The Virtual State of Freeland

MFCOIN
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Concept

Our main idea is to create our own virtual jurisdiction with brand-new society and modern management tools, an extra-territorial state model called Freeland.

Change of the existing state systems is only possible if a new form of an e-agreement is introduced for everyone, the so-called Public Agreement which was technically impossible to implement before. Today we offer you a chance to join the launch of a virtual jurisdiction outside the bounds of existing jurisdictions but with the prospect of interaction with them on the basis of certain agreements.

In a contemporary world, a choice of a homeland is a conscious choice of a human being, not an adoption of an old-school feudal model, where a state is a major taxman and provides services based thereon, mostly of a very poor quality. Basically, government in the future will only play a role of a service company whose work should satisfy its citizens and, therefore, consumers. The whole notion of homeland will be pure loyalty to the brand.

What is Freeland?

The virtual state of Freeland is the same state as any other existing one, whether recognized or not. The global difference is that it is organized on a newly-discovered territory: in the infosphere. There is no logical reason to deny that this territory exists. There is no reason to deny that social and economic relations between people can technically be built in it according to different rules than ever before.
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**What is the decision-making algorithm in a virtual state?**

All the decisions in Freeland are being taken by its citizens by means of qualified majority (not less than 2/3 of votes). However, any issue during any ballot should have a binary statement with not more than two possible solutions to avoid manipulation. Each vote counts as one regardless of the voter's social status. If none of the two solutions gained 2/3 of votes, both options shall be considered potentially rational and shall be polished till the agreed decision is taken in favor of one of them.

**What is Public Agreement?**

Public Agreement (social contract) is a socio-economic theory of the advent of the civil society, state and law as a result of certain agreement between individuals. This theory undertakes that individuals shall in part deny their sovereign rights for the benefit of the state so that they can account for their interests via the state. Initially, any member of such state must abide by the rules and incur liability for their violation. However, currently existing states aiming at the implementation of Public Agreement are based on human factor and prejudicial treatment leading to corruption and manipulation.

Public Agreement of Freeland provides for public coverage of the conflicts or controversial issues that the state faces. The priority in solving these issues shall be given to the citizen of the state, not a separate official. If someone tries to violate civil rights of the other citizens by means of committing a crime or reneging on commitments, the rest of the society shall protect themselves from the actions of such individual.
What is decentralized decision-making?

Decentralization is the process of redistributing or dispersing functions, powers, people or things away from a central location or authority. Decentralized decision-making in Freeland shall feature a voting system inside the virtual state based on Freeland blockchain.

Color Teal: myth or prospect?

The concept of the so-called Teal organizations (or companies) has appeared only recently. In such entities, the team works without a direct hierarchy and solves all the assignments in squads by means of self-management. There is a central body which accepts ready-made assignments and gives out tasks but no intermediate management in the system. Usually, the assignments are being distributed from the outside environment (third-party clients), however, in Freeland the process works vice versa: the tasks are being distributed from within by the society itself. Before making any decision, the team member must consult the others about its reasonability.

The same scheme is potentially possible within a community of individuals when certain challenges set by the jurisdiction on behalf of a number of citizens shall be solved by a unified civil society of Freeland (however, this concept needs to be checked experimentally)

Utopia, reality or business?

Freeland is a game, a reality, and a business altogether. The unpredictable result and outcome of this experiment corresponds to the game aspect. For many centuries humanity could only dream about such an experiment, but it is us who are lucky enough to implement it. Modern technologies – able-to-get Internet, blockchain, crypto-currency – support the launch of an extra-territorial state with all the elements of a full-scale and efficient society.

Freeland is a reality. Since it has become obvious that the modus operandi of state jurisdiction and management tend to become less and less efficient, the external signs of national identity (territory, language, currency, emblem, anthem, legal system and other out-of-date indicators) have lost their relevance and the society is ready for new means of social interaction, such means need to be introduced. It is impossible to write them from scratch since no one can guess the vector of the social evolution – and no one ever had. The only way to form new social standards is carry out an experiment where the society shall play the role of the researcher and the underdog at the same time.

Freeland is a potential business for every MFC-owner. We are totally aware that the promotion of Freeland idea shall attract loads of attention from the world community. We do not offer any new philosophy, we just claim that it is the right moment to launch an Ideal Democracy and we are ready to create tools
for its implementation. Isn’t just society something that each one of us needs? A big number of participants will in its turn lead to MFC value escalation.

Is it legal?

There are no international signs that Freeland is illegal or that it violates any international legal standards:

- We do not print surrogate money.
- We are not a stock company that needs to go public.
- We do not violate international human rights.
- We do not undertake any commitments except for build-up of social interaction on the basis of Freeland blockchain principles.

Such union exists beyond current legal norms, therefore, it does not violate them.

How does Mr. Freeman come in?

Animated character Mr. Freeman is a 100% non-commercial product and some sort of a digital Messiah who brings along a truly important idea that each and any human is free and the freedom does not have to be acquired as it is already within us. In 2010, Freeman’s ideas led to a realization of a demand for an extra-territorial (virtual) state with an ideal democracy and a self-regulatory society able to form effective management tools. Thanks to Mr. Freeman the true idea of freedom has been brought home to millions of people in Eastern and Western Europe. Today Freeman is entering the rest of the world with his public message. It is him, who is going to play the role of a symbol and a voice of Freeland.
The modus operandi of most jurisdictions today is in a state of harsh crisis or even stagnation. Change is unlikely since all those systems are too rigid. However, the world around us is changing rapidly. Our idea is as simple: to create our own virtual jurisdiction with a totally new society and up-to-date means of management and control. In the long run, we could even get rid of this stagnant system throughout the whole planet and create a new one called Freeland.

The aforementioned idea has been occupying the minds of the best sophists for centuries but was technically chimerical. Any jurisdiction is run by the most ancient and inefficient tool ever – people. The only operating link between them is absolute subordination which entails corruption and crisis. Nowadays, the total failure of such a system has proven itself: most innovative technological solutions in all branches of activity are being generated outside of state control (EVs, drones, alternate network protocols, blockchain technology, crypto-currency, car-sharing, crowdfunding, social networks, just to mention a few).

Change is only possible if a new form of e-agreement is introduced for everyone, the so-called Public Agreement. The idea of such a treaty has been floating around for a while, however, it was technically impossible to implement it before. We are creating a virtual jurisdiction outside the bounds of existing jurisdictions but with the prospect of possible interaction with them. Therefore, in due course we will have to change the status of the virtual jurisdiction so it becomes a territorial one in the framework of the current international law.

What is e-citizenship of Freeland?

Freeland electronic citizenship (or just: Freeland citizenship) of every citizen shall be recorded not in a standard database but in Freeland blockchain which also stores the following data: MFC transactions, wallet details, public information about Freeland citizens, adopted laws, voting results, input data and evaluation results of smart contract deals (both in open and encrypted form), as well as all other Freeland activities that need to be documentarily registered.
How can I become a citizen of Freeland?

Anyone can become a citizen of Freeland and a member of ICO in two simple stages. The requirements include a minimal investment in the amount of 50,000 MFC to the Central Freeland wallet and public voting. Registration fee may change in the result of public voting of Freeland citizens. As soon as the money enters the Central Freeland wallet, the owner shall be considered a potential Freeland citizen and shall be deemed ready to a public discussion of the agreement between him and Freeland. Then the candidate should fill in the online form with questions to a potential Freeland citizen (the form is also needed to prove that the candidate is a real person). The answers of all the candidates shall be published quarterly and will only be available for viewing to Freeland citizens. The second stage is voting of all current Freeland citizens with a requirement of a qualified majority.

Those who have passed shall get a notification about their newly-acquired status and information on how to get the Freeland passport. Those who failed the second stage shall get all the coins they paid as the entrance fee back from the Central Freeland wallet. Second citizenship application can be submitted only in one year.

What are the features of the personal account?

Personal online account shall provide for the following options and tools:

MFC Standard Wallet:
- MFC Wallet
- Number of transactions
- Number of unconfirmed transactions
- MFC transfer
- MFC request/receipt
- Address book
- Freeland citizenship application form (if the amount in the account is not less than 50,000 MFC and the citizenship has not been acquired yet)

Data of the virtual jurisdiction for Freeland citizens:
- Details of the electronic passport or ID (name of the owner, date of issue)
- Electronic signature setup and registration form
- Smart-contract launch form
- Waiver of Freeland citizenship

How is the citizenship recorded in the system?

The fact of Freeland citizenship obtainment shall be recorded in the blockchain for security reasons since after publication this data cannot be altered, corrected or deleted. The following details shall be stored in the blockchain: personal index number of the registered citizen, his unique name and number of his MFC wallet, date and time of the citizenship obtainment, date of citizenship fee transfer to the Central Freeland wallet.

Can I opt out of Freeland citizenship?

Freeland citizenship can be deactivated by means of sending a public notice from the personal account of the citizen and by means of simple identification of the user in case if a third-party user gained access to the account. After the citizenship refusal the citizenship fee shall not be returned and shall be kept in Freeland treasury. However, this procedure may change and shall be regulated by public voting of Freeland citizens.
Can I delete the history of my performance and activities inside Freeland?

No, this is impossible, since all the data concerning citizenship, documents, crypto-currency, laws and other activities inside Freeland is recorded inside the blockchain and in no event shall be deleted. By accepting the citizenship, the potential candidate agrees with these terms and conditions and claims that he fully understands their consequences.

Passport of a Freeland citizen: details and odds

How can I obtain a passport of a Freeland citizen?

Passport of a Freeland citizen is an electronic or paper document which confirms the participation of this or that person in Freeland life and activities. Every passport holder has his liabilities in liaison with state decision-making that requires public voting. Initially, passport of a Freeland citizen does not provide for any international preferences until the very moment of establishment of interaction with other jurisdictions.

What are the perks of Freeland citizenship?

- Creation and execution of financial tools and products with brand new spectrum in a legit and user-friendly jurisdiction.
- Open exploitation of all Freeland informational perks including smart-contract execution tools.
- Acquisition of a consultative voice in the process of legislation and charter buildup.
- Resources for high capitalization of personal assets invested in the financial system of the new jurisdiction.
- Participation in the state financial system buildup with a right to make decisions within financial leverage bodies.
- Participation in a user-friendly jurisdiction buildup for the personal existing business.
- Participation in the initiative with huge resources.
- Lobbying potential in reclaiming a new market niche in a new jurisdiction without any corruptive or anti-ethical ways.

Is anonymity an option for Freeland citizens?

Freeland is a civil society where people use their real names from everyday life for the sake of communication security. However, each citizen has a choice whether to indicate his real name in the open or not.
What are the so-called smart-contracts?

A smart-contract is a description of terms and conditions and the algorithm of execution thereof stored in a decentralized environment without any human influence on the final evaluation. There also exist contractual relations (relations in between two human agents) which can be self-running and self-sufficient in full or in part.

All the data of the smart-contracts shall be stored in open or encrypted form (as of the wish of the agent) as additions to Freeland blockchain.

Who is the signer of the smart-contract?

Parties that accepted the terms and conditions of electronic signatures shall be the signers of the smart-contracts. Number of a personal MFC-wallet and other electronic signatures accepted by Freeland shall serve as a proper signature.

What are the terms and the subject of a smart-contract?

Only the object that is inside the environment of the smart-contract can be the subject of the contract. Alternatively, the smart-contract should have direct access to its subject without any human interference. This issue can in part be solved by means of availability of unique MFC-wallets and electronic passports of Freeland which can be extra sources of data occurrence (fulfilment and non-fulfilment of terms and conditions) for the smart-contracts.

Terms and conditions of a smart-contract shall have full mathematical description (the logic of fulfilment and non-fulfilment of the clauses) which can be pre-programmed in the smart-contract environment.
How does blockchain work?

Blockchain is a tool for storage of incoming data (transactions, terms and conditions of contracts, liabilities, penalties, payments, tracking information, document registration, etc.) which needs to be 100% exact. Blockchain also provides an opportunity to check the aforementioned data at any moment in time. Any type of data can be stored in a blockchain: texts, pictures, digital information. The only (and the most important!) difference from other databases and their control systems is decentralization. Blockchain data is not stored in one place, it is spread through all the user computers included in the chain. As soon as a new activity takes place (execution of a new contract, coin transfer from one MFC-wallet to another), it is at once recorded in the blockchain in an open or an encrypted way available for all blockchain users.

If a record in one of the computers which are part of the chain is different from the same record in the rest of the computers (more than 50%), such blockchain shall be deemed altered and shall be excluded from the work process. Due to such a system, hacking is highly unlikely. To hack a blockchain one needs to have access to more than a half of the computers that participate in it and know their coordinates. Blockchain technology is really secure by design and has high fault tolerance.

What does “hash” stand for?

Hash is a hash code which is the result of processing certain data with a hash function (hash-coding). Hash-coding is a process which transforms large volumes of data (millions of bytes) into a relatively short line (say, 32 bytes), therefore, it is easy to distinguish input data from any other data.

Hash is used for quick knowing apart one type of data from another without step-by-step (or more like byte by byte) verification. One-time data hashing is enough for comparing only the hashes.
What is a blockchain fork?
A number of miners form several blocks at a time. There are cases when a number of new blocks consider one and the same block the preceding one thus forming a temporary fork. Data exchange with the unified network can be limited since one of the chains can be developed within the limits of a local network. In this case both chains can be produced concurrently. When block retranslation is restored, the network will automatically consider the longer chain as the genuine one. If both chains have the same length, concurrent development will last till one of the chains creates a new block. The newly-baked longer chain shall be deemed genuine and the other chain shall be cancelled.

Transactions within the cancelled chain shall be deemed to be out of the block and shall be queued to enter the main block. MFC awards for creating cancelled blocks shall not be duplicated in the other chain and shall disappear.

Where is all the data recorded?
Digital records are tied up in blocks which, in turn, are cryptographically and chronologically linked into a chain by means of mathematical algorithms. Each block is connected with the previous one and contains a number of records. This is the way a blockchain is formed, with all the initial data in the beginning and new records in the end. The set-up of the blocks is always consecutive.

How can the accuracy of data inside the blockchain be verified?
Blockchains are not stored in one place. They are distributed among hundreds and even thousands of computers all over the world. Any network user has free access to the current register which, therefore, is 100% transparent to all the participants. The encrypting process known as “hashing” is executed by a huge number of computers working in one network. If they all get the same result after the calculations, the block shall be granted a unique signature. As soon as the register is updated with the new block, it cannot be modified anymore. So, there is no way such block can be forged. Only new records can be added to this block. The register is being updated simultaneously for all the computers within the network. Blockchain is secure by design due to its decentralized nature, hacking is only possible with the access to more than a half of network computers. This technology keeps private data since the hashing process is irreversible. Even if the original document is modified later, it will acquire a new digital signature which will message about misfits within the system.

What can be recorded in a blockchain?
Any data concerning money transfer, granted loans, rights of ownership, spousals, copyrights, deals, terms and conditions of contracts can be stored in a blockchain, pretty much anything.
Is blockchain data true and trustworthy?

All the blocks and their contents are open for everyone all the time. Anyone can read any block and see all the records therein. Anyone can follow the blockchain concerning any object and see any data about its activities. Thus, all the data inside a blockchain can be easily verified. There is no need to trust other blockchain members since any piece of information can be double-checked in the chain itself.

What data is open and what data is encrypted?

The following data is recorded in an open form:

- all public and official information about the virtual jurisdiction of Freeland;
- all MFC transactions;
- details of electronic passports of all Freeland citizens;
- details of passports of all Freeland citizens;
- all Freeland voting results and agenda;
- adopted laws, norms and legal acts.

The following data is recorded in an encrypted form only for Freeland citizens:

- details of private smart-contracts;
- other private information which is kept in an encrypted form by the citizens.
What is a crypto-currency?
A crypto-currency is a digital asset designed to work as a medium of exchange using cryptography (electronic signature based on the system with an open key, sequential hashing) to secure the transactions and to control the creation of additional units (coins) of the currency. Crypto-currencies use decentralized control and are secure by design. Transaction data is usually not encrypted and available in its open form.

What is a transaction block?
A transaction block is a block of data which contains records of executed transactions in between crypto-currency owners. Blocks confirmed by the network contain information about transactions that already took place. There are also unconfirmed blocks which contain data about recent transactions which haven’t been recorded into the previous blocks yet and are awaiting confirmation.

What is mining?
Mining is the only means of getting crypto-currencies. It is the process of releasing coins into circulation based on solving math tasks by the computers all over the world but within the network. Mining is secure by nature since it is a decentralized process. All network transactions shall be recorded into the blockchain available to all the users. Miners have to figure out the only hash that is a match to all the new transactions and the secret key for a reward. A big number of miners are trying to get the reward for one and the same block at the same time. When the hash is figured out and a new block is added to the blockchain, the miner who successfully added the block is awarded newly generated coins. The miners transfer to the next block.
What are the PoW and PoS protocols?

**Proof-of-Work and Proof-of-Stake** are the two most well-known algorithms of crypto-currency consensus. They provide for two different mechanisms of proving the amount of work done.

**Proof-of-Work** is an economic measure to deter DoS-attacks and other service abuses such as spam on a network by requiring some work from the service requester. It has two key features:

- the work must be hard and labour-intensive;
- the result must be easy and fast to check.

PoW tasks require large computation capacities. Such computations can be carried out only in interactive mode and the level of complexity is very high, while the revision process is fast and simple. The units can make sure that a miner found a correct task but it is impossible to predict what miner shall figure out the block due to a highly labour-intensive and incidental nature of the process. Therefore, each block shows that certain work has been carried out to figure it out. High complexity level of the process secures the blockchain from unauthorized access and double costs. Computing powers used for hashing are huge and overtop the capacities of the most power-packed super computers, so in no time, PoW became a monster swallowing enormous doses of electricity. This is how its first alternative appeared – and that is Proof-of-Stake.

Proof-of-Stake provides for data hashing in search for a result with a value less than an estimated one, however, the complexity is spread proportionally and in compliance with the balance of the unit (that is, in compliance with the amount of coins on the user’s account). Therefore, a unit with a large balance has a bigger chance to mine a next block. Such scheme looks more attractive due to modest requirements to the computing capacity and no wasted capacities.

What is PoL?

Proof-of-Labour is a function of getting MFC from the central Freeland wallet (pre-mining or zero block budget) for the benefit of users doing certain type of work for Freeland. Cost estimation is executed by means of negotiation between Freeland founders and executor.

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**MFCoin parameters**

MFC is a clone of a well-known crypto-currency LiteCoin.

- **Security protocol:** Proof-of-Work or Proof-of-Labour.
- **Hashing algorithm:** scrypt.
- **Time required to mine a new block:** 5 minutes
- **Remuneration for each block:** 50 MFC.
- **Twofold cutback of the reward for the mined block:** once for each 400 000 blocks.
- **Pre-mining:** 10,000,000 MFC [Proof-of-Labour budget].
- **Total amount of coins:** 50,000,000 MFC.
What kind of software is required?

Before dealing with any crypto-currency one needs to open a wallet which is a unique digital address and serves as a user ID in the system. Such wallet can be launched through certain web-services or installed on the gadget.

Further emissions

After all the coins are issued, Freeland citizens will make a decision concerning further MFC emissions and means thereof. This clause shall be part of a smart-contract in Freeland blockchain which specifies all MFC rules that come into effect after the mining of the first emission is completed.

Trading

In 2017, MFC is planned to enter several stock exchanges for free circulation and potential of fast purchase using other crypto-currencies.

Wallets for desktop OS

We offer multi-platform solutions. There are clients available for Windows, Linux (Ubuntu) and Mac (OS X):

- **Mac (OS X)** [MFCoin-Qt-OSX-v1001.dmg](#)
- **Linux (Ubuntu)** [MFCoin-android.apk](#)
- **Windows** [MFCoin-qt.exe](#)

Android-wallet

Secured wallet for Android which doesn’t require a local blockchain copy. It is also very economical in terms of traffic usage and battery life. This wallet supports Bitcoin / Litecoin.

Web/Mobile-wallet

It is a universal web-wallet available for all platforms, including mobile platforms, iPhone and Android. All the important data including the keys is stored on the client’s side, so the users keep total control over their coins. The wallet itself shall be stored on our servers.

Paperback wallet

One of the most popular ways of secured crypto-currency storage is a paperback wallet. We provide the service for generating a paper wallet (a code or a QR-code which needs to be printed).
What is the legal status of MFC?

As of now, MFC has the same legal status as other crypto-currencies: Bitcoin, LiteCoin, Etherium, etc. Their legal status varies in different jurisdictions and is not stable, however, it is not the currencies and their circulation that is limited but their exploitation in fraudulent schemes and other criminal activities.

Rumour has it, crypto-currency is a financial bubble or a Ponzi scheme. Is that so?

No, it is not. Crypto-currencies are secured against natural flow of services and goods. Since their amount is limited, progressive deficiency starts to unravel, thus the price of the currency goes up. If the demand goes down, it also happens gradually and never tremendously (like what happens with financial pyramids), since the currency is secured against goods, services and fiducial money. Financial pyramids require constant fund raising and the income of the preceding participants is secured from the deposits of the succeeding ones. Such a scheme guarantees cost escalation of the pyramid surrogates up to a certain moment. Crypto-currencies do not show stable growth and have the same stock indices as those of securities, natural resources, open joint stock companies.
What has been done as of today?

The following workload has been done:

- Freeland concept and purposes have been specified.
- A pool of domains serving MFCoin and Freeland has been registered.
- Accounts in all social networks have been registered.
- MFCoin and Freeland names have been registered in the WIPO-system.
- MFC logo has been registered in the WIPO-system.
- Freeland Manifesto has been written.
- Base for MFC currency has been prepped and MFC mining has been launched.
- MFCoin website with a secure https protocol has been set in motion.

Near-term Prospects

The workload for the upcoming year is as follows:

- Write a Freeland basic document of freedom safety.
- Launch a registration system for citizens based on Freeland blockchain.
- Create a system of issues to be voted on based on Freeland blockchain.
- Create a voting system based on Freeland blockchain.
- Start the delivery of electronic and classic (paper) state passports.
Middle-term Prospects

The workload for the middle term is as follows:

- Create a smart-contract maintenance system based on Freeland blockchain.
- Launch mechanisms of social and P2P interaction in between citizens.
- Make MFC one of the top 10 world crypto-currencies.
- Establish Freeland HQ and its virtual Ministry of Foreign Affairs to start diplomatic relations with classic state formations.

Long-term Prospects

The workload for the long term is as follows:

- Carry out the largest in the history of humanity experiment on launch of an Absolute Democratic Society.
- Form new efficient mechanisms of social management and a so-called Teal jurisdiction.
- Create the first ever electronic version of a Public Agreement.
- Create the first virtual jurisdiction that has established diplomatic relations with classic state formations.
- Bring it home to the whole world that mechanisms of state structures are outdated and the society can function successfully out of the bounds thereof.
- Launch a business-model of a service jurisdiction which provides certain services to its citizens and companies.
Mr. Freeman
Project Lead
Mr. Freeman is an animated and digital entity which created the whole Freeland project and specified all the basic notions of Freedom in the modern digital world, both internal and social (external). Freeman’s audience features almost 20 million beholders all over the world who can think and create. His influence on the modern culture is hard to underestimate or deny. During an opening ceremony of Banksy’s park Dismaland in London Freeman was on display on all the screens as a symbol of pure and absolute digital freedom.

Nikodim Musatov
Conceptual Mentor CEO, Digital Order
Nikodim is one of Freeland masterminds. For over 15 years, he has been CEO of his own Teal company – developer of software, P2P systems and network protocols.

Sergey Barvenko
Tech Lead — Private Trader
Sergey is one of Freeland founders. He has higher financial and technical education with a major in information technologies. He has been working in financial and banking spheres starting from 1994 and currently acts as a personal trader and cryptocurrency consultant (since 2012).

Pavel Cherkashin
Financial Mentor Managing Partner, GVA Capital
Pavel is one of Freeland founders, as well as the founder of Actis (part of Wunderman), AdWatch (currently part of AEGIS/Isobar) and Sputnik Labs (currently part of TechnoServ A/S). He is a “Business Angel-2012” according to Russian Venture Company. Pavel held senior positions in companies like Adobe, Siebel and Microsoft.

Denis Aleinikov
Legal Advisor Senior Partner, Aleinikov & Partners
Denis has a 15-year professional experience in consulting on investment projects with participation of foreign capital in different sectors of industry, energetics, infrastructure, real estate and construction, IT and public catering. According to an international rating of lawyers Chambers Global (2015) Denis is an “outstanding lawyer in terms of dispute settlement”. Denis has acted as a consultant for McDonald’s, British-American Tobacco, HARIBO and other transnational corporations in a wide range of issues connected with business affairs in the territory of Belarus.