# GOLD PAYMENT SYSTEM

## TECHNICAL FIELD

**[0001]** The present invention relates to a system and method to transact using a virtual currency that is backed by gold.

## BACKGROUND

**[0002]** Early commercial transactions utilized physical commodities. While bartering was common, it was inherently inefficient for most transactions. Both parties needed to have something that the other wanted. The use of coins made from precious and/or rare metals offered obvious benefits. Coins could be held and exchanged for goods from other merchants. The value of a coin was based on its weight and composition. Silver and gold gradually gained acceptance for use as currency.

**[0003]** A gold standard of currency is a monetary system in which the standard economic unit is based on a fixed quantity of gold. The holder of a note can exchange it for a set quantity of gold. The limited supply of gold ensures that the note retains value which improves stability and consumer confidence. However, the currency of many countries is no longer backed by gold as in previous years.

**[0004]** E-commerce and related international transactions have grown exponentially in recent years. As the parties involved often reside in different countries, multiple currencies can be involved. The parties must contend with burdens such as fluctuating exchange rates, conversion expenses as well as taxes and regulations.

**[0005]** Recent efforts have focused on improving methods of conducting e-commerce. For example, U.S. Patent No. 8554,671 describes a platform that enables members to transfer, receive, or exchange cash in various international denominations

and commodities. The system uses “Good Money,” aimed at standardizing a currency for transactions. While the system removes some obstacles to e-commerce, “Good Money” is not backed by a specific commodity and therefore cannot be redeemed for a commodity. Further, its value is arbitrary and subject to fluctuations.

**[0006]** Bitcoin is a system that uses virtual currency and a digital system to circumvent many issues encountered using conventional forms of currency. Bitcoin is peer-to-peer, and transactions take place between users directly, without an intermediary. These transactions are verified by network nodes and recorded in a public distributed ledger called a blockchain. Because the system works without a central repository or single administrator, bitcoin is often referred to as the first decentralized digital currency.

**[0007]** While Bitcoin offers some advantage over conventional currencies, it has shortcomings. Its value is unpredictable and is prone to shifts and fluctuations. Further, because it is not backed by a commodity, its value is inherently unstable and it can become worthless. Bitcoin also lacks oversite so it is prone to hacking as well as use for illegal and nefarious activities. Like other virtual payment systems, it can have a lengthy conversion period for each transaction. Further, transaction and conversion fees can be expensive.

**[0008]** Gold has proven itself to be a desired commodity during times of uncertainty. Historically, when the value of currency depreciates or lacks stability, investors will seek gold and securities that are backed by gold. Gold is often stored in the form of bullion coins or bars as a hedge against inflation or other economic disruptions. However, it is impractical to conduct business transactions through the exchange of physical gold.

**[0009]** Accordingly, there is a need for an improved method of transacting. The currency should be backed by a commodity such as gold. It should have a fast and predictable conversion process. Further, there should be zero or minimal transaction

expenses.

## SUMMARY OF THE INVENTION

**[0010]** The invention recognizes that there exists a need for an improved system of virtual currency that is backed by gold. The invention includes a system, method, network and related services collectively referred to as “Gold Payment System” or “GPS” for converting gold into virtual currency (“Gold Cash” or “GC”). It also includes a “Gold Accumulation Program” or “GAP” to allow a user to periodically make deposits for future purchases, savings or investment.

**[0011]** The following summary is provided to facilitate an understanding of some of the innovative features unique to the disclosed embodiment and is not intended to be a full description. A full appreciation of the various aspects of the embodiments disclosed herein can be gained by taking into consideration the entire specification, claims, drawings, and abstract as a whole.

**[0012]** The invention includes a financial service system that provides a platform to enable parties to a transaction to exchange gold without physically handling the gold. The system includes (a) a user who purchases gold and (b) a merchant who receives units of Gold Cash as payment from the first user. A Fintech (Financial Technology) Service Provider can allocate units of Gold Cash based on the weight of gold. The user or merchant can redeem the Gold Cash for gold wherein each gram of gold is equal to 100.00 units of Gold Cash. A third party can hold the gold in trust in a vault or other secure storage facility.

**[0013]** The user and merchant can transact with one or more digital wallets (operated on computers, smart phones or tablets) using a financial technology gold trading account. A Fintech provider or handler can maintain a record of ledger of transactions. In the alternative, a record or ledger of transactions is recorded in a block

chain. Further, an independent party can conduct audits to ensure that the number of units of Gold Cash issued is accurately represented by the mass of gold held in trust.

**[0014]** The invention also includes a method of transacting using gold, comprising the steps of (a) depositing physical gold into a trust, (b) allocating units of virtual currency (i.e. Gold Cash) based on the weight of the physical gold, (c) updating a digital wallet of the owner of the gold with the number of units of Gold Cash, (d) transferring units of Gold Cash from the owner to a merchant or seller, (e) updating a digital wallet of the owner based on the number of units of Gold Cash transferred and (f) updating a digital wallet of the merchant or seller with the number of units of Gold Cash transferred. The number units of Gold Cash is determined based on the equation, 1.0000g Au999.9 = 100.00 units of Gold Cash (“GC”). Title to the gold in trust is allocated proportionally to holders of the Gold Cash.

**[0015]** The invention also includes a method of using gold for transacting, comprising the steps of (a) purchasing a known weight of gold that is deposited into a trust, (b) issuing units of virtual currency based on the weight of gold that is deposited into the trust, (c) updating a first digital wallet with the number of issued units of virtual currency, (d) electronically transferring units of virtual currency from the first digital wallet to a second digital wallet as a means of payment and (e) redeeming virtual currency from a digital wallet for gold from the trust.

**[0016]** The owner of Gold Cash and merchant/seller can transact using one or more digital wallets and/or a financial technology gold trading account. A third party can maintain a record of ledger of transactions or it can be recorded in a block chain. The Gold Cash can be redeemed for physical gold or a currency of choice. The market rate of gold will determine the amount of currency that the user receives from the redemption. Further, a user can make periodic purchases of gold/Gold Cash (i.e. through a “Gold Accumulation Program” or “GAP”) as a savings or investment strategy.

## INTRODUCTION

**[0017]** A first aspect of the invention is an improved system and method of using virtual currency.

**[0018]** A second aspect of the invention is a system of virtual currency that is backed by a known commodity such as gold, wherein 1.0000g Au999.9 = 100.00 units of Gold Cash (“GC”).

**[0019]** A third aspect of the invention is a system and method for tracking and maintaining transactions using a computer application or virtual wallet.

**[0020]** A fourth aspect of the invention is a system and method that permits transactions to occur based on the virtual exchange of gold.

**[0021]** A fifth aspect of the invention is a method of investing in gold wherein a user makes periodic purchases of Gold Cash through a “Gold Accumulation Program.”

## BRIEF DESCRIPTION OF THE FIGURES

**[0022]** The summary above, as well as the following detailed description of illustrative embodiments, is better understood when read in conjunction with the appended drawings. For the purpose of illustrating the disclosure, exemplary constructions of the disclosure are shown in the drawings. However, the disclosure is not limited to specific methods and instrumentalities disclosed herein. Wherever possible, like elements have been indicated by identical numbers.

**[0023]** **FIG. 1** is a flow chart that depicts the Gold Payment System (GPS) Buy Flow according to an embodiment of the invention.

**[0024]** **FIG. 2** is a flow chart that depicts the Gold Payment System (GPS) Custody Flow according to an embodiment of the invention.

**[0025]** **FIG. 3** is a flow chart that depicts the Gold Payment System (GPS) Interface Flow according to an embodiment of the invention.

**[0026]** **FIG. 4** is a flow chart that depicts the Gold Payment System (GPS) Sell Flow according to an embodiment of the invention.

**[0027]** **FIG. 5** is a flow chart that depicts the Gold Payment System (GPS) Transfer Flow according to an embodiment of the invention.

**[0028]** **FIG. 6** is a flowchart that depicts the steps in opening a G-Wallet Account according to an embodiment of the invention.

## DETAILED DESCRIPTION OF THE INVENTION

### Definitions

**[0029]** Reference in this specification to "one embodiment/aspect" or "an embodiment/aspect" means that a particular feature, structure, or characteristic described in connection with the embodiment/aspect is included in at least one embodiment/aspect of the disclosure. The use of the phrase "in one embodiment/aspect" or "in another embodiment/aspect" in various places in the specification are not necessarily all referring to the same embodiment/aspect, nor are separate or alternative embodiments/aspects mutually exclusive of other embodiments/aspects. Moreover, various features are described which may be exhibited by some embodiments/aspects and not by others. Similarly, various requirements are described which may be requirements for some embodiments/aspects but not other embodiments/aspects. Embodiment and aspect can be in certain instances be used interchangeably.

**[0030]** The terms used in this specification generally have their ordinary meanings in the art, within the context of the disclosure, and in the specific context where each term is used. Certain terms that are used to describe the disclosure are discussed below, or elsewhere in the specification, to provide additional guidance to the practitioner regarding the description of the disclosure. For convenience, certain terms may be highlighted, for example using italics and/or quotation marks. The use of highlighting has no influence on the scope and meaning of a term; the scope and meaning of a term is the same, in the same context, whether or not it is highlighted. It will be appreciated that the same thing can be said in more than one way.

**[0031]** Consequently, alternative language and synonyms may be used for any one or more of the terms discussed herein. Nor is any special significance to be placed upon whether or not a term is elaborated or discussed herein. Synonyms for certain terms are provided. A recital of one or more synonyms does not exclude the use of other synonyms. The use of examples anywhere in this specification including examples of any terms discussed herein is illustrative only, and is not intended to further limit the scope and meaning of the disclosure or of any exemplified term. Likewise, the disclosure is not limited to various embodiments given in this specification.

**[0032]** Without intent to further limit the scope of the disclosure, examples of instruments, apparatus, methods and their related results according to the embodiments of the present disclosure are given below. Note that titles or subtitles may be used in the examples for convenience of a reader, which in no way should limit the scope of the disclosure. Unless otherwise defined, all technical and scientific terms used herein have the same meaning as commonly understood by one of ordinary skill in the art to which this disclosure pertains. In the case of conflict, the present document, including definitions, will control.

**[0033]** The term “blockchain” refers to a distributed database that maintains a continuously growing list of records, called blocks, secured from tampering and revision. Each block contains a timestamp and a link to a previous block. Blockchains are inherently resistant to modification of the data. Once recorded, the data in a block cannot be altered retroactively. Through the use of a peer-to-peer network and a distributed timestamping server, a blockchain database is managed autonomously.

**[0034]** The term “Financial Technology” or “Fin Tech” refers to an industry composed of companies that use new technology and innovation in order to compete in the marketplace of traditional financial institutions and intermediaries in the delivery of financial services.

**[0035]** The term “fineness” of a precious metal object (coin, bar, jewelry, etc.) represents the weight of fine metal therein, in proportion to the total weight which includes alloyed base metals and any impurities. For example, fine gold with a 999.9 millesimal fineness rating may also be expressed as 99.99% or .9999.

**[0036]** The term “Gold Accumulation Program” or “GAP” refers to a system wherein a customer can purchase and retain physical gold in a Public Gold Account (i.e. Public Gold GAP Account). The customer can invest in gold in increments to build wealth in the form of gold which he/she can monitor and access in a virtual wallet or digital wallet.

**[0037]** The term “digital wallet” refers to a program, application or electronic device that allows one to make electronic transactions. This can include purchasing items on-line with a computer or using a smartphone to purchase items at a store or other “brick and mortar” business. A bank account can also be linked to the digital wallet.

**[0038]** Other technical terms used herein have their ordinary meaning in the art that they are used, as exemplified by a variety of technical dictionaries.

**Description of Preferred Embodiments**

**[0039]** The particular values and configurations discussed in these non-limiting examples can be varied and are cited merely to illustrate at least one embodiment and are not intended to limit the scope thereof.

**[0040]** There are obvious practical reasons that gold cannot be used for commercial transactions. For example, one gram of gold is too large and worth too much for a typical transaction. The invention recognizes these limitations and also that there is a limited supply of gold. As gold cannot be manipulated or created, it presents itself as a practical and useful basis for a currency system. The invention includes a payment system and methodology that uses Gold Cash (GC) as an exchange medium.

**[0041]** The system includes a conversion wherein one gram (1.00 g) of gold equals 100.00 GC. Accordingly, GC can be used to for transactions worldwide. More specifically, 1.0000g Au999.9 = 100.00 GC (herein after simplified as "1 gram = 100GC"). Based on this formula, the system converts deposited physical gold into an electronic form as GC. The GC can then be used for settlement of purchases and payments. And although the value of gold fluctuates, a holder of GC can easily determine the value of GC as he/she can with physical gold.

**[0042]** For example, a typical purchase might require 0.0113 grams of gold. Using the invention, this transaction can be easily completed by paying 1.13 GC. The amount can be written on a check as Gold Cash, "One and cents thirteen only." The user can transact on-line or using a smartphone application ("App") to transact, monitor activity and access his/her balance. In this manner, the App can function as a digital wallet.

**[0043]** Although 0.0113 grams of physical gold is not given to the merchant, title to 0.0113 grams is recorded. The gold remains securely held in trust by a third party. In most situations, the merchant will continue to accrue Gold Cash (GC) which he/she will eventually redeem for gold or a local currency.

**[0044]** The system can utilize a third party that retains physical gold for the benefit of the merchants and consumers. Upon joining the system, a user deposits a sum of gold with the third party to be held in trust. A ledger is maintained that includes deposits and withdrawals. Thus, both the user and a Financial Technology Service Provider ("Fintech Service Provider") can determine the value of gold owed/retained in his/her account.

**[0045]** FIG. 1 is a flowchart that depicts the Gold Payment System (GPS) Buy Flow **100** according to one embodiment of the invention. A user (i.e. G-Wallet Account Holder) can maintain Gold Cash (GC) in a G-Wallet Account.

**[0046]** A gold buy rate can come from a 3rd party Gold Trader **110**. The gold prices typically come from published currencies by the gold trader which are usually in the form of a local currency. They can also be in currency of neighboring countries and international reserve currencies. The system can convert this rate using the formula 1 gram = 100.00 GC and publish the buy rate in GC. The G-Wallet Account Holder **105** can place a buy request to the Fintech Provider **115** for a specific GC at the published rate and currency and make payment.

**[0047]** Using the same formula, the system can convert the buy GC quantity to the weight of gold and place the order with the Gold Trader **110** who subsequently transfers ownership of the physical gold to the Fintech Service Provider **115**. The system can convert this weight of gold into GC and place the total GC converted into the G-Wallet Account of the buyer. The Fintech Service Provider **115** can maintain possession of the gold or it can be held in trust by a third party at a storage facility or a safe deposit box.

**[0048]** FIG. 2 is a flowchart that illustrates the Gold Payment System (GPS) Custody Flow **200** according to one embodiment of the invention. The user can transact with a Fintech Gold Trading Account **315**. The Trading Account **315** allows a

user to buy and sell gold through the Gold Trader **110**. The GPS system can include an interface that communicates the Buy/Sell/Transfer transaction for physical gold to a Gold Trader **110** who can handle the physical gold.

**[0049]** The FinTech Service Provider **115** and third party Gold Trader **110** can include systems to process transactions from the Trading Account **315**. The physical gold held by the Gold Trader **110** and FinTech Service Provider **115** can be deposited into a Gold Depository **220** that has a vault **225** for storage. The Gold Depository **220** can be audited by a gold audit party **230** at any time or periodically.

**[0050]** FIG. 3 is a flowchart that illustrates the GPS interface flow **300** according to one embodiment of the invention. The User **320** can use three functional accounts: a User Gold Trading Account **310**, a User GC Account **325** and a User e-Commerce Account **330**. The accounts can be maintained and accessed using an App or through a G-Wallet.

**[0051]** The Gold Payment System (GPS) system can facilitate an interface to incoming 3rd party electronic queries or transaction requests **345**. The incoming request interface can be extended to mobile devices including tablets and smart phones. For example, a third party from an e-commerce platform **340** can inquire on a transaction with the FinTech Service Provider **115**. The request can be a query for information such as account information, other details, transaction dates/amounts, creation of a GC account and/or account verification. A party can also inquire in regard to a purchase, sell and/or transfer of GC. In response, the service provider **115** can provide user access to a database or a response can be provided by an employee/agent of the service provider.

**[0052]** Typical transactions from a user **320** include accessing his/her GC account **325** for balance inquiries and other information, using a gold trading account **310** to purchase/sell gold and using an e-commerce account **330** for on-line transactions.

**[0053]** The FinTech Service Provider **115** can maintain a FinTech Trading Account **315** to buy and sell gold through a Gold Trading System **305**. This allows a user **320** to buy GC directly from a FinTech Service Provider **115**. The FinTech Service Provider **115** can then purchase gold needed to back the GC purchased by the user **320**.

**[0054]** The GPS system can include an interface to facilitate requests to/from Gold Trading Systems **305** and a FinTech Trading Account **315**. Transactions can include the purchase, sale and/or transfer of physical gold. A transaction such as the creation of a Gold Trading Account or verification of an account can also be performed.

**[0055]** The system can also include an interface for updates of physical gold pricing in various currencies from a gold trader. The physical gold pricing can be used to convert to GC pricing in various currencies by applying the formula 1 gram = 100GC. The GC pricing can then be used to facilitate an interface to other platforms to perform GC based transactions. A user can thus join all three functional accounts (**310**, **325**, **330**) in one place. Each account can utilize security and/or encryption technology.

**[0056]** FIG. 4 is a flowchart that illustrates the Gold Payment System (GPS) sell flow **400** according to another embodiment of the invention. A gold sell rate comes from a third party Gold Trader **110**. The system converts this rate using the formula 1 gram = 100 GC and publishes the sell rate in GC. For example, the gold sell rate can be listed at $40.00 U.S. dollars per gram. In this case, the FinTech Service Provider **115** would indicate that 1.00 GC can be purchased for 0.40 U.S. dollars.

**[0057]** The user or G Wallet Account Holder **105** can place a sell request to the Fintech Service Provider **115** for a specific number of GC at the published GC rate and currency. The system can convert the transaction to sell weight using the formula 1 gram = 100 GC and place the sell order with the Gold Trader **110** and subsequently transfer ownership of the physical gold from the Fintech Provider **115** to the Gold Trader

**110**. The total GC is then deducted from the G-Wallet Account **105** of the seller.

**[0058]** The user or G Wallet Account Holder **105** can also place a buy request to the Fintech Service Provider **115** for a specific number of GC at the published GC rate and currency. For example, the G-Wallet Account Holder **105** could place a purchase for GC with $1,000 U.S. dollars. Based on the sell rate above, the FinTech Service Provider **115** would credit his/her account with 2,500 GC. Accordingly, 25.00 grams of gold would be purchased to back the GC.

**[0059]** FIG. 5 is a flowchart that illustrates the transfer flow of the Gold Payment System. A typical transaction could include the transfer of GC from a user account (i.e. G-Wallet Account 1, **525**) to a merchant account (i.e. G-Wallet Account 2, **540**).

**[0060]** The user (i.e. GC Account Holder 1, **520**) can initiate a transfer request to a Fintech Service Provider **115** to transfer ownership of GC from his/her G-Wallet Account **525** to the merchant's G-Wallet Account **540**. The transfer is completed in GC. When the transfer is complete, the merchant (i.e. GC Account Holder 2, **545**) can check the GC quantity in his/her G-Wallet Account **540** to verify that the transaction is complete and that the proper amount of GC has been transferred.

**[0061]** The GC Account Holder 2 **545** can transfer GC out of the system into a third party Trading Account (Trading Account 2, **510**) through an interface of the third party gold trader system. The GC Account Holder 2 **545** contacts the Fintech Service Provider **115** which relays the instruction to the FinTech Gold Trading Account **315**.

**[0062]** Thereafter, gold can be transferred from the Gold Trading Account **510** to a savings or storage **515**. In the alternative, the Fintech Service Provider **115** can contact a Gold Trader **110** with instructions to sell the gold. The gold is then sold based on the market rate and the merchant (GC Account Holder 2, **545**) can be compensated with a conventional currency (e.g. U.S. dollars).

**[0063]** The external transfer of gold results in grams transferred to an external account. Here, one gram is transferred from the FinTech Gold Trading Account **315** to the Third Party Trading Account **510**. As with others conversions, The GC to transfer is converted to gram using the formula 1 gram = 100 GC.

**WORKING EXAMPLE**

Opening a G-Wallet Account

**[0064]** FIG. 6 is a flowchart that depicts the steps in opening a G-Wallet Account for e-commerce or investing. As at step **605**, a new user can download a smartphone application ("App") and register with a Fintech Service Provider **115**. In the alternative to using a smartphone, registration can be completed on-line at a website operated by the Fintech Service Provider **115**.

**[0065]** After the G-Wallet Account is set up, there will be a "zero" balance. The user can purchase gold as at step **620**. Most often, this is conducted through a Gold Trader **110**. The cost of gold fluctuates and can be purchased using local currency. The purchased gold can be deposited into a vault **225** or secure storage that is maintained by a third party. The third party/depository can be referred to as a Public Gold Account (i.e. Public Gold GAP Account).

**[0066]** The Fintech Service Provider **115** can then issue GC based on the weight of gold that was purchased and transferred to the third party. This is depicted at step **630**. For each gram of gold, 100 GC are issued to the user. The number of issued GC can then be updated in the G-Wallet Account **640**.

**[0067]** The G-Wallet Account Holder can use the GC to pay for goods or services **645**. In the alternative, the GC can be maintained as a savings or investment **650**.

Use of the Invention in E-commerce

**[0068]** The invention is particularly well suited for e-commerce which often involves

parties in different geographical regions who would otherwise be using different currencies. Conventional methods require the buyer and seller to predict exchange rates and account for the effort and costs related to converting funds.

**[0069]** In this example, a buyer in Canada purchases a widget from a merchant in Thailand at 124 GC (the equivalent of approximately $50 U.S. dollars.) The merchant can inform the buyer that his/her preferred method of payment is through the Gold Payment System (GPS).

**[0070]** If the buyer is new to the system, he/she can open a G-Wallet Account by downloading an App or visiting a website as depicted in FIG. 6. Thereafter, the buyer can request GC from a Fintech service provider.

**[0071]** To satisfy payment in this transaction, the buyer will pay the equivalent of $50 U.S. dollars to obtain gold. The buyer can purchase gold which is converted to GC based on the equation 1.0000g Au999.9 = 100.00GC.

**[0072]** The buyer can purchase gold from a gold trader that is worth $50 U.S. dollars, as depicted in FIG. 1. Approximately one gram of gold is transferred to a gold depository and the buyer is given 124 GC (based on a market price of 50.00 U.S. dollars per gram). The 124 GC appears in the buyer's G-Wallet Account (i.e. digital G-Wallet). The G-Wallet can include an interface that facilitates the transfer, receipt and payment of Gold Cash to an online merchant or retail merchant based on a request from the account holder. After the seller acknowledges the presence of funds, he/she can approve the transfer of funds to the merchant. In FIG. 2, the merchant is depicted as G-Wallet Account 2 **540**.

**[0073]** Effectively, title of 1.24 grams of gold is transferred from the buyer to the merchant. The merchant (G-Wallet Account 2) can retain the 124 GC in his/her G-Wallet Account for savings and/or future transactions. In the alternative, he/she can

request the gold equivalent from a gold trader or though the Fintech Service Provider. The seller can thereafter convert gold equivalent to a local currency through the interface, as depicted in FIG. 5.

**[0074]** Throughout the process, the holder of the 124 GC retains the right to redeem it for gold according to the equation referenced herein. Thus he/she can collect 1.24 grams of gold as the GC is backed according to this equation. The system allows parties to transact using gold without physically handling or altering the gold.

**[0075]** As depicted in FIG. 3, a user **320** can have three functional accounts: a User Gold Trading Account **310**, a User GC Account **325** and a User e-Commerce Account **330**. Most transactions, such as on-line shopping, will entail use of the e-Commerce account. The FinTech Service Provider can be accessed through the User GC Account **325**. The User Gold Trading Account **310** can be used for transactions involving the purchase of physical gold.

Use of the Invention for Investing

**[0076]** The buyer can choose to periodically purchase GC to accumulate gold as, for example, an investment. This can be more practical than saving money to purchase large quantities of gold such in the form of gold coins or bars. Should the buyer desire to retrieve physical good, he/she can access it from the third party storage/vault.

**[0077]** For this reason, the Fintech Service Provide can include a “Gold Accumulation Program” or “GAP” to allow a user to periodically make deposits for future purchases, savings or investment. The buyer in this example can choose to make periodic deposits to increase the number of GC units in his/her wallet. For example, the buyer can make a monthly deposit of $100 U.S. dollars (or equivalent) to the Fintech Service Provider. The funds are used to purchase gold which is deposited into the storage or vault (i.e. held in trust). GC is issued to the buyer and his/her G-Wallet Account is updated. This way, the system allows one to invest in gold in small but

regular increments without verifying its purity, transporting or storing it. While the value of gold can fluctuate with respect to a particular currency, the user will continue to build wealth in the form of gold which he/she can monitor and access in a digital wallet.

**[0078]** It is anticipated that the Fintech Service Provider can include multiple requests that can be compiled into a single gold purchase. In this way, the purchase of, for example, one kilogram of gold could cover multiple transactions from several G-Wallet Account Holders. This reduces service fees and other incidental costs. Further, the user can get favorable prices as the Fintech Service Provider is able to purchase in large quantities.

**[0079]** Through the use of the invention, the Fintech service provider acts as a platform for transferring ownership of gold. It does not participate in the business transaction. The service provider can maintain a record of transactions that can be accessed through a website or App. In the alternative, the system can use a block chain to maintain a record of transactions.

Benefits of the invention include:

- There is a limited and predictable supply of gold.
- Inflation is low (or non-existent).
- There are virtually no arbitrage costs for international transactions.
- Users have the benefit of gold ownership without the burden of storing it or producing it for transactions.

**[0080]** It will be appreciated that variations of the above disclosed and other features and functions, or alternatives thereof, may be combined into other systems or applications. Also, various unforeseen or unanticipated alternatives, modifications, variations or improvements therein may be subsequently made by those skilled in the art which are also intended to be encompassed by the following claims.

**[0081]** Although embodiments of the current disclosure have been described comprehensively, in considerable detail to cover the possible aspects, those skilled in the art would recognize that other versions of the disclosure are also possible.

What is claimed is:

1. A financial service system that provides a platform to enable parties of a transaction to exchange gold over a computer network without physically handling the gold, said financial service system comprising:

    a. a first digital wallet for a user to purchase physical gold from a gold trader through a Fintech Service Provider or deposit physical gold with a gold trader through the Fintech Service Provider,

    wherein the first digital wallet comprises:

    a user gold trading account to purchase or deposit gold;

    a user Gold Cash account for handling Gold Cash transactions with the Fintech Service Provider; and

    a user e-commerce account for online transactions,

    wherein units of Gold Cash are allocated to the first digital wallet based on the weight of purchased or deposited physical gold;

    wherein the Fintech Service Provider maintains a Fintech Trading Account to purchase or deposit physical gold with the gold trader and allow the user to buy Gold Cash directly from the Fintech Service Provider;

    wherein the user can redeem the Gold Cash for physical gold,

    wherein the physical gold is held in trust by a third party;

    wherein an independent party conducts audits to ensure that the number of units of Gold Cash issued is accurately represented by the weight of gold held in trust;

    b. a second digital wallet for a merchant to receive units of Gold Cash from the user as payment;

    wherein the user and merchant transact using the first and second digital wallets over a computer network, wherein the merchant can redeem the Gold Cash for physical gold, and

    wherein each 1 gram of gold is equal to 100.00 units of Gold Cash.

2. The financial service system of claim 1, wherein the user and merchant transact using one or more digital wallets.

3. The financial service system of claim 1, wherein the Fintech Service Provider maintains a record or ledger of transactions.

4. The financial service system of claim 1, wherein a record or ledger of transactions is recorded in a block chain.

5. A financial system that provides a platform to enable users to exchange gold over a computer network without physically handling the gold, said financial system comprising:
    a. a first digital wallet for a first account holder to purchase physical gold from a gold trader through a Fintech Service Provider or deposit physical gold with a gold trader through the Fintech Service Provider, wherein the first digital wallet comprises: a user gold trading account to purchase or deposit gold; a user Gold Cash account for handling Gold Cash transactions with the Fintech Service Provider; and a user e-commerce account for online transactions;
    wherein the physical gold is held in trust by a handler and units of Gold Cash is allocated to the first digital wallet based on the weight of the gold;
    wherein the Fintech Service Provider maintains a Fintech Trading Account to purchase or deposit physical gold with the gold trader and allow the user to buy Gold Cash directly from the Fintech Service Provider;
    wherein the user can redeem the Gold Cash for physical gold; and
    wherein an independent party conducts audits to ensure that the number of units of Gold Cash issued is accurately represented by the weight of gold held in trust;
    b. a second digital wallet for a second account holder to receive units of Gold Cash as payment from the first account holder; wherein the first account holder and second account holder transact over a computer network using the first and second digital wallets,
    wherein the second account holder can redeem the units of Gold Cash for gold, and
    wherein each gram of gold is equal to 100.00 units of Gold Cash.

6. The financial system of claim 5, wherein the first account holder and second account holder transact using one or more digital wallets.

7. The financial system of claim 5, wherein the handler uses a gold depository to hold the gold in trust.

8. The financial system of claim 5, wherein the first account holder and second account holder transact using a financial technology gold trading account.

9. The financial system of claim 5, wherein the handler maintains a record or ledger of transactions.

10. The financial system of claim 5, wherein a record or ledger of transactions is recorded in a block chain.

11. A computer-implemented method of transacting using gold, comprising the steps of:
    a. purchasing physical gold from a gold trader through a Fintech Service Provider or

depositing physical gold with a gold trader through the Fintech Service Provider, wherein the gold is held in trust;

b. converting the physical gold into units of Gold Cash, wherein the Fintech Service Provider maintains a Fintech Trading Account to purchase or deposit physical gold with the gold trader and allow an owner of the gold to buy Gold Cash directly from the Fintech Service Provider, wherein the owner can redeem the Gold Cash for physical gold;

c. updating a digital wallet of the owner of the gold with a number of units of Gold Cash, wherein the digital wallet comprises: a gold trading account to purchase or deposit gold; a Gold Cash account for handling Gold Cash transactions with the Fintech Service Provider; and an e-commerce account for online transactions, wherein an independent party conducts audits to ensure that the number of units of Gold Cash issued is accurately represented by the weight of gold held in trust;

d. transferring units of Gold Cash from the owner to a merchant;

e. updating a digital wallet of the owner based on the number of units of Gold Cash transferred to the merchant; and

f. updating a digital wallet of a merchant or seller with the number of units of Gold Cash transferred to the merchant;

wherein the number units of Gold Cash is determined based on the equation, 1.00 gram = 100.00 units of Gold Cash, and

wherein title to the gold in trust is allocated proportionally to amount of Gold Cash held in a digital wallet.

12. The method of claim 11, wherein the owner and merchant transact using a financial technology gold trading account.

13. The method of claim 11, wherein a third party maintains a record of ledger of transactions.

14. The method of claim 11, wherein a record or ledger of transactions is recorded in a block chain.

15. A computer-implemented method of using gold for transacting comprising the steps of:

a. purchasing a known weight of gold from a gold trader through a Fintech Service Provider or depositing physical gold with a gold trader through the Fintech Service Provider, wherein the gold is held in trust, wherein the Fintech Service Provider maintains a Fintech Trading Account to purchase or deposit physical gold with the gold trader and allow an owner of the gold to buy Gold Cash directly from the Fintech Service Provider, wherein the owner can redeem the Gold Cash for physical gold;

b. issuing units of virtual currency based on the weight of gold that is deposited into the trust, wherein an independent party conducts audits to ensure that the number of

units of Gold Cash issued is accurately represented by the weight of gold held in trust;

c. updating a first digital wallet with the number of issued units of virtual currency, wherein the first digital wallet comprises: a gold trading account to purchase or deposit gold; a Gold Cash account for handling Gold Cash transactions with the Fintech Service Provider; and an e-commerce account for online transactions;

d. electronically transferring units of virtual currency from the first digital wallet to a second digital wallet as a means of payment; and

e. redeeming virtual currency from a digital wallet for gold from the trust;

wherein 1.00 gram of gold is equal to 100.00 units of virtual currency.

16. The method of claim 15, wherein the weight of gold and respective number of issued units of virtual currency is recorded and maintained by a financial technology service provider.

17. The method of claim 15, wherein the transaction between the first digital wallet and the second digital wallet is recorded and maintained by a financial technology service provider.

18. The method of claim 15, wherein the weight of gold and respective number of issued units of virtual currency is recorded and maintained by a block chain.

19. The method of claim 15, wherein the transaction between the first digital wallet and the second digital wallet is recorded and maintained by a block chain.