



## **Tokenized Platform for Freelancers**

UpSkills is a new tokenized Platform that allows professionals who want to work remotely to find orders and job offers, and to businesses to delegate a number of tasks to specialists on contractual terms. UpSkills, thanks to the possibilities of using smart contracts and digital tokens used for calculations, allows solving the two biggest problems of freelancing: the lack of guarantees when it comes to deadlines and the complexity of transferring money between parties in different countries.

### **The money transfer problem**

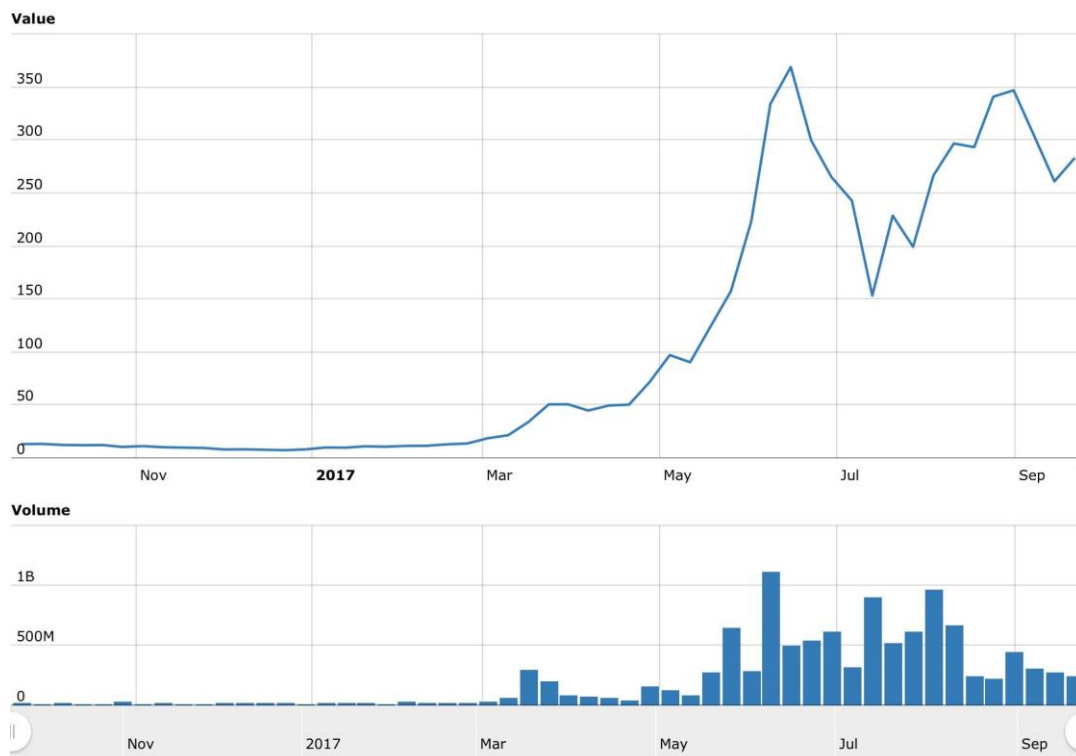
Nowadays, it's a normal practice for programmers, designers, marketers, copywriters, and other unbound by borders professionals to look for Customers abroad. However, in a number of countries, legislative norms outline very complex or unnecessarily expensive mechanisms for sending/receiving money to and from other countries. We're not talking about legislative bans, restrictions or limitations, although, there's plenty of those out there too. It's the logistical obsolescence of norms that bothers us, the geriatric rules put together decades ago that do not take into account the modern technology. Today, there is a nearly perfect way to safely, securely, and timely fill orders from the other side of the world while working out of one's own home. The tech is called "blockchain", and for almost 10 years to date it's been a cornerstone for various digital tokens and crypto-currencies.

A digital token is a digital currency that neither has a central emittent, nor a central regulator. The value of digital tokens is based on the unprecedented level of their security as a financial instrument. This level of security can be achieved due to the decentralized nature of a digital token, which is distributed among all owners of a cryptologically protected database of all financial transactions. A digital token is not fiscally bound to any state institution: for digital tokens, it makes no difference whether they are transferred to the electronic wallet of a resident of

a neighboring apartment or thousands of miles away. All this makes digital tokens an extremely convenient and relatively inexpensive financial tool for making online payments.

### How can I use digital tokens?

- Digital tokens can be used for payment on their native Platforms. UpSkills USK digital token can be used for settling accounts on the UpSkills Platform and for paying commissions for the Platform's services.
- Digital tokens can be used in most of the Ethereum-based ecosystems. USK is Ethereum-based, which makes it suitable for use on almost any cryptocurrency Platform or with any business that accepts crypto.
- Digital tokens can be exchanged for other cryptocurrencies or fiat currencies.
- In many countries today, cryptocurrencies are being readily accepted by local vendors at off-line sales points and specialized ATMs (subject to availability in your country).
- Cryptocurrency can be used as the most reliable, unreachable for any central government, safe and secure means of storing and reinvesting capital.



The chart below shows the growth history of the ETH exchange rate over the past year, which clearly illustrates the growth of the leading cryptocurrencies.

## The Deadline problem

One of the most common problems when dealing with freelancers is keeping up with deadlines. The available solution for that problem is online time controller, which allows to track the time spent at a workplace. On the other hand, while useful for call center employees, the OTC is totally unsuitable for creative professionals (design, IT and many others).

The so called conventional contract is another way to go when dealing with the deadline problem. It provides the contractual means of recourse against unscrupulous practices such as bad time management. But it's impractical and unenforceable due to a number of jurisdiction issues, especially with smaller contractors.

Our solution:

UpSkills Platform offers freelancers and their potential employers the use of a smart contract - a software template with all the provisions of a conventional contract embedded in the code: the subject and terms of the contract, the agreed upon amount, the manner of payment, the deadline etc.

### Sample smart contract for creating a website

1. The subject of a contract. It stipulates, which component a developer should provide, for example, 1) a set of program files ready for hosting; 2) technical specification for the site administrator.
2. The stages of the contract. The progression of work is stipulated, for example, 1) writing of technical description; 2) creating a design; 3) creating a beta version of the site; 4) finalization, testing, final approval.
3. Criteria for final approval. The criteria can be as simple as a check mark or as complex as a step by step instruction as to what to do with certain files, designs, permissions, rules of access, payments, downloads etc.. The Platform may be instructed via a smart contract as to how to create a succession of actions in order to satisfy both parties.
4. Payment. Each stage of the contract is priced separately, the stages comprise the final price of the contract. That amount is transferred in full from the Customer's electronic wallet to the smart contract (this is absolutely safe and is a technical element of the program code). The contractor is paid in increments upon the Customer's approval of each corresponding stage of the contract.
5. Timeline. The timeline is set for each stage and for the entire contract. The deadline for each stage can be flexible, and at the same time very specific for the entire project. The late charge, a penalty of some sort for breaking the timeline may be stipulated.
6. Tokens. Payment can be made in USK or ETH.

Thus, the use of smart contracts ensures the timeliness of any work done on the Platform and guarantees a safe and secure payment in full to a contractor who's done his or her job well.

## **UpSkills Specification**

### Development Platform

UpSkills tokens are Digital Product Tokens (DPT), meaning that they are designed for a specific online product to give it the technological advantages of blockchain and cryptocurrency instruments, such as smart contracts. DPTs are not a technological breakthrough, on the contrary, in order to ensure reliability and operational flexibility, they are based on the oldest, best proven and high-quality solution the crypto market has to offer - Ethereum Platform.

Information on the technical characteristics of the Ethereum Platform can be found at <https://ethereum.org>

## **Tokens emission**

The total emission of the UpSkills (USK) tokens is 50 million USK. The initial emission of tokens for the ICO is 15 million USK. Of this amount:

- The number of tokens available for sale through the ICO is in the range of 2 to 10 million USK.
- The unsold after the ICO tokens are available for presale for another six months, after which the unsold tokens are discarded.
- A third of this amount (USK 5 million) is distributed between marketing (USK 2.5 million), loyalty program (USK 500,000), reward for developers, consultants and the UpSkills team (USK 2 million).
- The emission of the remaining 35 million USK is timed to the beginning of the transactions and amounts to 10% of the transaction amount but not more than 50 USK per transaction.

The distribution of emitted tokens occurs as follows:

- 30% marketing;
- 40% development;
- 10% operating expenses;
- 20% loyalty program and bonuses for potential business partners.

## **How does the Platform work?**

For customers, the registration on the Platform includes three stages:

- You need to own an electronic wallet on Ethereum, you can download it here: <https://www.ethereum.org>.
- You need to register on the Platform as "Customer"\*. For registration, you will need to state your first name, last name, and contact details. You will need register as an individual or an organization (in the latter case, your level of authority). If you wish, you can also fill out a short questionnaire, which will help us offer you the most suitable specialists for your project.
- You need to create a project. The project implies a task for which you are selecting a specialist(s). Before the project is created, your profile is stored in the database in the development state.

\*If you are already registered on our Platform as a freelancer, it makes sense to go through a simplified registration as a Customer directly from your personal account, which is much quicker and will simplify the authorization process in the future.

- After the project is created, it enters the UpSkills on-going project database and, depending on the options you select, the following occurs:
- The program automatically invites specialists to participate in your project based on your requirements;
- Your project is turned over to the Platform's business consultant, who personally updates the order, selects specialists and creates a team to execute your order under the supervision of an experienced project manager.

If you decided to select a specialist and manage the project yourself, then the following occurs:

- Specialists who want to participate in your project send you their suggestions for cooperation. You choose the experts that suit you and begin the project.
- If you do not receive the expected response from the specialists, you can change the description of the project (type of work, cost of services) until you get the desired result (this can be the category of works and the cost of services) or use the Platform's business consultant to help you develop the optimal project concept.

**Note:** the Platform consultant (business analyst) will base his search on such project stats as the number of responses to your posting, number of specialists who received invitations to participate, how many of them made offers, what was the skill set of the specialists who responded, their experience in similar projects and will offer you recommendations that will help you find the best specialist for your budget.

- The first stage of cooperation is the creation of a smart contract, in which the amount of USK tokens you specify is withdrawn from your electronic wallet until the contract is completed and final settlements are made.

**Note:** This amount is stored in the smart contract until the moment it is completed, and when the specified conditions are met (deadline upheld, the electronic signature appears), a transaction is created transferring the tokens to the contractor's e-wallet. Or if the contract conditions are not met, tokens return to your electronic wallet. The payment of the Platform's commission also takes place in the smart contract.

- During the course of the project, the specialist grants you access to the project's documentation and resources, software, tools, books, and instructions. If so specified in the contract, a step-by-step payment scheme is implemented. Otherwise, the contractor receives full payment upon completion of the project. Both parties leave feedback.

The Platform commissions

1. The Customer pays a service commission to the Platform in the amount of 7.5% of the smart contract subtotal. The commission is automatically transferred to the Platform when the tokens are credited to the smart contract.
2. The cost of the Platform's business consultant services depends on the package you select:

	<b>Base</b>	<b>Full</b>	<b>Business+</b>
<b>The project assessment; which specialists required</b>	Yes	Yes	Yes
<b>Skillset assessment for each specialist: specialization, experience etc.</b>	Yes	Yes	Yes
<b>Cost analysis</b>	Yes	Yes	No
<b>Feedback analysis, similar projects stats analysis</b>	No	Yes	Yes
<b>Similar projects cost analysis</b>	No	Yes	Yes
<b>Hand-picking of specialists by the Platform's business consultant</b>	No	Yes	Yes
<b>The business prospectus creation</b>	No	No	Yes
<b>Creation of a project implementation plan with emphasis on Agile, Scrum, and Kanban methodology</b>	No	No	Yes
<b>Cost of the Platform's business consultant services*</b>	100-300\$	500-800\$	1000-5000\$

*\*The actual price of services is determined depending on the number of specialists involved in the project, and the complexity of the project itself.*

3. The cost of project management is calculated according to the following formula:

$$\text{PricePremium} = N \times \text{BusinessConsultation} + 20\% \times \text{SalesProfessionals} + \text{ProjectManager} + 7,5\% \times \text{ProjectValue}$$

For freelancers: you need to own an electronic wallet on Ethereum, you can download it here: <https://www.ethereum.org>.

You need to register on the Platform as "Specialist"\*. For registration, you will need to state your first name, last name, and contact details. You will need register as an individual or an organization (in the latter case, your level of authority). If you wish, you can also fill out a short questionnaire, which will help us offer you the most suitable specialists for your project.

You need to create a profile. To create a profile that comprehensively displays the full range of your professional qualities, you will need to fill out a detailed questionnaire.

**Note:** In the questionnaire, you will need to indicate the level of your professional expertise, describe your skills, education, whether you're bonded and certified, and add a project portfolio. You may then invite friends, colleagues, and former customers registered with UpSkills to confirm your professional skills, leave recommendations and feedback. You have an option of adding a video or an animated presentation to your profile, thereby significantly increasing the chances of being hired.

Another way of raising your profile is starting a blog in your profile on the Platform where you can publish articles and videos that speak for your experience and skills. The best articles and video reviews are published on the UpSkills blog, which gives the author an invaluable exposure. And the best part, it makes him or her money too!

**Note:** a number of tokens earned from writing articles and leaving video reviews depends on the number of likes, comments, and shares an item receives. Each like and comment is valued at 1 bonus, a share is 3 bonuses. At the end of each month, bloggers divide up 70% of advertising revenue from the blog. The earned bonuses are converted to the USK using the formula:

$$1 \text{ bonus} = \text{Advertising revenue, USK} / \text{Total number of bonuses.}$$

\*If you are already registered on our Platform as a Customer, it makes sense to go through a simplified registration as a Freelancer directly from your personal account, which is much quicker and will simplify the authorization process in the future.

Once you've created your profile, it gets into the UpSkills profile database and becomes visible on the Platform. At this point, you may choose a way of offering your services:

- you wait until the system tags you in a project it thinks you're suitable for and make a bid;
- you create auctions where you offer a coupon for your services with a full description of the package deal;
- you become part of the UpSkills team. From that point on, your income on the Platform consists of a fixed part (regardless of your involvement in the projects) and variable (depending on your role in the project).

**Note:** as part of the UpSkills team, you guarantee that you are ready to start working on a project full-time (remotely) at any time. You may, however, specify the hours of operation in accordance with your time zone

but you must be engaged on the Platform for at least two 4 hour periods a day for a total of 8 hours. To become part of the UpSkills team, you need to send us an application from your personal cabinet.

## **Auctions**

Auctions are a powerful economic solution that allows each participant (both the organizer and the bidder) to set their own participation policy in order to gain the most from the auction. In simple terms, it is mathematically proven that auctions are not only one of the fairest and most profitable sales models, it is also a marketing tool to increase the influx of customers.

The UpSkills platform provides an opportunity to specialists to create auctions in order to promote their services, and to customers a chance to obtain the most cost-effective offer.

### **Auctions created by freelancers**

Freelancers may offer their services up for auction in the form of a package proposal. There are three types of auctions for freelancers on the Platform:

*Lowest Unique Bid (LUB)* - each participant bids from 0 up to the price specified by the organizer. The smallest unique bid (or the first bid among the minimal and repeated fewest times) wins. The cost of participation in this type of auction partially, completely or abundantly compensates for the true cost of the service to the auction organizer.

*Price Review Auction (PRA)* - is an auction where the asking price for the lot is unavailable and for the right to learn it a participant must pay commission. After the price is opened to a participant, he is given time to make a decision on buying a lot at this price. If a participant refuses to buy, the next participant will enjoy the asking price being lowered by the amount of the previous participant's commission.

*Penny auction* - the starting price for a lot is set at 1 USK. The participants, after paying a small participation fee, compete for the right to purchase the lot, with each new bid increasing the lot price by 1 USK. The winner is the one whose bet was not "beaten" by other participants in the time allotted for the auction.

### **Auctions for customers**

The customer may auction off his or her order as a lot for bidding. This approach is most effective if the need to minimize expenses is a priority or the orderer is not sure of the market price of the service he or she is interested in.

In this case, the customer has the opportunity to organize a *Dutch auction*:

The Dutch auction is a type of auction in which the initial price of the lot is listed by the organizer as two values - a minimum and a maximum acceptable amount.

On the UpSkills platform, the auction organizer performs the following actions:

- creates a detailed description of the required service (product);



- defines the requirements according to the UpSkills criteria (specialty, experience, rating);
- sets the minimum he or she is willing to pay for the service (announced at the beginning of the auction) and the maximum, should none of the participants declare their willingness to undertake the assignment over the course of the bidding.

### **Platform commission**

1. Commission for an application for participation in the project. The commission is charged in USK in order to avoid spam and is equivalent of \$5 per application.
2. The Specialist pays the fee of 5% of the amount of contract to the Platform for services and support. The commission is automatically transferred to the Platform at the time of transfer of USK tokens from the smart contract to the electronic wallet of the freelancer.
3. Commission for auction creation. The auction creator pays 15% of all payed/received funds.