

Bata Cryptocurrency Whitepaper

Decentralized Trade and Barter for the Masses

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[Bata.io](https://bata.io)

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Barter Blockchain Platform

Abstract

The Barter Platform represents a transformative vision of the future of commerce, with the goal of removing the greatest pain points in the lives of sellers and buyers of goods and services. Providing unique interfaces, tools and automation features for traders of goods and services, commerce will be redefined by Bata. Users will more easily participate in barter as means of trade, while also allowing traditional buying and selling, and adding a system of incentives and leverage to traders and users in unique ways. It will build up a new form of trading community around the Exchange and Marketplace, and bring value to the entire cryptocurrency ecosystem.

What is Barter?

Barter is a system of exchange where goods or services are directly exchanged for other goods or services without using a medium of exchange, such as money.

Types of Barter

The modern trade and barter industry includes four major sectors; retail barter exchange platforms (mutual peer-to-peer credit clearing systems), corporate barter systems (who perform larger company barter transactions), countertrade (usually between sovereign governments and targeted on import & export of commodities), and complementary currency systems (local/community currencies).

Barter Economy

The total annual volume of transactions in combined sectors are difficult to determine since most barter platforms are privately-held and don't report their transactional volume. However, IRTA (The International Reciprocal Trade Association) estimates the annual volume to be 12-14 billion dollars.

Over 65% of the corporations listed in the New York Stock Exchange are presently using Barter to reduce surplus inventory and bolster sales and to ensure that production facilities run at near capacity. The U.S. Department of Commerce estimates that 20 to 25% of world

trade is now barter, and corporate barter is now a 20 billion dollar industry. Barter continues to carve out an important place in the U.S. and world economy.

The key to the growth of the barter industry in the last thirty-five years results from the shift from one-on-one trading to third-party trading and the subsequent development of sophisticated internet-based software to maximize trading opportunities while also providing quality accounting and reporting functionality.

Due to the global financial downturn, many governments have recognized the economic benefit of increased commerce that barter systems provide. In addition, most governments have followed the U.S. model and accepted barter transactions as a viable alternative form of commerce and therefore consider barter transactions as a taxable event (see the U.S.'s TEFRA legislation of 1982).

Lastly, the fundamental benefit that attracts businesses to a barter retail model is the principle of maximizing/utilizing ones unused capacity, be it unused time or unused inventory. Barter solutions are predicated on the goal of increasing revenues of its participants without displacing their existing cash business.

Difficulties in Barter

The five main difficulties found in barter system are as follows:

1. Double Coincidence of Wants
2. Lack of a Standard Unit of Account
3. Impossibility of Subdivision of Goods
4. Lack of Information
5. Production of Large and Very Costly Goods not Feasible

These difficulties are overcome by

1. Universal Token - Smart Contract blockchain based.
2. A decentralised currency replacing a traditional trade dollar (Bata)
3. Combination of Token & BTA
4. Rating Based Reputation
5. Automation - Trader Facilitation, 3D Printing, Drone Delivery, Autosell

Currency of the Platform

What is Bata (BTA)?

Bata (BTA) is a currency that has been developed to replace trade dollars in traditional Barter Systems. As the "Sharing Economy" grows, so does the decentralized market. Bata aims to change the way we trade, by introducing Barter on the Blockchain.

A Barter Currency has been re-invented on a blockchain, decentralized, secure and widely available in the form of BTA, replacing a **Trade Dollar**. Trade Dollars are just like cash and for that matter are based on regular currency, but in current Barter Systems they are controlled and issued by a central party.

BTA is traded on multiple cryptocurrency exchanges right across the globe.

Barter *by Bata*

Bata... Shaping the Future of Commerce

The great thing about BarterChain vs. current systems that rely on a line of credit and debt system is that your BTA can go up in value, so instead of being in debt you are potentially going to make money by holding BTA, or cash out, in 30+ currencies across exchanges.

Benefits of BarterChain

1. Convert slow moving stock, downtime, spare capacity or vacant seats into extra sales
2. Gain new customers, who generate increased sales income
3. Move excess stock or utilise downtime
4. Free up cash to pay existing expenses
5. Increase profits from introduction of new business
6. You don't have to purchase from the same business that purchases from you

7. You can spend with anyone locally, nationally and internationally
8. You can sell now and buy later, or buy now and sell later
9. You can use Bata as capital to trade, even before making a sale

With BarterChain, you will be able to promote your company to thousands of local, national and international businesses who are all potential customers. Every new customer brought to you by the Bata community brings new income on top of what you're already receiving, which will help to increase your profit margins.

PoW/PoS Hybrid

Bata currently uses a Proof-of-Work model for securing the network, but will be implementing an additional layer using a unique Proof-of-Stake model, which are Masternodes.

Masternodes

Masternodes will require at least a larger stake than regular PoS stakeholders initially, and get the benefits of a percentage of mined BTA distributed among the Masternodes. Masternodes are able to join or leave the network and retain their investment at any time. The benefits of Masternodes to the network are nearly instant transaction confirmation times, and a governance model that will allow Masternodes to guide future developments of the Bata Foundation.

BarterChain - Secured by the Blockchain

BarterChain will include the framework and libraries required to build server and client applications that communicate with the Bata blockchain and Barter side-chains. It will be the base that the exchange and marketplace are built upon.

Bata Internal Exchange

Barter tokens will be internally exchanged on the BarterChain with an Exchange module that could extend support for more currencies other than BTA in the future. Avoiding direct exchange from cryptocurrencies other than BTA into the Barter tokens would be in BTA's best interest, so Barter Tokens will be used internally, and BTA externally on other exchanges, such that BTA holders and miners/stakers/masternodes will benefit.

An internal exchange would allow users to trade other coins for BTA or Barter Tokens. Using Barter Tokens allows us to create various token types, representing goods or services and more fine grained types, such as vouchers, tickets, and coupons. The internal exchange is used for conversion to BTA and back to other Barter tokens, thus BTA would act as the intermediary.

Part of the reason to have BTA and Barter tokens is the idea that people will be less likely to trade tokens on the open market and will use an internal exchange instead, and buy and sell those for BTA in the internal exchange. Barter tokens are meant to be used, we don't want to and it doesn't make a lot of sense to hold a Barter token for example, for a service that offers a discount, when that discount may expire. With a Barter token you can program a token to expire someday and return to sender if unused. That's just one scenario. With BTA people will speculate and hold/trade on the open market across exchanges.

Bata Marketplace

The Bata Marketplace, BarterChain, will be a cross platform application which allows users to barter and sell goods and services to one another. Traders will act as facilitators between barterers which have no direct closure. BarterChain will provide value to the entire crypto-currency and blockchain ecosystem by providing a unique way to buy/sell/barter goods and services.

BarterChain is intended to make buying and selling, and bartering an enjoyable experience, and take the pain of dealing with issues such as closing chained deals, and shipping goods, away from the inexperienced trader - the average user, and move the burden to experienced and savvy traders, with incentives for both.

Barter tokens issued will allow traders to bootstrap the system as the currency used internally by the market. Often there will be cases when trying to close a chain of barterers isn't immediately possible. To give incentives for sellers to post items up for barter, traders may pay a storage holding fee to sellers to hold the items on their behalf.

Consider the following scenario:

Jane wants to sell an item on BarterChain. She uses the application on her phone to take a picture and add details about the item, and posts it up with a price in BTA to sell, but is also willing to barter, but there is nothing she is interested in initially. It may be weeks or never happen that she wants something another person is willing to barter, and there may be no one interested in paying BTA directly. She also doesn't really know how to chain barterers together to complete a deal.

A trader, Jim, comes along and reviews the items in the Marketplace and sees value in the item, but does not want to buy the item out right because there is no chain of barterers or a customer ready to buy that item. So, Jim pays Jane from his Barter token supply a small fee

to hold the item on his behalf, and takes temporary ownership of the item. This fee may be daily, weekly, or monthly etc..., as negotiated between Jane and Jim. Jane and Jim now have a contract that Jane cannot sell or barter that item herself, but will use Jim's skills as a trader to close the chain of barter. Jim then proceeds to work on a chain of barter, and negotiates the shipping issues on behalf of Jane. Jim takes on the pain of selling and bartering away from Jane, and Jane makes a small fee just for participating in the Marketplace in this way.

Jim is a savvy trader, and believes he can close the deal in a week. He sets the expiry date on the contract, so that if he doesn't complete a deal, the item will return to Jane as full ownership again, and Jane is able to negotiate with other traders or barter/sell directly again. However, Jim manages to find a chain of barter that will work, and negotiates with couriers to handle shipping of the items to the respective buyers. The chain of barter can be short or long, depending on the market.

Over time, business savvy traders will use BarterChain as a means to acquire assets that they don't actually have to ship to themselves or another location for storage. They can use the sellers as storage for the assets, paying a small fee to the seller. This acts as a form of leverage for them and allows them to build up an inventory without actually having to take possession of the asset. Instead, they create contracts with the sellers to store the asset on their behalf for a specified period of time. This system would see some people also trading storage space in exchange for Barter Tokens and BTA. For example, one may rent out garage space in exchange for Barter tokens and BTA to someone local who is seeking a place to store their motorcycle for the winter.

For a user with many items to sell, BarterChain will become a place where they can quickly post many items, and not have to think about negotiation directly with buyers. The system provides a means where they can "fire and forget" about having to deal with shipping issues. As the system grows, manufacturers of goods will also join in, selling their goods through BarterChain and relying on the trading community to negotiate the sales, storage, and shipping of those goods. This will provide a unique opportunity to the entire commerce ecosystem.

Eventually, traders may build bots and use machine learning to negotiate deals between users without human intervention. Although the human component will always play a role, these would add to the toolset for traders to use to develop online businesses trading BTA, Barter tokens, and digital or physical assets.

Future Business Development

Promotion and Adoption of BarterChain & Bata

A proposal has come up in our planning and development discussions, that, instead of adding a development tax/fee like DASH and other coins we would use some of the developer funds to set up masternodes to put into the development wallets.

First release of Masternodes will be with PoW only. PoS will be integrated later.

Between the 3 core developers hold just under 15% of the coins. At most we could have 70 masternodes of a theoretical 500 (roughly 200 MN max) so we could be close to >50% as a group.

We are looking at a standpoint of decentralization. Even if we say we have no intention of influencing a vote, there is always the possibility of someone using their position to steer things to their advantage.

But the same goes for the development fund as a 10% fee on the rewards. If we hold the keys to the funds, votes are not really enforced by the code, the community would still be relying on the key holders of those wallets.

That is why we put the idea out to the community. We need different views on the possible situations.

Bata Automation

Our vision for automating barter, and disrupting eBay, Craigslist, Amazon and ecommerce entirely, is bold in scope and will provide a means for automation of the sales and barter of goods and services.

[Annual figures 2016](#)

Amazon Sales - **\$107.01 B**

Ebay Sales - **\$13.1 B**

1. When an item is purchased, the user records it, eventually with 3D scanning via phone/Kinect/etc....
2. Items are recorded on the Blockchain, for obvious reasons now, like insurance etc... (see Troy), but we could also set a price at which item is up for sale, like a minimum price the potential seller would be willing to sell an item.
3. Items therefore, if you think about it, can sell themselves.
4. DAOs can see items desired, build them (3D printing etc) and market them, all without exposing any personal details or requiring human intervention.
5. Other users can see what is desired, and of course, use that to create products and services, and/or generate DAOs for very specific things

Features would include Autosell, Automatic Delivery via Transport ie Uber, then drones when available. DAOs will perform crowdfunding and crowdsourcing. Putting many pieces together to redefine commerce entirely.

Allowing investors to invest in a new product or service, or simply unique one off items/services that normally would never be made. DAOs don't need to turn a profit, always, just enough to operate, because, well, it's not a greedy person. That's to say, the DAOs serve the public and may be non-profit.

Imagine a world where everything is 3D scanned, even automatically when you buy it or bring it into your location, so that your entire home is automatically inventoried, and scanned, and you set a value on that asset, such that it automatically goes up for sale for that value, and you someday just get a notification, months or years later, that someone wants to barter or buy that item from you, and you choose whether you want to sell/barter it, and everything else is taken care of. In a few hours a courier shows up and picks the item up and delivered to wherever. You don't care, it's taken care of. Shipping is automatically resolved for you. This is the ultimate vision of Bata, and will be the end goal of future versions.

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