

Western model of money functions (institutional view)

1. **Unit of account** — A standard numerical unit of measurement used to express prices, record accounts, and compare the value of goods and services.
2. **Medium of exchange** — An intermediary instrument used to facilitate transactions by eliminating the inefficiencies of barter.
3. **Store of value** — An asset that retains its value over time and can be saved, retrieved, and exchanged in the future.
4. **Means of payment** — A legally recognized instrument used to discharge a financial obligation and settle a debt.
5. **Standard of deferred payment** — A unit in which future obligations, debts, and contracts are denominated and settled over time.
6. **Settlement finality** — The irrevocable and unconditional completion of a transaction, after which it cannot be reversed.
7. **Legal certainty** — The degree to which rights and obligations are clearly defined, legally enforceable, and protected by law.

Western institutional model of money — audited comparison

Monetary function	Bitcoin	Ethereum	Tether (USDT)	Nostro crypto pair	Why this function matters	How Nostro closes it (mechanism)
Unit of account	✗ Priced in fiat, never used for accounting	✗ Same as BTC	⚠ Pegged to USD but not accepted for accounting or contracts	✓ N-Coin	Prices, accounting, contracts, and taxes require a stable denomination	N-Coin is euro-denominated, 1:1 backed, and used as the internal accounting unit for balances, contracts, fees, and reporting
Medium of exchange	⚠ Exchange possible but volatile and impractical	⚠ Mostly internal to crypto apps	⚠ Used in crypto settlements, limited real trade	✓ N-Token	Enables daily trade and transaction velocity	N-Token is optimized for payments only: fast settlement, no holding incentives, designed for continuous circulation
Store of value	⚠ Volatility breaks treasury use	⚠ Same	⚠ Stable but exposed to issuer control and freezes	✓ N-Coin	Capital must preserve value over time without volatility	N-Coin is designed for holding, not spending: fixed €1 floor, reserve-backed, protocol-restricted issuance
Means of payment (legal)	✗ No legal enforceability	✗ Smart contracts ≠ legal payments	✗ Not legally recognized as payment	✓ N-Token	Payments must be legally valid and enforceable	N-Token payments run through licensed rails (EMI / banking / MiCA), making each payment legally enforceable
Standard of deferred payment	✗ Cannot support invoices or credit	✗ Same	✗ No legal basis for deferred obligations	✓ Both	Salaries, subscriptions, credit, invoices require time certainty	Obligations are denominated in N-Coin, settled via N-Token, with legal enforceability over time
Settlement finality	⚠ Probabilistic, fork-dependent	⚠ Same	⚠ Technically final but issuer-reversible	✓ N-Token	Businesses must close books with zero rollback risk	N-Token settlement is final both technically and legally through regulated payment execution
Legal certainty	✗ Outside regulatory perimeter	✗ Same	✗ Issuer discretion dominates user rights	✓ Both	Without legal certainty, money stays speculative	KYC/AML, licensing, auditability, and enforceability are built into the protocol and operating entities
Legend:	✓ native strength, fully preserved		⚠ partially preserved / context-dependent	✗ intentionally restricted		

What this table proves (this is the core insight)

1. **Traditional crypto is strongest outside institutions** → freedom, neutrality, bearer transfer, self-custody
2. **Money is strongest inside institutions** → legality, enforceability, settlement finality
3. **Nostro does not try to make one layer do both.** Instead, it **splits the system**:
 - **Inside Nostro (crypto pair)**
 - Regulated
 - Enforceable
 - Optimized for real economy
 - Sacrifices some crypto-native freedoms on purpose
 - **Outside Nostro (Wrapped Coin)**
 - Permissionless
 - Censorship-resistant
 - Programmable
 - Preserves crypto-native strengths fully

Crypto breaks when forced to be money.

Money breaks when forced to be crypto.

Nostro lets both exist without compromise.

Crypto-native strengths — asset-by-asset comparison

Crypto-native capability	Bitcoin	Ethereum	Tether (USDT)	N-Token	N-Coin	Wrapped Coin (Nostro)
Censorship resistance	● Protocol-level. No issuer or gatekeeper can block transfers	● Same as BTC at protocol level	● Issuer can freeze addresses	● Inside system regulated. Outside not applicable	● Fully regulated asset by design	● Fully permissionless outside Nostro
Permissionless access	● Anyone can hold and transfer	● Anyone can interact with contracts	● Permissionless on-chain, issuer-controlled off-chain	● KYC required by design	● KYC required by design	● Anyone can hold and transfer
Global bearer transfer	● Pure bearer asset. Borderless	● Same, plus contract-based logic	● Technically transferable globally	● Not bearer. Account-based	● Not bearer. Account-based	● Pure bearer asset
Neutral protocol execution	● No discretionary control	● Neutral execution by protocol	● Centralized issuer discretion	● Regulated execution	● Regulated execution	● Neutral smart-contract execution
Programmability	● Script-limited	● Full smart-contract stack	● No native programmability	● Payments only. No DeFi logic	● Holding logic only	● Fully DeFi-compatible
Self-custody	● Full self-custody	● Full self-custody	● On-chain custody possible	● Custodied inside system	● Custodied inside system	● Full self-custody
Open liquidity access	● Open markets globally	● Deep DeFi liquidity	● Liquid, but issuer risk	● Internal circulation only	● Internal circulation only	● Open market liquidity
Sovereign independence	● No reliance on states	● Same	● Issuer subject to jurisdictions	● Fully license-dependent	● Fully license-dependent	● Independent outside, regulated on reentry
Legend	● Green Native crypto capability is fully preserved by design. No issuer discretion. No regulatory gate. No institutional dependency. The asset behaves as pure crypto.		● Yellow Capability exists partially or conditionally. Either limited by issuer control, reentry rules, or operational constraints. Works technically, but not fully sovereign.		● Red Capability is intentionally restricted or structurally absent. Either because the asset is regulated, account-based, or designed for monetary enforceability rather than crypto-native freedom.	

Bitcoin and Ethereum maximize freedom.

Nostro does not fight that.

We keep freedom outside and enforceability inside.

That's why the system works.