a price tag on carbon emissions”

Leonardo diCaprio

To protect our climate, Neco will finance global reforestation programs to remove carbon dioxide from the atmosphere and reduce humanity’s carbon footprint. Our users can offset their personal carbon footprint for only 20€ per ton of CO₂ by making a voluntary, tax-deductible donation. The price per ton of CO₂ is regulated collectively by our users.

Since the 1970s, scientists have predicted climate change as a result of human activities. They have warned the public of severe global consequences such as droughts, wildfires, floods, storms, ocean acidification, rise of sea levels and extinction of species should the carbon dioxide levels in the atmosphere rise above 350 parts per million (ppm). Climate change deniers, including many large energy corporations, have labeled these scientists “alarmists” and created doubt in the public to hinder carbon taxation.

Today, we live in the *Anthropocene*, the era of man, where climate change and natural catastrophes have become daily news. In 2018, the average carbon dioxide level peaked at 407ppm⁷ and is expected to surpass 410ppm by the end of 2019. Annual global carbon dioxide emissions are still continuing to increase every year, and the growth rate is further increasing. It’s like sitting in a car, knowing it’s going to hit a wall, but still pressing down on the accelerator! Despite initial efforts to increase taxes on fossil fuels, not a single government in the world has introduced a carbon taxation and offset program.

To avoid a climatic collapse, CO₂ emissions would need to decline by 50% by 2030 and reach net zero by around 2050⁸. To re-stabilize our climate, we would then need to go even further by becoming carbon-negative and taking the excess carbon out of the atmosphere in order to reach safe levels around 350ppm.

The Kingdom of Bhutan has proven that it is possible to go carbon-negative using a “technology” that is 350 million years old - trees. Planting trees is by far the most effective and cost-efficient way to remove carbon dioxide from the atmosphere.

For this purpose, Neco will support global reforestation projects through [Crowdfunding](#). In our quarterly Neco regulation, our users collectively decide on the budget for the reforestation program.

In addition to Crowdfunding, Neco has introduced the *Carbon Freetax*, a voluntary, tax-deductible carbon offset program for individuals and companies. For only 20 EUR per ton of CO₂, users can offset their carbon footprint and receive [Karma](#) tokens as a reward. The Carbon Freetax is collected in fiat currency, added to the [Neco Reserve](#) and converted into Neco tokens. This enables us to use 100% of the received donations to fund the reforestation projects without losing parts of these funds for administrative and transactional costs. Our [Stackchain](#) technology provides the necessary transparency to verify that the funds are used properly by our partner organizations who manage these reforestation projects.

If you want to protect the climate and receive a monthly basic income, purchase Neco tokens or [join our movement](#).

⁷ IPCC. <https://www.ipcc.ch/2019/>

⁸ Tyndall Center for Climate Change. <https://www.tyndall.ac.uk/news/strong-growth-global-co2-emissions-expected-2018>



5. The Neocracy organization

“Power corrupts and absolute power corrupts absolutely”

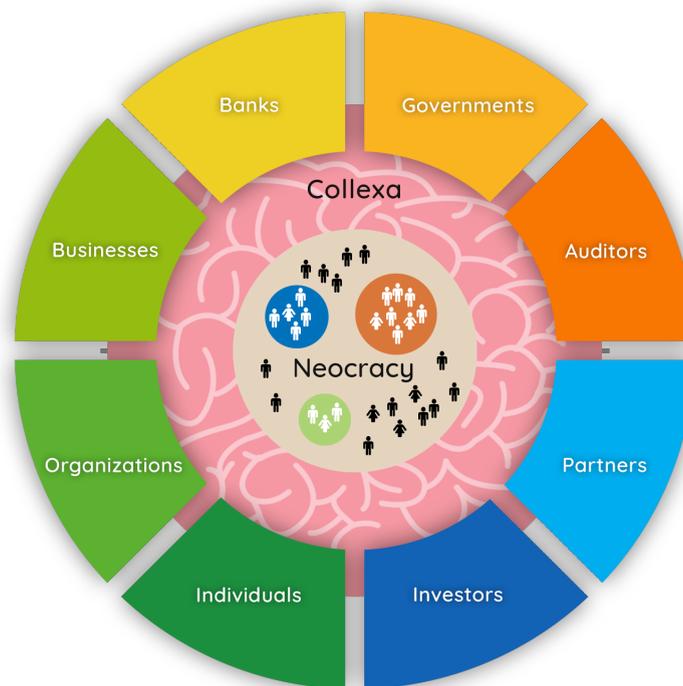
John Dalberg-Acton

Which governance model would you choose?

1. A decentralized collective organization without hierarchies where authority is distributed across the entire organization
2. A centralized hierarchical organization where power is concentrated at the top

The Neco currency and the Necosystem are governed by the Neocracy, a *decentralized collective organization* (DCO) without hierarchies, based on the [Holacracy](#) management system. Similar to modern democratic systems, power within our organization is separated into the executive, legislative and judicial power. The Neocracy is a direct-democratic organization, allowing our users and stakeholders to participate collectively in the decision-making process and the regulation of the Necosystem.

The Neocracy is a global not-for-profit organization, managing multiple for-profit and nonprofit entities as sub-circles in multiple jurisdictions. Each of these sub-circles is self-organizing and independent. All circles within the Neocracy cooperate together following the *Neocracy Codex*, the DNA of our organization.

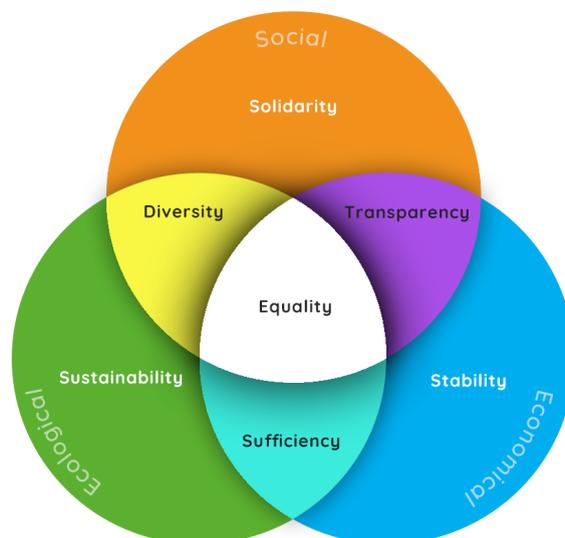


5.1 Our values

Our values and strong ethical code are an integral part of our organization. We have taken inspiration from various constitutions, legal frameworks and international agreements and compacted this wisdom into the DNA of our organization. The Neocracy is built upon the democratic cooperative business model rather than the capitalistic shareholder model.



Our seven core values are: equality, sustainability, diversity, sufficiency, solidarity, transparency and stability. These values are enshrined in the *Neco Constitution* and cover all three parts of the *triple bottom line* (TBL) - ecological, social and economical. It supports the *PPP principle* for people, planet and profit.



In addition to defining our core values, the Neco Constitution contains a set of rules that guide us on our path. All our actions and regulations have to comply with the Neco Constitution, enforced through the Neocracy supervisory board.

The management system of the Neocracy organization with all its sub-circles is defined in the *Neocracy Codex*. The Neocracy Codex contains the rules and guidelines that govern roles and responsibilities, circles and sub-circles, decision-making, authority and the separation of power.

We pursue the ambitious goal of becoming a *zero-footprint* organization: no carbon, no plastic, no paper, no mining. We either avoid the consumption or emission of these resources to the best extent, or offset our remaining footprint.

5.2 No hierarchies

The Neocracy is based on [Holacracy](#), a non-hierarchical management system with distributed authority where roles in an organization are structured in a system of self-organizing circles. Holacracy is a proven organizational model and has been adopted by thousands of organizations worldwide.

A Holacracy offers various advantages over traditional organizations:

- Distribution of authority instead of concentration of power at the top of the organization
- Increased efficiency, transparency and accountability within the organization
- Greater innovation and adaptability
- A more flexible working model

Additionally, our business and software development processes follow the agile methodology ([Scrum](#)) to improve customer focus, quality, predictability and responsiveness to change.



5.3 Separation of power

A key concern in the design of the Neocracy is to prevent the concentration of power. In addition to the non-hierarchical Holacracy, our organization has implemented separation of powers, adopted from modern democratic government models.

Power	Neocracy circle	Democracy
Executive	Executive Board	Government
Legislative	Collexa	Parliament
Judicial	Supervisory Board	Supreme Court

In the Neocracy, the separation of powers is implemented on all levels of the organization.

5.4 Collective intelligence

At Neco, we strongly believe in the wisdom of the crowds, also known as *collective intelligence* (CI). Collective intelligence is group intelligence that emerges from the collaboration, collective efforts, and competition of many individuals.

Rather than relying on my limited individual intelligence as the founder of Neco, I was searching for a higher form of intelligence that also integrates our users into the decision-making process. So we created [Collexa](#), Neco's collective intelligence. Collexa uses scientifically proven methods to harvest the collective wisdom of our user community and supports the decisions of our organization.

Collexa holds the legislative power in the Neocracy, acting like a parliament where every Neco user is a member and has a vote. Collexa is in charge of important decisions such as the [Neco regulation](#) and our [roadmap](#). All decisions in our organization, whether from the executive board or Collexa, have to comply with our values and the [Neco Constitution](#).

In our organization, we treat Collexa as a form of collective intelligence and value "her" opinion. We use Collexa to stay connected with our users and aim to consult Collexa before major decisions.

If you want to be a part of a collective intelligence and drive the decisions for a better future, purchase Neco tokens or [join our movement](#).



6. The Neconomy

“Our economic system is based on an absurd idea - that you can have infinite growth on a finite planet”

Paul Gilding

Which economic paradigm would you choose?

1. A circular economy that minimizes resource consumption and recycles its waste?
2. A linear economy that wastes resources and pollutes the planet?

Neco wants to support the transition from our current linear economic system to a *circular economy*, aimed at eliminating waste and the continual use of resources. Circular systems employ reuse, sharing and recycling to create a closed-loop system. This minimizes the use of resources and the creation of waste, pollution and carbon emissions. We envision the *Neconomy* to become a circular economic system, created through the combination of the Neco currency, the Necosystem, and the Neocracy organization.

Driven by the goal for exponential growth required to run the current debt-based financial system, humanity has consumed 80% of the oceans' fish, 50% of the Earth's trees and burned over 50% of the planet's fossil fuels. Future generations will look back at our generation the same way we think about barbarians or slave traders.

Recognizing that resources are finite, the Neconomy is designed as post-growth economic system, shifting focus from current metrics of success such as *gross domestic product* (GDP) to new ones such as the *Community Happiness Index* (CHI).

6.1 Community Happiness Index

“Happiness cannot be traveled to, owned, earned, worn or consumed.

Happiness is the spiritual experience of living every minute with love, grace, and gratitude”

Denis Waitley

Today, all but one country in the world still use GDP as the main indicator for success. The exception is the Kingdom of Bhutan, a small country in the Himalayan mountains between India and China. In 2008, Bhutan started measuring *Gross National Happiness* (GNH) instead of GDP to make happiness rather than consumption the development goal for the country. This paradigm shift became a success and has gained support from many scientists and economic experts globally.

I visited Bhutan in 2017 shortly after the launch of the Neco project and was truly amazed by the country's success which was also carbon-negative as it has protected forests. After my return, I decided to make happiness the key performance indicator for Neco.

Neco's *Community Happiness Index* (CHI) is based on Bhutan's GNH, except that CHI measures the happiness of our global user community regardless of their nationality. CHI will be measured through a [Collexa survey](#) which will be published on our website. CHI consists of the 9 domains shown below.





6.2 Public services

“Being of service to others is what brings true happiness”

Marie Osmond

According to happiness surveys, the world’s happiest people today live in northern European countries like Denmark or Norway that provide strong social services to their inhabitants. We believe that social services will increase our CHI significantly. In addition to [UBI](#), the long term plan for Neco includes the provision of additional services such as education and healthcare.

Like UBI, these services will be financed through [Crowdfunding](#) (money creation) rather than through taxation like in traditional systems. Our intention is to offer these services universally to all Neco users while using the individual Karma level to determine the allowance per user.

6.3 Taxation

“I’m anti-tax, but I’m pro-carbon tax”

Elon Musk

Crowdfunding, i.e. the creation of money for good causes, allows financing eco-social services without collecting taxes or fees from Neco users. However, it decreases the reserve rate and is therefore limited. To tackle large ecological issues such as climate change or plastic pollution, additional funding is necessary to increase both the reserve and the money supply. For this reason, we have introduced the *Freetax* system.

The Freetax system is a voluntary resource-based taxation system. Instead of taxing income, capital gains or value creation, Freetaxes are collected for resource consumption such as carbon emissions, plastic or water consumption. Through Collexa, a global price per unit is determined as the basis for the Freetax. Similar to the [Carbon Freetax](#), users paying their Freetaxes will receive Karma tokens and can deduct this donation from their national tax returns.

The Freetax system is much more efficient than current taxation systems. It is very simple and does not require any paperwork, complex legislation or a tax enforcement agency. It’s very transparent as users can see whether or not somebody has paid their Freetax by looking at the Karma tokens on their profile.



The Freetax system has no corruption or tax fraud, as it's totally voluntary. Poor people won't have to worry about how to pay them while wealthy individuals or multinational corporations won't be able to evade taxes through offshore tax evasion systems. It can be "enforced" by peer pressure or public pressure. Consumers can easily identify and boycott companies that do not pay Freetaxes. Introducing new Freetaxes for resources like fossil fuels won't cause much resistance from the powerful industry lobby since no oil company will be forced to pay but we know from history that we as a society can drive the behaviours of companies.

Freetaxes are always collected in fiat currency to increase the Neco reserve. The funds are then converted into Neco and used to tackle the actual problem, e.g. to fund organizations that plant trees to sequester carbon or take plastic from the oceans back into the recycling system. Stackchain makes the money flow transparent and ensures that all of the funds are used properly.

If you wish to shift from a consumption-driven, linear economy to a happiness-driven, circular economy, purchase Neco tokens or [join our movement](#).



7. The Neco platform

“The digital asset that matters is trust”

Seth Godin

Which platform would you choose?

1. A fast and secure platform where your information is private?
2. A slow and vulnerable platform where your transactions are stored on a public ledger?

Neco is committed to delivering a fast, secure and easy-to-use payment platform, built upon the latest technology. The platform will consist of the following core applications:

1. Neco app (mobile and web app) for all banking functions (payments, transfers, statements)
2. Stackchain database for secure decentralized data storage and processing (transactions, configuration, data exchange)
3. Collexa for collective regulation and decision-making (surveys, petitions, referendums)

Neco’s goal is to make payment as simple as sending an email. To pay somebody in Neco, open the Neco app, enter the recipient’s email, phone number or social media ID and press “Send”. With Neco, there is no need for complicated bank details (IBAN, BIC, SWIFT, account and routing numbers) or cryptic hash codes, to enter PINs, TANs or verification codes, to send paper checks via mail, or to physically deliver cash.

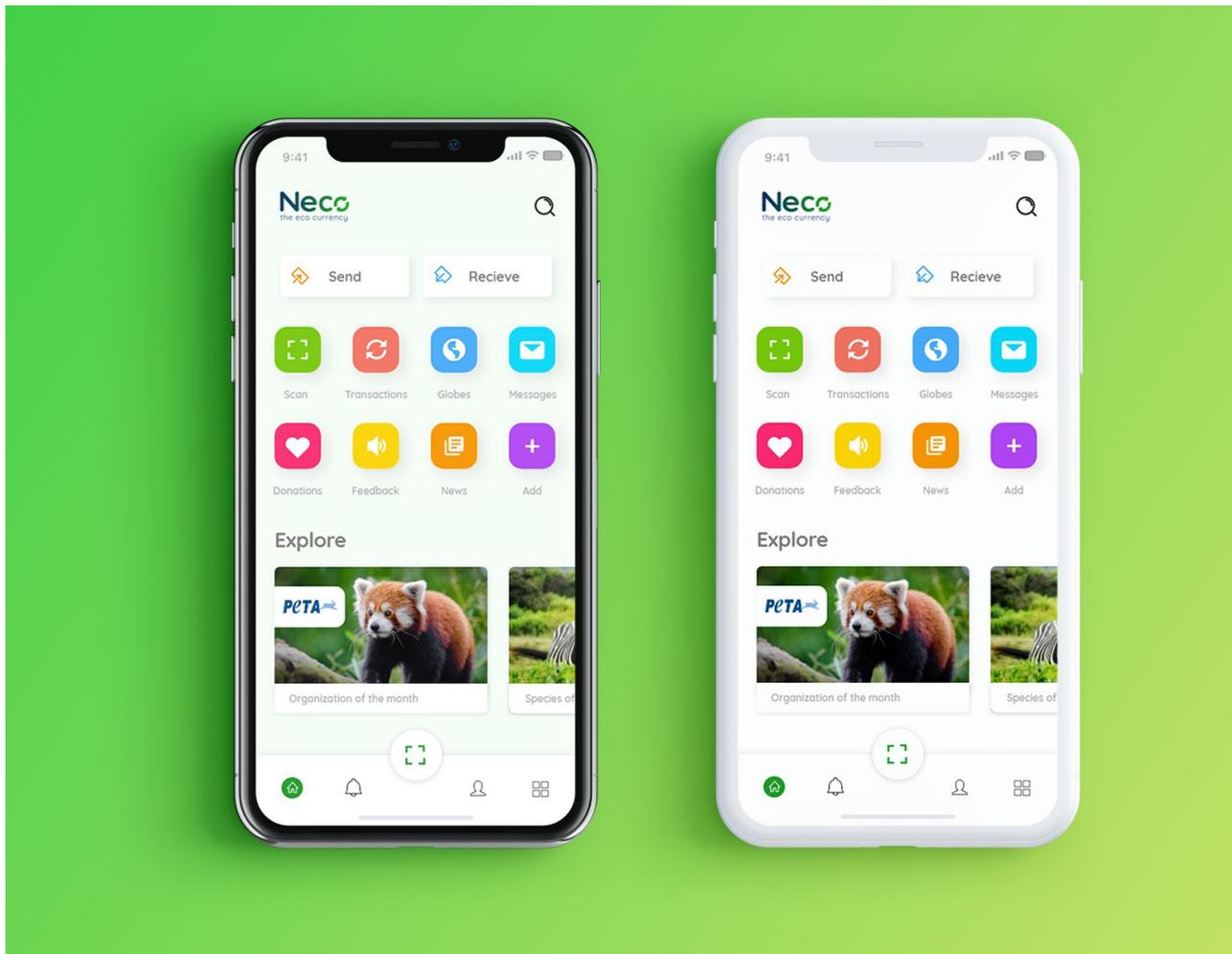
7.1 Neco app

The Neco app is going to be the main application for end users, providing all necessary features including opening an account, buying and selling Necos or making payments. Payments can be made directly from your phone’s contacts using email, phone number or social media ID. Nearby users can find each other using their phone’s *near field communication* (NFC) or by scanning their QR codes. Our app will be available as mobile app and web app.

In addition to mobile banking features, the Neco app will include messaging features allowing Neco users and businesses to communicate directly and securely with each other. Users can ask vendors product-related questions or raise service issues while vendors can inform users about special offers or new products. The app will be fully integrated with [Stackchain](#) and supports our *Data Sovereignty* concept.

By integrating [Collexa](#), we envision the app to contain all the features necessary to manage the Necosystem - the world’s first financial system in one app! Through Collexa, users can participate in the regulation of the Necosystem, file petitions or vote on referendums. We believe that involving our users in the decision-making process will further increase user adoption.





7.2 Stackchain

Neco's platform runs on *Stackchain*, a carbon-neutral *distributed ledger technology* (DLT) that will outperform traditional *Blockchain* implementations in efficiency, performance, security and transparency. Stackchain will store transaction data in a private distributed cloud database and use a *Proof-of-Confidence* (POC) consensus algorithm to confirm transactions. This technology requires no *mining* and complies with *General Data Protection Regulation* (GDPR).

The amount of energy required to operate the global Bitcoin network is horrific. Bitcoin's annual energy consumption is estimated at over 70 Terawatt hours (TWh), comparable to the power consumption of the entire country of Austria. A single Bitcoin transaction produces over 280kg of CO₂. In times of climate change, can we really afford to burn actual fossil fuels to produce virtual numbers?

To reach our ambitious goal to become a *zero-footprint organization* (no carbon, no paper, no plastic, no mining) and follow our core value of sustainability, we decided not to implement a Blockchain but develop our own DLT platform - Stackchain. By using energy-efficient cloud computing technology and game theory to replace the energy-intensive *mining* process, Stackchain will be much more efficient than Blockchain. Our data centers will either be powered by renewable energy or offset remaining carbon emissions through the [Carbon Freetax](#) system.

Stackchain stores data in high-performance cloud databases connected via high speed connections. The Proof-of-Confidence consensus algorithm needs only few network nodes to confirm a transaction. As a result, Stackchain will be hundreds of times faster than traditional Blockchain networks.



Stackchain's security architecture contains 6 layers, twice as many as Bitcoin's blockchain:

1. Physical security: data is stored in highly-secure cloud data centers
2. Access control: only trusted service providers have access (permissioned)
3. Encryption: connections and databases are encrypted
4. Immutability: transactions are protected against manipulation
5. Decentralization: data is distributed across multiple network nodes
6. Logical security: the application of game theory makes hacking attempts irrational

Neco wants to do better than just being GDPR-compliant. We believe that our users should be in control of their personal data at anytime. Following our core value of transparency, Neco introduces the concept of *Data Sovereignty*. Data Sovereignty means that our users can manage their personal data and decide which information is shared with the Neocracy, our partners, other businesses and individuals. Imagine Data Sovereignty like managing all your email subscriptions in one place. Our platform also enables pseudonymous transactions where the identity of a user remains hidden.

Our value of transparency goes even further. We aim to build a trusted financial system that prevents corruption and detects fraud proactively. One of Stackchain's transparency features is the *Digital Footprint*, which keeps track of a token's owners over time and creates visual patterns in the Stackchain that can be used for automated fraud detection.

7.3 Collexa

Neco's users can collectively participate in the decision-making process and regulation of the Neco through *Collexa*, our system of collective intelligence. Collexa holds the legislative power within the Neocracy and represents the entire user community. Some forms of participation, such as the quarterly [Neco regulation](#), require the user to have a [voting right](#) in order to participate.

Collexa offers three processes for collective participation:

1. *Collexa surveys*: surveys are used to get opinions from our users or to measure our [CHI](#).
2. *Collexa petitions*: petitions allow Neco users to request new features or improvements.
3. *Collexa referendums*: in a referendum, users are able to decide on a topic or choose between multiple options.

Collexa is a tool offering various methods (algorithms) of collective intelligence, such as:

- weighted voting: a method where user votes are weighted based on user's attributes such as confidence or loyalty
- systemic consensing: a method to choose a solution with the least resistance in a group
- collective forecasting: a collective prediction method for a company's financial forecast

Collexa will be integrated with the Neco app and the Stackchain platform.

If you wish to replace your complicated online banking system with an intuitive mobile payment app, purchase Neco tokens or [join our movement](#).



8. Tokenomics

“Most ICOs are bought by people looking to flip their tokens to a greater fool for a quick profit”
Alistair Milne

Which token would you buy?

1. A token that rises in value and can be used to pay for products and services?
2. A token that only creates profit when you sell it to somebody else?

The Necosystem is going to be a multi-token system with at least five separate tokens being launched over the next few years through at least three [Initial Coin Offerings](#) (ICO). This white paper covers only the NECO and KARMA token as well as the Neco ICO. Details on the other tokens and ICOs will be released in separate white papers in due course.

8.1 Token overview

The following table lists our planned tokens. As of 2019, only the NECO and KARMA token have been issued. Please refer our [roadmap](#) for details on future tokens.

Token	Type of token	Purpose
NECO	Currency token	The stable currency token of the Necosystem. Neco tokens are backed by a fractional reserve and can be converted into fiat currency (EUR, USD, etc.). The value of the Neco is regulated collectively by our user community.
KARMA	Rewards token	Karma tokens are earned for positive actions such as volunteering or paying freetax. Karma tokens cannot be purchased, sold, transferred or converted. Each Karma token is unique and has no defined value.
GLOBE	Rewards token	Globe tokens will be earned for sustainable consumption, e.g. for buying organic products or electric cars. Globe tokens can be transferred and converted to Neco tokens.
STACKCHAIN	Utility token	Stackchain tokens will be used by service providers and clients to run the Stackchain platform. Service providers (network nodes) receive Stackchain tokens for every transaction they process. Clients pay with stackchain tokens for every transaction.
COLLEXA	Utility token	Collexa tokens will be used to access Collexa’s collective intelligence. They can be used to conduct surveys or polls on the Collexa platform.

8.2 The Neco Reserve

The Neco Reserve is a fractional reserve of fiat currencies (USD, EUR, GBP, etc.), shared amongst all stakeholders. The reserve secures the value of the Neco by backing up a percentage of the Neco money supply with fiat currencies. All token exchanges are handled by the Neco Reserve. The reserve grows when users buy Neco tokens and shrinks when users sell tokens.



The ratio between the value of the reserve (R) and the Neco money supply (N) is called the *reserve rate* (r). It's calculated by the formula:

$$r = R \div N$$

The reserve (R) is the sum of all fiat reserves:

$$R = \Sigma(R_{\text{EUR}}, R_{\text{USD}}, R_{\text{GBP}}, \dots)$$

The *minimum reserve rate* (r_{min}) defines the lower limit for the reserve rate (currently 10%).

Neco's reserve requirements are fulfilled if the following relation is true:

$$r \geq r_{\text{min}}$$

The unit of account is NECO (currency symbol ₯).

As the reserve secures the value of the Neco, we have implemented mechanisms to protect the reserve from bank runs and may impose (temporary) budget restrictions to avoid such critical financial situations. In the unlikely case of the reserve falling below the minimum reserve rate, the Executive Board can execute emergency procedures such as closing the reserve.

The reserve also protects the Neocracy against bankruptcy and limits the loss risk for the users. Our organization is required to maintain a positive reserve and will not accept any debt or other financial obligations. In the unlikely case of a dissolution of our organization, the remaining reserve would be paid out to all stakeholders.

8.3 Token pricing

The price (p) of the Neco is regulated collectively by our user community.

In the quarterly [Neco Regulation](#), Neco users can vote to change the value of the Neco within the limitations of the reserve (R).

- The value rises if the reserves have increased over the previous quarter
- The value remains the same if the reserves have not increased
- The value decreases if the reserves have fallen below the minimum

Unlike traditional currencies, the value of the Neco is determined by the users, not by demand and supply. The value changes only every quarter, not every day. These two major differentiators increase Neco's stability, decrease its volatility and simplify accounting processes.

8.4 Neco regulation

The Neco regulation is a quarterly [Collexa referendum](#) where our users regulate the allocation of additional money supply (N) for the 3 parts of the triple bottom line (PPP - people, planet, profit) and the reserve (R). A minimum number of 1,000 Neco tokens are required to participate in the Neco regulation.

After every quarter, the [Neocracy Executive Board](#) will publish a quarterly statement with the latest financial parameters such as the reserve (R), reserve rate (r) or Neco money supply (N). If the reserves have increased, the board will publish multiple proposals for Neco's new price (p') for Neco users to vote. The proposal with the most votes wins and determines the new price of the Neco until the next quarterly regulation.

Each proposal contains the additional money supply for the three parts of the triple bottom line - *people, planet and profit* (PPP) as well as an addition to the reserve:

1. People: budget for universal basic income



2. Planet: budget for reforestation
3. Profit: budget for profit
4. Reserve: addition to the reserve

Profit is generated by increasing the value of all Neco tokens rather than generating additional money supply.

8.5 Voting rights

The Neocracy organization follows the values of a cooperative enterprise, as it is jointly-owned and democratically-controlled by its stakeholders.

In principle, all Neco users have equal voting rights, regardless of the amount of Neco tokens they own. However, premium users may have up to 3 votes.

While most Collexa polls are open to all users, some may require the user to meet conditions such as a certain Karma level or a minimum number of Neco tokens.

8.6 Token exchange

Neco tokens can be converted into fiat currencies without conversion fees. Neco tokens cannot be exchanged directly with other cryptocurrencies like Bitcoin as these assets are too volatile for the reserve.

The price of the Neco is expressed in the *reference currency*, which determines the exchange rates to all other currencies such as USD or GBP. Neco uses the exchange rate from [Google Finance](#) to determine the daily exchange rate of the EUR to other currencies and records the exchange rate history on Stackchain. The Neco is divisible into 5 digits after the comma.

Our organization may at its sole discretion accept or decline an exchange request. Although we aim to fulfill the request immediately, certain situations and limitations may require us to (temporarily) deny or delay the conversion of Neco tokens, for example in case of a low reserve.

To prevent speculation and early profit taking, especially during the [Neco regulation](#) process, our organization may impose a *Speculation Fee* on an exchange request. Should an investor withdraw funds within the *Speculation Period* (currently 6 months), any appreciation on the value of Neco will not transfer to the investor and withdrawal will be at the exchange rate the investor initially purchased the tokens, or the lowest proposed exchange rate for the upcoming Neco regulation, whichever is lower.

For users receiving universal basic income or similar forms of payments from Neco, a certain percentage (*lockup rate*) of their payment in Neco may be excluded from conversion into a fiat currency for a certain period (*lockup period*). Such funds can only be converted after the lockup period has lapsed.

8.7 Money supply

The Neco money supply (N) is the sum of all available Neco tokens. During the quarterly Neco regulation, our users collectively decide on the allocation and distribution of additional Neco tokens. This process of collective money creation is referred to as *Crowdfunding*.

Crowdfunding increases the money supply (N) while the reserve (R) remains unchanged, thus reducing the reserve rate ($r = R \div N$). The amount of new money that can be created through Crowdfunding is limited by the reserve requirement ($r \geq r_{\min}$).



8.8 Karma

Karma is a token earned for positive actions such as offsetting the carbon footprint or volunteering. It cannot be purchased, sold, transferred or converted. A user's *Karma level* determines their maximum allowance for UBI and other services.

Every Karma token is unique and limited. For example, users paying their carbon freetax for 2018 will receive the Karma token named "Carbon Freetax 2018" and can only earn this token once per user.

The number of Karma tokens earned by a user determine the *Karma level*, an exponential distribution from level 0 to level 10 where level 0 is for users without Karma and level 10 for users with the highest number of Karma tokens. With increasing numbers of Karma tokens earned, it will become more and more challenging to reach the next Karma level.

Users can opt-in for showing their Karma level on their public user profile, increasing transparency.



9. Roadmap

*“Faith is taking the first step even when you don't see the whole staircase”
Martin Luther King Jr.*

Building a sustainable financial system takes time. This section will provide details on where Neco is right now and what we plan to do in the next few years. We will invite our users to participate in the strategic decisions that drive our roadmap and the development of the Necosystem.

9.1 Initial Coin Offerings

The project will be financed through multiple series of crowdfunding, primarily through three *Initial Coin Offerings* (ICO):

1. Neco ICO (2021)
2. Stackchain ICO (2022)
3. Collexa ICO (2023)

The purpose of each ICO is to raise funding for the development of the respective technology and subsequently commence the sale of the token.

This white paper covers only the [Neco ICO](#). Details on the other ICOs will be released in separate white papers in due course.

9.2 Project phases

The Neco project was officially launched on September 1st of 2017 in Munich, Germany. After securing seed funding over 100,000 USD, we issued the first Neco tokens and entered into the design phase in 2018, releasing the Neco white paper in version 1 on Oct 31st of 2018.

In 2019, we founded our profit and nonprofit organizations in Germany and Malta and integrated them into the Neocracy organization. We built a proof-of-concept system with approximately 100 users to verify our system design and issued the first Karma tokens. We launched the first phase of crowdfunding (private sales) to raise funds for the Neco ICO and released the Neco white paper in version 2 in the second half of 2019.

After having received the confirmation from our regulator, the Malta Financial Services Authority (MFSA), classifying the Neco as a “Virtual Token” under Malta’s latest crypto regulation, our organization is now preparing for our public offer, the Neco ICO, planned for 2021. Development of the Neco app will start once we have secured sufficient funding for the *minimum viable product* (MVP). Funding for the Stackchain MVP has already been secured through our first round of crowdfunding and a grant from the Bavarian government as part of the government’s digital transformation program.

The Stackchain ICO, our second ICO, is scheduled for 2022. Currently, Stackchain is only used internally and will be developed with existing internal funds. The purpose of the Stackchain ICO is to turn the internal solution into a DLT *platform-as-a-service* (PaaS) that outperforms traditional Blockchain implementations and offers other companies an alternative to Blockchain. Details on Stackchain will be released with the Stackchain white paper.

Our third ICO will be the Collexa ICO, scheduled for 2023. Similar to our Stackchain strategy, the purpose of the Collexa ICO is to raise funding to upgrade Collexa from an internal tool to a service platform for collective intelligence. Details on Collexa will be released with the Collexa white paper.



9.3 The Neco ICO

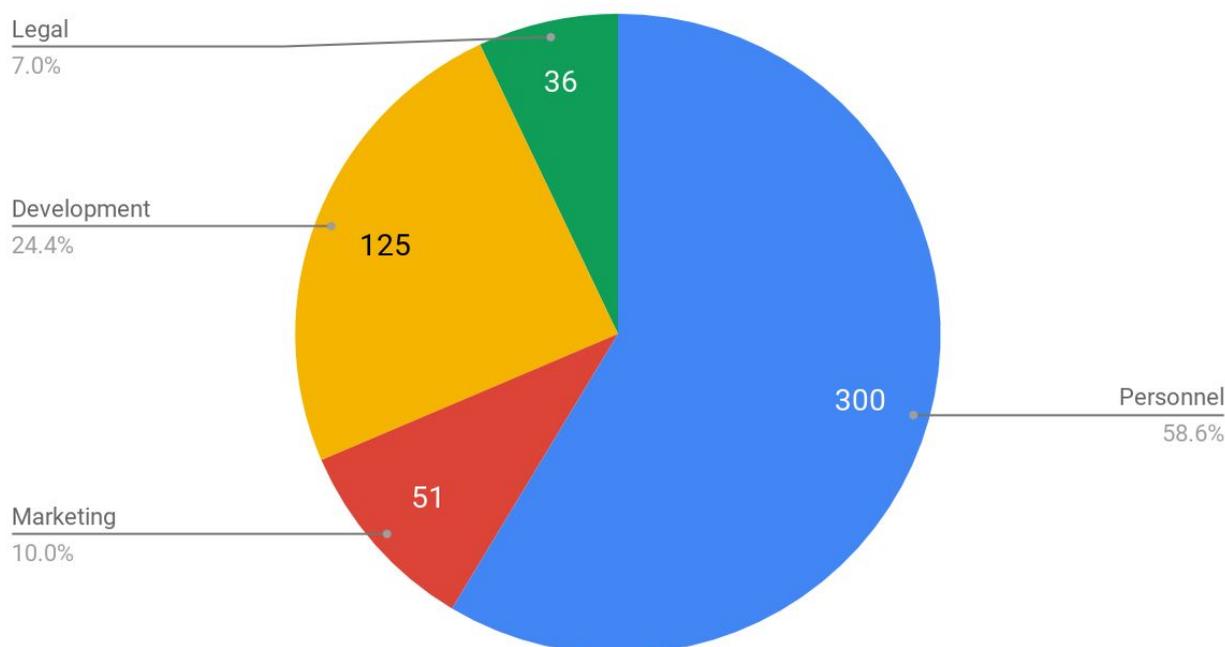
Important notice: this version of the Neco white paper is a pre-ICO release. An updated version of this white paper with detailed information on the public offer, the Neco ICO, is planned to be released in 2021. This document is not a solicitation for investment and does not constitute an offer of securities to the public. For more information on the white paper, please contact us whitepaper@neco.finance.

In the second half of 2019, we launched the Neco Private Sales event, our first round of private crowdfunding to raise funds and complete our Neco proof-of-concept. The Private Sales offer will end on December 31st of 2019. Please contact us at invest@neco.finance if you are interested in buying Neco tokens at a discounted price and receive our exclusive Private Sales Investor Karma token.

The Neco ICO, a public offer scheduled for 2021, constitutes Neco's second round of crowdfunding, targeted at raising sufficient funds to develop the *minimum viable product* (MVP) for the Neco platform. The MVP will contain the [Neco App](#), [Stackchain](#), [Collexa](#) and manage transactions with NECO and KARMA tokens. In addition to the development of the Neco platform, the investment will be used to ramp up our sales and marketing activities. We plan to expand our existing activities in Germany and Malta by launching a for-profit cooperative organization "Neco Finance" and a non-profit association "Neco for Future" in Malta.

Our organization uses a [collective forecasting](#) process to predict the costs associated with our future activities. The following chart is based on the most recent Collexa forecast.

Estimated costs for 2020 in thousand EUR



During the ICO, investors can purchase Neco tokens and participate in the quarterly [Neco regulation](#) process. Investors purchasing tokens for 1,000 EUR or more will earn our most exclusive token - Karma. The amount raised from the ICO will be used to fund our operational expenses, marketing, corporate structuring, security, and legal costs. In our latest Collexa forecast, we estimate to raise 1 million Euro. Unlike most other



ICO's, investors can sell their Neco tokens back to our organization during the ICO, further reducing the risks of the investor.

For our initial investor base, we are targeting persons with *Lifestyles of Health and Sustainability* (LOHAS), a demographic defining a market segment related to sustainable living, generally composed of a relatively upscale and well-educated population segment. This market segment is growing worldwide and represents about 10-15% of the population in the developed countries. LOHAS are typically consumers of the following products and services:

- Natural, organic and fair-trade products
- Vegan or vegetarian food
- Electric mobility and energy-efficient appliances
- Ecotourism and volunteering
- Green and socially responsible investments
- Holistic health for body, mind and soul

9.4 Risks

The acquisition of tokens carries a number of risks. To mitigate these risks, our organization has implemented mechanisms for protecting the [Neco Reserve](#) from bank runs and bankruptcy and stabilizing the Neco currency. We will utilize [Stackchain's](#) advanced security features to reduce the risks for hacking, theft and fraud. The [Neocracy](#) operates independent legal entities in Germany and Malta to reduce the regulatory risks and is planning to add entities in other crypto-friendly jurisdictions in future.

The following is a non-exhaustive disclosure of principal risk factors which are considered to be material by our organization. Most of these risk factors are contingencies which may or may not occur and our organization is not in a position to predict the likelihood of such contingencies occurring.

By acquiring, holding and using tokens, investors acknowledge and accept the following risks:

- General suitability of Token acquisition;
- Risk of losing access to Tokens due to loss of private key/s, custodial error or investor error;
- Risk of mining attacks;
- Risk of hacking and security weakness;
- Risk of security weakness in the smart contract, Website and Tokens source code or any associates' software and/or infrastructure;
- Risk of no listing or low/no liquidity;
- Risk of an eventual unfavorable fluctuation of Tokens or Token value;
- Risk of malfunction in the Stackchain;
- Risk of uninsured losses;
- Risk associated with uncertain regulations and enforcement actions;
- Risk arising from taxation;
- Risk of insufficient interest in the Platform and the Project;
- Internet transmission risks;
- Risk of dissolution of the organization;
- Risk arising from lack of governance rights;
- Regulatory risks and market risks;
- Other inherent risks;
- Unanticipated risks.



10. The Neco movement

“Creating a better world requires teamwork, partnerships, and collaboration, as we need an entire army of companies to work together to build a better world within the next few decades”

Simon Mainwaring

Would you like

- a currency with no inflation and low volatility?
- your money to be secured by a reserve?
- to send and receive money without fees?
- your savings to increase in value over time?
- to receive basic income for free?
- to offset your carbon footprint?
- to support the reforestation of our planet?
- a financial system based on good values?
- a decentralized governance model?
- to have a vote on all monetary policies?
- a circular economy that increases happiness?
- a carbon-neutral platform that respects your privacy?
- a collective intelligence to support financial decisions?

If your answer is “yes” to any of these questions, I cordially invite you to support our movement and help us build a new financial system for you, humanity and the Earth. There are many ways you can contribute to this project, such as:

- [Purchasing Neco tokens](#)
- [Offsetting your carbon footprint](#)
- [Working for our organization](#)
- [Joining our nonprofit association](#)
- [Volunteering](#)
- Following us on [Facebook](#), [Instagram](#), [LinkedIn](#) or [Twitter](#) (@necocurrency)
- Sharing our vision with others (www.neco.finance)



About Neco

“The major issues of our times are either caused by the financial system, or could be solved by a better one”
Florian Goette

Servus⁹, my name is Florian Goette (“Flo”), the founder of Neco and author of this white paper. I am a serial entrepreneur, investor and activist with a track history of successfully launching and selling 4 tech startups. After selling my last startup to Silicon Valley for nearly \$10 million, I embarked on a 3-year journey around the world to explore all 7 continents and study the world’s cultures and ecosystems. During this sabbatical, I became increasingly concerned about our current financial system which I believe to be the root cause for our economic, social and environmental problems. During a trip deep inside the Amazon rainforest of Peru, I had an intense lucid dream, a vision of a planet in peace and abundance. It was the most powerful spiritual experience of my life and I decided to make it my mission to pursue this vision. So let me share this vision with you.

We live in a world of abundance. We have enough food to feed every person on this planet. We have the medicines to cure almost all diseases. We have the technology to live sustainably.

“The world has enough for everyone’s needs but not enough for human greed.”
Mahatma Gandhi

So why do we still live in a world of scarcity? A world where people die from starvation. A world where people die from curable diseases. A world of climate change and mass extinction of species.

It’s because of our outdated financial system, a centralized, debt-based system that exploits the people and destroys the planet. We have not understood that money is not real, but a fictional resource, a product of human imagination. In today’s digital world, money and debt are nothing more than numbers in computer systems.

“Corporations, money and nations exist only in our imagination. We invented them to serve us; why do we find ourselves sacrificing our life in their service?”
Yuval Noah Harari

In fact, we have enough money to offer every person on this planet a decent living standard, education and healthcare. We have enough money to plant trees and stop climate change before it’s too late. We have enough money to protect the environment and halt the mass extinction of species.

“You never change things by fighting the existing reality. To change something, build a new model that makes the old model obsolete”
Buckminster Fuller

To live in abundance, we have to change the system in which we operate. This may sound impossible now but it will be easier than you think. It will be almost as easy as changing your bank. In only 4 steps you can transition into the [Necosystem](#), our sustainable financial system:

1. Open a Neco account
2. Transfer money to your Neco account

⁹ “Servus” is a salutation used in Bavaria and many parts of Central and Eastern Europe, meaning “at your service”.



3. Accept Neco and pay in Neco
4. Invite others to join Neco

Right now, the Neco currency and the Necosystem are in a proof-of-concept stage. To take it to the next level, our organization needs to raise money to prepare for the Neco ICO, planned for 2021. For this reason, we have launched a private fundraising event before the ICO where private investors can already purchase Neco tokens at a special discount for a limited time. If you wish to support our vision, please contact us at invest@neco.finance or on [Facebook](#).

All investors purchasing Neco tokens for 1,000 EUR or more will earn our most exclusive token - Karma. Karma tokens cannot be purchased, sold or transferred - Karma can only be earned. Don't miss the chance to increase your Karma now!

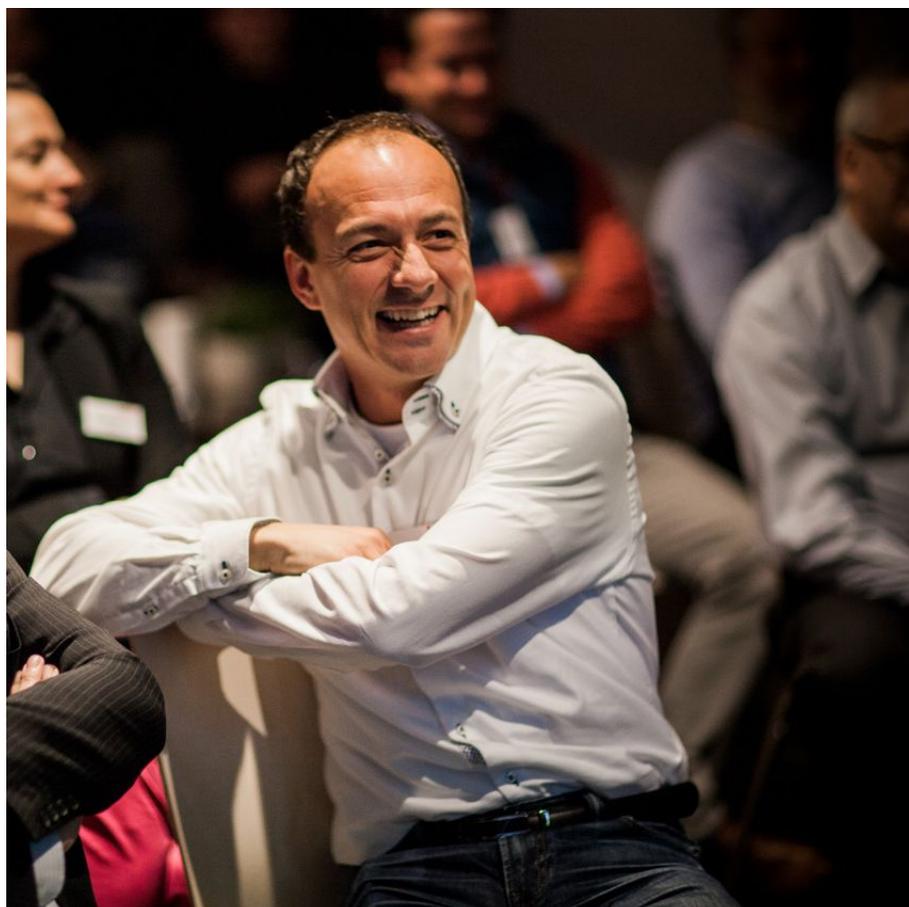
I declare the information contained in the white paper to be in accordance with the facts to the best of my knowledge.

I am very grateful for the opportunity to work on this extraordinary project that has the potential to change the world.

Thank you for your support!



Florian Goette
Founder and Chairman



About the white paper

White paper	
Document name	Neco White Paper
Release date	2020-09-14 (v2.5)
Author	Florian Goette, Founder and Chairman at Neco Finance
Copyright	© 2020 Pro Team Investment GmbH, Am Gasteig 3, 83737 Irschenberg
Summary	Neco is a stable currency for the common good. We generate profit, provide universal basic income and protect the climate. Our vision is to build a sustainable financial system that serves the people and the planet
Updates	This version of the Neco white paper is a pre-ICO release. A newer version of this white paper with detailed information on the public offer, the Neco ICO, is planned to be released in 2021. This document is not a solicitation for investment and does not constitute an offer of securities to the public. For more information on the white paper, please contact us whitepaper@neco.finance .
No solicitation or public offer	This document is not a solicitation for investment and does not constitute an offer of securities to the public.

About the issuer

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Issuer	Pro Team Investment GmbH Am Gasteig 3 83737 Irschenberg Germany
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VAT ID	DE263524011
Director	Florian Goette
Ultimate Beneficial Owners	Florian Goette (100%)
Company purpose	Sustainable investments and management of intellectual property

