



CRYPTOCURRENCY POLICY

TURKISH GRAMEEN MICROFINANCE PROGRAM

Cryptocurrency technology offers the capacity to significantly improve the ways in how we collaborate, transact, invest and trust. It has the ability to improve economies, social businesses and societies for the better.

The purpose of this policy is to establish the guidelines for Cryptocurrency governance. This policy will aim to establish some ground rules, which will allow the organization to establish governance structures that will help them navigate the technological landscape, while understanding some of the most important components of a strategic approach to this policy.

Cryptocurrency is a digital or virtual currency that is secured by cryptography, which makes it nearly impossible to fraud or imitation. Many cryptocurrencies are decentralized networks based on blockchain technology, a distributed ledger enforced by a distributed network of computers. A defining feature of cryptocurrencies is that they are generally not issued by any central authority, making them theoretically immune to government interference.

Blockchain is the first technological structure to solve the double spend problem and it relies on a massively replicated ledger that is appended by adding transactions in blocks. Each block is cryptographically linked to the previous block with the use of a cryptographic primitive called secure hash.

Cryptocurrency Advantages for Turkish Grameen Microfinance Program (TGMP)

Cryptocurrency has the ability to revolutionize how businesses operate. There are four essential advantages provided by cryptocurrency that will revolutionize the way non-governmental organizations function, including TGMP:

Increased trust and transparency: A core issue whenever there is external financing of ownership concerned is how these various ownership interests are recorded, maintained, and communicated to the marketplace; microfinance is no exception. Especially since many of the

recipients of these microloans do not, for any number of reasons, have access to financial services, establishing and maintaining integrity over this financial information is critical. An additional benefit of this increased trust and transparency is that, as awareness and access to blockchain-augmented microfinancing increase, the service fee charged to borrowers should be able to be lowered. This not only reduces the burden on borrowers, enabling more focus on the projects versus making service fee payments, but will also help improve the reputation of the industry as a whole.

Digital first identity: In order to succeed in this creation of a digital-first identity, the security over this identity must be as strong as possible. Particularly since the rules and regulations toward consumer information and privacy can vary widely from jurisdiction to jurisdiction, a blockchain-based platform can serve an important role as a neutral third-party guarantor of identity security.

Banking the unbanked: one of the most prominent underlying goals of blockchain was to democratize access to financial resources and information. Whether that took the form of banking the unbanked, disrupting financial intermediaries, or some other application, this democratization is not something that can be relegated to the back burner. Microfinance is the epitome of the attempted democratization of the financial resources and payments system. By collaborating and working with organizations and individuals in the microfinance space, blockchain applications can attain many of the original goals associated with the technology, and democratize the wealth creation process across the globe.

Factors to Consider for Cryptocurrency Policy

TGMP will firmly support initiatives to boost digitization while remaining unbiased about which technologies are best suited for which applications. The most important issue to solve in order to fully capture cryptocurrencies and cryptocurrency holders, in legislation is to reveal the anonymity that surrounds them, which can range from complete anonymity to pseudo-anonymity.

From a national standpoint, each country has its own set of financial rules and regulations, all of which vary in complexity. Anti-money laundering (AML) compliance is one of the most important types of financial regulations that Blockchain-based products and services must follow. For Blockchain-based apps, there are various federal and state agencies that control legal restrictions on unfair, misleading, or abusive conduct. The following are some of the elements that are taken into account when designing Blockchain-related policies:

1. Maintain Tech Neutrality

When determining which technology to use, TGMP will consider the technology's distinct benefits as well as the project's specific challenges. For efficiency, certain projects will require traditional centralized techniques, while others will benefit from distributed, tamper-resistant Blockchain.

2. Support Cryptocurrency Technology Adoption

Adoption and implementation of cryptocurrency across many areas will be actively supported by TGMP. TGMP, will support greater cryptocurrency adoption by initiating the first Microcredit Token, and becoming early adopters. This would also assist to mitigate the risks associated with cryptocurrency, as well as dispel doubts about the technology and encourage others to adopt and invest in it.

3. Support Cryptocurrency Development and Research

TGMP should fund cryptocurrency R&D, concentrating on fundamental technology difficulties such as developing better and more efficient consensus methods, identifying security concerns, and scalability, among others. R&D can also help enhance related technologies like quantum computers and improved data servers, which could improve cryptocurrency implementations. Furthermore, to achieve appropriate enforcement, certain issues such as intellectual property control administration over cryptocurrency will necessitate additional research and collaboration between the public and commercial sectors.

4. Facilitating MFIs Cooperation Globally

By adopting consistent global standards, TGMP need to ensure that cryptocurrency implementations are technology neutral and that compliance costs are reduced. Above all, it should facilitate cooperation and partnerships with other MFIs worldwide, and promote continuous innovation in Blockchain systems.