



Unlock The World's Largest Carbon Market

White Paper - Carbon Credit Token

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00 Table of Contents

01	Introduction	03
02	Two Types of Carbon Market	04
	European Union Allowance (EUA)	04
	Business Model	05
03	CCT	06
	Token Value	06
	Token Issurance	08
04	The DAO	09
05	Roadmap to CC Climate Ecosystem	10
	March: IEO on BitMart	10
	June: Trading begins on DEXs	10
	June: Listing on a second CEX	10
	August: First stablecoin launch	10
	September: CC Startup DAO Launch	10
	December: CC Carbon City Zero Launch	10
	Beyond 2022: New Climate token(s) Launch	11
06	Disclaimer	12

01 Introduction

Background

When we tout the progress that human civilization has achieved in the past few centuries, we must recognize the costs that come with it. Among these, the cost of climate change has become so acute that it has started to threaten the very existence of humanity. Waking up to this brutal reality, nations worldwide have jointly pledged to achieve net-zero carbon emissions by 2050. While goals have been set, planning and execution have been lacking. This project is our response to the problem. By involving everyday consumers and businesses in the carbon markets, we are able to influence carbon credit prices by increasing the demand side of the equation, which in turn will incentivize businesses to take more environmentally conscious actions in their daily practices.

About Us

CC Token is a digital climate project that democratizes access to regulated carbon credits. This is the first cryptocurrency token that is collateralized by European Union Allowance (EUA) futures – the most traded carbon credits in the world.

Our Mission

By providing unique access to the world's largest carbon market through blockchain technology, we revolutionize climate action for consumers and businesses alike.

02 Two Types of Carbon Market

The carbon market is the marketplace where an entity can purchase credits (allowances) to offset its carbon footprint. Two types of carbon markets exist: the compliance market and the voluntary market.

The compliance market is used by regulated entities (e.g., governments and businesses) to obtain or transfer emissions allowances and is regulated by mandatory national, regional, or international carbon reduction regimes.

The voluntary market is run by the private sector and encompasses all types of carbon offsetting activities that do not contribute to regulated carbon reduction regimes. Voluntary carbon credits are generated by nature-based projects which conduct a range of activities to mitigate or offset carbon emissions; one of the most prominent ones is reforestation. Voluntary credits are verified by private entities to make sure that said activities did take place with the aim of reducing emissions. These credits are then issued and maintained in a register by the private entities that conduct the verification process.

According to Refinitiv, the global carbon market was valued at 272 billion by 2020, growing 20% year over year. In terms of market composition, the EU Emission Trading System (EU ETS) accounts for 90% of the total global value, whilst the voluntary market accounts for less than 1% of the entire global market, albeit growing rapidly.

European Union Allowance (EUA)

EU Allowances (EUAs) are a form of carbon allowance used as the main currency in the EU Emissions Trading Scheme (EU ETS). The EU ETS is a form of Carbon Emissions Trading Scheme whereby total emissions are capped, carbon credits are allocated (freely or by auction) and companies are allowed to trade their carbon credits between themselves. Theoretically, this results in companies competing to reduce emissions and ultimately to the cap being met by reducing emissions at the lowest total cost. EUA carbon trading is a global market with companies around the world actively participating, however most trading, as would be expected, comes from companies within Europe. Carbon trades take place within European business hours but to keep both continental European utilities and London-based companies happy these run from 7am to 5pm GMT.

The majority of EUA carbon trading takes place on exchanges, with the Intercontinental Exchange (ICE) being, by far, the most liquid for EUA carbon trading.



Why CC Token?

The entry barrier for regulated carbon trading is prohibitively high. The EUA futures market is dominated by large utility suppliers and industrial conglomerates, only allowing small and medium-sized industrial companies to access the spot market, and has even more restricted access for retail investors. Furthermore, the existing carbon cryptocurrency projects, such as *Klima DAO*, *Single Earth*, *Toucan Protocol* and others, mostly operate in the voluntary carbon market

The project has created an ecosystem which enables consumers to invest easily in European Carbon Allowance, democratizing the current system. The project has launched CCT Token, a cryptocurrency with European Union Allowance Futures as the underlying asset. CCT Token has been listed on bitmart and will be listed on multiple other large exchanges in the future. This will enable retail consumers to trade CCT Token akin to any other crypto assets.

Business Model

CC Token Ltd (hereafter the “Company”) is a Cayman-based limited liability company which develops, maintains, and markets the CCT Token. The Company owns the immaterial rights of the software components related to the ecosystem.



The Company acquires European Union Allowance Futures and releases a matching number of CCT tokens to exchanges.

The Company will be remunerated with 10% of the CCT Token at the inception of the ecosystem.

The Company may issue new climate tokens in the future backed by exchange-traded futures.

03 CCT Token

The project will be implemented on top of the Algorand blockchain, the green blockchain. We chose Algorand for our first token launch as it is the most sustainable blockchain. Algorand has been carbon-negative since April 2021, it runs on a modified version of proof-of-stake (POS) which, on a fundamental level, drives electricity consumption to near zero, according to Algorand blockchain founder Silvio Micali.

The CCT Token is an Algorand Standard Asset. All tokens were minted at the inception of the project, and will be distributed according to a pre-defined schedule.

Token Value

Each CCT Token represents approximately one kilogram of carbon emission.

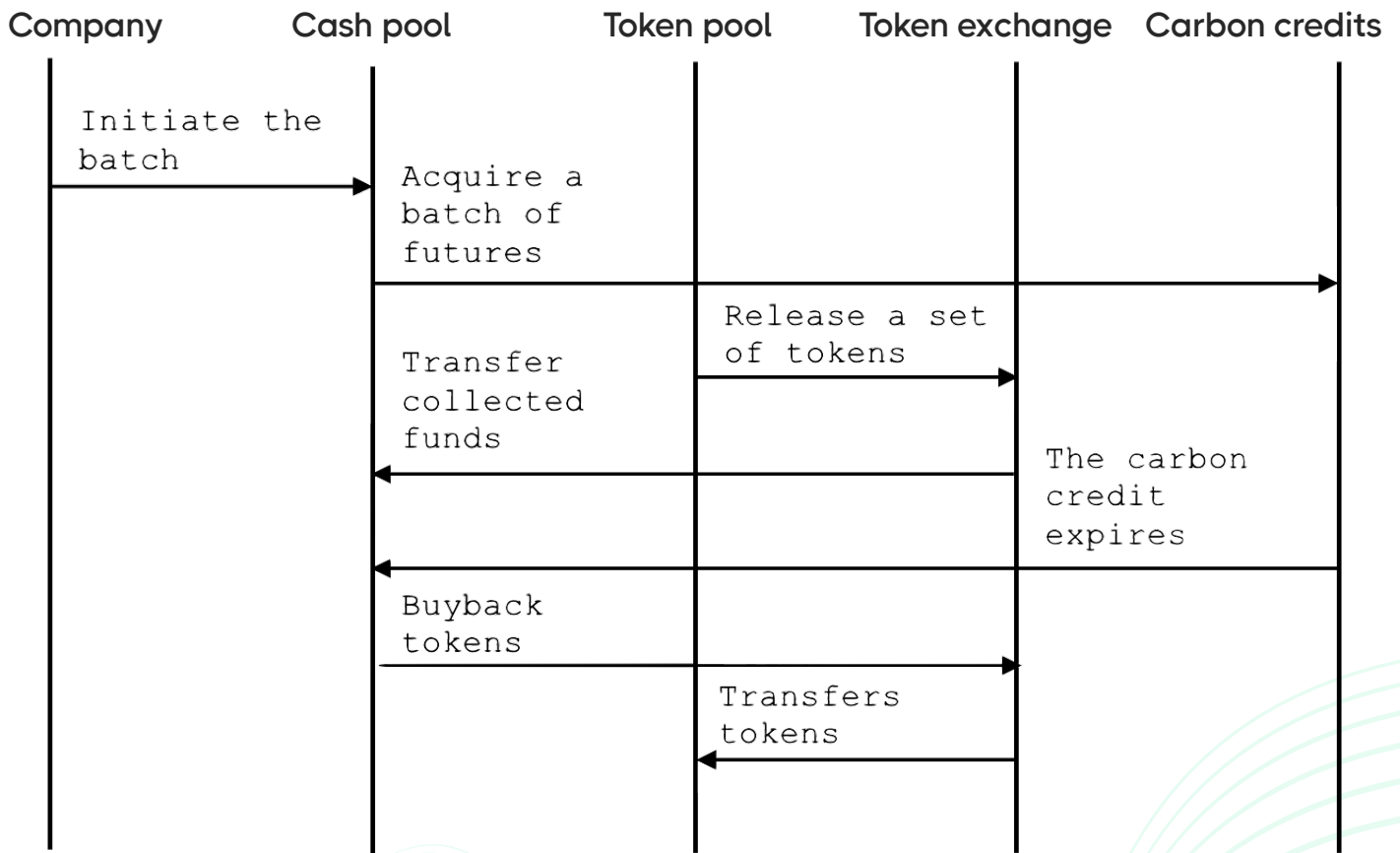
The Company will continuously acquire European Union Allowance Futures in multiple batches according to a predefined schedule. The Company will acquire a new batch approximately every three months as each EUA contract expires in 3 months from acquisition date. A contract is **one lot of 1000 EUAs**, with each EUA being an entitlement to emit one tonne of carbon dioxide equivalent gas. Therefore, one lot represents one million kilograms. (1 kilogram = 0.001 tonne) and a batch of futures may contain multiple lots.

After the Company has acquired the futures, it releases an equal number of CCT Tokens to one or more exchanges with an asking price that is equal to the acquisition price of the batch divided by the number of tokens. For example, if the batch contained three lots and the price of acquisition was **30,000 EUR**, the number of released tokens is **3,000,000** and the ask price **0.0102 EUR**, reflecting the **2% management fee**. The management fee will be used to cover trading and custodial costs of the EUA.

Société General Securities Service, a leading global custodian bank, will provide a monthly report confirming the total amount of EUA futures held by CC Token Ltd.

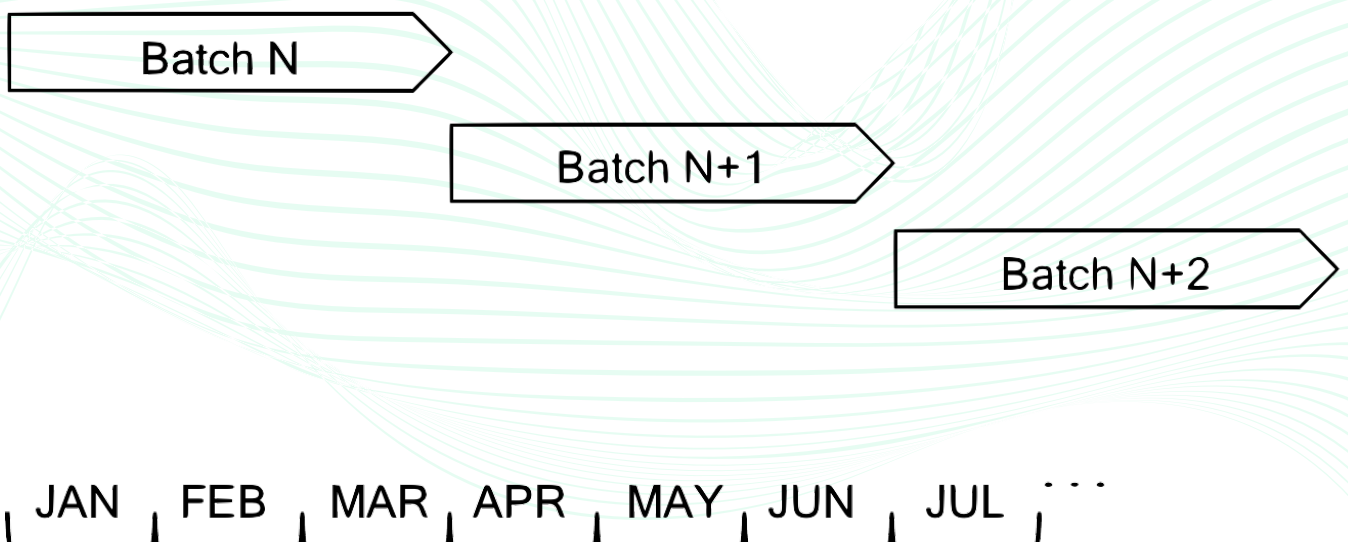
Before the underlying EUA contract expires, the Company will roll the futures to the December expiry date of the following year.

The **lifecycle of a single batch of carbon credits** is illustrated below:



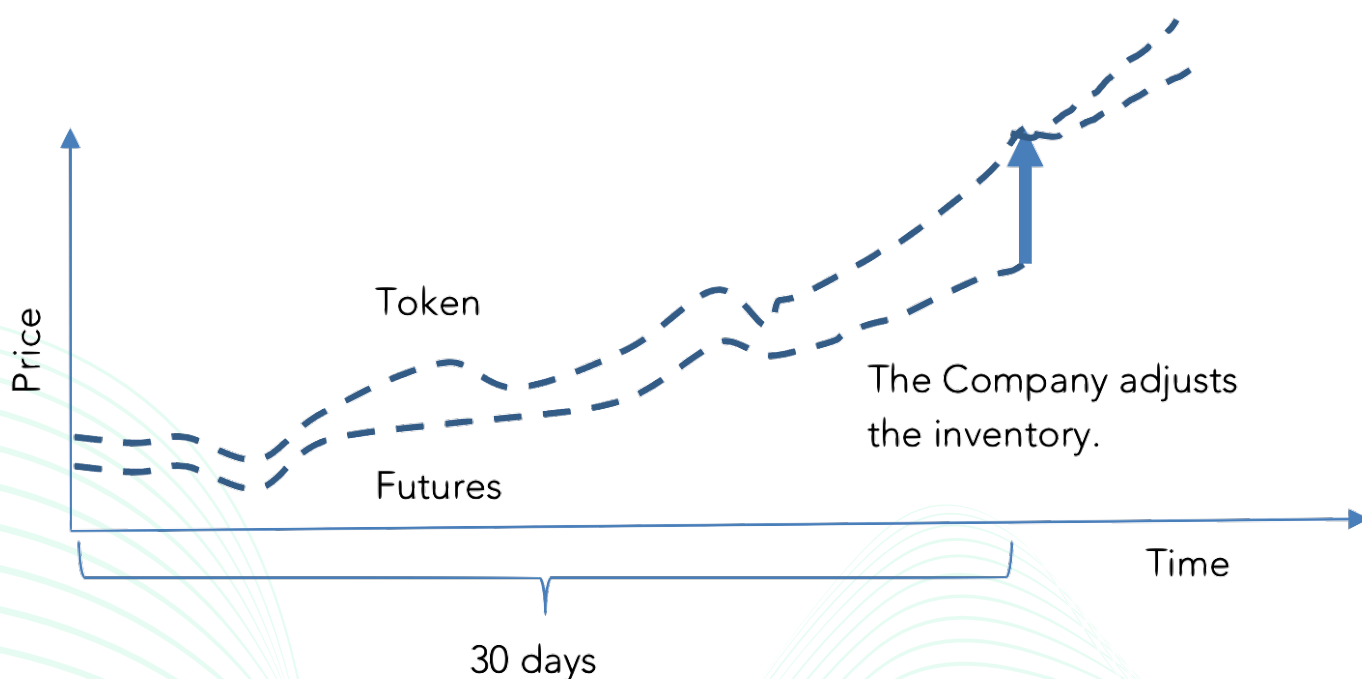
The company will sequentially purchase multiple batches of carbon credits, and after purchasing a batch, the company will release a set of tokens to the exchange and collect funds from the market. The funds collected will then be utilized for acquiring additional futures.

The **timing of three batches** is illustrated below:



Regarding the composition of the batches, the size is not fixed and the number of lots in a batch will gradually increase. However, the Company will solely manage the process and can freely adjust the number to reflect the market demand.

The CCT Token reflects the value of the underlying European Union Allowance Futures. Both the prices of the CCT Token and futures fluctuate free and therefore, the Company adjusts either the inventory of futures or the price of the CCT Token on a monthly basis. If the aggregate value of circulating tokens exceeds the aggregate value of underlying assets, the Company may acquire additional futures for filling the gap.



Token Issuance

The total number of CCT Tokens will be 600,000,000. All tokens will be minted at the inception of the system. Each token is a single unit, and they cannot be divided into smaller units.

04 The DAO

The CC ecosystem adopts **DAO governance**.

Participants in the DAO will be owners and managers of the entire CC network.

Initially, the decision-making will reside with the founding team. Gradually, it will involve early investors, community leads, asset owners. Ultimately, token owners will collectively decide the direction for the entire ecosystem.

Our first subDAO - **CC Startup DAO**

No one can save the earth alone. CC Startup DAO is the subDAO that aims to support the growth of the CC ecosystem. \$25,000 fiat + \$25,000 CC tokens will be committed initially to support the young and rising digital climate projects. Selected projects will be featured on CC website and its social media pages.

Future SubDAOs

Subject to community votes, CC token team will continue to roll out subDAOs that are in line with our mission and serve our community. Some subDAO ideas currently under consideration include CC NFT DAO that will raise funds by selling Climate NFTs and commit the funds to further build out the ecosystem.

05 Roadmap to CC Climate Ecosystem

March

IEO on BitMart

CCT Token will be first listed on the global crypto exchange BitMart. Launched in 2017, BitMart is a leading crypto exchange with 9 million users and 1,000 cryptocurrency pairs.

June

Trading begins on DEXs

CCT will be available for trading on major DEXs on Algorand and select Layer 1 chains. A trading partner will be announced to support token liquidity on Algorand and cross-chain DeFi protocols.

June

Listing on a second CEX

CCT will be listed on a second global crypto exchange to make regulated carbon credit accessible to more consumers and businesses.

August

First stablecoin launch

CC Token will launch a voluntary carbon credit token CCV as a stable coin, working closely with developers, regulators, auditors and exchanges.

September

CC Startup DAO Launch

CC Startup DAO goes live. To support the on-chain green initiatives, \$25,000 fiat + \$25,000 CC tokens will be committed initially to support the rising stars working on digital climate projects. Selected projects will be featured on CC website and its social media pages. Community members can vote for their favorite projects with their tokens during the voting period(s). Winners will be announced and funds will be distributed at the end of the voting period(s).

December

CC Carbon City Zero Launch

CC Token will launch our climate action deck building game. This game would allow players to develop a sustainable city by greening transport, transforming industries, getting citizens on board, and showing world leaders how it's done.

Each player starts with an identical deck, buying additional cards from a shared marketplace to create a more sustainable city. Meanwhile players would need to negotiate, working together with cities around the world. Balancing the need to generate income with reducing carbon, players can follow numerous paths to victory. After all collaboration is key. CCT will be the native token of CC Carbon City Zero.

Beyond 2022

New Climate token(s) launch

The Company will continue to launch new climate token(s) backed by exchange-traded futures, to make institutional-grade climate products accessible to everyone.

06 Disclaimer

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