GLOBAL PROOF SYSTEM

Decentralized system of confirming the authenticity of products in the luxury segment

One of our main goal is to create not only a simple and reliable system, but also a system that will be easily and quickly implemented by the end customer into production line. To confirm the authenticity of products, the Global Proof System will use existing blockchains in its work: the «GateChain» and the «Binance Smart Chain».
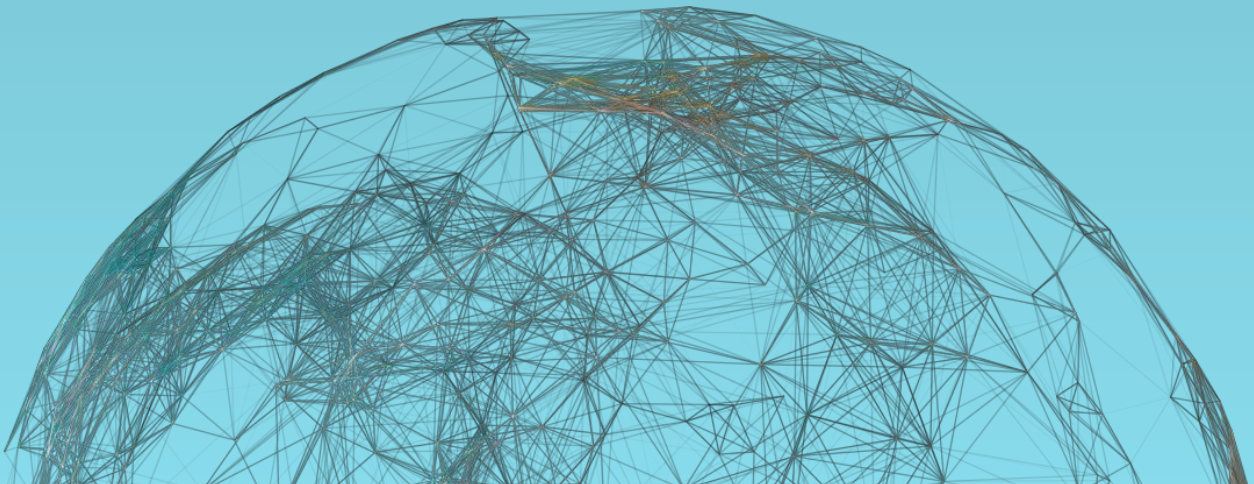
https://globalproofsystem.com

TABLE OF CONTENTS

PROBLEM OVERVIEW

Proof of product authentication remained as the #1 problem for the luxury industry since the very beginning. Brand owners try to implement product traceability, stringent selective retail channels to ensure that their end customers receive their original product, not counterfeit. While, on the other hand, the customers become cautious of buying non-genuine products whenever there's a huge variety of retailers.

We strongly feel that there should be a much simpler and straightforward way of building up trust among buyers and sellers, and we believe blockchain technology has the exact potential to solve the world's counterfeit problem.

Together let us build a better future for the world of genuine products for many generations to come!

LUXURY GOODS MARKET

The global luxury goods industry, which includes fashion, cosmetics, fragrances, jewelry, luggage, handbags and etc., has been on an upward climb for many years. The value of the global personal luxury goods market was US$ 341 billion in 2022 and is estimated to be worth US$ 350 billion in 2023.

Luxury goods manufacturers meet consumer demand by focusing on brand, aesthetics, quality materials, superior craftsmanship and pricing to transform everyday objects into status symbols. The industry rises and falls with the gross domestic product (GDP), seeing demand climb in times of economic stability and plummeting in unfavorable economic climates.

Louis Vuitton was the most valuable luxury brand in the world, with a brand value of about 41 billion U.S. dollars. New markets and segments are giving the industry growth points. One challenge for luxury companies is to maintain brand equity and cultivate their customer relationships. As luxury expands into more industries, expect a more mature segmented market. As a result, consumers should also become more rational. The personal luxury goods industry is expected to continue to grow, especially in the Middle East, the market is expected to increase by 20 percent in 2023 to total about US$ 10 billion.

Annual revenue in the Luxury Goods industry
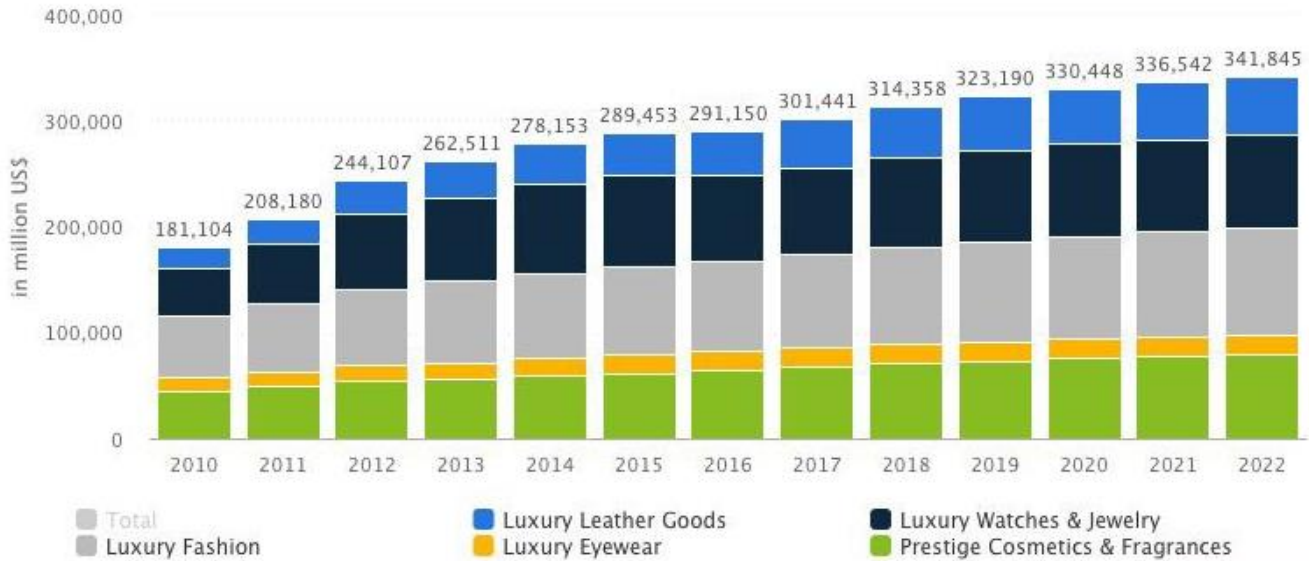
US$ 350 billion with market growth rate 2%

Luxury Market Cap	Yearly Growth
US$ 336,000,000,000	2%
Due to counterfeit luxury brands, manufacturers lose more than **500 billion USD annually**.	

THE BIGGEST INDUSTRIAL PROBLEM – COUNTERFEITS

Counterfeit luxury goods are one of the biggest problems in the luxury industry. According to a report by the Organization for Economic Co-operation and Development and the European Union's Intellectual Property Office, the market for counterfeit goods is worth an astonishing $461 billion.

The negative impacts of counterfeiting and piracy are projected to drain $4.2 trillion from the global economy and put 5.4 million legitimate jobs at risk by 2023.

For comparison, just 26 countries in the world have a gross domestic product (GDP) more than $461 billion, according to the International Monetary Fund World Economic Outlook. **The counterfeit goods market makes more money than the likes of Norway, Pakistan, Greece, Denmark, Portugal, and New Zealand.**

Brands like Louis Vuitton and Chanel have been ranked the most counterfeited handbag companies with Gucci, Hermes and YSL coming right behind. These luxury brands and several others have had more to deal with, in combating this problem of counterfeiting. Not only does it affect sales, but also the brand image of these brands as consumers become more weary in purchasing them for fear of counterfeits.

Most of the sales of fake luxury handbags are done mostly online, making it even harder to detect their status of authenticity until delivered.

The moment a shopper realizes they've purchased a counterfeit is more than just frustrating or even mildly disappointing. It destroys their trust and faith in the luxury goods market. They think to themselves, 'shouldn't the authorities be doing something about this?' or 'why weren't the authorities able to realize that these goods aren't legitimate?' and 'how can these sellers and manufacturers of fakes keep getting away with it?' Unable to find answers, they avoid the luxury goods market for fear of being conned out their money again.

Luxury goods brands like Louis Vuitton, Chanel as mentioned earlier, suffer greatly due to this lack of trust. For instance, if the quality of a fake handbag isn't up to scratch and the owner didn't realize it was a poor-quality fake, they'll think that the real brand just makes poor-quality products that break easily and won't want to buy that brand's products again. Alternatively, if they want to resell those "luxury" bags in the future, either selling them to another retailer of second-hand luxury goods, they will be unable to, because of the product's counterfeit status. Likewise, purchasers of second-hand luxury goods will be reluctant too if they are concerned about being tricked by a fake.

We are confident that blockchain technologies will be effective in the fight against the counterfeit epidemic, considering the current traditional centralized setup hasn't achieved much in bringing the situation under control.

We strongly believe that the Global Proof System is the solution to luxury goods counterfeits problem.

GLOBAL PROOF SYSTEM SOLUTION OVERVIEW

Global Proof System – an innovative decentralized system of confirming the authenticity of products in the luxury segment using blockchain technologies.

One of our main goal is to create not only a simple and reliable system, but also a system that will be easily and quickly implemented by the end customer into production line.

To confirm the authenticity of products, the Global Proof System will use existing blockchains in its work: the **«GateChain»** and the **«Binance Smart Chain»**.
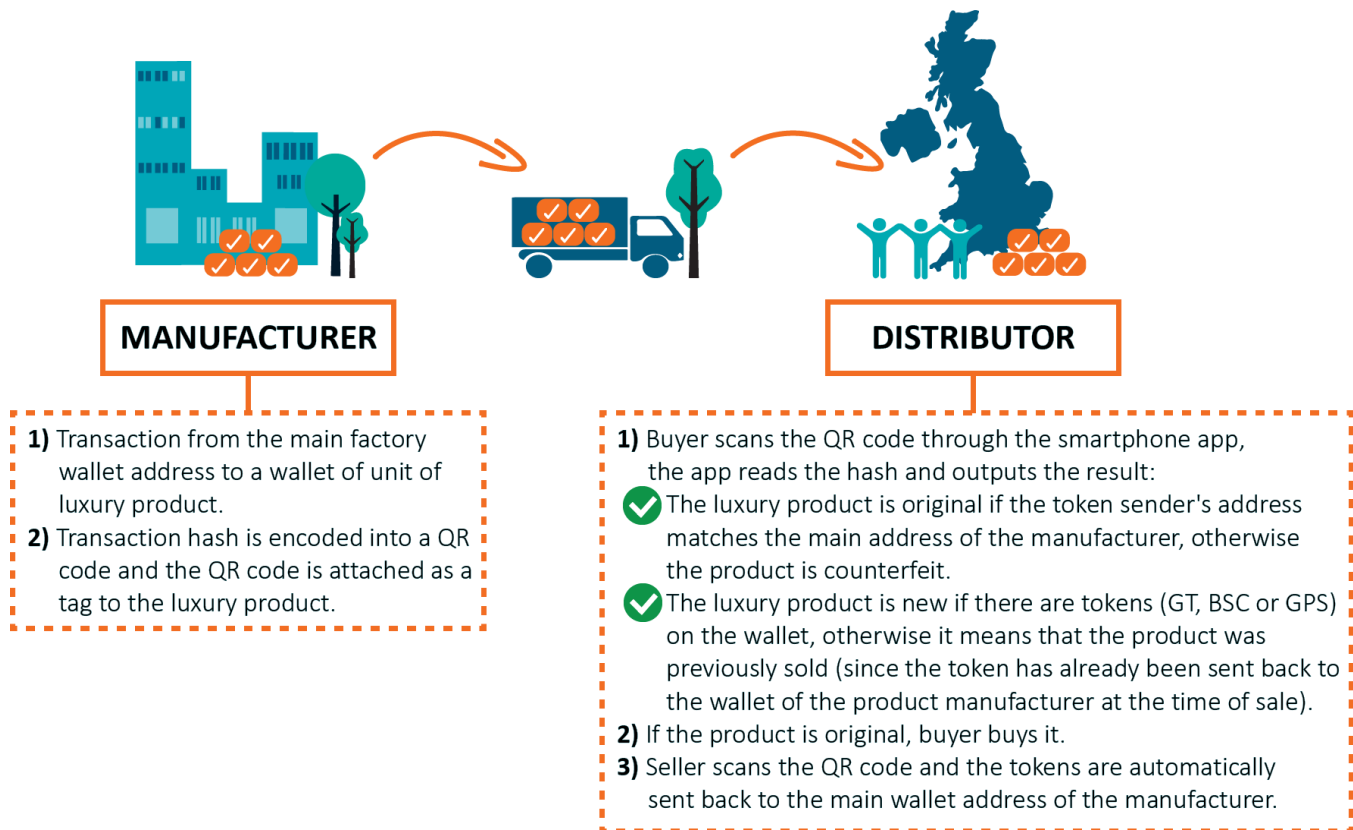
We have developed a technology that will eliminate the trade in counterfeit goods. Our project with the introduction of blockchain technologies in the real business sector of luxury brands can radically change the international markets of goods, completely excluding the sale of counterfeit products.

The Global Proof System consists of an application on mobile phone (for clients and sellers in stores) and integrated software for manufacturers. To verify the authenticity of products, one of three tokens will be used at the customer's choice: GT (GateChain), BNB (Binance Smart Chain) or GPS (our native token). GPS token has already issued in the amount of 1.000.000.000 tokens on Binance Smart Chain.

The Global Proof System **can be used not only to confirm the authenticity of products in the luxury** segment of brands, but in any other business sector where the problem of counterfeiting occurs and where it is economically feasible (since the system will have to increase the cost of the product for the end customer by 1 USD (need for transaction fees). For example: alcoholic beverages, toys, medicines, jewelry, etc.

Our technology for checking and confirming the authenticity of luxury brands through the use of blockchain technologies cannot be counterfeited, **the system will get rid of counterfeit products once and for all**.

The principle of operations of the Global Proof System

MANUFACTURER

1) Transaction from the main factory wallet address to a wallet of unit of luxury product.
2) Transaction hash is encoded into a QR code and the QR code is attached as a tag to the luxury product.

DISTRIBUTOR

1) Buyer scans the QR code through the smartphone app, the app reads the hash and outputs the result:
✅ The luxury product is original if the token sender's address matches the main address of the manufacturer, otherwise the product is counterfeit.
✅ The luxury product is new if there are tokens (GT, BSC or GPS) on the wallet, otherwise it means that the product was previously sold (since the token has already been sent back to the wallet of the product manufacturer at the time of sale).
2) If the product is original, buyer buys it.
3) Seller scans the QR code and the tokens are automatically sent back to the main wallet address of the manufacturer.

To verify the authenticity of Global Proof System products, one of three tokens will be used at the customer's choice (the manufacturer of luxury products): GT (GateChain), BNB (Binance Smart Chain) or GPS (our native token on Binance Smart Chain).

Each unit of luxury products in production is assigned a wallet address, to which a transaction is made in the GateChain or Binance Smart Chain network from 1 main address of the manufacturer and tokens (GT, BNB or GPS) are transferred in the equivalent up to 1 USD (this amount will be necessary for the guaranteed possibility of sending the token back at the time of making a purchase of a luxury item) and the transaction hash of this operation is encoded into a QR code, which is attached as a tag to the products.

At the moment of buying a luxury item in the store, the scans the QR code seller (or a buyer scans the QR code after the purchase to verify the authenticity) through a special application on the phone (GlobalProofSystem app) and all tokens on the wallet (minus the transaction cost) are sent back to the address of the product manufacturer.

How to check the authenticity of products to buyer

To verify the authenticity of the products, the buyer on his phone through a special application (GlobalProofSystem app) scans the QR code, the application reads the hash of the transaction in the blockchain and checks **the following parameters**:
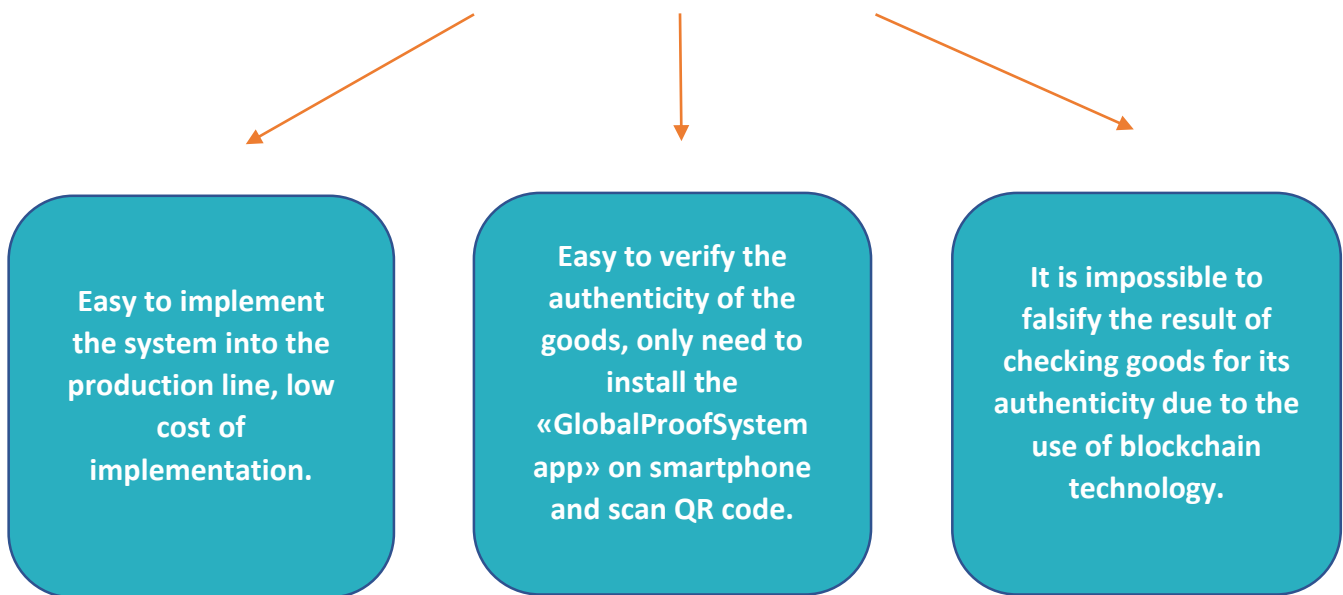
1) The sender's address.
If the product is original, it must match the address of the manufacturer's factory, otherwise the product is counterfeit.

2) The presence of tokens (GT, BSC or GPS) on the wallet.
If the luxury product is new, then there will be tokens on the wallet, otherwise it means that the product was previously sold (since the token has already been sent back to the wallet of the product manufacturer).

This technology for checking and confirming the authenticity of luxury brands through the use of blockchain technologies cannot be counterfeited, the system will get rid of counterfeit products once and for all.

THE MAIN ADVANTAGES OF THE GLOBAL PROOF SYSTEM

Easy to implement the system into the production line, low cost of implementation.

Easy to verify the authenticity of the goods, only need to install the «GlobalProofSystem app» on smartphone and scan QR code.

It is impossible to falsify the result of checking goods for its authenticity due to the use of blockchain technology.

BLOCKCHAINS USED IN THE SYSTEM AND THEIR ADVENTAGES

Blockchain is an open, distributed ledger that can record transactions between two parties efficiently and in a verifiable and permanent way. Blockchain is managed by a peer-to-peer network collectively adhering to a protocol for inter-node communication and validating new blocks. Once recorded, the data in any given block cannot be altered retroactively without alteration of all subsequent blocks, which requires the consensus of the network majority.

The Global Proof System will use existing blockchains in its work, GateChain and Binance Smart Chain, which were chosen due to many factors including current popularity, low transaction fees, fast transaction confirmation times, PoS and PoSA consensus mechanism that are environmentally friendly.

To secure system any blockchain use mining algorithm. Mining is the process by which transactions are verified. A cryptocurrency uses principles of cryptography to implement a distributed, decentralized and secure cash system. Mining solves the problem of double-spending in a distributed ledger by introducing a mechanism to secure the network against 51% attacks and Distributed Denial of Service (DDoS) attacks. The underlying principle of such a mechanism is the necessity of expending resources when confirming transactions. Once confirmed, transactions become irreversible because it's practically infeasible for any attacker to have access to the huge amount of resource required to modify them.

Although Proof-of-Work (PoW) has been approved as a practical mechanism to implement a decentralized network, it is not friendly to the environment and also requires a large size of participants to maintain the security.

GateChain blockchain based on Proof-of-Stake (PoS) consensus mechanism, it is an alternative to PoW in Bitcoin blockchain. Proof of Stake has the same goal as Proof-of-Work algorithm to validate transactions and achieve consensus in the chain but with a different process. With proof of stake, the creator of a new block is chosen in a deterministic way, depending on its wealth, also defined as a stake. Since in a proof of stake system, there is no block reward, but the miners, known as forgers, main get the transaction fees. Unlike Proof-of-Work (Bitcoin blockchain), where an expensive computer calculation or "mining" is done in order to create a block or a new set of trustless transactions, the proof of stake. One useful feature of PoS is the significant saving in energy consumption.

GateChain is a novel next-generation public blockchain, focused on on-chain asset safety and decentralized exchange. With a unique Vault Account technology and its supporting transaction model design, GateChain has implemented a guaranteed safe clearing mechanism, creatively solved the challenging problem of asset theft and missing private keys.

Binance Smart Chain also use an alternative consensus mechanism to Bitcoin - PoSA (Proof-of-Staked-Authority). Ethereum and some other networks do use Proof-of-Authority (PoA) or its variants in different scenarios. PoA provides some defense to 51% attack, with improved efficiency and tolerance to certain levels of Byzantine players (malicious or hacked). It serves as an easy choice to pick as the fundamentals.

Meanwhile, the PoA protocol is most criticized for being not as decentralized as PoW, as the validators, i.e. the nodes that take turns to produce blocks, have all the authorities and are prone to corruption and security attacks. Other blockchains, such as EOS and Cosmos both, introduce different types of Deputy Proof of Stake (DPoS) to allow the token holders to vote and elect the validator set. It increases the decentralization and favors community governance.

Binance Smart Chain (BSC) use a combination of two algorithms: Delegated-Proof-of-Stake (DPoS) and Proof-of-Authority (PoA), so that:
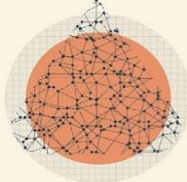1. Blocks are produced by a limited set of validators.
2. Validators take turns to produce blocks in a PoA manner, similar to Ethereum's Clique consensus engine.
3. Validator set are elected in and out based on a staking based governance.

ROADMAP

The Global Proof System can be used not only to confirm the authenticity of products in the luxury segment of brands, but in any other business sector where the problem of counterfeiting occurs and where it is economically feasible (since the system will have to increase the cost of the product for the end customer up to 1 USD (transaction fees). For example: alcoholic beverages, toys, medicines, jewelry, etc.

- Q1-Q2 2023 Research and idea validation.
- Q3 2023 Team of professionals with experience from different business sectors was assembled.
- Q3 2023 The scheme, principles and basic mechanics of the Global Proof System were developed.
- Q4 2023 The GPS token was issued in the amount of 1.000.000.000 (GPS) based on Binance Smart Chain, which will be used in the operation of the system.
- Q1 2024 ICO and listing to receive funds for the development of the Global Proof System and promotion of the system among manufacturers of luxury products.
- Q2-Q3 2024 Application development stage.
- Q3-Q4 2024 Promotional programs, advertising in specialized catalogs and forums, participation in the largest exhibitions on luxury products.
- Q4 2024 Connecting first manufacturing companies to the system.
- 2025 Further promotion and implementation of Global Proof System, the use of the system not only in the luxury segment of brands, but also in other business areas where confirmation of the authenticity of products is required (alcoholic beverages, toys, medicines, jewelry, etc.).

Q4 2023 - Q1 2024

→ The GPS token was issued in the amount of 1.000.000.000 (GPS) based on Binance Smart Chain.

→ ICO and listing to receive funds for further development of the Global Proof System and promotion among manufacturers of luxury products.

Q3 - Q4 2024

→ Connecting first manufacturing companies to the system.

→ Promotional programs, advertising in specialized catalogs and forums, participation in the largest exhibitions on luxury products.

Q1 - Q3 2023

→ Research and idea validation.

→ Team of professionals with experience from different business sectors was assembled.

→ The scheme, principles and basic mechanics of the Global Proof System were developed.

Q2 - Q3 2024

→ Application development stage.

2025

→ Further promotion and implementation of Global Proof System, the use of the system not only in the luxury segment of brands, but also in other business areas where confirmation of the authenticity of products is required (alcoholic beverages, toys, medicines, jewelry, etc.).

TOKEN DISTRIBUTION
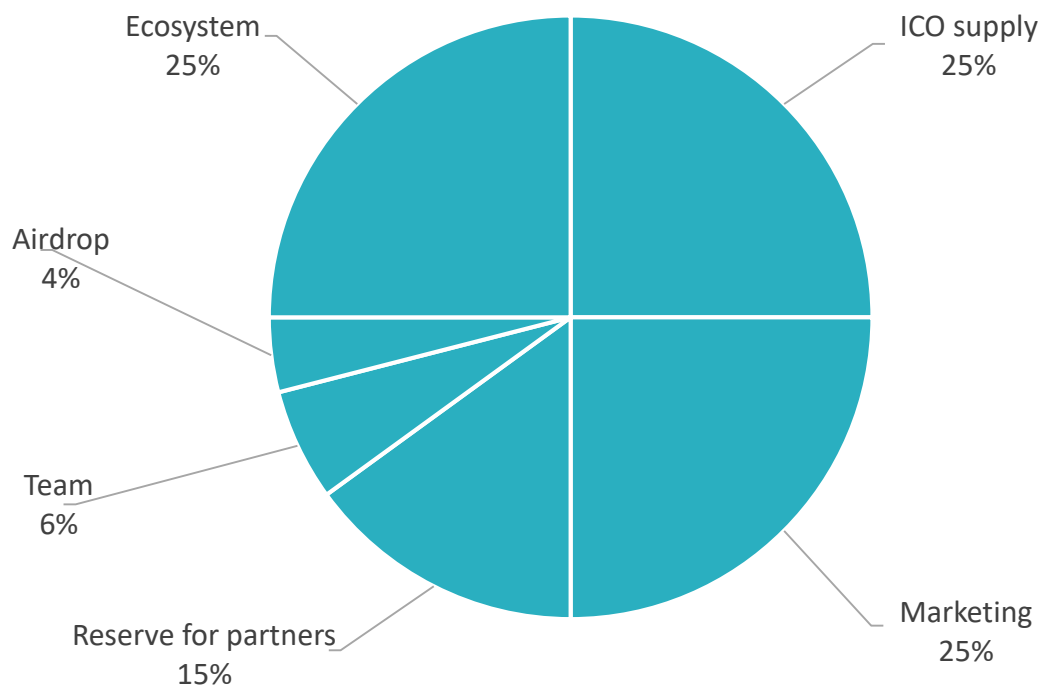
25% of the total supply will be offered in a token sale during ICO. The funds will be used to develop an application for mobile phones «GlobalProofSystem app» for buyers and application for manufacturing companies.

25% of the total token supply will be directed to the online and offline marketing activity. We will participate in the largest international luxury goods exhibitions to promote Global Proof System among manufacturers of luxury brands.

15% of the token supply will be reserved for partners, advisors and influencers who will work with the Global Proof System team, assist and provide advice on all areas of the project as well as help to market and promote the project. These tokens will be unlocked in 24 months.

6% will be distributed proportionally among all team members who are now and who will join the team within 1 year after the ICO.

4% of the total token supply will be airdropped among the community for supporting the project.

The remaining 25% of the total token supply is ecosystem reserve. Token will be used in the operation of the Global Proof System.

MARKETING STRATEGY

In addition to promoting information regarding Global Proof System on Twitter, Telegram and forums, we are confident that we will achieve our goals by:

1) Participation in all the leading international exhibitions** of luxury brands in order to promote our system and attract new customers.

*** Luxury Las Vegas (USA), CIFF Copenhagen (Denmark), Millionaire Fair (Russia), Top Marques (Monaco), DeLUXE (Russia, Singapore, Italy), Hainan Rendez-Vous (China), 1.618 Sustainable Luxury Fair (Japan), Luxury Please (Austria), Elite Life Fair (Armenia), Singapore Interntional Jewelry (Singapore), JIS (USA), Chibimart (Italy), FASHIONISTA LIFESTYLE EXHIBITION (India), LUXURY BRIDAL EXPO (USA), INTERNATIONAL JEWELLERY LONDON (England), MIDORA LEIPZIG (Germany), OMYAGUE PARIS (France), MADE IN FRANCE (France), WATCHES & JEWELLERY (Czech Republic), PALAKISS (Italy), T-GOLD (Italy), EPHJ-EPMT-SMT (Switzerland), BISUTEX (Spain), FASHIONISTA LIFESTYLE EXHIBITION (India), MADRIDJOYA (Spain), PELENÉ (Lithuania), INTERCHARM (Ukraine), PORTOJÓIA (Portugal), INTERGEM (Germany), LUXE PACK (USA), JEWELERS INTERNATIONAL SHOWCASE (USA), Bijorhca Paris (France), Junwex St. Petersburg (Russia), World Luxury Expo Riyadh 2020 (Saudi Arabia), Blickfang Pop-up (Germany).*

2) The creation of a multilingual sales department with the aim of bringing information innovative system for confirming the authenticity of products to manufacturers of luxury brands directly worldwide.

OUR CORE TEAM

We are a team of businessmen, entrepreneurs and developers united by the idea of creating a system in which the production of counterfeit products will not be possible.

We are confident that we will succeed and will overcome the market of counterfeit goods using blockchain technology.

1) Konstantin Gorelov

Entrepreneur, 10 years in startups and finance, CEO & Co-Founder in TravelCoin Payment System, CEO & Founder in DMCsearch.com (The world largest union of travel companies), CBO in RuMICE. Has been involved in blockchain development for last few years, passionate about creating disruptive innovation systems that make the world a better place.

gk@globalproofsystem.com
https://www.linkedin.com/in/konstantin-gorelov-116a30223

2) Aleksei Podlesnyi

More than four years of software development experience, primarily using the Java ecosystem and Springт Technologies. Also has experience in other programming languages: C #, VB.Net, Javascript, Python. He has worked for several years with different database solutions, such as Oracle (also developing scripts in PLSQL), SQL Server, MySQL, and MongoDB. He has experience in leading teams for successful projects and has worked for major players in the areas of Telecom (Grupo Claro), Banking (Banco Triangulo), Logistics (Martins and Sequoia / Texlog), Acquiring (Unique), e-Commerce B2C (e -Easy) and B2B e-Commerce (Martins). He has also worked as an architect in CI / CD implementation using technologies such as Jenkins, Sonar, Gitlab, Bitbucket, and Bamboo. He is fascinated by innovations and always trying to learn something new.

ap@globalproofsystem.com
https://linkedin.com/in/aleksei-podlesnyi-038aa7227

3) Konstantin Kocherga

He Is experienced mobile application developer who have many successfully implemented projects. Over 10 years of experience in mobile software development, system design and integration, cloud infrastructure, scalable applications, and real-time communication. He has spent the last 4 years in blockchain development and firmly believes that blockchain is still in its infancy, having the potential to change global economics.

kk@globalproofsystem.com
https://www.linkedin.com/in/konstantin-kocherga-595a11227

4) Vladimir Gundarev

Vladimir has extensive system development experience of Java Web, database, various frameworks and development of mobile platforms as well as in blockchain development.

vg@globalproofsystem.com
https://www.linkedin.com/in/vladimir-gundarev-a3230b229

5) Semen Severa

Advanced mobile development engineer, has over 7 years of experience in the Apple ecosphere, more than 40 finished projects. Knowledge of professional software engineering practices and best practices for the full software development life cycle, including coding standards, code reviews, source control management, build processes, testing, and operations. Worked in Agile development methodology. Enjoys all the challenges IT industry offers: delivery, leadership, technology, customer satisfaction, innovation and on-going learning. Able to learn new technologies, frameworks and concepts quickly. Strives to deliver best results in time.

ss@gobalproofsystem.com
https://www.linkedin.com/in/semen-severa-938132228

https://globalproofsystem.com