



Ven and the Nature of Money

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Bermuda, February 2014

Money, by its very nature, is controversial. It goes hand in hand with power, and for centuries has been integral to the operative status of the nation-state system. It can be used to control and to guide, to redeem and to oppress: like any tool in the hands of humans. At its essence, money is a ledger, a system used by society to keep score of who and what and when and where. Money is our way of recording distributed memory.

The evolution of money is therefore very important, and as technology impacts this part of the human experience like it has so many others, the principles and standards by which we engage technology and money together is of crucial consequence.

Hub Culture is a social network, a community, which grew from a book of the same name, published in 2002. As a community its hallmarks are similar to others – collections of people with individual interests finding common ground in philosophy and experience. The community came before the currency and remains the anchor and the glue for the existence of Ven, its *raison d'être*. This community, global in geography but singular in concept, discovered that the constraints of physical money – fiat currency – were not perfect for local needs, and from this constraint Ven was born. Today, it represents a stable way forward in finance that combines technological excellence with community values: environmental respect, community responsibility, and self-sovereignty with distributed selective privacy.

As the first real digital currency and now an Internet Reserve Currency, the woven thread in Ven is one of evolution. It first appeared in July 2007 as an application on Facebook with no real exchange rate, traded as a type of digital karma between members. This lack of clear value did not last long: no one knew what it was worth, making trade arbitrary and unwieldy. So an exchange rate of 10 to 1 was created, linking Ven to the US Dollar. With a set value, Ven began use inside Hub Culture store, at Hub Pavilions worldwide, and could be traded between members on a global basis for free.

To mitigate exchange rate risks in 2009 the currency was diversified to a basket of currencies (making it highly stable) and the decision was taken to back issuance 100% with assets, in accordance with the algorithmic index that formulated the Ven. Soon this basket included commodities like gold and silver, and finally, we added carbon, making Ven the first environmentally linked currency in the world.

With a high level of diversified stability and conservative structure, Ven suddenly showed promise as a global currency. But it was the introduction of carbon to the underlying that gave Ven social DNA, embedding environmental support in every transaction as a derivative benefit. The more Ven in the world, the more carbon purchased for asset reserves, and the more trees and habitats protected.

Today over 25,000 acres of Amazon rainforest have been put under protection, and Ven is developing funding protection programmes in places as diverse as Costa Rica, Alaska and eastern Africa. Community benefits from this protection work are multiple, resulting in wildlife corridors, natural preservation, fuel switching from charcoal to clean energy, and an increased quality of life for citizens of a very stressed planet.

Ven is rapidly scaling into the global financial system, becoming the first digital currency used for commodity trades, the first traded in regulated FX markets, and the first to enter bond markets and national bourses. It is the most stable currency in the world, roughly 50% less volatile than traditional fiat currencies. With no leverage and no interest, it ticks the box for some aspects of Islamic finance. These attributes make Ven a yawn for speculators and cowboys, but a boon for producers and common people.



Ven is issued and regulated by Hub Culture and the Ven Central Reserve Board, a group of financial experts from within the community tasked with protecting the integrity of Ven. Ven and Hub Culture are encased in a secure Trust with the sole task of protecting the technological assets and intellectual property that governs the community.

"Digital" means that the currency does not have physical representation and its distribution, flow and exchange is recorded on the Internet, with policy managed by the Ven Central Authority. This is a markedly different strategy than the hundreds of decentralized crypto-currencies that place their faith in a fixed supply horizon that is not governed by a central point taking responsibility for its actions. While decentralized currencies have their merit, the human input in Ven is designed to guide flexibility for changing conditions and to ensure the viability of the currency in changing circumstances.

Governing rules regarding Ven provide simple fixed conditions: an inbuilt social contract with endemic support for the environment and fixed issuance relative to asset reserves to promote stability, reliability and security. Together these attributes support the 4 Core Attributes of Ven: stability, globality, security and support for nature.

Ven Authorities

In order to make Ven more accessible, Hub Culture authorises independent entities known as "Authorities" to manage liquidity of Ven currency. Organizations may acquire this status for various purposes: a bank would typically operate accounts on behalf of their customers. A currency exchange would be doing real-time currency trading. An NGO might issue relief aid or micro-finance support. A corporation might convert assets to Ven to hedge their balance sheet or to meet carbon obligations. An investment fund might use authority status to hold and control large amount of Ven for a stable long-term investment solution.

Regular users and merchants who only have one account and do not operate large volumes of Ven do not require Authority status. Authority status comes with a legal responsibility to make sure that all Ven activities are legal and ethical. Through those principles Hub Culture ensures Ven availability to anyone through any means while remaining a legal, stable, 100% backed asset acknowledged and respected worldwide.

Ven Issuance

Ven is held in the Glacier, an offline 'cold' crypto-vault. When purchased, Ven 'melts' from the Glacier into circulation, and the corresponding purchase value in fiat currency is held in reserves allocated to the underlying basis components of Ven. Ven is a currency backed by a collection of other currencies, commodities and carbon credits. Technically this means for every Ven in a member account there are corresponding frozen assets held in reserve. This ensures the stability of Ven prices but also means that all Ven must be accounted for and backed in the Central Ven Reserve.

Ven is distributed through Authorities. If you access an Authority to buy Ven for \$100, this amount is broken down and invested into dollars, euros, pounds, yen, yuan and many other currencies, commodities and carbon credits. When you sell Ven the underlying assets are released. This process is called Reserve Balancing. The process is managed through a series of sophisticated hedging algorithms that balance the underlying reserves and issuance in real time with live financial markets data, updating as frequently as several times per second.

Ven Pricing API

Ven pricing is updated in real-time and slightly fluctuates depending on underlying performance. Hub Culture makes Ven prices publicly available to anyone through an API, however this free public API is only updated once per hour. As an Authority, entities have access to high-frequency pricing which offers real-time pricing with precision of more than 0.1 second, to ensure that Authorities have a very accurate pricing before during and after purchase or sale. VEN purchase / sales orders can also be distributed through FIX protocol, which is popular among financial institutions worldwide.



Ven Authentication and HubID

As Ven moves into the financial markets and becomes more usable for purchases and transactions, the need to authenticate identity to avoid money laundering and other fraud risks becomes paramount. Since Ven issuance and exchange comes from a central point, and since it grew from the social network, a natural layer of identity already exists with transactions.

However, these attributes are not enough, and data sets generated by a centralized digital ledger imply unique challenges of their own. Uniquely among all social networks and most advertising oriented social media, Hub Culture does not monetize the network in conflict with the interests of the user community by scraping, aggregating and selling member data. In fact, not a single piece of user data has ever been sold to a third party – Hub Culture explicitly grants users unique ownership of their data within Hub Culture, their transaction data, and the Ven in their account. This can be done in theory with the data in the archives and in practice by passing ownership of decisions regarding the use of data to the member directly. Such a system could not be practical or sustainable without digital currency accounts linked to profiles and the opportunity to cover these costs in other novel ways.

Based on these principles of individual data ownership, Hub Culture first pioneered the concept of individual payments for content generated inside the network, through news and video posted by members, as well as collaboration hubs linked to private Ven accounts and even knowledge brokerage and retail opportunities – all of which feature margins.

In 2013, Hub Culture and MIT Media Lab partnered with ID3 to take this idea to a radical next step: ensuring digital ‘self-sovereignty’ with user data through the creation of HubID, a secure vault wrapped in elliptical curve cryptography and the Open Mustard Seed open source technology platform. Finally, online users have not just a place to put data they could own forever, but are given a unique piece of online real estate through a private ‘virtual machine’ designed to host just their data. While Hub Culture currently covers the cost of that privilege, use cases around Ven redemption and usage will eventually overtake the costs of this, enabling members to decide how and when data in their vault is used.

Data in the vault is segmented into a series of tabs which are each designated a unique hex color on the web. These tabs combine to form the HubID, a digital badge that manifests these verified components with the member’s profile image. Together, these elements form a unique Aura, which can be accessed by others who desire to authenticate a user transaction with Ven. The final result is a digital identity and transaction capability owned by the individual and uniquely verified. At the core of this technology is voice biometric technology developed with Validsoft, a leading mobile security firm, to provide near perfect unique-ness to security access and transaction approvals.

Together, HubID and Ven set the course for a completely intelligent, self-sovereign web experience. The technology works everywhere, granting a unique API for identity to each user that can be adapted and used only with the member’s approval, and often with the user paying or being paid for access privileges in Ven, at their discretion.

This technology is the basis for Voin, an intelligent data coin now in development by Hub Culture. Voin is the world’s first intelligent coin, and can slip into a pocket, hang from a chain around the neck, or rest on a lapel. With fingerprint and voice biometric technology it is highly secure, but also easy to use: the owner simply speaks a value into Voin and matches a voice print for access to make a transaction. As both a transaction wallet and an ID, Voin represents a completely new approach to money and the application of closed loop device payments.

At Hub Culture, the belief is that an increasingly connected world should provide greater data transparency and equality. It should also be more secure, with individual privacy and personal data control included as an indelible human right. The general drift of businesses in the Internet age has been toward winner-take-all scenarios and the total vacuum suck of data aggregation, which will have dramatic consequences in a sector as important as ubiquitous value exchange.

Beyond these issues, the world has an opportunity to rethink the values around the economy without having to compromise on the hard-nosed financial practicality demanded by serious economic realities. A properly managed non-fiat digital currency should have some inherent advantages over a state-based currency: with derivative status one degree of influence removed from the state, and without the baggage of obligations that come from services provided by



the State, such as the need to provide defense, fund social services and to build or repair public works. While limitations around taxation and use of force mean that digital currencies will never fully replace fiat currencies, the advantages do not absolve a currency from the necessity of some form of social contract attached to their usage.

The nature of money is to reflect and strengthen the values of the community in which it operates. If a currency does not do this, it fails in the most important test of its moral existence, and over time can never reach full potential. Digital currencies like Ven provide great technological efficiencies, easy of use, stability and more, but Ven's most important attribute is its philosophy that humans should play a defining role in monetary policy and that including externalities in the DNA of currency can radically improve the welfare of the communities that use it.

After all, isn't that what money is for?