China’s Technocracy: ‘Ghost Collateral” And ‘Yin-Yang’ Property Deals

China has no understanding of Capitalism or Free Enterprise because it is a Technocracy that scientifically engineers their society. ‘Ghost Cities’ and ‘Ghost Collateral go hand in hand, where the entire system is riding on thin air. The next global economic collapse will take China to the mat. TN Editor

One lesson from the 2007-08 crisis was that the vast majority of financial market participants, never mind the general public, were unfamiliar with subprime mortgages until the crisis was underway. Even now, we doubt many have much understanding of repo, the divergence between LIBOR and Fed Funds from 9 August 2007 and Eurodollar liquidity. In a similar way, when China’s bubble bursts, we doubt the majority will be that familiar with “ghost collateral” and “yin-yang” property contracts either.

A second lesson from the 2007-08 crisis was that as the value of the collateral underpinning the vast amount of leverage declined, the surge in margin calls led to cascading waves of selling in a downward spiral.

A third lesson was that the practice of re-hypothecating the same subprime mortgage bonds more than once, meant collateral supporting the most vulnerable part of the credit bubble was non-existent. It only became apparent with the falling prices and margin calls. Few people realised the bull market was built on such flimsy foundations, as long as prices kept rising.

A fourth lesson was that in order for the bubble to reach truly epic proportions, key financial institutions, especially banks, needed to conduct themselves in a negligent fashion and totally ignore increasing risks.

Each of these warning signs from the 2007-08 crisis exists in China's property market now – and other parts of its financial system – bar one…falling prices leading to cascading waves of selling. However, as we'll explain, **we think it's only a matter of months away now**.

We should note that our thesis that China's bubble would eventually be undermined by a **"black hole" of insufficient collateral** is one that we have been developing for several years. What we came to realise is that insufficient collateral is nothing more than normal business practice in the Chinese economy. It doesn't matter whether it's related to commodity-backed loans, property speculation or managing redemptions in the Wealth Management Products (WMPs) sector.

The first sign of this practice to received worldwide attention came to light in 2014 with the collateral fraud at China's third largest port, Qingdao, which spreading to another port, Penglai, before it suddenly ~~got covered up~~ stopped. Numerous borrowers were found to have pledged the same copper and steel inventory as collateral to obtain funding from various banks, including state-owned Citic Resources, as well as Citi, Standard Chartered and others.

Not long after the scandal emerged, media attention began to wane, as commentators either assumed it was fixed or were distracted by other issues. However, it wasn't fixed and we had a shocking reminder last month with the first major publicly announced loss. ED&F Man took an $80m hit after acting as a broker between Australia's ANZ Bank and two

Hong Kong-based trading companies in a sale-and-repurchase financing deal. The trade was backed by storage receipts for about $300 million of nickel stored in Glencore-owned warehouses in Asia. The problem was that the warehouse receipts were forged. As we said,

> *What is surprising is that it has taken over three years for the first serious hit from China's "ghost collateral" to emerge. Or perhaps not: in a time of generally rising prices, few if any traders actually bother to check if their pledged collateral ever exists. The problem emerges when prices decline, which courtesy of China's bubble machine, has so far not been an issue.*

Read full story here…

Moody's Threatens Cities:

Address Climate Risks Or Face Credit Downgrades

Moody's is now extorting cities to tow the line on climate change mitigation or face denial of credit access due to downgrades. Who got to Moody's? The planetary Fintech machine that is behind the surge toward global Technocracy! This is the epitome of Al Gore's famous statement that "Deniers deserve to be punished." ⌘ TN Editor

Coastal communities from Maine to California have been put on notice from one of the top credit rating agencies: Start preparing for climate change or risk losing access to cheap credit.

In a report to its clients Tuesday, Moody's Investors Service Inc. explained how it incorporates climate change into its credit ratings for state and local bonds. If cities and states don't deal with risks from surging seas or intense storms, they are at greater risk of default.

"What we want people to realize is: If you're exposed, we know that. We're going to ask questions about what you're doing to mitigate that exposure," Lenny Jones, a managing director at Moody's, said in a phone interview. "That's taken into your credit ratings."

In its report, Moody's lists six indicators it uses "to assess the exposure and overall susceptibility of U.S. states to the physical effects of climate change." They include the share of economic activity that comes from coastal areas, hurricane and extreme-weather damage as a share of the economy, and the share of homes in a flood plain.

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Based on those overall risks, Texas, Florida, Georgia and Mississippi are among the states most at risk from climate change. Moody's didn't identify which cities or municipalities were most exposed.

Bond rating agencies such as Moody's are important both for bond issuers and buyers, as they assign ratings that are used to judge the risk of default. The greater the risk, the higher the interest rate municipalities pay.

Bloomberg News reported in May that towns and counties were able to secure AAA ratings despite their risks of flooding and other destruction from storms, which are likely to be more frequent and intense because of climate change. If repeated storms and floods are likely to send property values — and tax revenue — sinking while spending on sea walls, storm drains or flood-resistant buildings goes up, investors say bond buyers should be warned.

Jones said Tuesday that the company had been pressured by investors to be more transparent about how it incorporates climate change into the ratings process. Some praised the move, while also urging it to go further.

[Read full story here…]

Criminalization Of Cash: Driving Toward Cashless Society

SB1241, authored by Sen. Chuck Grassley (R-IA) is currently before the Senate Judiciary Committee and is another step toward eradication of cash. Technocrats must remove cash from society in order to force everyone to be part of their socially engineered system. TN Editor

A new bill seeks to track your money and assets incessantly, will enjoin any business with government ties to act as a de facto arm of DHS, and would steal all of your assets — including Bitcoin and other cryptocurrencies — should you fail to report funds when traveling with over $10,000.

Under the guise of combating money laundering, Senate Bill 1241, "Combating Money Laundering, Terrorist Financing, and Counterfeiting Act of 2017," ramps up regulation of digital currency and other autocratic financial controls in an attempt to ensure none of your assets can escape one of the State's most nefarious, despised powers: civil asset forfeiture.

All of this under the farcically broad umbrella of fighting terrorism.

Civil forfeiture grants the government robbery writ large: your cash, property, and assets can be stolen completely *sans* due process, your guilt — frequently pertaining to drug 'crimes' — matters not.

A court verdict of not guilty doesn't even guarantee the return of State-thefted property.

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A court verdict of not guilty doesn't even guarantee the return of State-thefted property.

In fact, the government can seize virtually whatever it wants if it so much as suspects some of your assets might have been acquired through or used in the commission of even lesser crimes.

For some time, a war on cash has been brewing behind the closed doors of government, and — although officials prefer to claim counterfeiting, terrorism, and money laundering as the impetus for asset tracking — in actuality, physical currency facilitates black market and untaxed transactions, and, most imperatively to the U.S., cannot be thefted under civil asset forfeiture laws as easily as money exchanged digitally.

Characterized as an effort to *"to improve the prohibitions on money laundering, and for other purposes,"* the bill severely curtails the right to travel freely, without undue hindrance, as travelers with more than $10,000 in *assets* — including those held digitally, like Bitcoin — must file a report with the U.S. government.

Noncompliance with the tyrannical law — including failing to fill out the aforementioned form — would incur penalties befitting a fascist dictatorship: **an individual could find the entirety of their assets seized, not just those unreported, and could be locked in a prison cage for up to ten years.**

To be clear, the State wants to write a permission slip to seize all of your assets — bank accounts, including, specifically, "safety deposit boxes," prepaid cards, gift cards, prepaid phones, prepaid coupons, cryptocurrencies, *all of it* — even for being remiss in reporting what you're traveling with.

Considering one's digital assets veritably follow wherever that travel takes them, a cryptocurrency portfolio would theoretically have to be reported each time that person travels outside the confines of the U.S.

Of course, the legislation in actuality just amends laws pertaining to assets and travel already considered dictatorial — right now, failure to fill out the form carries not just the penalty of seizure, but a sentence of up to five years behind bars.

"And if that weren't enough, this bill also gives them with new

authority to engage in surveillance and wiretapping (including phone, email, etc.) if they have even a hint of suspicion that you might be transporting excess 'monetary instruments,'" Simon Black of SovereignMan.com reports.

"Usually wiretapping authority is reserved for major crimes like kidnapping, human trafficking, felony fraud, etc.

"Now we can add cash to that list."

But it wouldn't just be the government hawkishly surveilling your every transaction, as, essentially, all retailers would be roped into becoming State spies — any business selling gift or prepaid cards would be required to report those, too.

Worse — and in defiance of current structures pertaining to digital currency — the government wishes to somehow require issuers of cryptocurrencies into its abhorrent, ostensive money-laundering police spy ring.

According to the legislation, reports Smaulgold.com, **the Secretary of Homeland Security and the Commissioner of U.S. Customs and Border Protection must, within 18 months of the legislation's passage, devise a *"border protection strategy to interdict and detect prepaid access devices, digital currencies, or other similar instruments, at border crossings and other ports of entry for the United States,*** *including an assessment of infrastructure needed [emphasis added] to carry out the strategy […]*

"The obligation to declare amounts in any form over $10,000 exists, irrespective of whether custom officials have a way of detecting such holdings. *Since digital currencies technically travel with the holder [wherever] the holder goes, one would have to declare one's entire crypto portfolio each time the holder entered the U.S."*

Travelers possessing assets, precious metals, and accounts in excess of $10,000 held outside the United States, however, would not be required to declare those to the government — perhaps leaving an albeit sketchy option for those wary of unscrupulous authorities.

While the government insists 'If you've got nothing to hide, you've got nothing to fear,' the Combating Money Laundering, Terrorist Financing, and Counterfeiting Act of 2017 proves you might not be able to hide anything from its greedy clutches — and if you try, you could wind up thrown in a cage for a decade, penniless upon release.

[Read full report here…]

Cash Is Already Pretty Much Dead In China

The subhead states that "the dominance of mobile transactions lends itself to greater data collection by the Chinese government." There is little more that needs to be said about Technocracy's rapid ascent in China. — TN Editor

Mobile pay is taking China by storm and changing daily commerce.

The transformation of a society limited to bills denominated in 100 yuan ($15) or less into one where QR payment codes abound was by far the biggest change in mainland China since my last visit four years ago.

When eating out or shopping with local friends, they paid by scanning a QR code on the restaurant table or by showing a similar code on their smartphones to the store clerk. A spices shop, museum souvenir store and seller of traditional Chinese calligraphy brushes all had signs saying they accepted mobile pay.

Rather than, "Do you take credit card?" the question was often "Do you take Alipay? WeChat Pay?" The running joke was that street beggars would rather take a mobile donation rather than cash.

Lack of red tape and a less developed financial system have apparently allowed mainland China to leapfrog the developed world into embracing mobile payments.

Mobile payment volume in the country more than doubled to $5 trillion in 2016, according to Analysys data cited by Hillhouse Capital in a May report. In the first quarter of this year, Alipay had 54 percent of that mobile payments market, while WeChat Pay accounted for 40 percent, the study showed.

The Chinese mobile pay habit is also affecting other countries. More than 6 million Chinese traveled abroad during the "Golden Week" national holiday in early October, according to state-backed media outlet Xinhua. That puts pressure on popular tourist destinations like Japan and Hong Kong to add mobile pay services.

Just over the border in Hong Kong, I heard a few mainland Chinese customers asking a store clerk to scan their phones' QR codes while Cantonese-speaking locals paid in cash. In April, Nikkei reported that the number of stores accepting Alipay in Japan will double to 45,000 this year, according to the regional head of Ant Financial Services.

The growth of mobile pay in China comes off a solid base of smartphone users. The ubiquitous WeChat messaging app from Chinese technology giant Tencentreached 963 million monthly active users in the second quarter. In professional settings, adding each other on WeChat sometimes replaced business card exchanges.

Alipay is owned by Alibaba affiliate Ant Financial Services and has 520 million users, according to its international website.

The app is linked to online money market fund Yu'e bao, encouraging users to invest and spend with Alipay. Attractive interest rates of nearly 4 percent or more have turned it into the largest money market fund in the world, with 1.43 trillion yuan ($217 billion) as of the end of June, according to state media reports citing Yu'e bao's manager, Tianhong Asset Management.

"We expect China ePayments to quadruple to Rmb300tn, while eWealthmanagement AUM and eFinancing could triple to Rmb 6.7tn and Rmb 3.5tn by [2021]," Elinor Leung, head of Asia Telecom and Internet Research at CLSA, said in a September 5 report.

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IMF Chief Lagarde: 'We Are About To See Massive Disruptions'

IMF head, Christine Lagarde, is fully complicit with the United Nations, Sustainable Development, Green Economy, Fintech and hence, Technocracy. Technocrats have created a huge moral hazard that favors the destruction of Capitalism and Free Enterprise. TN Editor

It's time for the world's central banks and regulators to get serious about digital currencies, according to the head of the International Monetary Fund.

Global financial institutions are taking risks by not watching and understanding emerging financial tech products that are already starting to shake up the financial services and global payments system, according to IMF Managing Director Christine Lagarde.

"I think that we are about to see massive disruptions," Lagarde told CNBC in a Facebook Live interview on the sidelines of the IMF Annual

Meetings in Washington D.C.

Asked whether she agreed with JPMorgan Chase CEO Jamie Dimon's comments that bitcoin is a "fraud," Lagarde said it's important to look at the broader implications of technologies like digital currencies.

"I think we should just be aware of not categorizing anything that has to do with digital currencies in those speculation, ponzi-like schemes," she said. "It's a lot more than that as well."

Lagarde didn't rule out that the IMF could at some point develop its own cryptocurrency. She pointed to the IMF's Special Drawing Right (SDR), a currency the IMF created to serve as an international reserve asset, that could incorporate technology similar to cryptocurrencies.

"What we will be looking into is how this currency, the special drawing right, can actually use the technology to be more efficient and less costly," she said.

Lagarde moderated a panel discussion on Thursday focused on fintech and the role of central banks, featuring central bank officials and executives from fintech companies. Lagarde told CNBC she expects the IMF will play a role in regulating the fintech industry going forward.

"My hope is that we can participate in that process because I see that as a very cross-border process," she said.

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Tipping Point: The Global Journey From Cash to Cashless

The ‘Cashless Journey’ is a global initiative of Technocrat, globalist bankers, who use governments with statements like: ‘Governments can speed the journey.’ In fact, Technocrats despise government except for how they can use them to manipulate the citizenry to buy into their globalist pipe-dreams. TN Editor

Today, around 85% of all retail payment transactions are done with cash, which equates to 60% of retail transaction value. Even though much of the world’s population has access to many different options for making payments other than cash, cash still persists. Cash takes time to get at, is riskier to carry, and by most estimates, cash costs society as much as 1.5% of GDP. Electronic payments, on the other hand, have been proven to boost economic growth, while advancing financial inclusion. It is for these reasons that countries around the world are working to make their payment systems less dependent on cash.

The Cashless Journey Study was developed to track nations’ progress towards more cashless economies. It offers insights into how some nations have made the journey from cash to cashless, and how other nations can continue their journeys. The study helps to shape the conversation about consumer payment patterns across countries around the globe. The information it provides was designed to assess the impact of different factors, such as regulatory measures or financial inclusion initiatives, on changes to these patterns. The study explores the evolution of consumer payment patterns in 33 countries from five regions, representing more than 85% of global GDP, taking into account both developed and developing nations, using a single methodology.

A Focus On The Value Of Consumer Payments

Government, banks and payment networks all look at cash usage and broader payment habits through different lenses. MasterCard looks at payments through different lenses, depending on the audience, product or region. The Cashless Journey Study chose a consistent global methodology focusing on consumer payments, or payments initiated by individuals. Consumer payments for goods and services account for about 11% of the value of payments around the globe, but more than 90% of volume of payments (or number of transactions). The study focuses on the value of consumer payments ($63 trillion in total spend), rather than the volume of payments (total transactions), as estimates of payments value are more readily available, and have also been found to be more representative of broader trends in payments preference. Finally, it should be noted that this study looks at all consumer payments, including those that happen beyond retail point of sale. This is an important consideration to underscore, as by including non-retail categories like housing and bill payment, the total figure for consumer payments is far larger than the value of retail point of sale payments. So, while cash accounts for 60% of the value of total retail payments in shops or online, when these other large consumer payments (e.g. wire transfer to buy a car, direct debit to pay mortgage) are included, the value of payments represented by cash falls to 34%.

The Cashless Journey Study measures nations’ progress towards more modern, efficient payment processes by looking at the current share of cash versus non-cash payments for consumers (Share), how this Share has shifted in the past five years (Trajectory), and whether conditions exist for cash payments to move to electronic (Readiness). The study measures three indicators of progress:

1. Share: the percentage of the value of all consumer payments that are presently done by a means other than cash
2. Trajectory: a measure of the shift in cash share of consumer payments' value between 2006 and 2011
3. Readiness: a measure of the future potential for conversion of cash payments to electronic payments based on macro-economic preconditions observed in highly cashless markets

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UN Chief To Reshape Global Finance For Sustainable

Sevelopment

Danger: The Deputy Secretary-General, Amina Mohammed, said that "trillions of dollars need to be mobilized a year by ***tapping into the savings of citizens*** around the world..." The financing fix for Sustainable Development is revealed: simply take it from citizens' saving accounts. Actually, if Sustainable Development is completely established in place of Capitalism/Free Enterprise, private property (including savings) will be wiped out anyway. TN Editor

As the high-level week of the United Nations General Assembly gets underway, Secretary-General António Guterres today stressed the role of the UN to help reshape "unproductive and unrewarding" finance and redirect investment to creating a better world for all.

"The choices we make on finance will be critical," Mr. Guterres told a special event held at the UN Headquarters in New York on financing for global development goals.

Mr. Guterres noted that the 2030 Agenda for Sustainable Development and the 17 Sustainable Development Goals (SDGs) – adopted by UN Member States in September 2015 – are a blueprint for building an inclusive, sustainable fair globalization.

"We can choose to bemoan the lack of financing for the 2030 Agenda in a world awash with so much unproductive and unrewarding finance. Or we can grasp the opportunity to reshape finance, according to our urgent, collective needs," he said. "The choice is clear. Let us invest in the 2030 Agenda and finance a better world for all."

However, today's global financial system, which manages some $300 trillion in financial assets, is simply not fit for purpose, the UN chief said, recalling that the Addis Ababa Action Agenda, adopted in 2015 at an international conference in the Ethiopian capital on financing for development, highlights the importance of being innovative in leveraging resources and financing for development.

The UN's three-part strategy for enhancing its support to financing the 2030 Agenda would help achieve short- and medium-term results, he said.

The Secretary-General said that he will lead UN efforts to ensure that the objectives of the 2030 Agenda are fully reflected in international economic and financial policies by working closely with key inter-governmental platforms, such as the G20.

Second, he will reform the UN development system to strengthen its country teams, and third, he will champion key international initiatives that can harness large-scale changes in financing and financial system development, such as in the fields of digitalization and climate finance and in cooperating with major investment initiatives.

Also addressing the event was Deputy Secretary-General Amina Mohammed, who said that trillions of dollars need to be mobilized a year by tapping into the savings of citizens around the world, official development assistance (ODA), domestic financing and the world's financial system.

The UN has always been engaged in this financing agenda, with its partners, allies and of course Member States, but "our question is whether we are doing enough, and the answer, in short, is no," she said, explaining that this event is timely as it highlights progress and opportunities from parts of the UN's leadership team, key partners such as the World Bank, private sector actors, and Member States.

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Harvard Professor Kenneth Rogoff Drives Technocrat Plan To Kill Cash

Ken Rogoff concludes that after cash has been stripped out of society, negative interest rates can give every saver a proper ‘haircut’ by charging him to keep money in the bank. But, you can’t take it out when cash is gone. Technocrats will rejoice if people walk into this quicksand. TN Editor

Harvard professor and chess grandmaster Kenneth Rogoff has said some pretty out there stuff before, in his role as self-appointed crusader against cash, but apparently he’s not done yet. In fact, he might just be getting started. This time around he sounds like a crossover between George Orwell and Franz Kafka, with a serving of ‘theater of the absurd’ on top. Rogoff wants to give central banks total control over your lives. They must decide what you do with your money. First and foremost, they must make it impossible for you to save your money from their disastrous policies, so they are free to create more mayhem.

Prepare For Negative Interest Rates In The Next Recession Says Top Economist

> *Negative interest rates will be needed in the next major recession or financial crisis, and* ***central banks should do more to prepare the ground for such policies****, according to leading economist Kenneth Rogoff. Quantitative easing is not as effective a tonic as cutting rates to below zero, he believes. Central banks around the world turned to money creation in the credit crunch to stimulate the economy when interest rates were already at rock bottom.*

Central banks create recessions and crises. Note people, and not economies. Central banks. The next recession, which is inevitable, that's the one thing Rogoff has right, will come when the bubbles in housing, stocks, bonds, etc., created by central banks' QE, ZIRP, NIRP, start to pop. And there's nothing worse than giving central banks even more tools for creating crises. We should take away the tools they have now, not hand them more sledgehammers.

> *In a new paper published in the Journal of Economic Perspectives the professor of economics at Harvard University argues that central banks should start preparing now to find ways to cut rates to below zero so they are not caught out when the next recession strikes. Traditionally economists have assumed that cutting rates into negative territory would* ***risk pushing savers to take their money out of banks and stuff the cash – metaphorically or possibly literally – under their mattress****. As electronic transfers become the standard way of paying for purchases, Mr Rogoff believes this is a diminishing risk.*

Risk? What risk? The risk of people doing what their money what they choose to do, doing what they think is best? Of people trying to save their savings from being burned by central bank policies? What kind of mind comes up with this nonsense? Who is Ken Rogoff to think that he knows better what you should do with the money you worked for than you yourself do? You'd be a fool not to protect you hard-earned earnings from negative interest rates. Rogoff therefore seems intent on creating nations full of fools.

> *"It makes sense not to wait until the next financial crisis to develop plans and, in any event, it is time for economists to stop pretending*

> *that implementing effective negative rates is as difficult today as it seemed in Keynes time", he said. The growth of electronic payment systems and* ***the increasing marginalisation of cash*** *in legal transactions creates* ***a much smoother path to negative rate policy*** *today than even two decades ago. Countries can scrap larger denomination notes to reduce the likelihood of cash being held in substantial quantities, he suggests. This is also a potentially practical idea because cash tends now to be used largely for only small transactions.* ***Law enforcement officials may also back the idea to cut down on money laundering and tax evasion.***

What makes sense is to not create crises. What does not make sense is negative interest rates. Ultra low interest rates have already destroyed trillions in savings and pensions, and now Rogoff effectively says central banks should take this a step further, and target whatever it is you have left. This is insane megalomania. It's communism in its worst possible form. Oh, and it's outright theft. Of a form that's far more insidious and harmful than money laundering.

> *The key consequence from an economic point of view is that* ***forcing savers to keep cash in an electronic format would make it easier to levy a negative interest rate****. "With today's ultra-low policy interest rates – inching up in the United States and still slightly negative in the eurozone and Japan – it is sobering to ask what major central banks will do should another major prolonged global recession come any time soon," he said, noting that the Fed cut rates by an average of 5.5 percentage points in the nine recessions since the mid-1950s, something which is impossible at the current low rate of interest, unless negative rates become an option. That would be substantially better than trying to use QE or forward guidance as central bankers have attempted in recent years.*

Forcing savers to keep cash in an electronic format would make it easier **to steal it**. Central banks could dictate that you lose 5% of your money every year. Or at least, that's what they think. They want you to spend your money, and they got just the way to force you to do that. Or so they think. Well, go ask Abe and Kuroda how that's worked out in Japan lately. What actually happens is that when you start stealing people’s money, savings etc., they become afraid of losing the rest too, so they start looking for ways to save their savings, not spend them.

In that sense, Rogoff’s suggestions amount to terror, to terrorizing people into doing things that go against their very survival instincts. What gets people to spend money is if they don’t feel terror, when they see their money and savings grow by a few percent per year. That is the exact opposite of what Rogoff wants to do. When people ‘sit’ on their savings, they do so for good reasons. What do you think has happened to Japan?

> *“Alternative monetary policy instruments such as forward guidance and quantitative easing offer some theoretical promise for addressing the zero bound,” he said, in the paper which is titled ‘Dealing with Monetary Paralysis at the Zero Bound’. “But these policies have now been deployed for some years – in the case of Japan, for more than two decades – and at least so far,* ***they have not convincingly shown an ability to decisively overcome the problems*** *posed by the zero bound.”*

No wait, Rogoff is right second time: indeed “they have not convincingly shown an ability to decisively overcome the problems”. Because they’re terribly wrong. Theoretical promise? That’s all? But that means you’re just experimenting with people’s lives and wellbeing. Who gave you that right?

It’s high time, even if it’s very late in the game, to take political power away from central banks- and thereby from the banks that own them. There is nothing worse for our societies than letting these people decide what you can and cannot do with our money. Because as long as they have that power, they will seek to expand it. To prop up their member banks at your expense. And there is only one possible end result: you’ll be left with nothing. They want it all.

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Dubai Firm To Create First Sharia Compliant, Gold-Backed Cryptocurrency

Islamic finance in the Mideast is emerging as a global leader in financing for Green Economy, or Sustainable Development (aka Technocracy), and its entry into blockchain cryptocurrency is not surprising. Islam and Sustainable Development are compatible on many levels. TN Editor

The launch of the first-ever Islamic finance-compatible cryptocurrency could be a game changer for the entire Islamic banking industry and the way it does its finance business, its founder says.

OneGram, launched in May in Dubai, calls itself the world's first Shariah-compliant cryptocurrency whose value is backed by actual gold reserves. The company started selling a total stock of 12.4mn digital tokens on May 21 that are backed by one gram of gold each, aiming to raise around $500mn in its "Initial Coin Offering" programme. At its sister company GoldGuard, a Dubai-based online gold trading platform, OneGram will store the physical gold – bought through Australian-based ABX (Allocated Bullion Exchange) – in a gold vaults inside the Dubai Airport Free Zone which is currently being built. This would create a completely gold-backed, redeemable digital currency.

OneGram's founder and CEO, Mohammed Ibrahim Khan, says he felt inspired by the now popular cryptocurreny Bitcoin when it was launched eight years ago, but he also felt that Bitcoin and similar cryptocurrencies were not designed with Islamic markets in mind, although they are considered to have more "intrinsic value" than fiat money created in the conventional finance system that is based upon debt. However, since there hasn't been an Islamic evaluation as to whether Bitcoin is halal or not, its use is subdued in the Arab world.

"While the 1.6bn Muslims make up over 23% of the world population, many Muslims simply can't use cryptocurrencies because of their restricted legal status and high barriers of entry in many countries in the Islamic world," Mohammed notes, adding that the physical backing by gold, which also implements the newly announced halal gold standard, would change that since OneGram has Shariah scholars on its board who ensure that the company is fully compliant with Islamic finance requirements.

At the time of writing, a little over 22,000 of OneGram tokens have been sold, primarily through US dollar wire transfers and Bitcoin conversions, and over 2.7mn were allocated to potential buyers. According to Mohammed, large-scale funds of more than $200mn have been committed to be invested into the cryptocurrency by Tabarak Investment Capital, an investment bank in Dubai, as well as by "seven high-net-worth individuals in OneGram's network." For the rest, he hopes for individual or institutional investors who are invited to invest up to $10,000 instantly and more through a verified and funded account. The sale of the OneGram coins (OTC) is going on until September 22 this year and no more coins will be ever issued from then.

The ultimate objective for OneGram is to create a blockchain-based payments solution around its tokens that complies with Islamic finance standards. Its name will be "YalaPay", and there will be an incentive programme for retailers and companies to participate. OneGram also plans a cooperation with Mastercard to create a "Liquid Gold" debit card which can be used across the globe in ATMs, at point of sales systems and online and can be loaded with OneGram coins, gold value or normal money.

For investors, three factors could boost the OneGram's token value over time, namely an anticipated rise of the gold price and increasing market demand for the coins which is expected to go up after the initial sales period. In case the initial offering does not sell out, the unsold coins will be "burned" (made unusable) and taken out of circulation. Furthermore, since each transaction of OneGram coins generates a small transaction fee which is reinvested in more gold, the amount of gold that backs each OneGram coin increases over time and with it the real value of one coin which Mohammed says is one unique feature of his creation.

To put it into perspective, OneGram is not the only gold-backed cryptocurrency since there are many others such as ZenGold, OZcoinGold, Digix, HayekGold, Eldorado, OroCrypt, OroCoin, Royal Mint Gold, just to list a few.

Read full story here…

U.S. Sanctions Mandate That Foreign Governments Monitor Cryptocurrency To Combat Terrorism

The U.S. is quietly clamping down on crypto-currencies, which goes hand-in-hand with the global war on cash. As terrorism is always the target, whatever gets classified as terrorism is an immediate target. TN Editor

President Trump signed a new controversial foreign sanctions bill into law that had a hidden mandate for the foreign governments of Iran, Russia, and North Korea to monitor cryptocurrency circulations as a measure to combat "illicit finance trends" in an effort to "combat terrorism."

The bill requires the governments to develop a "national security strategy" to combat the "financing of terrorism and related forms of illicit finance." Governments will be required to monitor "data regarding trends in illicit finance, including evolving forms of value transfer such as so-called cryptocurrencies."

According to the bill, an initial draft strategy is expected to come before Congress within the next year, and will see input from U.S. financial regulators, the Department of Homeland Security, and the State Department.

The bill calls for:

> *"[A] discussion of and data regarding trends in illicit finance, including evolving forms of value transfer such as so-called cryptocurrencies, other methods that are computer, telecommunications, or internet-based, cybercrime, or any other threats that the Secretary may choose to identify."*

Interestingly enough, Coindesk reports, "the new bill echoes another submitted in May as part of a wider Department of Homeland Security legislative package."

> *That measure, as CoinDesk reported at the time, calls for research into the potential use of cryptocurrencies by terrorists. Like the DHS bill, the new sanctions law doesn't constitute a shift in policy, but rather indicates that Congress is taking steps to explore the issue more closely.*

Just more examples of the U.S. government trying to impose its will upon other nations and citizens who never lived there, as witnessed with the arrest of Alexander Vinnik in Greece, BTC-E's alleged CEO according to the Department Of Justice.