KOUNOTORI

00/   Introduction

It is no secret that the cryptocurrency market has grown exponentially with every passing year since its inception. As of March 2022, there are more than 18,000 different cryptocurrencies on the market. Daily trading volume reaches billions of US dollars, with both retail and institutional investors expanding their positions with increasing frequency. Though the laws and regulatory aspects of cryptocurrency are still being established, cryptocurrencies are already becoming recognised and adopted by governments around the world. This recognition also means that cryptocurrency cannot remain an ambiguous space, used for nefarious activities including fraudulent data collection, money laundering and tax evasion. As a result, we believe that centralising certain aspects of our project is critical to ensuring that we remain secure, resilient, and compliant well into the future.

This is the Kounotori whitepaper; designed to introduce you to our ERC-20 token ($KTO), Non-fungible Tokens (NFTs), our upcoming centralised exchange (CEX), and the team behind it all.

The Kounotori Project

Thematic Origins of Kounotori

In Japanese culture, the stork is believed to be a symbol of prosperity and longevity. As recounted in the folklore of old, storks would be seen diving into the water, only to emerge with a mouthful of hidden treasures instead of fish. It is this imagery that had us believe the Kounotori (oriental white stork) was the perfect symbol for our brand, as we aim to provide a service that would return wealth to our investors for years to come. Originally, our goal was to build a decentralised staking platform with unique tokenomics that would provide passive rewards. Yet, just as the stork plunges into the murky depths of the lake only to burst forth, its beak glistening with treasure, so too did we dive headlong into our research and bring forth unexpected gifts – new ideas.

The Evolution of Kounotori

As we delved deeper into the metaphorical lake and entered the research stage of the project, it became apparent that we would need to expand and evolve into something completely new. A stream of dysfunctional cryptocurrency projects were being produced each day, with masses of them being hyped-up token launches that were later revealed to be scams and rug pulls. Thus, we asked ourselves, "why do people assume that decentralised finance (De-Fi) is inherently 'good' or 'safe'?". The reality is De-Fi goes wrong all the time and, more often than not, there is no one willing or able to make it right again. Now, with the increasing popularity of cryptocurrency, the De-Fi sector is facing additional scrutiny and regulation from governments and authorities on a global scale. Eventually, 'know your customer' (KYC) certification will be required for most De-Fi services, eliminating one of the major benefits De-Fi has over centralised finance; anonymity.

From these findings, we concluded that adopting elements of centralisation into Kounotori would be essential to our longevity as a serious, and competitive contender in the currently oversaturated cryptocurrency market. This change in direction, coupled with our recent rebranding, has been in preparation for the development and launch of our very own centralised exchange. We are dedicated to ensuring its security, stability, and ability to provide sustainable staking returns for our holders for years to come, and we are confident that this strategy will propel us towards a new goal of becoming one of the biggest centralised exchanges in the De-Fi space.

To ensure the quality and functionality of our upcoming CEX is of an exceptional standard, we have partnered with Tech Alchemy, a London-based, award-winning development studio. As the developers of our CEX, Tech Alchemy have been working closely with our team and community to make our CEX the best it can be.

For more information about Tech Alchemy please visit www.techalchemy.co

The Team

We are a group of crypto-enthusiasts that have grown tired of rug-pulls, honeypots, and developers that, quite frankly, have no idea how to treat their communities or their projects. We endeavour to provide an honest, clean project that will always listen to its people. After all, without the will of the people, the investors, the storks braving the depths; this project cannot be a success.

Mike
Chief Executive Officer

Josh
Chief Operating Officer

John
Chief Innovation Officer

Jackson
Chief Technical Officer

Our Vision and Core Values

Our team have an extensive vision for the Kounotori brand, with our first step being the development of our very own CEX. By combining the security of centralisation and the significant returns that De-Fi has to offer, we will develop a CEX that is truly unique, competitive, and most importantly, able to provide consistent staking returns. Once established, we plan to implement a slew of exciting features including, but not limited to, NFT staking, Kounotori payment cards, and the NEST Council (NC). The NC will be able to vote on which De-Fi projects we list, from a pool of applicants looking to provide a centralised, gas-free option for their holders. In order to be considered for listing, prospective projects will need to pass a thorough security evaluation.

We at Kounotori pride ourselves on our honesty, transparency, and goal of providing a secure, legitimate project for our holders. We put our community first and as such, will strive to contradict the stereotype that CEXs are all corporate entities that prioritise profits over people. We have been consistently involved with our community since Kounotori's inception and shall continue in this manner as we become the first CEX that can say it is truly, community-driven.
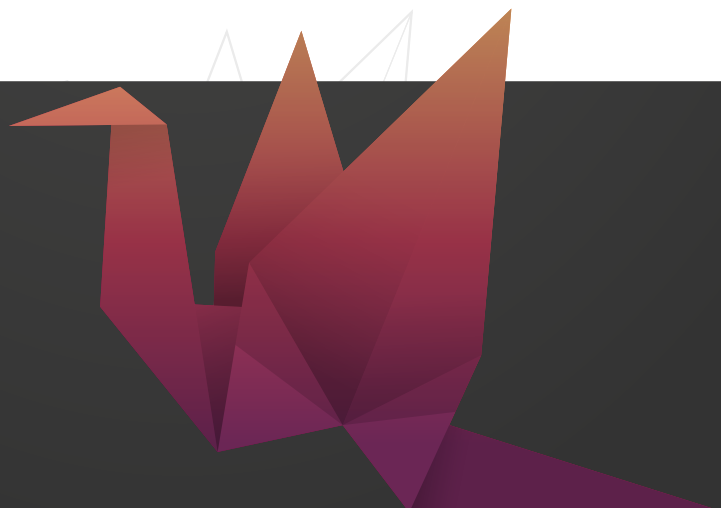
Phase 1

Kounotori conceptualisation ✔

Social media and website creation ✔

Initial community building ✔

Litepaper release ✔

Certik contract audit ✔

Solidproof KYC audit ✔

Coingecko listing ✔

CoinMarketCap listing ✔

Marketing and influencer reach ✔

Initial research ✔

Phase 2

Kounotori NFTs ✔

Low tier exchange listings ✔

Staff expansion ✔

Brand and website redesign ✔

Whitepaper v1 release ✔

Exchange R&D phase

Marketing and influencer reach

Listing on De-Fi platforms ✔

Phase 3

Exchange devolopment

Private testing

Stress testing

Exchange audit

Public beta testing

Exchange marketing campaign

Listing on top 50 CEX

Phase 4

Exchange launch

Governance (NEST council)

Listing smallcap De-Fi projects

Listing on top 20 CEX

Phase 5

Staking launch

Set $KTO tax to zero

NFT staking launch

Kounotori Payment Card

Exchange Mobile App

Google Pay implementation

Apple pay implementation

Recurring deposits on Exchange

Listing on top 10 CEX

Phase 6

Kounotori blockchain development

Migrate $KTO to blockchain

Stablecoin launch

Kounotori ($KTO) Tokenomics

$KTO Contract Address: 0x616ef40d55c0d2c506f4d6873bda8090b79bf8fc

Kounotori ($KTO) is an ERC-20 token that launched on the Ethereum network in December 2021 with a total supply of 1 quadrillion (1,000,000,000,000,000) tokens.

To prevent early whale manipulation, the following restrictions were applied at launch:

Maximum transaction: 0.2% of total supply
Maximum quantity per wallet: 0.5% of total supply.

The maximum transaction limit will remain in place until further notice, but upon reaching a total market cap of USD$50,000,000 ($50m) the maximum quantity per wallet will be increased to 1% of total supply.

On launch, 40% of the total supply was removed from circulation by sending it to the below null address.
https://etherscan.io/token/0x616ef40d55c0d2c506f4d6873bda8090b79bf8fc?a=0x000000000000000000000000000000000000dead

Of the remaining 60%, 9.5% was allocated to our team budget, in a vested state, to pay staff each month over the period of one year.
https://app.unicrypt.network/amm/uni-v2/token/0x616ef40D55C0D2c506f4d6873Bda8090b79BF8fC

The final 50.5% of the supply was added as liquidity and locked with Unicrypt for a fixed period of five years.
https://app.unicrypt.network/amm/uni-v2/pair/0x20893b642b56fa811 31a8fb1d6489e82de5a7449

https://etherscan.io/token/0x20893b642B56Fa81131a8Fb1d6489E82dE5%20a7449#balances

As part of our goal to ensure transparency between our team and the community, we have communicated several changes to how the team budget is allocated, predominantly due to the creation of new roles and review of existing ones. There have also been minor changes in personnel and levels of responsibility among the team. As we grow and continue to expand, there will undoubtedly be a need for us to broaden our collective skillset as a team, which may again result in further changes. Ultimately, we are extremely grateful for all the talented people within the Kounotori community who have offered their skills and time to help make our collective vision a reality. We will always endeavour to ensure such efforts are rewarded and any changes explained to our community accordingly.

A Different Kind of Transaction Tax

Kounotori ($KTO) is built upon the imaginings of a token that would look after not just itself, but its investors as well. It is a project where the rewards increase as the token grows, yet it also has the ability to recover should it flounder. It is this very vision that led to the tokenomics outlined below.

For Kounotori to begin with a healthy marketing and development budget, we implemented a scalable 10% tax on transactions:

7%
to marketing
(converted to ETH)

Reflections

3%
to holders
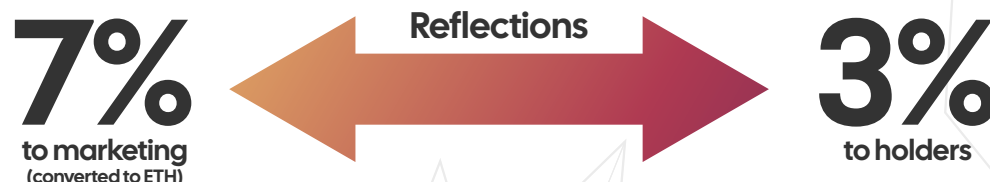
As we continue to grow, these reflections gradually increase for holders, and decrease for the marketing wallet to form the ultimate reward:

down to
2%
to marketing
(converted to ETH)

Reflections

up to
8%
to holders

The unique value of this scalable tax has been demonstrated in its power to combat a decrease in the value of $KTO, during market lows, AKA a 'dip'. In these 'dips', the transaction tax is adjusted as needed to ensure the marketing wallet has the funds required to get the project back on track. This increase in available funds has facilitated a number of token buy-backs, used for the benefit of the project. To protect the interests of both the developers and holders, the maximum scaling of the marketing tax will not exceed launch figures.

ETH Marketing Reflections

Though many teams typically hold a store of their own project's token for development, this also requires the token to be sold, thus affecting its price. To avoid the positive usage of project funds being overshadowed by a subsequent decrease in token price, the team has chosen to retain our marketing fund in the form of Ethereum (ETH). Given Ethereum's significance and growth, this should ensure funds are always available to improve upon the project, without negatively impacting $KTO's performance, and its investors' pockets.

As we do not have a marketing wallet in $KTO, the ETH wallet is also used to purchase tokens for burns, giveaways, promotions, and even to buy the tokens required to provide liquidity for any exchange listings.

Our Burn Mechanism

Because the burn wallet is considered a generic holder, it receives reflections the same as anyone else. This means that depending on the current transaction tax, it will always receive a minimum of 3% and maximum of 8% in reflections, and therefore burns, with every transaction.

Features and Certifications

Due to the necessity for us to maintain the scalability of the $KTO transaction tax, we were not able to renounce the contract. As such, we acknowledge that this can be off-putting to many investors, and to counteract this, our development team is fully 'doxxed', with KYC certification, and audits completed by both SolidProof and CertiK.

SOLIDProof   **CERTIK**

In addition to sharing our identities with the world, every transaction made by the marketing wallet is publicly available to the community, to ensure our ongoing transparency. The marketing wallet is further protected by a Gnosis Safe 4/5 multi-signature (multi-sig) protocol, and the liquidity of $KTO has been locked to Unicrypt for five years.

We have also made an effort to have additional security features implemented into our $KTO contract, to make it a safer, more attractive option for investors, when compared to competing tokens.
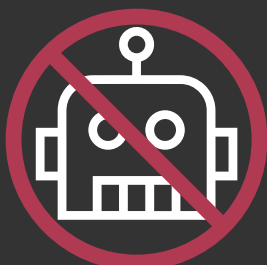
Anti - Sandwich Attack

$KTO is immune to sandwich attacks, which is the process where a bot will make two quick transactions just before and after another transaction in order to make a profit. Our contract limits each address to only being able to make one transaction per block.

Anti - Honeypot

Setting the maximum transaction amount to zero would prevent everyone from being able to sell, AKA a honeypot. Our contract will reject any efforts to set it at zero, meaning you will always be able to sell tokens. The lowest amount that can be set is 0.1% of total supply (or 1 Trillion tokens).

Anti - Tax Manipulation

Some projects have scammed users by setting the transaction tax to 100%, which means that all of your money is taken and you receive no tokens. Our contract will not allow reflection taxes to be set above 8%, meaning you will always receive tokens when you purchase $KTO.

CertiK Contract Audit

In this section, Yoan, one of our lead developers, has provided a breakdown of the two issues that CertiK flagged as "major" in their audit report for the $KTO contract. These were the most 'severe' items that CertiK raised, and as such, he has also outlined the security measures we have put in place to minimise these risks as much as possible.

1 - Centralisation risk

A 'centralisation risk' was raised in reference to the contract not being renounced and us therefore being able to change the values of contract variables, such as tax percentage, marketing wallet, owner wallet, max wallet, max transaction, etc.

While this issue would be entirely eradicated if we were to renounce the contract, that would mean our scalable tax tokenomics would be rendered useless, and there would be no more double reflection events, no tax-free Tuesdays, and no big CEX listings. If we were to renounce the contract, we would not be able to completely disable the tax in future, which would in-turn prevent us from being listed due to the impact of transactional taxes on large CEX's profits. Possible exploits of this risk are as follows.

Set max transaction to 0 tokens, wait 5 years for LP lock to expire and then rug pull.

Fortunately we cannot do this, even if we wanted to, because the contract refuses any value below 0.1% (1T tokens) as a transaction limit. This therefore makes it impossible to reduce the transaction limit to 0 tokens.

Change the marketing wallet to a personal one, set marketing reflections to 100%.

The contract also refuses any value above 8% for marketing reflections, so no one is able to "rugpull" the project in this manner.

The worst-case scenario for this risk, is for the contract to fall into the hands of an evil person, who then changes the marketing tax to 8%, the marketing wallet to their own, and renounces the contract. In such an event, the team would be faced with no ongoing funding for marketing, development, or platform-building. However, it poses minimal risk to our holders within the community, as they would still be able to exit their positions and recover most of their investment value.

2 - Centralisation risk in AddLiquidity

In order to add liquidity for $KTO, we sent Ethereum (ETH) to the $KTO contract address (not the deployer wallet but the actual contract address) before launch and then the contract itself added liquidity to Uniswap. This means that the $KTO contract received the corresponding LP tokens, which act as proof of ownership (a receipt) of the liquidity provided. As we have not renounced our contract, this means that the 'owner' of the LP tokens can theoretically withdraw the liquidity at any time (aka rugpull).

The specific function that CertiK have raised an issue with, involved the $KTO contract sending the initial LP tokens to another of our wallets, which was then locked via Unicrypt to ensure that no one could carry out the abovementioned 'rugpull' scenario. This was raised by CertiK as an issue, however it is now considered 'partially resolved', as we have provided them with proof of the liquidity lock. The reason that this was not marked as 'fully resolved' is because CertiK also considers that the current lock is only for a duration of five years. This means that the risk will return after five years, in the event that we do not extend the lock before its expiration.

Why a CEX?

As mentioned earlier, our research has led us to believe that many people assume decentralised platforms are just as safe as centralised ones. This misconception, in addition to the notion that De-Fi is more progressive than Ce-Fi has spurred on the recent trend of creating and utilising decentralised trading platforms instead. The sad reality, however, is that decentralised platforms rarely have the support or insurance in place to reimburse investors, should they be the subject of a hack or exploit resulting in financial loss. Furthermore, centralised exchanges are expected to be fully compliant with all relevant laws and regulations, while DEXs are not. Though many perceive centralised exchanges as greedy and self-centred, the reality is that they are still extremely beneficial to investors due to their lower fees, instant transactions, and ability to make cross-chain and FIAT-related transactions with relative ease.

Our CEX will ensure its users' safety through the employment of audits, insurance and high-end security management services, while offering a user friendly and streamlined experience, including the option to switch between "pro" and "basic" layouts. Both layouts will be free to use, but the former will include more complex functionality and features.

Note - The display shown below is an early mock-up and is subject to change.

Exchange Functionalities

Our CEX is still a work-in-progress, and as such the initial features will be expanded and new ones added over the course of its development. Currently, these include but are not limited to, NFT perks, an NFT marketplace, a futures market, staking, payment cards, and more. The platform itself will also support typical elements such as user settings, activity logs, trade reports, FIAT banking support, and referral code opportunities for promoting our CEX.

We have taken measures to ensure useful features have been included, such as several trading pages that will display a variety of charts, data, and supporting information for different markets (USDT, BTC, ETH, FIAT, etc). Each market view will feature breakdowns of all listed cryptocurrencies within them and allow you to navigate between your favourite investments with ease. Buy and sell orders will be supported, and you will be able to monitor your open, closed and cancelled orders. You may also leave comments on each cryptocurrency and sort them using a variety of methods including coin/token-specific tags.

To further ensure the security of the platform and your assets, our CEX will utilise 'Know Your Customer' (KYC) certification. This means that you will be required to confirm your identity through the provision of personal identification and/or supporting documentation. As previously mentioned, we understand that one of the appealing factors of De-Fi is the anonymity, however we believe that the benefits of being a secure and compliant CEX far outweigh the benefits of anonymity, particularly when it comes to recovering any lost or stolen funds.

Staking

Another exciting feature that stems from our De-Fi roots is staking. Staking on our CEX will be available in two different models; locked and unlocked. If you participate in unlocked staking, you will be rewarded in a stablecoin such as USDT/USDC each month for retaining a minimum balance of the specified cryptocurrency.

If you participate in locked staking, you will have the ability to 'lock' specific cryptocurrencies for three, six or twelve months and earn interest based on the corresponding APR. This interest is also paid in a stablecoin such as USDT/USDC and is claimable at maturity, with the 12-month lock currently slated to provide the highest APR. While the concept of 'locked' staking implies that you will lose the ability to withdraw your funds, this is still an option, however it is instead considered an 'early withdrawal' and will prevent you from earning the rewards you otherwise would at maturity.

Staking Rewards

	Partnered Projects	$KTO
Unlocked	0.5%	2%
3 Months	1.25%	5%
6 Months	2.5%	10%
12 Months	5%	20%
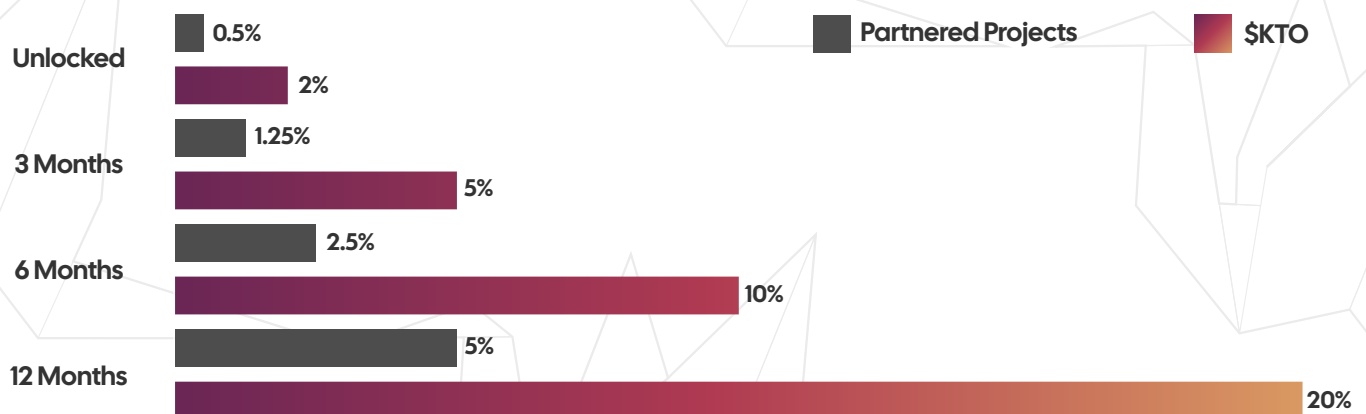
Keep your eyes peeled for special, limited-time events with partnered tokens which will offer higher APR for their duration.

KTO Staking Guarantee

When you stake $KTO using the 'locked' model, you will be granted a number of special perks based on the dollar value of the tokens locked. As part of our special KTO staking guarantee, these perks will remain available to you until the staking term is over, regardless of any price fluctuation during the staking term.

Transaction Fees				
	Unlocked	3 Months	6 Months	12 Months
$100 KTO	1% (no reduction)	0.99% (0.01% reduction)	0.98% (0.02% reduction)	0.97% (0.03% reduction)
$1,000 KTO	0.96% (0.03% reduction)	0.95% (0.05% reduction)	0.94% (0.06% reduction)	0.93% (0.07% reduction)
$10,000 KTO	0.9% (0.1% reduction)	0.87% (0.13% reduction)	0.85% (0.15% reduction)	0.84% (0.16% reduction)
$100,000 KTO	0.7% (0.3% reduction)	0.65% (0.35% reduction)	0.6% (0.4% reduction)	0.5% (0.5% reduction)

Kounotori Payment Card

To better facilitate your ability to transition your investment funds into real-world use, our exchange will be offering its very own Kounotori payment cards. Coupled with its companion app, you will be able to spend your cryptocurrency and FIAT, and top-up your card with ease.

Introducing the Nest Council

The Nest Council will be formed by an assortment of qualifying holders who will be responsible for proposing and voting on new projects to be listed on the Kounotori CEX. The requirements to be a part of the NC have yet to be determined and will be released at a later date, but they will likely include owning specific NFTs (for example a Nintai NFT) or having a minimum amount of KTO staked on the CEX.

Listing Requirements

As part of the future success and expansion of our CEX, we will be seeking to list other De-Fi projects that are aiming to provide their investors with a centralised, gas-free, trading option. All prospective listees will be required to undergo a thorough security evaluation prior to listing, as discussed in-depth below. We understand that CEX listings can be expensive for new projects, so listings will not involve an up-front cost, and will instead be paid for using a percentage of the listing projects' native token.

Market Cap	<5m	<25m	<50m	<100m	<250m	250m+
Fee (% of Total Supply)	0.2%	0.04%	0.02%	0.01%	0.004%	0.004%

Once NC members have voted, the projects that garner the highest number of votes will be allocated to the Kounotori core development team for thorough vetting. This will include the completion of an external audit and review of basic security aspects, such as locked LP, a multi-sig team wallet, completed KYC certification, appropriate vesting of tokens allocated to developers, etc. Each listing verification will be allocated an appropriate level of resources so that all investigations can be tailored accordingly and conducted fairly.

The reason we require a KYC certification from the project leaders of prospective listings, is to ensure all investors are protected in the event of any malicious activity, such as a 'rug pull'. The information provided through KYC certification allows us to be better positioned to undertake the necessary legal action(s) against the responsible parties and reimburse or compensate affected investors. Furthermore, we believe that having a higher standard of security in our listing requirements will set us apart from other exchanges and ensure we are able to adapt easily to any future changes in cryptocurrency regulation.

To increase your chance of being one of the first projects to be listed on our CEX, we recommend implementing the below features/functionalities:

KYC certification for all team members
Fully 'doxxed' team members
Locked liquidity
Completed audit of token/coin contract(s) by a reputable company
Multi-sig protocol in place for project wallet(s)
A renounced contract
No manual blacklist functions
Limitations on max transactions
Limitations on tax functions

Note: The above list is merely a guideline and each project will still be reviewed on a case-by-case basis.

Kounotori NFTs

NFT Overview

As we discussed in our Medium article Bulletin From the Nest #2, we stand behind our belief that NFTs are not just JPEGs.

The Kounotori NFTs (Kounotori Valley Storks) have a deep folkloric significance relating to Japanese culture that synergises beautifully with our existing imagery and origin. They are a continuation of our storyline, and yet, they are only the beginning.

You can view each of our collections on OpenSea:

https://opensea.io/collection/kounotori-valley-storks
https://opensea.io/collection/og-kounotori-valley-storks
https://opensea.io/collection/nintai-kounotori-valley-storks
https://opensea.io/collection/kounotori-christmas-collection

NFT Utility

The Kounotori Valley Storks are divided into three tiers:

Storkholder	OG	Nintai
For those that held at least $100 USD of KTO at the time of snapshot	For those that qualify for Storkholder AND bought KTO before 18/12/2021 00:00 GMT	For those that qualify for Storkholder and OG AND have never sold KTO

Note - This means if you qualified for Nintai, you also received OG and Storkholder NFTs.

Each of our official NFT collections are available for trading on OpenSea, with each tier of the Valley Storks boasting its own unique qualities and utility for use on our CEX, as demonstrated below.

	Standard Rate	1x Storkholder	1x OG	1x Nintai
Trading Fee	1%	0.99% (0.01% reduction)	0.95% (0.05% reduction)	0.90% (0.1% reduction)
$KTO Max APR	20%	20.05% (0.05% increase)	20.1% (0.1% increase)	20.5% (0.5% increase)
Beta Access	-	-	-	✔
Discord Role	-	✔	✔	✔
Chatroom	-	-	-	✔

You will also be able to stake your Kounotori Christmas Collection NFTs, which will be at their most potent during the month of December each year.

		January - November		December	
	Discord Role	Trading Fee	$KTO Max APR	Trading Fee	$KTO Max APR
1x XMAS Stork NFT	✔	0.99% (0.01% reduction)	20.05% (0.05% increase)	0.9% (0.1% reduction)	20.5% (0.5% increase)

Kounotori NFT perks are cumulative, meaning that if you obtain 10 Nintai-Tier NFTs and stake them on your Kounotori CEX profile, you will be rewarded with a 0% trading fee. Whereas if you were to obtain 5 Nintai-Tier NFTs, you would be rewarded with a 0.5% trading fee instead of the default 1%. Each of our Valley Stork NFTs can be mixed and matched to provide an abundance of unique rewards, further driving demand for these valuable NFTs, no matter their tier.

NFT Inspiration

For the Kounotori Valley Storks collection, we chose to draw inspiration from Katsushika Hosukai, one of the most prominent artists of the Edo period. In fact, some of his most iconic works, including "36 Views of Mount Fuji", "The Great Wave of Kanagawa" and "Tsukada Island" have been recreated as backgrounds for some of our NFTs.

Just as Japanese folklore depicts storks bringing wealth for generations to come, these pieces of historical artwork have continued to inspire multiple generations of artists and philosophers. We believe the symbolism and values of Hosukai's artwork align perfectly with our mission to deliver something truly meaningful that will last for generations.

KOUNOTORI