



**R-coin**<sup>1</sup> concept by Ryoji Furui @ [R-coin.net](https://r-coin.net) on Nov 25, 2021 ver3.2

An R-coin aims to realize a real gold-backed universal basic income embedded global currency<sup>2</sup> issued by central bank unions (CBU).

## 1. What does the R in R-coin stand for?

We present the uniqueness of the R-coin using the following three words:

### I. **R**edistribution

Redistribution is a key concept and an extension of R-coins. Universal basic income is a commonplace term. It is a government program that provides periodic payments to all individuals in the program without using the means test or without considering work requirements. Typically, the financial resources of universal basic income include tax income. The future global currency would amass such resources by collecting transfer fees on blockchain. Globally, we have millions of money transfers in an hour or a day. Global currency transfer fees can be used to collect and distribute income with everyone worldwide. We could use biometric authentication<sup>3</sup> to facilitate redistribution in the blockchain network, even for individuals without a bank account, smartphone, or Internet access.

### II. **R**evaluation

Commonly used currencies such as dollar, euro and yen are categorized as fiat currency, that is, money issued by a government as legal tender. These are backed only by government trust, which is engendered through legitimacy (international recognition). A review of the recent history of these currencies shows that they used to be backed by gold after World War II until 1971. It was possible to exchange 35 USD for an ounce of gold during that period. Gold has been used as a stable value for a long time. However, the trust that money warrants has changed. We propose a single global currency as global legal tender that is purely generated using Internet infrastructure as a blockchain

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<sup>1</sup> A project running on GitHub. <https://github.com/r-coin>

<sup>2</sup> Based on a concept in an older paper by the author. <https://github.com/r-coin/basic/blob/master/economics.pdf>

<sup>3</sup> A Biometric authentication start up by Worldcoin. <https://worldcoin.org>

for everyday use. We believe that it is time to reassess our trust in gold digitizing using blockchain. Therefore, we set the unit of the future global currency to be proportional to the weight of gold. This could reaffirm our trust between the physical world and the evolving virtual network represented by the Internet.

### III. Revolution

Bitcoin, the first blockchain model designed by Satoshi Nakamoto, was decentralized, and has been the main concept proposed by him; his anonymity is still maintained. Various challenges have been posed in reviewing the development of Bitcoin over the past decade. Numerous opinions by developers lost their consensus and split the market into various types of digital coins. It has been used for illegal transactions. Moreover, its volatility caused people to reconsider its future and considered it as a speculative currency rather than a future currency. We can determine the cost of maintaining legal tender to stabilize the economy, society, and our lives compared with decentralized coins. The R-coin project will begin as a private non-profit organization to create a global currency system. However, its goal is to preserve its authority when evolving into a public entity, as a global CBU.

## 2. Roadmap

Phase 1 Modeling	2021 Q3	<ul style="list-style-type: none"> <li>Modeling a blockchain with the global currency as a native token</li> </ul>
Phase 2 Presentation	Q4	<ul style="list-style-type: none"> <li>Presentation to a possible CBU to issue R-coin</li> </ul>
Phase 3 Issuing central bank digital currencies (CBDCs)	2022	<ul style="list-style-type: none"> <li>Development of legal systems</li> <li>Development of end-user tools</li> <li>Distribution of CBDCs</li> </ul>
Phase 4 Issuing global currency	2023 ~ 2024?	<ul style="list-style-type: none"> <li>Distribution of global currency begins</li> </ul>

## Phase 1 - Modeling

- 1) The blockchain<sup>5</sup> must be able to digitally connect to other private payment networks, contract systems, and CBDCs.
- 2) Off-chain payments would be allowed for limited amounts, with the limit waived when the digital infrastructure is damaged by natural disasters or IT system problems.
- 3) An organization can be set up to have some authority to assist the CBU, for example, regular communications, advice, or to perform audits.
- 4) It would also be the place to develop and maintain open-license resources in the system.
- 5) The organization would be ideally formed as a public entity or a Decentralized Autonomous Organization (DAO) if the DAO could be refined and well-regulated.

## Phase 2 - Presentation

- 6) R-coin can be started as a test coin for governments that want to plan a universal basic income grant in the future option, along with their CBDCs.

## Phase 3 - Issuing CBDCs

- 7) Central banks will become validators (or miners) under a single organization or regulation.
- 8) Since most central banks are structurally independent from their governments, privacy protection can be maintained if the R-coin chain obtains only the user's wallet addresses from the government database.

## Phase 4 - Issuing global currency

- 9) Initially, global tax and CBDC transfer fees will comprise the cost incurred in the daily distribution of R-coin to all citizens of the world.
- 10) As R-coin gains liquidity, its transfer fee is expected to cover the distribution costs.
- 11) The CBU determines transfer fees, distribution amounts, further issuances, and other operations.
- 12) In view of the digital divide, the distributable monies would need to be stored for users who have delayed their registration.

## 3. Access authorization of additional data tied to the wallet address

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<sup>5</sup> A scalable layer one blockchain, Solana is one of the fastest, cheapest, and energy-efficient public blockchains that emerged in recent years.

<https://solana.com>

- 1) For privacy and security reasons, the global currency will initially circulate on an encrypted network<sup>6</sup>, and not as a public chain. However, the transactions of the CBU account would be open to the public for the purposes of maintaining transparency.
- 2) All data regarding each central bank's cross-border transactions will be accessible to the CBU.
- 3) Central banks and their local governments can deploy the global currency on their CBDC systems that agree with the CBU's universal regulations and standards.
- 4) Central banks can delegate managing systems to the CBU with the CBDC option.

Access Authority	Transaction category
<b>Public</b>	All transactions of the CBU account. (Published data may include some first-layer transactions when the retail, two-tier system <sup>7</sup> is operational.)
<b>CBU</b>	Mainly, cross-border transactions
<b>Central banks and their local governments</b>	Each domestic or alliance transaction

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<sup>6</sup> An efficient AES-based encryption scheme, Rocca is expected the speed of more than 100Gbps.

<https://doi.org/10.46586/tosc.v2021.i2.1-30>

<sup>7</sup> One of the latest documents regarding the CBDC system have been published by the People's Bank of China, titled "Progress of Research & Development of E-CNY in China"

<http://pbc.gov.cn/en/3688110/3688172/4157443/4293696/2021071614584691871.pdf>

More technical paper by Hong Kong Monetary Authority, titled "e-HKD: A technical perspective"

[https://hkma.gov.hk/media/eng/doc/key-functions/financial-infrastructure/e-HKD\\_A\\_technical\\_perspective.pdf](https://hkma.gov.hk/media/eng/doc/key-functions/financial-infrastructure/e-HKD_A_technical_perspective.pdf)