TETHERGO

First fiat Currencies on the Ethereum Blockchain backed by the Community

Abstract

TetherGo is an ERC20 Token with a value meant to mirror the value of USDT. Money built for the internet whatever you can do with digital currencies, you can now do with digital cash.

TetherGo gives you the joint benefits of open block-chain technology and traditional currency by converting your cash into a stable digital currency equivalent.

By leveraging Block-chain technology, TetherGo allows you to store, send and receive digital tokens pegged to dollars, euros, and yen person-to-person, globally, instantly, and securely for a fraction of the cost of any alternative.

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1. Introduction

Crypto currencies have the potential to massively upgrade the effectiveness of money worldwide. They can be sent nearly instantly to anyone anywhere in the world, can't be diluted or devalued by irresponsible governments, and can be programmed to operate inside of financial contracts that rely on code instead of law|each of which is independently a major improvement over at money. Crypto currencies have recently been top-of-mind for consumers, investors, and regulators around the world.

In addition to technical impediments that are on track to being solved, crypto currencies like Bitcoin and ether have been highly volatile in market valuation. Their volatility discourages merchants and consumers from using them as a medium of exchange or store of value. Put simply, nobody wants to spend a currency that may be worth twice as much in a month, and nobody wants to store their retirement savings in a currency that may be worth nothing in a year.

Their volatility also prevents them from serving as a standard of deferred payment.

Anyone who negotiates rent, wages, or loans in a currency lacking a stable value is unavoidably also speculating on that currency's future purchasing power. Relying on a volatile currency for such needs introduces unnecessary risk and makes it more difficult to coordinate actively [1].

Crypto currencies and blockchain technology are expected to greatly influence payment and financial systems as they continue to mature and develop. Already the People's Bank of China, perhaps the most powerful central bank in the world, has indicated its intent to create a national digital currency on the blockchain, and other financial authorities around the globe are pursuing or researching similar objectives. As interest in crypto currencies as digital analogues for traditional fiat currencies is growing rapidly, thoughts on the applications of economic theory to crypto currencies are maturing as well.

Due to the novelty of the space and poor economic frameworks of most existing crypto currencies, crypto economics is in its formative stages and early movers

incorporating robust economic and monetary strategies stand to excel as crypto currencies transition from speculative assets to widely adopted mediums of exchange. Crypto currencies are not strictly disadvantaged versus traditional fiat currencies.

In addition to production and replacement costs, physical fiat currency carries the substantial burden of never being able to truly solve for counterfeiting, and the ongoing U.S. Super dollar problem is a recent example of how serious the issue can be, to the extent of being used to fund rogue nations. While acceptance and price stability are presumed here to come over time as crypto currencies gain wide usage, transaction costs, fungibility, and intelligent supply variability are not so automatically solved. These issues must be explicitly addressed in a crypto currency, or long-term viability as a currency cannot be expected. Crypto currencies are uniquely equipped to solve for fungibility via the inclusion of privacy features, which is an advantage over traditional fiat currencies. The remaining issues require the incorporation of monetary features in order to first maintain viability as a currency, and second support the economic health of the systems utilizing the crypto currency as a medium of exchange.

However, with no central authority to conduct wealth redistribution mechanisms, a crypto currency must assume that only monetary policies can be employed to maintain the health of economic characteristics of the network.

Common crypto currency systems with consistent inflation rates through mining rewards and price volatility due to lack of a clear driver of value are clearly unsuitable at their current level of maturity for common usage as a medium exchange, and perhaps will never be able to break through these constraints. On the other hand, a stable coin system with variable supply capable of closely tracking a baseline, fiat currency through an appropriately designed collateralization mechanism affords all of the transactional and security advantages of digital currencies while piggybacking on the monetary and economic expertise of the traditional financial systems influencing the fiat peg's price. From the perspective of crypto economics, stable coins are the clear 'best of both worlds' frontrunner in the digital currency world [2].

2. The Opportunity for stable crypto currencies

Unleashing a fully functional crypto currency will be similar to releasing smartphones for the first time. Holding an iPhone, you could tell that mobile browsing was going to be a lot better, but no one predicted that within a few years there would be massive networks of non-professional drivers roving around picking up strangers and taking them wherever they wanted to go. Uber just wasn't what you thought of when someone said "app" in 2007. Similarly with crypto currency, while several applications of the technology are clear, it's equally clear that as many or more applications will be a surprise. Money is the most basic platform for commerce, and crypto currency is poised to be the most functional and least restricted form of money we've ever invented

3. Main Applications

In this section we'll summarize and discuss the main applications of TetherGo across the Ethereum/blockchain ecosystem and for other consumers globally. We break up the beneficiaries into three user groups:

Exchanges, Individuals, and Merchants.

For Exchanges

Exchange operators understand that accepting fiat deposits and withdrawals using legacy financial systems can be complicated, risky, slow, and expensive. Some of these issues include:

- Identifying the right payment providers for your exchange
- Irreversible transactions, fraud protection, lowest fees, etc
- Integrating the platform with banks who have no APIs
- Liaising with these banks to coordinate compliance, security, and to build trust
- Prohibitive costs for small value transfers
- 3•7 days for international wire transfers to clear
- Poor and unfavorable currency conversion fees

For Individuals

There are many types of individual Ethereum users in the world today. From traders looking to earn profits daily; to long term investors looking to store their Ethereum securely; to tech•savvy shoppers looking to avoid credit card fees or maintain their privacy; to philosophical users looking to change the world; to those looking to remit payments globally more effectively; to those in third world countries looking for access to financial services for the first time; to developers looking to create new technologies to all those who have found many uses for Ethereum. For each of these individuals, we believe TetherGo are useful in similar ways, like:

- Transact in USD/fiat value, pseudo anonymously, without any middlemen/intermediaries
- Cold store USD/fiat value by securing one's own private keys
- Avoid the risk of storing fiat on exchanges • move crypto•fiat in and out of exchanges easily
- Avoid having to open a fiat bank account to store fiat value

For Merchants

Merchants want to focus on their business, not on payments. The lack of global, inexpensive, ubiquitous payment solutions continue to plague merchants around the world both large and small. Merchants deserve more. Here are some of the ways TetherGo can help them:

- Price goods in USD/fiat value rather than Ethereum (no moving conversion rates/purchase windows)
- Avoid conversion from Ethereum to USD/fiat and associated fees and processes
- Prevent chargebacks, reduce fees, and gain greater privacy
- Provide novel services because of fiat•crypto features
- Microtipping, gift cards, more
- Anything one can do with Ethereum as a merchant one can also do with TetherGo.

Conclusion

TetherGo the first community backed fiat•pegged crypto currencies in existence today. TetherGo is based on the Ethereum blockchain, the most secure and well• tested blockchain and public ledger in existence. We are focused on arranging integrations with existing businesses in the crypto currency space. Business like exchanges, wallets, merchants, and others.

References

[1] Irving Fisher. Stabilizing the Dollar. The Macmillan Company, 1920. (11/1/2019)

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