Litkoin

Metadata Documentation

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1. **Abstract.**

Our world is now toward the era of digital globalization. People from various industries are competing to survive on the top. This is where blockchain technology comes as the foundation for transforming the digital age, especially in data sharing and digital payments. Security and privacy are ensured through an open distribution database where every transaction is transparent and verifiable through a peer to peer network. Litkoin comes with the use of this technology, where it presents the need for every individual and organization that needs it. We believe that this unique method of payment will be a digital asset that rewards those who choose to use it.

2. Introduction

Financial asset transactions systems in the world today are centralized, controlled and organized by third parties. Digital payments and currency transactions require financial institutions or credit card providers as a middleman. This has resulted in all data and personal information of users in the control of large organizations.

The term "cryptocurrency" was first coined by Wei Dai in 1998. Wei Dai's idea was to create a new currency that harnessed the power of cryptography. Later in 2009, Satoshi Nakamoto published a whitepaper that revealed a peer-to-peer network financial transaction system. He created the first blockchain block we call the "Genesis Block", where the block generated the reward of 50 Bitcoin given to the block creator.

On October 13th 2011, the Litecoin Project was established and supported by the Bitcoin community. Litecoin presents some of the better and more improved features of Bitcoin. The main feature of its proof-of-work algorithm is a lighter 'scrypt' hashing algorithm than the Bitcoin Sha-256 proof-of-work algorithm. Litecoin has a transaction confirmation speed that is 4 times faster than Bitcoin. In 2013, the market value of Litecoin touched 81 million dollars. As of now in 2018, Litecoin has reached 15.2 billion dollars.

3. Litkoin

The rapid development of blockchain technology in developed countries has been done in order to maintain transparency and speed of transactions on a peer to peer basis. So, now is the right time for developing countries to also apply this technology into their lives. Indonesia has a population of around 262 million. However, they contain thousands of financial institutions that do not follow the development of Blockchain technology. Because of a lack of blockchain implementation, Litkoin was born. Please note that Litkoin does not want to be a competitor, rather Litkoin wants to learn from those who already experienced in the blockchain industry first.

The making of this whitepaper is aimed to describe the technology that goes into Litkoin and how businesses and people can support it. Litkoin explores the principles of digital assets and the potential offered to businesses. This would include increased security, flexibility and confidentiality.

The Litkoin project consists of a set of participants who want to sacrifice time and energy in order to develop this technology. We are a group of volunteers that fund and improve Litkoin's development and infrastructure. While the developers have built and will keep on building the software and the technology, the community is what will grow the network into something great.

4. Litkoin as a Digital Asset

Digital assets have began to grow rapidly since 2009 because it presents the speed of dynamic transactions, secured securities and secrecy in financial transactions. The incidence of the economic crisis when the collapse of the world bank accompanied strict regulation caused widespread concern. The foundation of a banking industry relies on a third party (a middleman) where they have full access to customer information which brings about an uncomfortable atmosphere.
Meanwhile, Litkoin users do not have to worry about confidential information being exposed because there is no interference between the two parties. In addition to this, Litkoin has very low transaction fees and almost instantaneous transaction speeds. This makes Litkoin appropriate for use as a digital asset. Because Litkoin runs on blockchain technology, this makes it transparent. This means that everyone can access the same database at any time. This is considered important because this can avoid the manipulation of data from people who are not responsible. For additional information, the rate of Litkoin inflation will always decrease over time and anyone has equal rights to get rewards for the creation of new Litkoin through the mining Proof of Work.

5. Mining and Proof of Work

How proof of work mining works is that all existing miners must compete to acquire a number that is then entered into a transaction block. This process is not easy and requires great computing power. However, it creates a unanimous trust system and sound agreement among asset owners.

Litkoin uses the concept of Proof of Work or mining in terms of running the blockchain. The algorithm in use is the default Scrypt from Litecoin itself. Although there are pros and cons of any algorithm in circulation today, Litkoin will continue to improve and iterate into the future.

Here is a quick overview of the proof of work specification:
Type: POW (Proof of Work) - Mining system

Algorithm: Scrypt

Block time: 30 seconds (making transactions faster than bitcoin or litecoins)

Transaction Fee: 0.001 LTK (Cheap, so as not to burden the user in transacting with small values)

Total supply of coin: 1,000,000,000 (Large quantities are required, as they will be used on a large scale, nationally and internationally)

Confirmation of transaction: Minimum 6 Blocks

Coinbase maturity: Minimum 20 Blocks

Target difficulty level: every 2.5 minutes (in order to adjust the number of network hashrates to the existing difficulty level)

6. Difficulty and Block Rewards

Since every year the block rewards will half, by the 20th year, the block rewards will shrink to 0.001 Litkoin per block reward. To instill the transaction fee of LTK is 0.001, this will result in an imbalance between rewards and fees. When the circulating supply is completely mined, Litkoin will upgrade and move from a Proof of Work algorithm to a Proof of Stake algorithm. Inflation per year will be maintained equal to or below the block rewards per year during the final Proof of Work runs.

**For example:
In year 11 block rewards per year is 400,000 LTK, with total circulating supply is 831,000,000 LTK, hence rewards block per year (annually) in POS transition is 0.048% or lower than that.

** If the maximum supply of LTK is reached (1.000.000.000LTK), then the validator will get rewards from transaction fee. It is predicted to happen three hundred years later, most likely in 2317.

** just an example of a scenario that could potentially happen.

7. How Does Litkoin Work?

A cryptographic hashing process called "mining" will create new Litkoin for every block formed per 30 seconds. The difficulty will be ever-increasing at a stable rate. This comes from miner competition and halving block rewards that will happen every year. Competition will make Litkoin even harder to come by which raises demand. This is considered good because it can affect the stability of Litkoins price. This is a stark difference to conventional banking system where the value decreases as the government creates more money.

Total Supply of Litkoin is 1 billion LTK. We believe that number will not be touched within a few hundred years. Which means that Litkoin can always be mined by everyone.

On October 4th, 2017, the genesis block for Litkoin was created and our development team pre-mined 2 million LTK in the 2nd block. On the same day, Prelaunch's first phase on <5000 block with 5000 LTK per block rewards block is taking place. Prelaunch's first stage was participated by dozens of people in the community. On the 6th of October 2017, the Prelaunch's second phase went from block to 5001 to block 10000 with block rewards 2500 LTK per block, which was participated by thousands of people in Cryptoindo community group. The purpose of why this prelaunch was done was to build a strong community of miners and supporters in the country where the coin is raised.

Maximum Supply = 1,000,000,000 LTK (100%)

Premine = 2,000,000 LTK (0.2%)
Prelaunch I = 24,995,000 LTK (2.5%)
Prelaunch II = 12,500,000 LTK (1.25%)

Public Launch = 960,505,000 LTK (96.25%)

8. Governance

Raising the creation of new Litkoin rewards comes from proof of work computing from miners. It can be argued that the contributors who develop Litkoin are the ones who spend their time, energy and money themselves to build and improve Litkoin. Moreover, some services require an unavoidable operational cost every month. So for the long term, the incentives to the contributors are important. Here Litkoin will introduce a conceptualized funding system that is the Forum Crowdsource System.

The objective of the system is that project development and service projects can be proposed in the form of proposals and funded by their communities. The funding will be held by an escrow and submitted to the developers involved once they reach a certain milestone. Anyone can create new proposals or fund projects that are running.

The whole concept of volunteer crowdfunding like this, will encourage every community to care and be part of the Litkoin development effort. In addition, donors who donate so many LTK (50K LTK or more), their names will be listed in the Community Hall of Fame.

9. Who is a Litkoin User?

During our first 1-2 weeks after the public launch, there were more than 3000 Litkoin wallets created equally with 837 LTK per wallet and 50+ active miners. The Indonesian Litkoin community group is reported to exceed over 1500 identical users. This also includes the international Litkoin community originating from Spain, the Philippines and others countries.

10. Litkoin for users

Just as stated described above, the power of Litkoin is derived from a community that is always supportive of it. By nature, the Litkoin community has started trading between users and creating an economy in this ecosystem. There is an online marketplace where computer hardware and other cryptocurrencies can be transacted with Litkoin (LTK) as the exchange medium. The addition of basic infrastructure

such as telegram bot, wallet, block explorer, third party services and educational services the community puts more interest to be part of the ecosystem of Litkoin. Organic Growth this is always built by community, where the idea of participation in the community promotes the principles of function.

11. Other Benefits of Using Litkoin

1) Transparency - Through blockchain technology all transactions that occur can be witnessed by everyone. Even though transactions can be seen by everyone, personal information is kept confidential. For example, we know that an asset is spent however we cannot know who has transacted the assets because the sender's identity is in the form of public address (8Kcjm5CjzRvpYgr ....)

2) Privacy - Payments using Litkoin can be done without having to release personal information. This can avoid the occurrence of identity theft. If the owner does not release their identity then they will always keep their anonimity.

3) Security - The Litkoin Algorithm follows the codebase of Litecoin which has been in operation for more than 6 years since from 2011 and to date there has never been a case of bug cracking or exploitation reported.

4) Controls - Accounts that store traditional money (fiat) are threatened by a centralized source, reguardless if they are for or against their actions. This is often the case in today's banking system. Unlike the banking system, Litkoin users have full control over their own accounts.

5) Value - By harnessing Blockchain Technology there will not be any third party interference in a transaction. It can also be said that the transaction fees are almost nonexistant. In addition, the perpetrators of the transaction cannot charge additional charges in secret without being noticed by the userbase. Instead, each transaction must first communicate to the user whether they wish to add additional fees to the service.

6) Access - The presence of blockchain technology that reinforces the crypto currency phenomenon, enabling everyone to act as a Bank themselfs without having to go through a myriad of troublesome regulations. The speed fast of transactions that can even be done globally which presents a safe and inexpensive solution for someone organizing their wealth assets.

7) Flexibility and Global Trade- Using a credit card or bank account can be an issue

as it will connect to government regulations, exchange rates, interest rates, and various transaction fees. Apart from that currency exchange forces the parties involved to pay taxes. Meanwhile, digital assets such as Litkoin are not bound by the rules mentioned above. So for that, the international transactions will run more smoothly and present a more competitive solution to the existing payment market in the world today.

12. Litkoin for Market Traders

The benefits of Litkoin to the users are also implicated to the traders. When performing transactions through digital assets such as Litkoin, safety and secutity are ensured by the blockchain. That way it is easier to avoid fraud and do business with a wider market.

Merchants will also benefit from the rapidly growing Litkoin community and get positive growth from loyal Litkoin holders. In the long term, the inflation rate of Litkoin will decrease due to halving rewards per year (every 840,000 blocks).

Due to the many cases of the use of Litkoin in a variety of businesses it is not difficult for a trader to start their business by integrating Litkoin into their payment and asset storage. Because Litkoin is an open source project, educational resources and tools can be obtained easily by searching the internet.