

# LINK



## LINE TOKEN ECONOMY

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white paper

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# Important Notice

LINK digital tokens (hereinafter referred to as "**LINK**") are not intended to constitute securities, units in a business trust, or units in a collective investment scheme, each as defined under the Securities and Futures Act (Cap. 289) ("**SFA**") of Singapore, or its equivalent or any other regulated products in any jurisdiction.

LINK does not entitle you to any ownership or any other interest in Naver Corporation, LINE Corporation, LINE Tech Plus Pte. Ltd ("**LTP**") and/or any of their affiliated companies (together, "**LINE**").

This Whitepaper is meant to provide more information on the LINK Token Economy and functions of LINK, and does not constitute a prospectus or offer document of any sort.

This Whitepaper does not constitute or form part of any opinion or any advice to sell, or any recommendation or solicitation of any offer to purchase LINK nor shall it or any part of it or the fact of its presentation form the basis of, or be relied upon in connection with, any contract or investment decision.

No person is bound to enter into any contract or binding legal commitment in relation to the sale and purchase of LINK and no digital tokens or other form of payment is to be accepted on the basis of this Whitepaper.

Any agreement between LTP and you as a recipient or purchaser, and in relation to any airdrop, sale or purchase of LINK is to be governed by a separate document setting out the terms and conditions (the "**T&Cs**") of such agreement and no other document. In the event of any inconsistencies between the T&Cs and this Whitepaper, the T&Cs shall prevail. Your eligibility to receive, purchase or sell LINK on digital token exchanges, including the BITBOX exchange, is subject to your compliance with their respective terms and conditions.

No regulatory authority has examined or approved any of the information set out in this Whitepaper. No such action has been or will be taken under the laws, regulatory requirements or rules of any jurisdiction. The publication, distribution or dissemination of this Whitepaper does not imply that the applicable laws, regulatory requirements or rules have been complied with.

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**PLEASE READ THE SECTION TITLED "IMPORTANT NOTES" AT THE BACK OF THIS WHITEPAPER VERY CAREFULLY.**

# 01 LINE and Blockchain

LINE was conceived as a mobile messaging service shortly after the massive earthquake that devastated Japan in March 2011. After that tragic event, it became apparent that there was a fundamental need for a global communication tool that could strengthen human relationships and connectivity. A few months later, in June, we launched the LINE messaging app.

Since its launch, LINE has grown into a global service used by millions around the world. Today, it's more than a simple mobile messenger and is evolving to become a smart portal that aims to provide comprehensive solutions for users.

It was the contribution of our users that drove the rapid growth of the LINE ecosystem. Now we want to take the idea of user contribution-driven growth to the next level, rewarding users by sharing the added value created in the LINE ecosystem with them. To achieve this objective, we are launching a token economy through the introduction of blockchain technology into our platforms, enabling us to provide an optimized means of sharing value with [anyone<sup>1</sup>](#) in the digital world.

With this in mind, we created LINK. LINK will become the base digital token for services in the LINE Token Economy. Developed with an independent blockchain mainnet that is capable of processing a huge volume of transactions, LINK will be used throughout the LINK ecosystem and in many soon-to-be developed decentralized applications ("**dApps**"). With LINK, we aim to build a token economy that can be used by anyone, conveniently and naturally in their daily lives within the LINK ecosystem.

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References to "anyone," "everyone," "regular people" and words of similar meaning are subject to the respective policies of each dApp developer in the LINK Token Economy and digital token exchanges, including any restrictions on use by any persons sanctioned under applicable law.

## 02 The LINK Ecosystem

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### Ecosystem Principles

The LINK ecosystem is based on three principles :



#### Rewarding contributors

Rewarding those who participate and help build value within the LINK ecosystem.



#### Connected economy

Creating a thriving ecosystem and token economy joined together by a single digital token.



#### Designed for everyone

A digital token that's natural and easy for regular people to use within the LINK ecosystem.

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### Ecosystem Participants

#### 1. LINE Tech Plus ("LTP")

The organization responsible for issuing LINK, as well as setting and managing the LINK issuance policy.

#### 2. DApp developers

Services that participate in the LINK ecosystem and that have the following roles :

- Distributing LINK rewards :  
Establishing and operating reward policies and systems for each dApp service and paying rewards to users.
- Providing channels for using LINK :  
By developing uses for LINK, dApp developers help to shape and grow LINK's value and functionality.

#### 3. Contributors

The users of LINK dApps are also contributors, with the role of engaging in and using the LINK ecosystem and its services.

## 03 Token Economy

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### LINK Overview

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#### Ticker Symbol



#### Definition

LINK is the general-purpose base coin used within the LINK ecosystem.

#### Uses

LINK can be used to purchase tangible or intangible goods and gain various benefits in the LINK ecosystem.

#### Limits

LINK is not intended to constitute a security or other regulated product in any jurisdiction, and it does not entitle the holders to any ownership or any other interest or rights in any corporation.

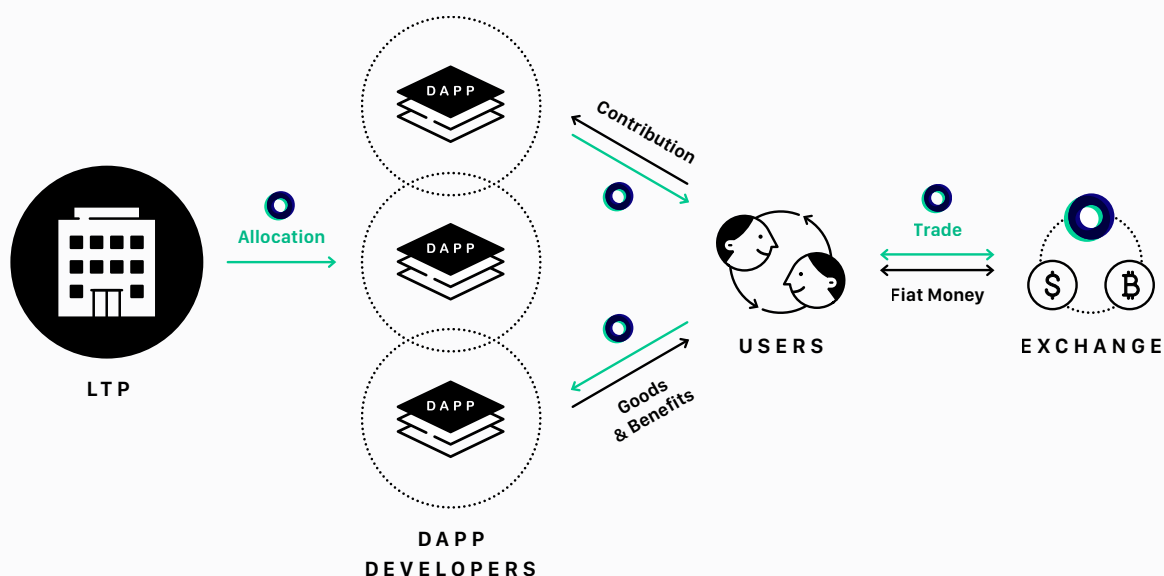
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#### Acquisition

- LINK can be acquired by users through their contributions to the LINK ecosystem.
- LINK can also be acquired by being purchased on various digital token exchanges (available exchanges to be determined at a later date), including BITBOX, LINE's digital asset exchange that was launched in Singapore on July 16, 2018.
- Units: The basic unit is the LINK, and the smallest sub-unit is the cony.  
(1,000,000 cony = 1 LINK)

## 03 Token Economy

### Token Economy Flow



The flow of the LINK token economy is as follows :

#### 1. Issuance and Allocation

LTP oversees the issuance of LINK and the allocation of LINK to the dApp developers.

#### 2. Rewards

dApp developers distribute LINK to users as rewards for their contributions to the LINK ecosystem.

#### 3. Use

LINK can be used to pay for tangible or intangible goods and services offered within the LINK ecosystem. LINK can also be used for service benefits within the LINK ecosystem.

#### 4. Circulation

dApp developers recirculate the LINK received from users (as payment) back into the LINK ecosystem by redistributing LINK as rewards to users, thereby creating a continuous circulation of LINK within the ecosystem.

#### 5. Trades

Users trade LINK in digital token exchanges.

## 03 Token Economy

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### Using LINK

LINK can be used as follows :

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#### Payments

Contributors can use LINK to purchase physical or virtual goods from dApp developers.

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#### Benefits

Service benefits are provided to contributors who hold LINK in accordance with the relevant policy of each dApp developer.

The following are examples of how LINK can be used in each service category.



#### Content

Payment for music, videos, and webtoons



#### Commerce

Payment for products/services, discount benefits, and payback



#### Social

In-app payment systems and wire transfers between individuals



#### Gaming

In-game trading and character improvements



#### Exchange

Payment of commissions, fee discounts, and digital token trading



## 03 Token Economy

### Issuance and Allocation

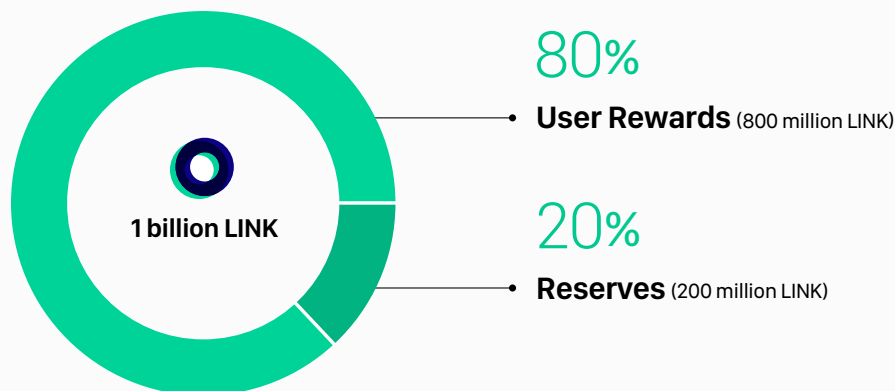
The policy of issuance and allocation is as follows:

#### 1. Issuance

- Issuer: LTP (incorporated in Singapore)
- Total amount issued: 1 billion LINK
- Issuing method: Issued free of charge as reward for service contributors
- Note: There is no plan for an Initial Coin Offering

#### 2. Allocation

- User Rewards (80%, or 800 million LINK):  
Rewarded by dApp developers in accordance with their respective user compensation policies
- Reserves (20%, or 200 million LINK):  
Managed by LTP, the issuer of LINK, as a reserve.



## 04 Technology Architecture

The LINK ecosystem is based on LINK Chain, a blockchain network independently built by LINE. Built to offer exceptional performance and stability, LINK Chain is a platform that millions of LINE users will be able to use to enjoy a wide range of dApps.

LINK Chain is a consortium-type blockchain platform where each participating service constitutes one node in a larger network. It is built on a high-performing blockchain core network that can process more than 1,000 transactions per second in a single thread. LINK Chain reflects LINE's long experience and know-how in building platform infrastructure.

LINK Chain mainly consists of four main layers.

### 1. LINK Chain Core Network

The main blockchain network, consisting of distributed ledgers, nodes, blocks, and consensus algorithms.

### 2. LINK Chain Framework

The platform API required for building services, comprising smart contracts, wallets, a unified authentication system, and block data management features.

### 3. LINK Protocol

The token design protocol for LINK, the base digital token for all of LINE's blockchain services.

### 4. dApps

The various blockchain-based services from LINE that are integrated into the LINK Token Economy.

## 05 Roadmap

### 2018

#### April

- Established UNBLOCK CORPORATION to develop LINE's Token Economy

#### June

- Established UNCHAIN CORPORATION, a joint venture between LINE and ICON Foundation for developing LINK blockchain platform

#### July

- Launched LINK beta-net

#### August

- Created Genesis Block

#### September

- Released LINK Chain
- Released the first 2 LINK dApps

#### October

- Listed LINK on BITBOX (the LINE Singapore exchange)

#### December

- Launch LINEAR Network

### 2019

#### 1Q

- Release LINK Framework (for partners dApp)
- Release LINK Wallet

#### 2Q

- Open LINEAR Network for 3rd party dApp

# Important Notes

## **Disclaimer of liability**

To the maximum extent permitted by the applicable laws, regulations and rules, LINE shall not be liable for any indirect, special, incidental, consequential or other losses of any kind, in tort, contract or otherwise (including but not limited to loss of revenue, income or profits, and loss of use or data), arising out of or in connection with any acceptance of or reliance on this Whitepaper or any part thereof by you.

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## **Representations and warranties by you**

By accessing and/or accepting possession of any information in this Whitepaper or such part thereof (as the case may be), you represent and warrant to LINE as follows :

- a. you agree and acknowledge that LINK does not constitute securities, units in a business trust, or units in a collective investment scheme, each as defined under the SFA, or its equivalent or any other regulated products in any jurisdiction;
- b. you agree and acknowledge that this Whitepaper does not constitute a prospectus or offer document of any sort and is not intended to constitute an offer of securities, units in a business trust, or units in a collective investment scheme, each as defined under the SFA, or its equivalent or any other regulated products in any jurisdiction or a recommendation or solicitation for investment and you are not bound to enter into any contract or binding legal commitment and no digital token or other form of payment is to be accepted on the basis of this Whitepaper;
- c. you agree and acknowledge that LINK shall not be construed, interpreted, classified or treated as enabling, or according any opportunity to, recipients or purchasers to participate in, or receive profits, income, or other payments or returns arising from or in connection with LINE or LINK, or to receive sums paid out of such profits, income, or other payments or returns;
- d. you agree and acknowledge that no regulatory authority has examined or approved of the information set out in this Whitepaper, no action has been or will be taken under the laws, regulatory requirements or rules of any jurisdiction and the publication, distribution or dissemination of this Whitepaper to you does not imply that the applicable laws, regulatory requirements or rules have been complied with;
- e. you agree and acknowledge that this Whitepaper, the undertaking and/or the

# Important Notes

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- g. you are fully aware of and understand that you are not eligible to purchase any LINK if you are a person from any restricted locations as set forth in the Terms of Service (or equivalent document) of the digital token exchanges where LINK is listed;
- h. you have a basic degree of understanding of the operation, functionality, usage, storage, transmission mechanisms and other material characteristics of digital tokens, blockchain-based software systems, blockchain technology and smart contract technology;
- i. you are fully aware and understand that in the case where you wish to purchase any LINK, there are risks associated with digital token exchanges and their business and operations;
- j. you agree and acknowledge that LINE will not be liable for any indirect, special, incidental, consequential or other losses of any kind, in tort, contract or otherwise (including but not limited to loss of revenue, income or profits, and loss of use or data), arising out of or in connection with any acceptance of or reliance on this Whitepaper or any part thereof by you, including in relation to:
  - i. any failure by LINE to deliver or realise all or any part of the LINK features described in this Whitepaper;
  - ii. any failure by LINE to list LINK on digital token exchanges including BITBOX;
  - iii. your use or inability to use at any time the services or the products of the LINK Chain platform or LINK;
  - iv. any security risk or security breach or security threat or security attack or any theft or loss of data including but not limited to hacker attacks and losses of passwords or private keys;
  - v. your failure to properly secure any private key to a wallet containing digital tokens; and
- k. all of the above representations and warranties are true, complete, accurate and not misleading from the time of your access to and/or acceptance of possession of this Whitepaper or such part thereof (as the case may be).

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Please note that this Whitepaper is also only a work in progress and the information in this Whitepaper is current only as of the date on the cover hereof. LINE reserves the right to update the Whitepaper from time to time.

## **No advice**

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## **Risks and uncertainties**

Prospective purchasers of LINK should carefully consider and evaluate all risks and uncertainties associated with LINE, and its businesses and operations, and all information set out in this Whitepaper and the T&Cs, prior to any purchase of LINK.

## **Trading in LINK prohibited in Japan**

Until any and all legal requirements have been satisfied in Japan, users in Japan are prohibited from (a) any trading in LINK (including any transfer or payments); and (b) purchasing, selling or exchanging LINK on any cryptocurrency exchange.

## **LINK Issuance Costs**

Until all legal requirements have been satisfied in Japan, LTP incurs no costs when it issues and distributes LINK to LINK dApps located and operated outside Japan,

# Important Notes

given that it is impossible to transmit such LINK distributed to non-Japan dApps (“NON-JP LINK”) to dApps in Japan, nor is it possible to change NON-JP LINK with LINE points under the relevant LINE policy (“LINE Points Change Policy”). Even after all legal requirements have been satisfied in Japan, LTP will incur no costs when it issues and distributes NON-JP LINK outside Japan, given that LINE Points Change Policy will cease to be effective once LTP fulfills the foregoing regulatory requirements in Japan.

## **“LINK Point” in Japan**

Until all legal requirements are satisfied in Japan, such LINK distributed to dApps in Japan will be called as “LINK Point,” in order to differentiate LINK Point from NON-JP LINK to avoid any confusion.

**THERE IS NO GUARANTEE THAT THE FUNCTIONALITIES OF LINK, OR THAT THE LINK TOKEN ECONOMY INFRASTRUCTURE, WILL BE DELIVERED OR REALISED. IF ANY OF SUCH RISKS AND UNCERTAINTIES DEVELOPS INTO ACTUAL EVENTS, THE BUSINESS, FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS OF LTP COULD BE MATERIALLY AND ADVERSELY AFFECTED. IN SUCH CASES, YOU MAY LOSE ALL OR PART OF THE VALUE OF LINK. IN THE EVENT THAT YOU HAVE PURCHASED LINK, YOUR PURCHASE CANNOT BE REFUNDED OR EXCHANGED.**

**IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISOR(S).**