



# Chingup Token (CNGUP)

*An innovative utility voucher coupon  
& an opportunity for earning*

*A Whitepaper by Andrew Dean Hyder*

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# Abstract

The way we pay for things is changing dramatically. Businesses are increasingly expected to keep up with innovation to meet evolving consumer expectations without compromising security and ease of use, or losing profits to excessive fees. This is a market challenge that Chingup has taken - head on - and successfully met. Of course, the number-one design principle behind transaction innovation must be that everything must be 100% secure. After this, our goal is “frictionless” or “so easy to use that no learning curve is necessary” to adopt the new technology.

As new payment innovations emerge, so do bad actors, and their methods of security circumvention. Innovators must approach development with security top of mind, at every level of product and program. “You’ve got to start by ensuring trust is the number one priority,” said Vidya Peters, COO at Marqeta. “No matter what product you’re building, no matter how much money you’re moving.” This means knowing your clients and their behavior, not to monetize them or market to them but to keep the platform they are on, SAFE is goal #1.

A by-product of knowing your clients is knowing their frustration and motives. Chingup Token (CNGUP) was designed to motivate, incentivise and compensate users in a new and innovative way.

CNGUP is not a cryptocurrency, it is a promotional voucher usable and exchangeable for cash and goods, only in the Chingup marketplace. Think of CNGUP as a “coupon” voucher of value entitling the holder to an equal value discount for any product or service in the Chingup ecosphere (“Chingup Marketplace”).



Chingup and its Chingup token (CNGUP) project address an opportunity for platform users to easily earn cash-back value on their own transaction activity as well as on their social influence (referrals and sharing) unlocking ownership of CNGUP. Since CNGUP is not a tool for Company fundraising (only marketplace users own it) or for price speculation investment, it is not considered a security by the U.S. SEC. Further, CNGUP is not a cryptocurrency because it is a centralized (only live on Chingup properties) token and not tradeable or transferable to any outside ledger or blockchain. What then is CNGUP? When incentives and compensation is managed carefully, it

aligns people's behavior with the company's strategy and generates better growth and performance. When it's managed poorly, the effects can be devastating: the loss of (or the never acquiring of) key talent, demotivation, misaligned objectives, and poor shareholder returns. Given the growing innovation in how value is transferred, getting the public to adopt a new technology, it's critical for management teams to get compensation right. CNGUP is compensation done right! How?

Here we will review how the Chingup Marketplace and its CNGUP token provide opportunities for profit and at the same time mitigate many of the challenges of the current state of transactions in commerce technology. Chingup does this by focusing squarely upon the user experience while aligning its corporate goals with its user base.

## Our Company

Chingup Incorporated was founded on a commitment to help the public benefit from transactions in a way that is not just easy, but so effortless that it fosters word-of-mouth referrals and mass adoption. That IS our advertising. What Windows was to the PC in 1985; what Google was to search in 1995 is what Chingup is to transactions today. When we created Chingup, our goal was to create a single platform that re-engineered the legal, technical, and fiduciary necessities that "pump the brakes" on adoption and ease of use. Chingup provides the user with a new standard of interaction.

For example: Why does Know Your Client (KYC) or Anti-Money Laundering (AML) systems have to be implemented upon a client during the platform signup? These systems require users to give up their personal and private identity items as well as their financial details. Might it be more user friendly to run KYC/AML in an ongoing event driven manner? Why would we stifle user adoption before we have even given our users a chance to fall in love with the platform? Why would we do that? We would not, but nearly ALL financial platforms do this IN ADVANCE. Why? Fear. Banking on/off ramps as well as government intimidation impose a "copy the copier" mentality on new fintech companies. New platforms therefore, typically force their users to relinquish their name, phone number, Social Security number, and government issued ID, before they have had a chance to see how useful the platform actually is to them. This has stifled innovation and most alarmingly the user's experience and therefore it has slowed ADOPTION.

# Our Vision

Chingup is making the adoption of new transaction flow feel effortless. We make using our features fun while we collect necessary identity items - *incrementally as needed*. The immediate future of mass public adoption of new payment platforms is trending toward security, fun and ease of use. As a result, the utility of our platform is now reaching into everyday transactions, such as paying for groceries, dinner and other Chingup Marketplace connected products and services.

However, adoption must not be hindered by technology challenges accidentally or otherwise imposed upon users. Therefore, Chingup helps our users to discover our features with a full chat based customer support system/department, making their questions and concerns our top priority.

# Current Market

With the evolution of new technologies and with their ever-expanding fields of application, electronic payment services have become an intrinsic part of the lives of the general public. There is currently an obvious trend toward contactless digital finance which is an indicator that the classical credit card only transaction model is not able to meet the growing demands of society. "More than four in five Americans used some form of digital payment in 2021, continuing a long-standing trend," found the McKinsey's 2021 Digital Payments Consumer Survey.

New platforms and cash related apps/wallets offer a compelling and viable alternative to regular banking services. For the nearly 2 billion people in the world without a traditional bank account, these exchanges provide access to previously inaccessible services. In addition, the reimagined future in banking that seems to be developing is in many ways bypassing the traditional global financial system in which fees are heavy and access to services and investment are geared primarily towards the world's richer countries and individuals.

By offering a free transaction product centralized around security and flexibility and ease of use, it meets the needs of clients of all financial levels and technical sophistication.

The fintech market is consistently growing and expanding. Many new fintechs are being created who recognise the opportunities to integrate successful business clients but also recognise the opportunity to attract families or businesses that have never had a bank account. These legitimate and low risk (and lower balance) clients are adopting new forms of funds transfer. Now, many with little income (yet with sophisticated financial needs) who do not have access to a financial system can start building value and credit in the new financial future that Chingup offers.

Due to mass acceptance of change and innovation, many institutional investors are actively joining the fintech revolution. Large financial systems such as PayPal, Visa, Mastercard, and Facebook as well as major services such as Amazon, Google, IBM, Intel, Microsoft, Samsung, and Wal-Mart are incorporating fintech technology in their business models. This validates the opportunity for small tech organizations to offer services that are more innovative than larger and more established businesses. Many “plug-in” API services such as interest-bearing accounts, debit cards, and credit cards as well as mass ACH transfers are now available to smaller organizations that were once only available to larger organizations.

## Industry Challenges

As transactional finance technology evolves it also begins to depart from the original idea of a centralized financial system. Yet centralization is not the problem. As the centralized banks follow their usual business practices, they and their customers begin to suffer from some potential risks. Some of these risks are:

- Lack of user privacy or anonymity due to the sharing of users personal information (more than is legally required) for marketing and analytics.
- Reputational and public distrust risks caused by inefficient, non-existent, harsh and unsympathetic customer service, both in person and online.
- Technological complexity makes it difficult for average users to participate.
- High network (and transactional) fees as well as non-transparent variable and unexpected fees.
- Transaction speeds (some international transfers can take up to 5 days to be confirmed), as well as currency conversions.

# Industry Opportunities

Because of these challenges, users and customers are ready to adopt new brands and new systems that offer innovative opportunities as well as security and comfort. Customers are also looking for greater control and freedom in their financial transactions. Regardless of what many think, innovation in fintech security offers opportunities that keep clients in control of their own information and reporting without sacrificing security. Despite the negative press and hype, most customers who move funds with minimal banking involvement, are not criminal warlords, drug dealers, or money launderers. Most people simply want to have an opportunity to transact and build family wealth, without the inefficiencies of traditional banking and without having to become a tech expert to prevent their personal information from being sold. Some customer centric opportunities that Chingup has embraced are:

- All information collected by Chingup remains owned by the client. Selling information is NO part of our business model. No third-party (tracking) technology (Google Analytics, Twitter's bootstrap, Facebook pixel, etc.) is EVER used in any of our code, due to the (widely accepted yet seldom acknowledged) security risks of those systems. Although our technology is cutting edge, Chingup sees itself as an “old-school” privacy purist. We coded our entire platform in house.
- Much of the existing fintech security technology is not regulated by the United States SEC or other governments. This necessitates platform developers to self-regulate and maintain security standards at least as good as if not better than commercial banks. In our efforts to push security forward, Chingup has implemented 2FA approval that can detect sim-card swaps and telephone numbers that are not textable or answerable. This combined with innovative proprietary systems developed by our founder virtually guarantees better security than most traditional banking institutions.
- Chingup has innovated the incremental KYC process to protect all users’ interests, keeping bad guys off the system while giving priority to the ease of use of the platform for the mass majority of those with smaller transactions.
- Chingup’s proprietary transaction ledger provides encryption speeds that effectively (and efficiently) eliminate most of the users transaction fees.
- State of the art live chat and email customer service 24/7 365 days a year to address any and all of our clients’ concerns.

# SEC Definitions and CNGUP

CNGUP token is not a cryptocurrency or a security as defined by the U.S. SEC. The Howey Test: The Howey Test is the U.S. Supreme Court's criteria for determining whether a transaction qualifies as "an investment contract" and would therefore be considered a security. Under the Howey Test, an investment contract exists if there is an "investment of money in a common enterprise with a reasonable expectation of profits to be derived from the efforts of others."

The four criteria to determine whether an investment contract exists are:

- An investment of money
- In a common enterprise
- With the expectation of profit
- To be derived from the efforts of others

As a utility token, CNGUP does not fall under the category of a security as defined by the SEC because it does not meet the above-mentioned criteria in several ways:

1) The CNGUP token cannot be used as a "fundraise" by Chingup Incorporated nor does the Company have access to or the right to issue itself CNGUP. The UBV (User Bonus Vault) is reserved only to pay users' bonuses. Therefore, the Company cannot sell CNGUP tokens as a "fund raise" for its own benefit. While the Company (programmatically) manages the ULP (User Liquidity Pool), this pool belongs to and provides liquidity for the clients of the Chingup platform when they wish to liquidate CNGUP. Only earned tokens are in circulation.

2) Chingup platform revenues are generated from "off-ramp" transaction fees, much of which are paid back to the user (like "cashback") in the form of a CNGUP token as a bonus for their own transactions. Further bonuses are a result of the user's own referrals/actions on the platform.

3) The Company does not market the CNGUP token as an investment of money for price speculation with an expectation of profit. Users have an



expectation of profit based upon the tokens that are earned on each individual's efforts as a user of the platform and as a referrer in word-of-mouth activities. This is a compensation coupon for their own marketing efforts, not the efforts of Chingup or its (other user) success. While users may hold CNGUP long term and earn profits from price fluctuations when they sell it, this is not the Company's purpose in the creation of the token. Chingup Incorporated does not guarantee any future price of the CNGUP token. Simply, CNGUP token is a utility bonus voucher payout.

## Our KYC Policy

KYC or "Know Your Customer" or sometimes "Know Your Client" processes were introduced in 2001 as part of the Patriot Act. They were further strengthened in 2016 by the U.S. Treasury's Financial Crimes Enforcement Network (FinCEN) rulings around customer due diligence (CDD). It is a standard procedure used by banks and financial institutions to identify and verify a client's identity, typically opening a financial account. These standards and procedures along with AML (Anti-Money Laundering) compliance are designed to protect institutions and their clients from being used by a few bad actors and criminal elements for illegal means, money laundering, digital scamming, and other fraudulent actions.

While Chingup advocates privacy and even anonymity to some extent, we also need to protect our own interests as well as OUR CLIENTS' interests. Having fraudsters as users on any platform poses a threat to law-abiding clients. In addition, KYC processes enable us to understand our clients to serve them better and manage risks prudently. Therefore, Chingup has implemented a form of KYC that meets our extremely high-security standards while maintaining ease-of-use, privacy, and USER control.

How and why we use KYC:

- To verify that each new client is a real person
- To assess and monitor risks of and for each new client
- To prevent and identify money laundering and terrorism financing
- To identify any other illegal corruption schemes

What does this mean for our clients? Each user account must provide personal KYC information based upon the amount and type of the activity they are engaged in on the Chingup platform. For example, a client is not required to provide anything more than a verifiable telephone number as long as their account value is less than \$3,000. From this number, our system can extract an enormous amount of personal information. Each additional bit of information acquired, provides a more complete picture of who is using the platform.

The only information that we will ever require is:

- Full Name
- Phone Number
- Email Address
- Physical Address
- Date of Birth
- Social Security Number
- Driver's License or ID
- Bank Account details (for those who do bank transfers.)



Typically, all or most of this information will be required by the time the client value exceeds \$10,000 or funds are moved from a bank (to or from Chingup). Since most users do not initially transfer large amounts, their onboarding process requires them to give up very little information.

The AML Compliance Program is designed to identify and report suspicious activity and file Currency Transaction Reports (CTR) for transactions over \$10,000 that may have certain characteristics. As a payment facilitator we may report suspicious activity to FinCEN (Financial Crimes Enforcement Network), one of the primary agencies to oversee and implement policies to prevent and detect money laundering. Our AML program stipulates what KYC information will be collected and has appointed a compliance officer to monitor and oversee these transactions.

For any financial technology to work well, users need to trust that their account and transactions are safe. Our KYC systems help our clients know that we know who is using our services. Our KYC provides trust between our clients and Chingup. For a new applicant, knowing that KYC and other security measures are being taken should be reassuring that criminals are being kept off Chingup.



# CNGUP Token Defined

CNGUP is one billion utility token vouchers that are digital units of value on the Chingup ledger. It is helpful to think of CNGUP as coupons or vouchers, similar to physical gift cards or public transportation vouchers. This utility token represents a discount that is available to a product or service or redemption price which the holder can obtain by redeeming it on Chingup.com or Chingup.market. Although the value of the CNGUP tokens vary based upon supply and demand, they are traded with the expectation to create liquidity for the users so that the tokens have a utilitarian usefulness rather than for them to be used as a means for price speculation investment. All CNGUP tokens have a built in price minimum of one cent (\$0.01) per token. This minimum trade limit logic is built into the platform. All bonuses earned are paid out at the current actual price, which has no upper limit price.

While CNGUP is unique in many ways, loyalty programs are currently used by a large number of businesses. These programs were initially designed to attract new customers and keep current ones by creating a system of rewards in exchange for a customer's loyalty or a referral to the business as an affiliate. Unfortunately, the scope of these programs are limited to their utility within the business that issued them. Chingup improves on this standard loyalty incentive program because the tokens can be used at any local or international business. They can be owned, traded, gifted and transferred between users, family, friends, or as a full and or partial payment for goods and services. Therefore, the usability of the token can be used in almost any personal or business transaction.

From a legal perspective CNGUP token vouchers are certificates that provide consumers with discounts on goods or services when they are redeemed in a transaction. CNGUP is not a security. Offered mainly as a sales promotion tool to accomplish specific sales and marketing goals, CNGUP is very popular with consumers and small business owners because like a "coupon" it is inexpensive to disseminate and is becoming a very effective motivational tool. Consumers are attracted to the concept because it offers immediate value and savings. Like other sales promotion tools, it has the advantage of passing along savings directly to consumers. Consumers perceive CNGUP as a price

discounting method by businesses that accept them rather than a price reduction of their products, so the use of CNGUP as an incentive does not have an adverse effect on sales and price perception. In addition, the CNGUP token often creates added traffic for retailers, who have the option of accepting it as part of their own commerce options to create even more sales.

CNGUP acts as an incentive to marketplace customers who would not have purchased the product they are interested in, without a coupon. It appears to be encouraging consumers to try new products by reducing the risk of trying something new. It is also a conversion tool, converting trial customers into regular long term customers.

*"The Internet is making this a possibility by transforming the way coupons are distributed and opening a new world for marketers to communicate with consumers in a highly interactive way. Smart marketers need to take note and be aware of the advantages and benefits of using online coupons." - Jeanette Best / Brandweek.*

## CNGUP Token Profile

**Ticker:** CNGUP

**Decimals:** 9

**Mintable:** No

**Total Supply:** 1,000,000,000 (One Billion)

**Profile:** <https://chingup.io>

**Available at:** <https://chingup.com>

Chingup created its token with a strict limit of one billion CNGUP tokens, which can never be increased. It was designed as a utility compensation tool for users' own efforts and activity on the platform. Rather than fostering investment speculation, we encourage its use as a payment tool of stored value as users grow their referral base and earn bonuses on their activity.

In regard to the token, the platform provides the following functionality for it:

1. Earnable by users
2. Transferable and Transmittable
3. Applied in Transactions
4. Buying and Selling

# Token Liquidity and Availability

The CNGUP token is a utilitarian tool where we store the community value paid out for our customers' efforts and activity. CNGUP tokens are/were stored in the UBV (User Bonus Vault), and released only when paid to customers as ongoing earned bonuses. There is no other way that the tokens come out of the UBV. When users choose to redeem their CNGUP for USD, they are paid instantly and their CNGUP tokens enter the ULP (Users Liquidity Pool). Only tokens in the ULP can be purchased. As a mechanism for supply and demand stability, the system increases the price of the token as the supply of tokens in the ULP shrinks. As the supply of tokens in the ULP increases the price of the token decreases. However the price floor, or lowest possible price is one cent. As the UBV shrinks and the ULP grows, greater liquidity, volume, and stability are generated for the community to use CNGUP in commerce.

Due to charter locks, Chingup will not and cannot leave the CNGUP ecosphere to other platforms or liquidity pools, this does not mean that other liquidity pools will not emerge. All CNGUP token holders have a cost basis and therefore the CNGUP token is immune to any possibility of a "free class" of holders selling off large amounts of the token to lower the value of the CNGUP token.

Customers "unlock" stored tokens when they receive ongoing bonuses (like cashback) on their own actions/activity, pay fees and do certain transactions or refer others to Chingup. CNGUP token can be utilized as an internal tool to pay for various fees and offers on the Chingup Marketplace. The following are some examples of this:

- Users may convert their CNGUP token into USD.
- Users may transfer CNGUP tokens between users, family, or friends, or as payment to local and international businesses.
- Businesses can accept CNGUP as a means of compensation for goods and services since the tokens can always instantly be converted to USD.
- Businesses get bonuses for their own usage of the tokens. Each new customer that a business brings to the platform earns the business greater ongoing referral bonuses.

# How to Earn CNGUP

The CNGUP Token bonus program is designed to compensate our customers for everything they do. This motivates them to do more for the project. That value is stored in the Chingup Token (CNGUP). This is where we store that community value which is given to individuals for their efforts. Users earn in two ways:

- Customers "unlock" (earn) stored tokens when they receive bonuses (like cashback) on their own activity and transactions.
- Customers also receive ongoing bonuses when they refer others.

Using the Chingup "SEND" feature, users can invite their friends to create an account in which a gift of Chingup tokens may be gifted to them. When that account is opened and verified, the referring user is rewarded for the activity of the new user.

Tokens can also be easily gifted or transferred between users, family, friends, or as a payment to local or international businesses. Friendly SEND messages can be sent on Chingup.com with a CNGUP gift attached to facilitate your introductions. Using this tool, a text message introduction (a bonusable action) can be made like this:

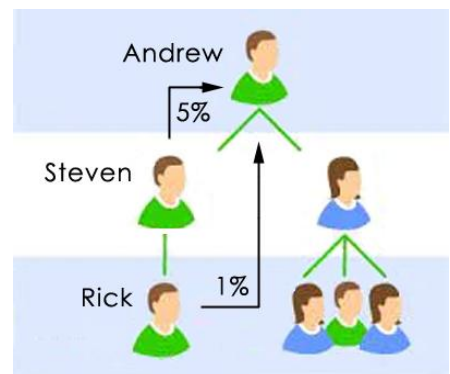
**"Hi, (friend's name) I got you this little gift because I love ya! - [50 CNGUP] attached.  
- Sincerely Andrew"**

When (friend) clicks to open the link, their new account has 50 CNGUP, as well as a bonus for your friend for opening the account.

Chingup's Referral Program works as a two-tier program. For example:

When Andrew introduces Chingup to Steven and gives Steven a gift of 50 (any amount of) CNGUP, Andrew is forever the referrer of Steven, and Andrew earns an amount equal to 5% of Steven's CNGUP bonuses.

When Steven then refers Rick to Chingup, Steven earns an amount equal to 5% of Rick's CNGUP bonuses AND Andrew earns an amount equal to 1% of Rick's CNGUP bonuses.



# The Ledger

Chingup is a world class financial ledger that can output more than 2,050 transactions per second which is about 20% faster than Visa/MasterCard transactions. Many networks rely on sequential methods that are hindered by waiting for confirmation before moving forward. By using multi-threaded simultaneous server load balancing innovation, the Chingup Ledger optimizes transactions for speed and efficiency without sacrificing security. By using proprietary security comparison methods, simultaneous transactions by the same parties are sequentialized by Chingup to avoid manipulation of balances.

What this means for Chingup is cost-efficient transactions because it ensures that the vast majority of transactions can run at nearly the same time. Due to our methods merchant and consumer transactions never face throughput issues.

# Thank you

The CNGUP token whitepaper was created as one of many steps toward Chingup's growing ecosystem. Visit our websites at [chingup.com](http://chingup.com) and [chingup.io](http://chingup.io) to keep up with the latest news and development updates. For more information contact [andrew@chingup.email](mailto:andrew@chingup.email)



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