

# Twitter Thread by Sino Global Capital



**Sino Global Capital**

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## 1) Our thoughts on LTO Network

### Not financial advice

#### 2) Overview

- LTO Network (<https://t.co/LJUDzLMCb5>) is a hybrid blockchain solution that connects to existing systems enabling efficient collaboration on complex and multi stakeholder processes. It is led by a great team of serial entrepreneurs.

3) - In other words, LTO gives institutions access to blockchain without requiring them to overhaul legacy systems.

- Businesses don't want an IT overhaul, but want communication with existing systems that only share process data and updates users via their own systems.

4) - This is the power of LTO network – changing unstructured communications into structured communications and driving efficiency for traditional businesses and institutions.

5) - On December 17, 2020 LTO Network and VIDT Datalink merged sales, marketing and development resources to form a "larger organization...better positioned to serve multinationals around the globe..." (<https://t.co/aF3NuD9Pil>)

6) - We view this merger positively and expect the combined company to offer more comprehensive business solutions.

#### 7) Our thoughts

- There are many interesting crypto projects challenging the status quo.

8)- Some of these projects aim to change the way we think about traditional financial structures, but most don't have near term use cases of relevance to businesses around the world.

9) - Progress has been made however. As an example, we've seen JPM pioneer blockchain in finance with their Onyx group, aiming to reduce friction in cross border transactions via JPM coin.

10) - LTO competes with solutions outside of the crypto space and engages companies without crypto expertise who want blockchain solutions. We believe this is a valuable market gap.

11) - We believe the efficiency gains offered by blockchain will be disruptive to industries beyond just finance, and LTO is one of few bringing BC to businesses. What's more, their live contracts are an innovative solution to the problem of bridging BC & legal contracts.

12) - We are bullish on the growth prospects for LTO as the network has been built to be GDPR compliant from the ground up and the desire of European businesses to integrate blockchain technology grows.

### 13) Key Use Cases

- LTO has had many high profile partners join the network. Recently, The UN released an open-source urban land registry for the Afghan Government: <https://t.co/aakyqOJLa7>
- Other high profile use cases include:

14) - Saving the Dutch Ministry of Infrastructure \$7 million by optimizing cross border waste management

- Immutable, digitally signed PDFs with a verifiable timestamp using SignRequest
- Executed legal contracts, hashed on blockchain via a smartphone using Quislex

15) - Anchoring transactions account for the majority of all transactions (roughly 90%).

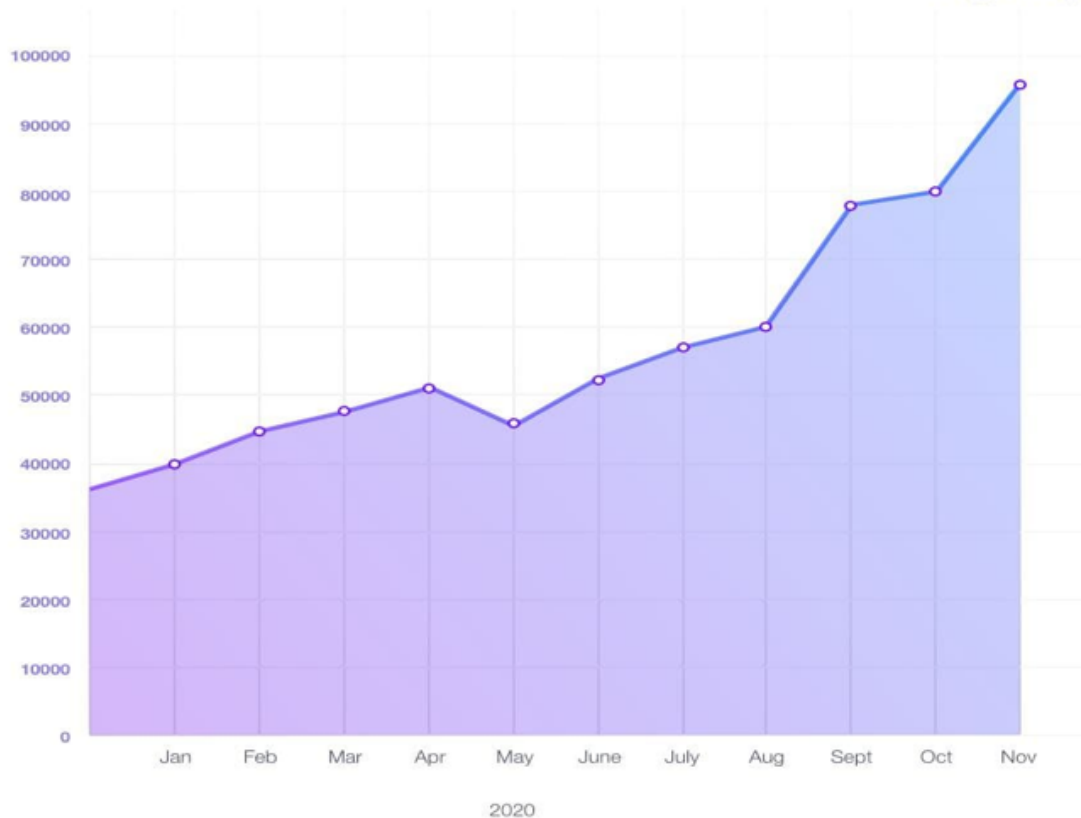
- Going forward, continued emphasis could be put into business identities on the blockchain, solving KYC issues, a big pain point for particularly banks.

16) - As we can see below, LTO is a healthy network with organically driven transactions:



**LTO NETWORK**

**LTO daily transactions  
Mainnet**



#### 17) Partnerships & Collaborations

This increasing popularity has enabled LTO to collaborate with some well-established parties aside from the UN, including:

18) - International Organization for Standardization (ISO). LTO is a contributor to the ISO Organization with the aim to establish standards for BC technology;

- IBM. Both IBM and LTO Network have formed a partnership with VI-D to deliver The Internet of Environments.

19) - CerTik. CerTik takes care of audits for plug-and-play and custom live contract templates for organizations to incorporate into their IT environments.

20) - NEN and LTO Network will collaborate by providing certificates with QR codes, connected to the LTO Network. The rightful owner of the certificate can be verified and checked using LTO Network.

21) - VIDT Datalink. As mentioned, LTO Network and VIDT Datalink have combined resources with an aim to dominate the B2B blockchain industry.

#### 22) Key Technologies

Leased-Proof-of-Stake:

- Rewards are transaction fees on the network corresponding to the ratio of your staked amount to the total staked amount.

23) - Node operators are given an incentive for holding an amount of LTO Network tokens proportional to the transactions originating from their node.

24) DID (Decentralized Identity) and SSI (Self Sovereign Identity)

- Foundation to create new products & services, e.g. one-click KYC for businesses and cross-chain associations, all while retaining GDPR compliance.

25) - Cross-chain association. The cross-chain associations are leveraged to indicate a relationship between various accounts on the LTO Network. By utilizing associations with cross-chain DIDs, relations on different blockchains can be created on the LTO Network.

26) - Wallet integration. LTO identity nodes will adhere to the World Wide Web Consortium (W3C) Decentralized Identifiers (DIDs), W3C Verifiable Credentials (VCs) and the Rosetta standards. This will enable software interoperability that is run by stakeholders in the industry.

27) - Decentralized identifiers. DIDs are known as unique identifiers that specify both a blockchain and an address.

28) - Derived DIDs. It's not advisable to use DIDs of private identities as they contain personal information. It is more secure for new key pairs to be generated for each separate use. LTO offers an alternative to generate many derived DIDs from a single public key.

29) - GDPR compliance. LTO makes GDPR more friendly to businesses by automating the process of managing data storage and mgmt. Combining with verified credentials provide the end-user complete control over personal data without having to worry about regulatory issues.

30) Live contracts

- Smart Contract are less readable by humans than a standard contract while still being open to exploits.
- Smart Contracts do not operate within a legal framework and are not enforceable by a judicial system.

31) - Live contracts are human and machine readable, and are constantly updated

- Live contracts allow easier integration with legal frameworks. LTO was built specifically to be EU GDPR compliant

32) Tokenomics

- LTO has chosen to design more organic tokenomics. As the platform increases in health/users we see the intrinsic value of the token appreciating. However, it is possible the token price will not converge with its intrinsic value over shorter time horizons.

33) - Additional risks include the price of anchoring transactions (90% of total). As the nominal fiat prices of these transactions increase, node holders will likely need to reduce the LTO needed for anchoring to keep the fiat prices of these transactions at an acceptable level.

34) - It is important to note, that many business interactions with the LTO network are not from crypto users, therefore large LTO price swings could impact businesses who work in fiat.

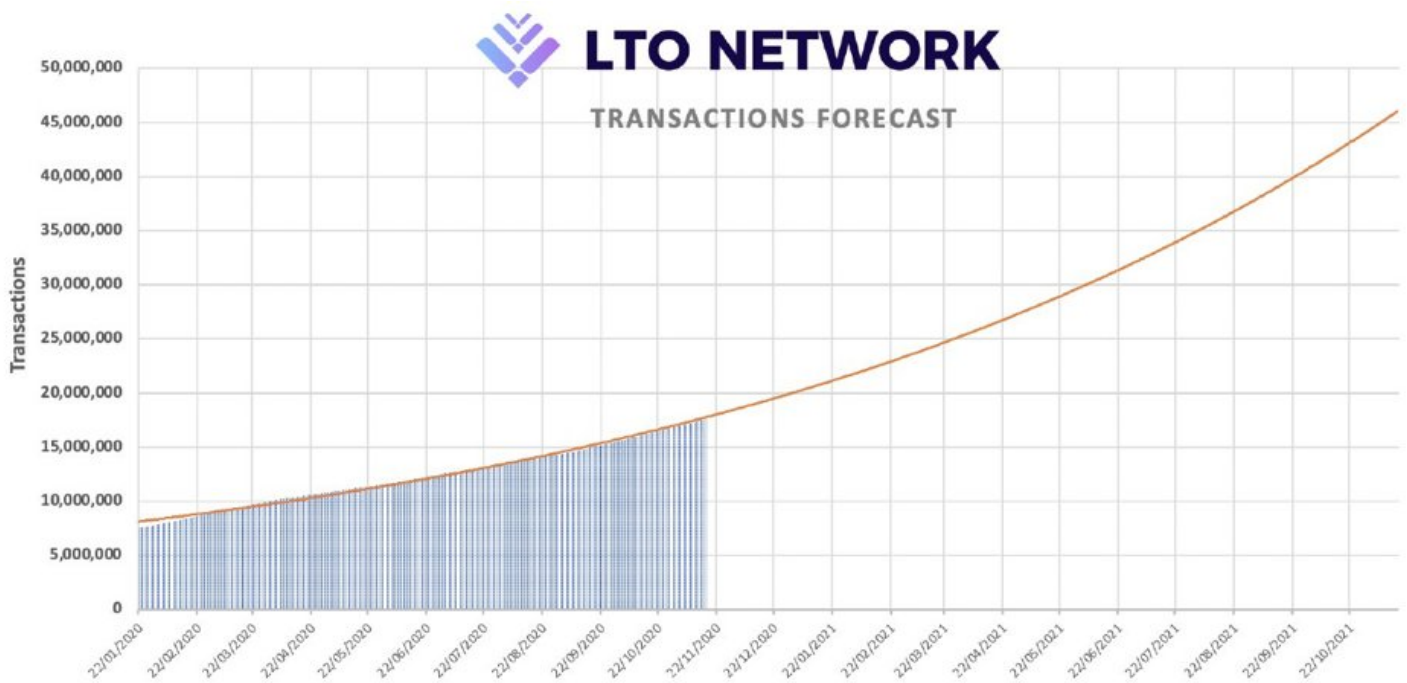
35) - Deflationary Fee-Burn Token Economics. Burns every transaction made on the mainnet. (<https://t.co/sV23AAv4IL>)

36) Conclusion

- As one of the first teams to bridge the gap between BC agreements and legal jurisdiction, as well as being fully GDPR compliant, we see LTO as being one of few blockchains fit to serve the BC needs of a wide-ranging group of firms. Growth potential is immense.

37) - Going forward, it is even possible that LTO provides solutions related to SME lending, with DeFi implications.

- Judging from expected transactions, we expect to see a healthy ecosystem driven by a strong roadmap and vision that focuses on real pain points such as SSIs



38) - However, from a tokenomics perspective, it should be considered that as the token price (LTO) soars, the price to utilize LTO will increase, which is not desirable from a user standpoint.

39) - Finally, Sino currently does not hold a position in LTO. However, we reserve the right to invest in the future and without prior or public notice.

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