



**StarChain**

**Global Digital Asset Chain In  
Culture & Entertainment**

Business White Paper

# I、 About StarChain

StarChain is a global digital asset chain in the Culture & Entertainment industry. Initiated by the StarChain Foundation, the project aims to build an open blockchain platform with good scalability as well as catering for art creation. Namely, via StarChain, people would have access to develop diverse business applications.

StarChain covers multiple business services such as copyright marking, IP project crowdfunding, global IP equity exchange and IP derivatives issuance. Meanwhile, StarChain is planning to integrate the IP rights among proprietors, developers and dealers, and thus establish an IP asset exchange featured with an IP public chain, StarCoin and big data.

IP asset exchange is the core application of StarChain that can most represent the advantage of StarChain itself. At the exchange, everyone can participate in early investment of an IP project as an angel investor, gain the dividends and profits brought by the IP incubation, which forms a new IP mode that in the culture and entertainment sector.

At present, the cultural industry, or the cultural ecosystem as a whole, is subject to backward infrastructure, information asymmetry and centralized management. To sum up, it is mainly faced with the following problems:

- Lack of clear ownership. so that many excellent content cannot be effectively hatched and cause unnecessary disputes.
- Lack of data authenticity. This leads to unfair distribution of benefits. This often frustrates content creators' passion and leaves concerns about private capital investment in the content.
- Hard to cash out. Industrial players need direct ways to make a profit through their works.
- Centralized content management mechanism. The platform tends to allocate resources to mature content, and gives little attention to newcomers. As such, some excellent works or talents have no chances to gain reputation.
- The overall ecosystem and infrastructure in the industry are not sound. Only a small portion of prior content can be converted into art works. A great deal of the ecosystem have no resources to realize their ideas. However, all of these problems can be solved at StarChain which will gradually reshape the cultural industry.

## II、 About StarCoin

### 1、 StarCoin

StarCoin is registered with StarChain for digital confirmations, and then for sale by the Foundation and is used for subsequent business development.

Considering StarChain's team building efforts, focus on the value measurement and investment of pan-culture copyrighted virtual assets.

**StarCoin is the circulation medium for the smart economic platform of large-scale cultural industries in the area of Block Chain .**

StarCoin will be served as a liquid medium for various transactions, payment and partial payment of royalties on digital assets of cultural property rights, including copyright registration, content export of generic culture, copyright transactions.

On StarChain, content exporters in cultural circle can release themselves to the Star Home page trading platform, which will really promote the future development of KOL without worrying how to realize, hatching more KOL means creating their own IP influence.

In the Block Chain ecosystem, various interests are converted into Block Chain securities by standard protocols and traded in an open and transparent manner. The value of various interests will eventually be found automatically on StarCoin. In this sense, StarCoin is the pricing center for global personal Block Chain securities.

# III、 Applications and IP assets in Star chain

As we feature in decentralized, open, autonomous and non-tampered provide storage capabilities for decentralized applications on StarChain.

The StarChain team will be community-driven by members of the StarChain Foundation.

One of the founding members has provided a large amount of chain applications and assets as well as ample space for growth during the initial preparatory phase of Star Chain. This equally shows the mindset, blueprint and vision. Since StarChain itself is also a completely open, decentralized public chain with its own encrypted digital certificate StarCoin. This can serve as a bridge for all DAPP's asset conversions and encourage more and more partners join in building StarChain's eco-environment.

Issued by the Block Chain IP movie and then derived from film industry book, combined with the ecology, it will finally form a platform of open-spending, open profit, dividend public, circulation to the center, the center of assets.

Movie coins and other smart contract technology used through the Block Chain, combined with the traditional film and television innovation,

can create a decentralized, safe, convenient and global television token. It is expected to receive investment dividends and a steady revenue every month.

Its business resources are based on financing services and rely on ecological advantages, so that the distribution of copyright interests is more fair, the operation of the industry is more reasonable, and ultimately provide a new ecosystem with producing high-quality content for all original content.

As good IP is worthy of additional investment, but the market now remains a large vacancy in the production of high-quality production team, high-quality filmmakers, directors, producers, photography, lighting, special effects ... .. how can we develop it without capital?

This is why our StarChain team focuses on content creators / studios.

On one hand, these copyrighted copyrights will directly become StarCoin's foundations of value. With StarCoin, they have the right to own these copyrighted copyrights; On the other hand, these good copyrighted copyrights will become the commercial seed for many of the StarChain's applications, especially the trading platform we are constantly iterating on the cultural property digital asset.

These cultural property rights covers the majority of public and focusing on several areas such as the Internet, broadcast, television, film, publishing, advertising and new media. We hope these IP to generate

substantial commercial returns in the future and eventually reward investors with dividends through the success.

For these content creation, StarChain team will try its best to support and provide a series of culture copyright incubation services to discover their value in different fields and industries.

In the long run, as StarChain develops and matures, it will gradually support a value system that uses StarCoin as a liquid medium, including payment, settlement, exchange, financial and asset transactions and transfers. This gives the value basis of StarCoin into a higher stage.

## **IV、 introduction of business model**

Our scope of business ranges from StarChain's film and television project incubation, product promotion, artist training, IP and team incubation business, and many transfer of film and television IP assets will become the mature application on StarChain.

### **1. Framework of business model**

The overall business model framework StarCoin is shown above, including the following sections:

- The underlying framework of StarChain is based on Block Chain technology for the innovation system in cultural creation industries.
- Copyright registration and IP asset management
- The research system, its core value lies in the efficient discovery of high-potential original content through technical and expert means.
- Commercialization and its returning system that includes a commercialized team within the StarChain business system and a revenue-reward mechanism based on smart contracts.
- Other participants, including chain participants such as original agencies, authors, investors, content consumers / fans, film studios, publishers, surrounding developers, and other potential non-chain participants.

## **2. Copyright Asset Registration Management and Quality**

### **IP Mining**

This is a relatively front part of the business model whose job it is to accomplish two things.



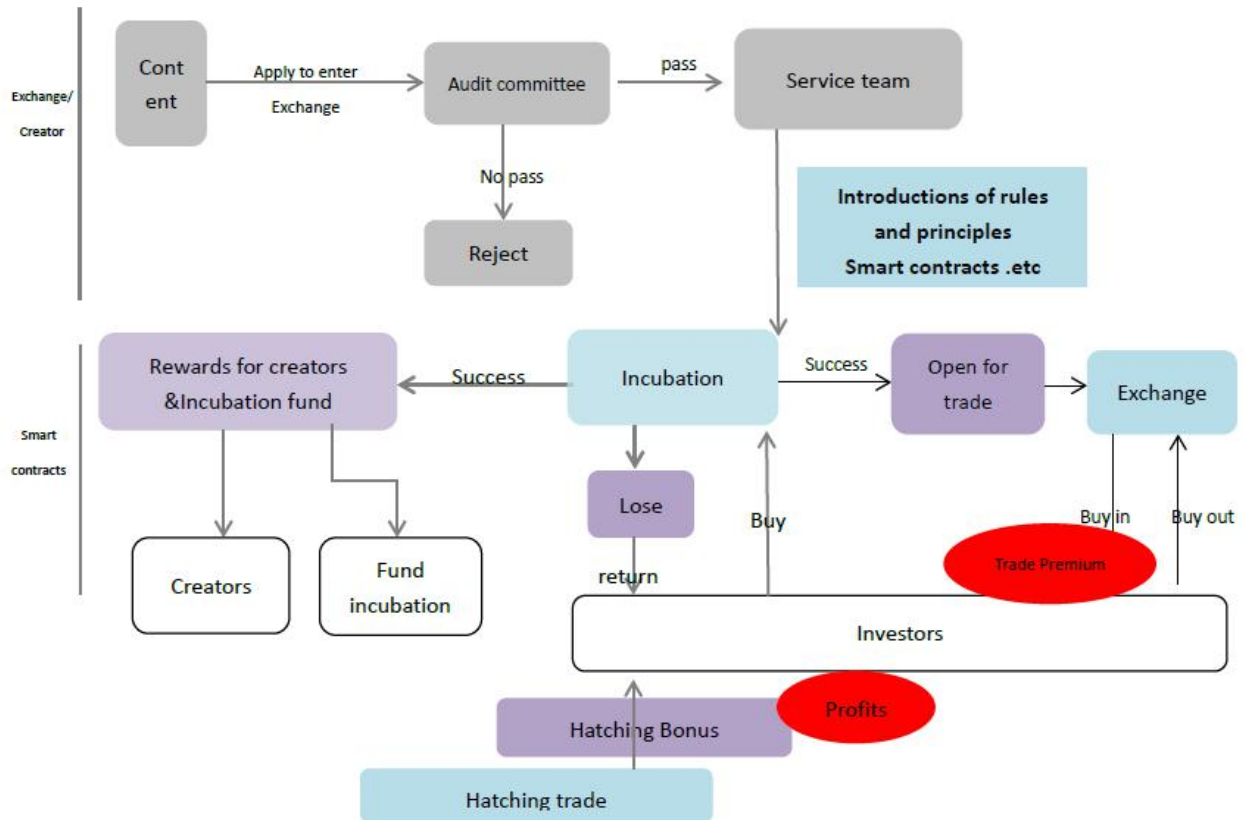
Firstly, providing a basic service that enables all original content to complete the original declaration and copyright registration with a simple, quick and low-cost, at the same time, providing a good user experience in IP asset management system, so that all original creators can manage their own IP assets one-stop;

Secondly, Continually explore / identify high potential of original IP.

Its core value lies in **utilizing the peculiar credible data environment characteristic of the Block Chain, enabling the creator to complete the original rights statement and copyright registration and laying the foundation for the subsequent investment in the value of its copyright revenue, trading and commercialization.** At the same time, making Block Chain copyright registration as a whole IP asset management system so that original rights holders can clearly grasp their own copyright assets.

### **3. IP asset exchange**

IP Asset Exchange, which is based on StarChain's core infrastructure for copyright business, is a unique presence on StarChain that gives StarCoin its unique competitive advantage and value.



Pic 4-1: IP Asset Exchange Work Mechanism

IP asset exchange's core working mechanism and process is as shown above, it mainly involves the following core areas:

- 1) Original content application to visit the exchange;
- 2) The landing audit of decentralization, this is performed by an "audit committee", it is a third party volunteered organization and is currently composed of professional risk-control staff, cultural creation assets mining team and excellent financial Model architect, while absorbing some of the investors;

- 3) IP Assets Incubator Preparation, this was finished jointly with the original creators by Creative Star Incubation Service Working Group, it is staffed by the exchange's standing service staff and StarChain Community Investor Volunteers;
- 4) IP asset creation Star hatching;
- 5) IP Token Exchange Market-oriented transactions, IP tokens refer to tokens issued by a specific IP asset creation incubator;
- 6) IP asset hatching transaction revenue dividend mechanism, the details of the commercialization of IP assets, will be introduced in the following chapter;

Achieving IP asset securitization by StarCoin is an important exchange rate strategy as well as a core mechanism. Another important strategy is that StarCoin acts as a value circulation medium, all IP asset distributions are oriented and funded through StarCoin.

Considering the details, it mainly related to the following aspects:

- IP asset inventory and ownership boundaries are clearly defined, this work is mainly done in the "Exchange landing verification", its essence is to turn a "piece of original content" into a process with a "value of the assets" to determine the value of border ;

- In the process of making program of securitization in "specific IP assets", community members will have different "program" according to different IP assets;
- The purchase and trading of IP tokens, the specific IP tokens are corresponding to the value and entitlement of specific IPs, possessing tokens means owning these values and benefits and have the probable future benefits;
- StarCoin is indispensable of the access to StarCoin. It is the media to subscribe and trade IP tokens, StarCoin access method, please refer to the previous "economic model" section.

#### **4. Risk management mechanism**

Through the assessment of possible risks, the exchange risk management measures mainly include the following points:

- 1) Exchange login verification mechanism is an important part of the audit session, which is to eliminate the risk from the original content;
- 2) Investors' grading mechanism, as the exchange is open to the public, but at the same time it will be based on professional knowledge, capital size, investment ability, anti-risk ability and other factors to classify (fans level, investment level, governance level),

different levels correspond to different rights, responsibilities and risk models;

3) The StarCoin price volatility insurance mechanism, the core purpose of this mechanism is to eliminate investment risk since StarCoin corresponds to the legal risk of currency fluctuations, mainly for IP incubation transactions, which may involve transactions in legal currencies. Specifically, it is from The exchange offers a set of insurance mechanisms that will ensure that both parties to the transaction not suffer losses in the event of an IP hatch transaction or big deals because of the price fluctuations of StarCoin.

Above is about contents of the exchange. Due to the limited space of the White Paper and the granularity of the current plan, some of the contents are not mentioned or elaborated, such as the withdrawal mechanism.

## **5. IP assets commercialization and return on earnings**

This is the last step in the StarCoin business model and consists of two parts: a commercialized team and the return on revenue mechanism.

The return mechanism is based on StarChain-based smart contracts that have been designed and completed during the IP asset-financing phase and have been released simultaneously.

Our commercial team, belonging to the StarCoin business system, they mainly do two things:

Firstly, we supervise all hatching transactions of IP assets that land on the Exchange to protect the ecology and the interests of investors;

Secondly, Promote, tap, improve the commercialization of IP assets.

All in all, we aim to build a good commercialization and return on earnings system.

## V、 Ecological Construction

StarChain is a public chain that supports rights management, resulting in a decentralized ecosystem. This is a choice of rational thinking for the bigger cultural industry. From the StarChain team's perspective, this is a Feasible optimal strategy.

### **1、 Build the basic mechanism of ecology**

The basic mechanism of ecological construction includes two levels: technical level and value-driven level.

Technical level, which is mainly about the open and scalable ability, these capabilities rely mostly on the application access layer in the technology system, in more details, there are two ways to achieve.

Firstly, use StarChain node client application access module;

Secondly, using independent application access to SDK and API, which is a lighter way, backed by a number of specific nodes to provide services. In either way, it will provide strong openness and scalability. These capabilities are mainly based on the underlying StarChain including: data, trading, wallet account services, smart contracts.

Of course, since StarChain is specifically designed for the cultural creation industries, StarChain will also have the expertise to target the cultural and creative industries. Details on technology are demonstrated in the "Technical Framework" section of the White Paper.

At the value-driven level, StarChain was a commercial platform since the beginning. It allows and encourages all valuable applications, provides services, and rewards them. Such a business ecosystem will also inspire the emergence of innovative and valuable applications.

## **2、Blueprint and potentials**

- Data services in cultural creation industries or in specific vertical segments

- Content Production Platform, StarChain-based with Realization and StarCoin Incentives
- Content aggregation and distribution services, secondary aggregation and distribution based on IP big data
- IP asset management platform, diversified and one-stop IP asset management
- Infringement monitoring, StarChain based infringement monitoring service
- Rights protection, service-oriented and high-efficient rights protection
- Advertising service platform
- Traditional Copyright Registration Service
- Public service based on the Block Chain industry, the government Block Chain public service platform application construction
- Copyright legal services



### **3、 Demand Estimate for StarCoin in StarChain Ecology**

The StarChain project team focused on the integration of the platform ecology. It has successfully completed the all-round strategic cooperation with the centralized IP asset exchange platform, a star project in the field of new Internet entertainment in the early stage.

## **VI、 Technical framework**

StarChain is a high-performance Block Chain solution based on the MaxtriChain design. Its underlying technologies follow the DDN (Data Distribution Network, <http://ddn.link>) specifications and standards and are based on a series of StarChain scenarios Transformation and upgrading.

Matrix chain is a Block Chain system developed by Yishu Team. Different from bitcoin, Ethereum and other third-party platform, it specializes in cultural and entertainment industry and focuses on copyright protection, data storage, knowledge distribution and copyright trading. It is a specialized Block Chain product covers writing, film, entertainment and other industries. Yishu is the first product running successfully on the MatrixChain and has validated its position in the field of writing.

Taking inheritance and innovation from advantages of the Matrix Chain, StarChain is more focused on the registration rights of the film and television works, IP asset management and transactions, decentralized content platform and other applications. Users will place greater value on the platform's authority (such as copyright registration, copyright hatching, circulation and transfer) and performance indicators (such as community rankings for content consumers, customer support, and investment incentives).

The StarChain platform is with scalable architecture design, full side-chain technology. Users and developers can easily develop a variety of Dapp applications on it and later realize their IP assets, digital assets with free trade in knowledge realization, thus creating a sound application of Block Chain ecology for the IP Incubation.

## **1、 StarChain Network Node**

The bottom layer of StarChain P2P distributed network consists of a number of nodes, each node performs certain functions or provides services in the network. Nodes and nodes interact with each other via HTTP, status synchronization and data distribution via JSON. P2P module contains the version, system, IP address, port number and other node data.

## 2、 Consensus Mechanism

StarChain is based on the DPOS (Authorized Stock Ownership Scheme) consensus algorithm. DPOS is creating the block by the trustee. The trustee is a credible account elected by the community with the top 101 votes. Other voter list did not enter the top 101 trustee account was listed as candidates, in order to become a formal trustee, users may go to the community for canvassing for getting trust. Users vote on the percentage of StarCoin they own in the total amount. When the 101 block generation cycle is completed, the trustee's top 101 representatives will be re-adjusted, who ranks behind will be downgraded to the candidate. The 101 blocks for each cycle are randomly generated by 101 delegates with 10 seconds for each block. The newly created block is broadcast onto the network and added to the Block Chain, after receiving 6 to 10 confirmations, the transaction is confirmed, and a complete cycle of 101 blocks takes about 16 minutes.

Trustee. To be a trustee, the user is required to register the trustee account and then register with any kind of the client, however, only the full client can create a block, that is, the user can register the trustee account with the light client. However, You can only use the full client to turn on the forging blocks. All StarCoin accounts can be registered as trustees. The new trustees start with the candidates. Candidates starting vote at 0, the candidate must be able to go to the community to vote so

they can get out of the top 101 trustees. Register as a trustee also needs to pay certain network fees.

### **3、 Tokens and Incentives**

All valid transactions in the network must be processed, the trustee processes the transaction and stores the transaction in a newly created block, for which the trustee charges a commission for all transactions in that block. All transactions in the network must include handling fees to prevent flood-like trading attacks.

The default shipping transaction fee of StarCoin is 0.1%, for example: sending 100 StarCoin needs to include 0.1 StarCoin as fee, so the actual cost of 100.1 StarCoin.

Below is the cost of different types of transactions required:

- ❖ Send transaction fee 0.1%;
- ❖ Registered as trustee fee is 100StarCoin;
- ❖ Register a side chain application fee is 500StarCoin;
- ❖ Sign up for a multi-signature is 10SStarCoin per member;
- ❖ User Registration Real Name Authentication Information Free,

Modify or Delete Fee is 50StarCoin;

- ❖ Selling goods (e-books, etc.), real-name authentication of user transaction fees far below the unofficial certification fee, the rate determined by the specific transaction, no more than 5%;

The trustee representatives receive all transaction costs for each round (101 blocks) and divide all the trustees who have created the block in that round, and the trustees who did not successfully create the block in the round are not involved in the allocation.

## **5、 Side Chain Technology**

StarChain has strong scalability to provide easy using, programmable sidechains as simple extension services for third-party developers, producers, and movie studios, and also to design and develop business processes that fit the needs of the enterprise personalized Dapps, audio, video, anime and other video works into the StarChain ecosystem so that range of business is wider and the network is safer. The main features are:

We take the sandboxing mechanism to run unverified JavaScript code through the virtual machine. The virtual machine is a branch of Node.js that connects API, StarChain, the Bitcoin Block Chain, etc. to the Dapp runs in a virtual machine. Using the Dpos algorithm as its consensus algorithm, which will effectively prevent many possible attacks and make users safer to run Dapp. The virtual API machine is easy-to-use which allows developers to choose any NPM library, use any JavaScript's asynchronous programming capabilities, and build any application code based on StarChain.

## **6、 Design thinking**

### **6.1 、 Scalability and Interoperability**

As Block Chain projects emerge one after another, the assets will flow on different Block Chains. Many Block Chains operating in the future will pursue interoperability, and the isolated Block Chain "islands" will face the risk of being eliminated by the industry. In addition, the whole industry urgently needs to promote the interface standard of Block Chain so that the value and business logic can be cross-linked. One of the reasons why StarChain chose the Yishu Matrix Chain as the bottom standard was its openness, standardization and strong cross-chain capabilities. StarChain will work with Yishu as well as more products based on the Matrix Chain to build a network services for human beings: the DDN network, with easy access and sharing, from writing to film and television to form a complete ecological system about human knowledge portfolio and distribution so that every writer, filmmaker, producer can achieve their dreams.

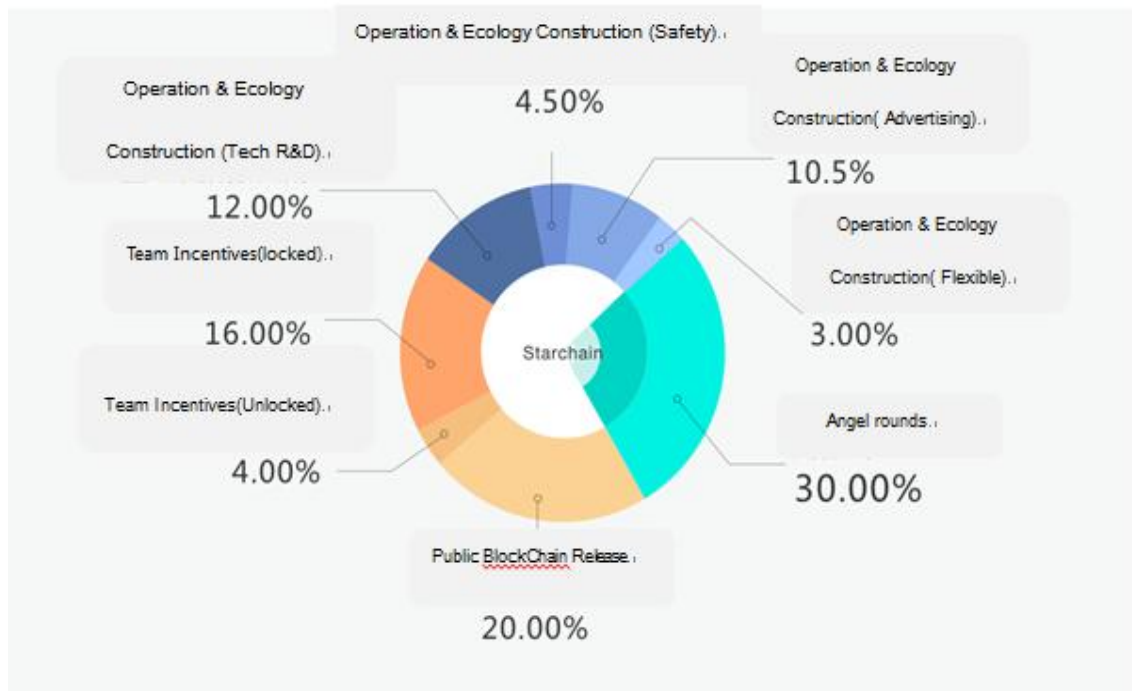
### **6.2、 Data Storage**

StarChain will carry the certification registration type application that matches with the authoritative organization which has important requirements for data storage and security. It also hosts popular applications such as IP asset exchanges and content platforms, and places higher demands on performance and anonymity . Therefore, StarChain

will provide data acquisition, circulation authentication service, and encryption of data storage and fingerprint indexing to ensure data security in the framework of ensuring data availability.

As one of StarChain's core applications, the original content data of all StarChain works is stored in a distributed network and sent directly to those who need it through the DAT protocol, making it easier to share on the basis of ensuring security and privacy. The file storage will be used in multiple redundant ways, making the storage system with high performance, high availability, linear expansion of the advantages. As for some of the special high-frequency content such as pictures, micro-video, etc., it created a BlockChain-based intelligent addressing technology to achieve true rapid data distribution, to further improve data read performance and enhance product experience.

# VII、 Introduction to Economic Model



## StarCoin's distribution plan

The total amount of StarCoin (hereinafter referred to as the total amount) is 1 billion, it is distributed in the following ways:

### 1、 Issue replacement rate : 50%

Dominated by the Star Chain Foundation, part of StarCoin will be allocated to the community through permutation according to the progress of the project development in anticipation of raising enough fund to support the project development and improvement.

The distribution plan is as follows



(1) Angel round recognized 30%:

For the early community investors and strategic investment partners, the distribution ratio is 30% of the total, a total of 300 million with minimum of 5 BTC per subscription and up to 100 BTC. Angel round investors is no more than 199 people. It is proposed to accept the replacement of BTC, BCH, ETH, EOS, QTUM and other equivalent BTC ways, and the final accepted currency will be announced upon the release of Angel round.

(2) Public BlockChain release recognized 20%:

The distribution ratio is 20% of the total, a total of 200 million, for the early community investors, key players, industry partners, commercial customers, and it is released in two rounds:

- The first round of pre- BlockChain release, releasing 5%, a total of 50 million, mainly for early investors in the domestic market and the early introduction of eco-cooperative enterprises;
- The second round of BlockChain release, releasing 15%, a total of 100 million 5 million, mainly for investors in the global market.

For global users (excluding the United States, Chinese citizens) for private placement.

## **2、 Founding & Development Team Incentives: 20%**

StarChain founding team has done a great deal of work in terms of project design, resource organization and pre-commercial incubation. It has continuously made efforts in manpower, intelligence and material inputs in shaping the ecological environment. Therefore, a 20% StarCoin share will be reserved as a team reward.

This part of the initial lifting of StarCoin is 4%, the remaining 16% will be locked, lifting of 2% per quarter from the second year.

### **3、 Operation & Ecological Construction :30%**

In order to maintain the rapid and subsequently sustained healthy and development of the community and entire ecological environment, the Foundation reserves a 30% share for eco-hatching, marketing, business development and legal compliance. Including:

#### **Using plan**

##### **1, technology research and development 40%**

。 It can be used for high concurrency, high availability, high security, a comprehensive commercial platform, with many features, its implementation is more difficult. In addition, in order to promote the rapid formation of commercial ecology, it is necessary to minimize the technical use threshold of the system and develop a large number of middleware, interfaces, SDKs, secondary development tools, APPs and DAPPs, which will also consume a large amount of research and development efforts. Therefore, StarChain will invest a lot of money raised for the development of basic technology platform shape.

##### **2, Operation and maintenance & safety 15%**

**StarChain platform exchanges with high security needs, the platform hardware requirements, safety requirements are high, the need for targeted optimization and investment, and the establishment of a scientific management mechanism.**

### **3. Marketing and commercial operations 35%**

**To build a platform ecosystem in a relatively short period of time and to accommodate more payment scenarios for end-users, StarChain faces a complex business scenario with a diverse set of roles and requires a diversified strategic layout. In order to promote the rapid formation of the ecological environment and provide initial closed-loop service to terminal users, it is necessary to maintain a large proportion of investment in overall publicity and promotion, promotion of commercial customers and design of operational and service capabilities.**

### **4. Maneuver 10%**

**A small amount of funds is reserved for contingencies and for other financial items except those listed above.**

All frozen StarCoin will be fully deposited in the multi-signature purse, it can be used when signed by multiple people. The detailed use and management follow StarCoin and StarChain governance mechanism, the funds raised will be mainly used for the following areas:

- Support the operation of StarChain team to accomplish the following core issues:

- Meeting the optimization of underlying BlockChain network construction on StarChain;
- StarChain-based "copyright registration and IP asset management platform" construction;
- Improving the Star Asset Chains of Star Home page on StarChain;
- Purchase premium IP as a commercial seed for many applications on the StarChain chain.
- Set up "team and IP commercialization system" ;

Support the development of BlockChain related projects.

## **VIII、 Governance Mechanism & Risk Management and Control**

### **1、 Governance Mechanism of StarChain**

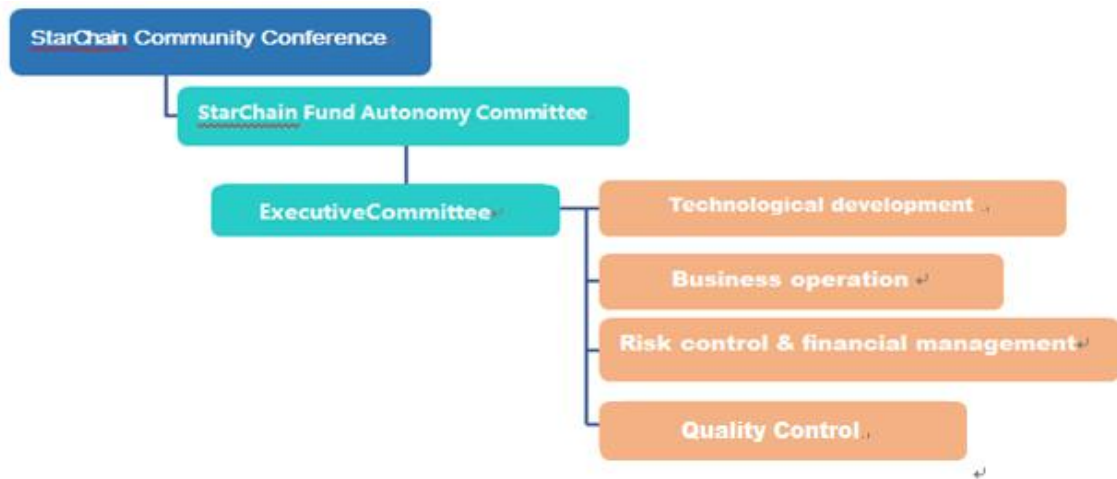
StarChain has a decentralized international Block Chain community that will set up a Star Foundation overseas to ensure the management and operations management and security of the funds raised. The Star

Foundation's organizational structure will consist of the StarChain Community Conference, the StarChain Fund Autonomy Commission and the Executive Board.

The StarChain Community Conference, which is the supreme authority of the StarChain community, is made up of all StarChain holders and all holders are able to exercise their voting rights through community meetings to participate in community-based decision-making.

The Steering Committee of the Star Angels Fund is responsible for community meetings and exert exercising management and supervision duties on the executive committees. The general election is held every two years according to the number of holding coins and currency age.

The Executive Committee is responsible to the Autonomous Commission and the normal operation or maintenance of the StarChain community. It has technical development groups, business operation groups, financial management , risk control groups, and quality control groups. Each group is responsible for the actual operation of the business.



Pic 8-1: StarChain Fund Structure

The first term of StarChain Fund Autonomy Committee played a key role in the project. It consists of StarChain core team members because of the uniqueness of the first token issue.

After the term of office of the Autonomous Commission expires, community members count the number and timing of StarChain holdings to generate 100 community representatives, who then vote for the election. Eventually, 10 members of the Home Affairs Committee will be elected to complete the decision-making process on behalf of the StarChain Foundation and will undergo a trust investigation during their term of office. Only passed by more than two-thirds of the members of the self-government committees the resolutions can be adopted and implemented.

- **StarChain Community Conference**

The StarChain Community Conference is made up of all StarCoin holders and is the supreme authority of StarChain with the following functions:

- Modify StarChain regulations;
- Oversee the implementation of StarChain regulations;
- Elect and change members of the Self-Governing Committee;
- Undue improper decision of the autonomous committee;
- Approve major changes;

The resolution shall be voted by the holders on the basis of the amount of StarCoin and the weight of time. StarChain regulations are the fundamental principles of StarChain autonomy, the regulations will be announced on the official website of StarChain. It will announce management regulations since launched within six months. The first edition was published by the Autonomous Committee. The community meeting is held every two years and may be held on an ad hoc basis if the Autonomous Commission considers it necessary or more than one-fifth of the StarCoin Holders propose it.

## 2、 Node Management Committee

One of StarChain's missions is to provide the underlying infrastructure for applications related to the cultural creation industries together with StarChain. It is open to all and at the same time manages the joining of

nodes on the chain. This management mechanism is not a centralized manifestation. But a self-care mechanism that must be built to help StarCoin reach its mission.

The first nodes will include state property departments, cultural and creative units, internet companies, universities, cloud service providers, StarCoin cultural assets exchange, relevant participants in the IP upstream and downstream industry chain, etc. The participation of these nodes will give StarCoin Highly trustworthy and professional. All the joined nodes will be jointly formed as a node management committee to manage the new nodes to which the subsequent application joins. We will set a billing node access criteria, the standard will be integrated industry background, professionalism, team members, application scenarios, technical and hardware capabilities and other factors, any access to meet the standards of third parties or users can apply to become a bookkeeping Node, the node management committee to complete the node to join the audit, decide whether it can become a node to participate in accounting.

### 3、 Risk Management

- Trade safety:

Through the Block Chain consensus, it cannot be tampered with technology and digital signatures, end-user encryption wallet and other security measures to ensure user accounts and financial security; cultural assets trading platform will provide financial-grade security services; data



storage, network and other resources efficient integration will be Data, applications, transactions integrated into the Block Chain cloud, building a secure transaction network environment. At the same time, there are a host of other tools to ensure safety and trust.

- Audit:

The StarChain Fund Autonomy Commission shall maintain a high standard of honest and ethical business conduct standards; complying with relevant laws and regulations and industry self-regulation principles; providing transparent financial management;

Each year, international famous third-party auditors will be invited to audit and evaluate the fund use, cost and profit distribution of the Star Foundation.

StarChain will review and evaluate the results of an open and open third-party organization.