



# CIRCLES

UNDERSTANDING  
CIRCLES  
FAQS

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# WHAT'S GOING ON HERE?

## 01. WHAT IS CIRCLES UBI?

Circles is a digital complementary currency. It works just like Euros or your local, official currency. But at the same time, it also supports a more democratic and fair economy.

How?

Circles is a system that contributes to a Universal Basic Income (UBI) for its users. This means that rather than relying on external institutions (like banks, for example), people can build their own economic systems to support each other. With Circles, they can issue their own people-powered-money on an unconditional basis.

Circles offers a new medium of exchange, completely different from any kind of money in use today. It comes unconditionally, and grows in value based on how much value a community (businesses and individuals) offers for Circles.

## 02. Why is it beneficial to use Circles?

Circles tokens (short: CRC) move via trusted connections in the system, fostering local economic interactions. As an alternative to traditional capital, Circles gives communities the opportunity to value those things which are not seen, are invisible, or are not valued in our current system, such as care work. In Circles, there is no, or much less scarcity. Which means you can't 'run out of' Circles. And that's why people are more likely to pay with their CRC.

This is a big advantage of Circles. A healthy and fair economy needs money-circulation, like a healthy body needs blood-circulation.

## 03. ISN'T THIS ALL A BIT RADICAL?

We know our approach can sound revolutionary. We offer something unique and innovative.

Our world is in such complex crises that only radical actions can save us from total collapse. The economic crises of the recent decades, the climate crisis, the Corona crisis and now the war in the Ukraine showed us how critical it is to achieve our two main goals as soon as possible: giving everyone basic income, and valuing care and mutual aid with meaningful compensations.

It's now becoming clearer for more and more people that a basic income system is an inevitable part of the solution.

## 04. DOES CIRCLES ISSUE REAL BASIC INCOME?

Circles provides basic income in the sense that every trusted member of our community can issue Circles tokens (CRC) regularly and equally through their smart contracts, without any further conditions. The value of this basic income is up to the community, which offers goods, products, and services in exchange for our complementary currency. In the beginning, it's all about solidarity. Later on, however, when people can cover all their basic needs with CRC, it will also be their business interest.

However, unlike most basic income initiatives, Circles is decentralized. This means there is no single issuer of money and it relies on Distributed Ledger Technology (DLT). Instead of banks and monetary politics setting the value and price of CRC, Circles is all about community agreements and negotiations.

By spending CRC, people begin to claim the goods and services they need. At this early stage, Circles tokens will probably rather serve as pocket money.

## 05. WHAT ARE “SMART CONTRACTS”?

Smart contracts are inherent to blockchain technologies. They are like trained dogs, who do things when certain things they've been trained for, happen. For example, they sniff out drugs, or bark when there's a stranger at the door...etc.

With smart contracts, if certain conditions are being met, these programs execute a certain action.

In the case of Circles, the smart contracts define for example how many Circles you get when you signup and your daily UBI amount.

In short: smart contracts are programs on the blockchain.

## 06. DEMURRAGE: HOW DOES IT WORK IN THE CIRCLES SYSTEM?

Inflation is everywhere and always a process of redistribution. In the current money system, which is based on debt, the creditor classes accumulate the debts of those who owe them money: the debtor classes. As prices for different goods increase, wages remain the same.

Therefore, inflation currently benefits those who have the power to issue debt (like the banks) and those who own assets who can raise prices (real estate).

Circles is a unique type of basic income because it's not necessarily for saving but for spending, giving everyone the equal power to issue money.

In Circles, money is created from the perspective of the people, and not from the perspective of the banks (or other governing bodies). This means in Circles people create money (Circles units – CRC) when they issue payments to others in their community, creating interdependent relationships with each other.

Circles money supply works like this: Everyone who joins Circles issues 1 CRC per hour or 24 CRC a day, equaling 720 CRC per month (30 days). As more people join, the money supply increases.

To counter the constant increase in the money supply as more people join, we use something called demurrage. Demurrage means that money has a life-span and it decays over time, acting as a type of parking fee or tax on the money supply. In Circles there is a 7% demurrage rate or decay rate on the amount of CRC in your balance. At the beginning, when you join Circles, the decay rate is very low compared to the UBI. Over time, the absolute amount of CRC you pay into the system becomes greater than what you issue as a UBI. In the Circles system, this happens after approximately 14 years of joining. It results in your net balance decreasing and not increasing relative to the UBI. Nevertheless you can still issue payments (e.g. buy and sell).

While the amount of CRC you are shown remains the same on the screen display, over time, the amount of demurrage increases.

Therefore, the decaying aspects of CRC are there to ensure that, over time, there is a convergence between those who have less and those who have more CRC. This decreases the disparity between those who join first and those who joined later.

In other words, at Circles, no one is left behind.

The goal of this is to increase the velocity of spending, so that you and your network are motivated to spend and redeem CRC for things of value, instead of sitting on them. This supports a flowing, vital economic system instead of a stagnant one. That's why it's called Circles. It's built for circulating. Just like a healthy body needs healthy blood circulation.

## 07.

### WHY IS IT GOOD TO HAVE A COMPLEMENTARY LOCAL ECONOMY?

Think of it this way: Euros (state money) and the hegemonic monetary system ruled by big banks is like a racing bike. It's good for some purposes, but not for all of them. If you are on muddy or slippery roads and you want to take your child and your dog along with you, you will need another kind of bike:

a complementary (extra) bike. Similarly, Circles is a complementary currency - a type of money that is not meant for accumulating, but for local community building and community spending.

## 08. WHY DO CIRCLES TOKENS (CRC) HAVE VALUE?

Think of money as a language. We agree on its meaning and that shared agreement is why money has the ability to claim things of value. It may not seem like it, but it works the same way with Euros or Dollars. The physical representations of money (banknotes, coins, or even virtual digits) we use to exchange goods and services are worthless by themselves.

What is important are the “promises” that back up the money, the promise that you will get value for your money. The value that banks and monetary politics assign to them. For example, a piece of paper is now worth 20 Euros.

Circles’ value or values are based on what services and goods people offer to the community: what they give and what they take from their circles of trust. If your company accepts CRC for every 10th customer, or you sell your bike for CRC, or translate for someone in the jobcenter and they pay you with CRC, this value comes into the system, stays in the community, and circulates. Instead of waiting for the state, you spend your CRC and give basic income to your community.

## 09. HOW DO YOU IMAGINE SETTING UP SUCH AN ALTERNATIVE ECONOMIC SYSTEM?

Here’s a concrete example:  
In the Berlin Pilot, particular kinds of businesses are involved: they should represent/contribute to the social side of basic income and they should be in a hub position in a circular economy: like bookkeeping, cleaning, marketing, selling food, or baby-sit-

ting. In addition, also businesses that offer services which are valuable for many - and especially for other businesses.

For the time being, we can subsidize these businesses with Euros. As long as the number of businesses in the Circles system is small, they can't have much use of the CRC tokens. If later they can find enough suppliers and partners to pay them with CRC (and this way, save Euros), they won't need this additional, temporary support and we can phase it out.

Later on, we imagine this alternative economy will not only see basic income as an act of solidarity, but also as a business interest.

## 10.

### **CAN I GET RICH WITH CIRCLES, LIKE THE EARLY INVESTORS OF BITCOIN?**

Not really. Bitcoin is designed to function like gold or a digital collectible: it's based on scarcity. There is a limited amount of Bitcoins that will ever be created. So Bitcoin is only good for storing wealth in real money. This makes people hoard and doesn't encourage them to spend it on their communities.

Bitcoin doesn't challenge the current economic system (that's riddled with fiscal crises) as we do. Instead, Circles has another approach that's based on abundance and is designed for circulation and spending. Just like a healthy body needs blood circulation, the economy needs healthy spending too. If a body part accumulates too much, that might lead to dangerous blood clots. Similarly, if a small group of people hoards too much, that might lead to crises, creating even more inequalities.

Therefore, the creation of Circles tokens (CRC) is limitless. The total amount of CRC issued depends on the number of people who join the

network. Circles gives power back to the people: the power to issue credit in order to claim resources. Circles is a mechanism for monetary creation, not a get-rich-quick scheme.

## 11.

### WHAT DOES CIRCLES HAVE IN COMMON WITH FEMINISM?

Circles can empower smaller communities and balance out inequalities - including work that's been historically assigned to women. The dominant economic system devalues care and other gendered work. Circles provides a unique opportunity to acknowledge and value this kind of work, like doing housework, raising children and the resulting invisible mental load women have to carry because of these. All this work is integral to communities but often goes unpaid. Circles can give these a new level of visibility and acknowledgment. When people pay with Circles tokens (CRC) at book shops, cafes, and marketplaces, the payments made for their care work become just as legitimate.

## 12.

### WHAT DOES CIRCLES HAVE IN COMMON WITH PERMACULTURE?

The current money system is like industrial, intensive agriculture. The whole landscape is producing the same crop - it's efficient in a certain sense (or for certain people): you can harvest all the crop, and you only need one type of machine and only one distributor. But you will also need a lot of pesticides and in ecological terms, this land will be almost dead. If a new type of pest attacks your crop and it's resistant to your pesticides, you're likely to lose all your production. This is basically how our current debt-based, state-ruled money system works.

Circles is a currency pluriverse: the smart contracts issue personal tokens to everyone at an equal rate. With complementary currencies, like Circles, we can make our systems more diverse and, therefore, more resilient. Yes, it may be clumsy (you need to learn to use Circles, just like you learned how to use paper money, or your new Fairphone), but the economic system as a whole may become more stable. Just like with organic, permaculture agriculture: if you lose your strawberry fields, you will still have your roses and potatoes and cannabis. :-)

## 13.

### HOW DO YOU MEAN EACH USER HAS THEIR OWN, PERSONAL TOKENS?

By issuing your own, personal basic income, your tokens will be different from other people's tokens. It's the very heart of our concept: the system will know and will always know the routes and the original sources of the tokens, even after many exchanges. This helps you to only use your Circles tokens (CRC) through your trust connections and through the transitive trust connections. This will protect the system against fake accounts. This very complex tracking and booking process is only possible on the blockchain - that's why we use this technology.

This also means that your CRC tokens might have higher or lower usability-value compared to another person's tokens, who has fewer trust connections, or they've trusted more fake accounts, which harms the value of your tokens too. That's why there's no simple answer to the question "What's the exchange rate of EUR and CRC?". If you receive CRC without meaningful, quality trust connections, or you've trusted fake accounts, then your CRC tokens won't have any value. But if you are part of a living community, where real

economical values are available, and you didn't trust fake accounts, your CRC tokens will be pretty valuable.

## 14.

### WHAT IS THE BENEFIT OF A BOTTOM-UP CURRENCY?

Using Euros as payment is like having a vacuum cleaner attached to your money flow. There's debt on the farmers' machines, on the drivers' trucks, on the fridges in the supermarkets...etc. And if we pay with Euros for the strawberries harvested by the farmers' machines, for example, a big part of the value ends up in the banks that issued those debts. In other words, the vacuum cleaner of the banks sucks up this value from the local economy. If we use Circles and participate in a local economy, the money and the value stay close to us and also return in different ways. This is one of the most important advantages of complementary currencies. Without circulating money, societies will struggle. It's important to create more local forms of exchange, which keeps the value for the local industries. This way, trade is more ecological, decentralized, sustainable and equal.

Read more about how you can organize economic circles in the handbook.

## 15.

### DO I HAVE TO PAY TAXES AFTER CIRCLES TOKENS (CRC)?

If you are a business, or you accept CRC for some kind of goods or services you provide, you should pay taxes in euros or in your local official currency. Just like you would for any other kind of income: Bitcoin, Euros, Dollar, etc.

If you are a private person, it's similar. If you sell your bike for CRC, you don't need to pay

taxes. However, if you sell a lot of bikes, even if you are not a business, you might have taxing obligations.

Taxation is relative to your jurisdiction and must be handled accordingly. We do not offer tax advice and recommend that you speak to an expert from your area.

In our webpage you can sample tax assessments of concrete economic consumptions of Circles, based on German laws. You can find them in <https://joincircles.net/tax-assessment/>.

## 16.

### **ARE THE CIRCLES TOKENS (CRC) OFFICIALLY REAL MONEY?**

If we look at the more commonly used terms, CRC tokens can be considered vouchers (Gutschein in German), and the Circles system could be considered a new type of mutual credit system or a mesh credit network. Of course, for something to be “officially real money”, it has to go through a process of broad political and economic acceptance.

# TRUST NETWORK - WHAT DOES 'TRUST' MEAN IN CIRCLES?

## 01.

### WHO CAN ACCEPT CIRCLES TOKENS (CRC) AS A PAYMENT?

In the Circles system, you can pay people who belong to your trust network. This means, you can pay people you trust directly, and you can also pay the trusted connections of these people. This is what we call "the trust path", or "transitive transactions". You can read more about it in our whitepaper.

In order to receive payment from someone, you may have to trust them first if there's no trust path between you and them. Money can flow in the opposite direction of trust too.

To check who's in your trust network, go to your [circles.garden](https://circles.garden) wallet.

## 02.

### HOW DO I GAIN TRUST WITHIN THE CIRCLES COMMUNITY?

You can request trust by sharing a link to your profile, or in person by having someone scan your profile QR code.

You can also come to our monthly General Assembly in Berlin to meet the team.

We also organize regular online trust parties. We announce these parties on our Circles General Telegram Chat. You can visit our social media channels to find out when they are happening.

But please keep in mind that even though gaining trust from random people doesn't directly harm you or your tokens, giving your trust to random people does (the value of your

CRC tokens might decrease). In the Circles system, trusting other accounts should be like trusting other people in the real world.

## 03. HOW DO I KNOW WHO'S IN MY TRUST NETWORK?

You can check in your circles.garden wallet if you have a trust connection with a person.

## 04. HOW DOES TRUST WORK AND WHAT DOES TRUSTING MEAN IN CIRCLES?

When you choose to trust someone, it means you are willing to accept their currency as valid. eg. "I trust you, therefore I accept your tokens" or "You trust me, therefore I can send you my tokens". If someone doesn't trust you in the Circles system, they may not be able to accept your Circles tokens. If they are able to accept your tokens, the transfer happens through the "transitive trust" connection. This is another trust path, where a person you trust can transfer tokens to another person they trust, who can transfer the tokens to their trusted connection, etc.

When you trust someone, they can issue payments with Circles to people in your trust network, without them directly trusting those people. This is called "transitive trust" and allows the Circles network to grow more easily.

Think about it as a nervous system where neurons that fire together, wire together.

Example:

The person might not trust you, but you happen to own someone else's tokens along with your own. You can still pay that person with this person's token.

Example:

A wants to send B 10 tokens  
B does not trust A but B trusts C  
A owns 10 of C's tokens and can therefore  
send these 10 tokens (originally belonging to  
C) to B

You should use your trust in the Circles system cautiously. It doesn't work like social media, where you might accept friend requests from people you don't know very well. That kind of behavior could lead to you giving your Circles tokens (CRC) to fake accounts, which, over time, could lead to the loss of your basic income's value, as well as to the loss of the Circles tokens' value held by other trusted members in your network.

Money is a promise.

If you trust random people or people who create fake accounts, you might quickly end up in a situation where the real people, whose connection means real economic exchange for you, will revoke their trust in you in order to protect the value of their own "promises" they made to other people.

Although the Circles garden interface currently appears as a singular currency, you will hold multiple different CRC tokens once you begin trusting others. You are not necessarily only sending your own tokens to someone when you send Circles. You are sending a combination of your tokens and other individuals' tokens that you got from previous transactions through a trusted line. The system on the blockchain follows and calculates the value of your tokens, and if you have too many tokens from fake accounts, their value will drop and will stay in your wallet as a useless burden.

Read the Circles whitepaper to learn more about transitive transactions.

# 05.

## WHY SHOULDN'T I TRUST EVERYONE IN THE CIRCLES NETWORK?

Hint: you definitely should not! :-)

There might be people out there, who create many accounts so they can unfairly claim many basic incomes at once. If you trust these (fake) accounts, you risk getting stuck holding a bunch of Circles tokens (CRC) that you can't spend anywhere, because the tokens belonging to these fake accounts won't have any value. All the while, these accounts can send payments to others using your CRC, potentially swapping you out of your own, real CRC.

If other people in your network see that you trust people recklessly, they might revoke the trust they gave you, because they also run the risk of receiving fake tokens from these fake accounts through you.

You can think of this like an immune system, walling off parts of the network that aren't healthy.

Where there is trust, there is value. Trusted people are credible people, that's why you should give your trust only after considering the risk you, your business, or your community is taking.

The last economic crisis happened because credit was created and spread without considering the consequences. When people realized these credits didn't have any value, the whole system collapsed. This was an irresponsible way of issuing money and this is exactly what we want to avoid at Circles.

In our system, it's your responsibility to use your trust carefully with those around you, and develop a value-based culture that also cares for everyone who's involved.

If you are careless with trust, it doesn't hurt the whole system, it mostly hurts you, personally.

## 06. **WHAT IS A FAKE ACCOUNT? WHAT IS THE PROBLEM WITH THEM?**

A fake account can be defined as an account that is either not a human being (i.e. a bot trying to get trust in order to issue tokens) or as a person who is trying to create many different accounts in order to issue tokens. Those accounts won't have the same trust network as real human beings, and the system detects it and handles their tokens differently, giving them much more limited usability. If you accept such tokens by trusting these (fake) accounts, you probably won't be able to spend them anymore.

This very complex tracking and calculation is only possible on the blockchain - that's why we use this technology.

## 07. **HOW CAN I HELP BUILD A LOCAL ECONOMY USING CIRCLES?**

To build a living, stable, basic income system with Circles, you have to invite people and organizations who bring value to the local community, and discuss the goods that can be covered by basic income: food, housing, care, transportation, basic services, etc.

Here are some examples of organizations and people who bring value to the community: onboarding businesses, community organizers, people who sell cupcakes, people who'd like to sell their bikes in exchange for Circles tokens (CRC), people who will help their friends move and get paid for that in CRC, local farmers markets, local bike distribution alternatives, and so on.

With passion for local communities and with actual merchants who trade with one another within the system, Circles can take off and fly. And once that happens, we'll be able to better support those who truly need basic income, but are not in the position to give anything in return.

Don't forget: Circles is about giving as much as it is about taking: real, people-powered basic income can only come to life when there's unconditional reciprocity between members of the community who exchange goods and services for basic income. If businesses can exchange their tokens for the goods and services that they use, accepting CRC will not only be an act of solidarity, but their business interest as well.

We know from experience that bootstrapping a local economy can be challenging creative work! Feel free to get in touch with the Circles Coop and let us know about the approaches you're taking, and what has worked for you. We, at the Circles Coop, are always curious about different strategies, and we'd also love to see the types of communities sprouting using Circles. We will soon be in a position to support local economies in various ways.

Read more about how to get organized in our handbook.

## **08. YOU SAY CIRCLES WORKS BEST IN COMMUNITIES, IN HUBS. WHAT DOES THAT MEAN? CAN IT SPREAD AROUND THE GLOBE JUST LIKE MY REAL TRUST CONNECTIONS?**

Circles works best where there are local communities with economic connections.

In this sense, Circles networks are a reflection of "real life" networks. And they can be global if you have connections with people in different

countries. But for a Circles hub to grow, a local network of suppliers and users/consumers is essential.

## **09. I WANT TO BE A COMMUNITY ORGANIZER FOR CIRCLES UBI IN MY AREA. WHAT DO I DO TO GET STARTED?**

That's fantastic!

You can join our international assemblies online. We hold these on the last Wednesday of every second month. You can find out more and see how you can organize your hub in our international assemblies Telegram chat and on our social media channels.

But you can also send us a friendly email at [hello@joincircles.net](mailto:hello@joincircles.net).

## **10. IF TWO BUSINESSES HAVE SIMILAR ACCOUNTS, HOW DO I MAKE SURE I PAY THE RIGHT BUSINESS?**

If you'd like to buy something from a particular business, but are not sure if the account (which we call wallet) belongs to them, send them a message!

Make sure you have the right username and link for the business or Shared Wallet. Also, check if they trust you so they can receive payment from you directly.

## **11. HOW DO DIFFERENT CIRCLES GROUPS RELATE TO ONE ANOTHER?**

From a social point of view, each local Circles group is autonomous and should have the ability to organize their own economy based on their particular circumstances. If you'd like to set up your local group and need support,

please check out the question “How can I help build a local economy using Circles?” above or give us a holler at [hello@joincircles.net](mailto:hello@joincircles.net)

From a technical point of view, there will be groups who might create different interfaces or even completely new versions of the Circles system. We welcome decentralization when it means we can share the work done so far and help each other along the way. If you'd like to work with us and create new iterations of the Circles system, please email us at [bitsposessed@joincircles.net](mailto:bitsposessed@joincircles.net). We want to hear from you!

## 12.

### WHY DOES THE APP SOMETIMES SAY I CAN'T TRANSFER CIRCLES TOKENS (CRC)?

If you can't send CRC to someone, make sure the person you are sending tokens to has trusted you. If they don't trust you, and you don't share “transitive trust connections” (meaning: you trust other people who trust this person), you can't send them Circles tokens.

It might also be the case that you have reached the trust limit (see below) between you and the recipient.

## 13.

### WHAT ARE TRUST LIMITS?

Every trust connection in Circles has a direction (“from” and “to”). But to make sure a fake account won't drain your balance, trust connections also limit the amount of Circles tokens you can spend with a connection. Once you reach this limit, you can't spend any more Circles tokens with this connection, until the sender has more Circles tokens on their account.

In a healthy Circles economy, with a rich web

of authentically trustful connections, we won't reach these limits very often - though it may still happen from time to time.

Trust limits also protect you from losing all your own tokens through transitive transactions. This can happen when someone uses your tokens to send Circles through you to someone else.

A trust limit is the percentage (0-100%) of your Circles supply that you are willing to hold in a given person's tokens.

Example: I trust you 50%, which means the amount of my own Circles tokens I hold since I signed up is 100, therefore I am willing to hold max 50 of your tokens.

The current default limit is always set to 50% which is very high, and we might lower it in the future, or cancel it completely.

## ONBOARDING IN THE SYSTEM

### 01.

#### HOW DO I VERIFY MY ACCOUNT?

In order to get verified, you have to be trusted by three people who are already trusted in the Circles system.

Please note that people should not verify each other if they have not met in person. It's very easy for someone to attack the network if they can gain trust from strangers online. If you trust fake accounts, it can harm you a lot, as you could potentially lose your Circles tokens to a fake account.

## 02. HOW DO I START RECEIVING BASIC INCOME WITH CIRCLES?

After creating a new account (which we call 'wallet') you will need three trust connections already in the system to verify your account. You can request trust by sharing a link to your profile, or in person by having someone scan your profile QR code.

You can also come to our monthly General Assembly in Berlin to meet the team.

We also organize regular online onboarding sessions.

We announce these parties on our Circles General Telegram Chat. You can visit our social media channels to find out when they are happening.

Once three people have trusted your profile, the app will automatically set up two smart contracts for you to start using and receiving Circles tokens (CRC): (1) your Safe (a smart contract that holds the keys to your account), and (2) your own CRC tokens. You will receive 150 CRC as an initial balance and then continue to receive a regular UBI.

## 03. WHAT IF I DON'T KNOW ANYONE TRUSTED IN THE CIRCLES SYSTEM WHO CAN VERIFY ME?

It's all okay. You can gain trust within the Circles community and then ask them to verify your account. See the question: How do I gain trust within the Circles community?

## 04. WHAT IF I'D LIKE TO START MY OWN CIRCLES COMMUNITY WITH MY FRIENDS?

If you can't wait to create a Circles community with your friends (which is awesome), you can access Circles without 3 trust connections and get started:

Send 0.1 xDAI to your account (the address from the link that appears when you share YOUR profile). The address will look something like this:

0xeb9784F6A6e3d03466974Cb3a5a77c79afbA14e8).

If that doesn't work, try sending 0.2 xDAI as it seems to fluctuate.

This, however, will only be useful if you then also add friends, businesses, cooperatives, farmers, etc. that are willing to exchange products and services with you to build a local Circles ecosystem.

## 05. WHAT IS A CIRCLES SAFE?

Your Circles Safe is a smart contract that holds the keys to your account.

You can add multiple devices to your Safe, like your computer or phone. Adding devices to your Safe can help with account recovery if you lose your 'seed phrase' or your 'Magic Words' you get when you register. ('Magic Words' are a set of words that will keep your account safe. See the question: What are 'Magic Words?')

Read more about Safes in <https://docs.gnosis-safe.io/>

## 06. HOW CAN I ADD DEVICES TO MY SAFE?

In order to add devices, you have to export your 'seed phrase' or 'Magic Words' (a set of words that will keep your account safe. See the question: What are 'Magic Words'? ) and log in via a different device. You can do this by simply typing your 24 Magic Words (attention: no capital letters, no commas or points, only one space in between them!) on the new device.

## 07. WHAT IF I TRUSTED AN ACCOUNT BY MISTAKE OR NO LONGER TRUST SOMEONE IN THE SYSTEM?

You can go to that user's profile, tap the trust icon next to their name, and revoke the trust. We recommend you do this as soon as possible to avoid losing your tokens to their account.

Having a quality trust network where you have fewer connections, but those connections are real people you actually know, is more valuable than having a big, loosely connected network, which may have many unchecked or fake accounts.

# SHARED WALLET

## 01.

### WHAT IS A SHARED WALLET?

A Shared Wallet is a Wallet (an account) you can open for any group or organization that you're a member of. Every person who has a validated, trusted account can create a Shared Wallet and add others to it.

Shared Wallets do not issue basic income. To fund your Shared Wallet, you should deposit a small amount of Circles tokens (CRC) to start with. Once the wallet is activated, you can send and receive CRC.

Shared Wallets can transfer payments to others as well as receive payments. In order to directly receive CRC from others, Shared Wallets should trust other accounts first. Shared Wallets don't have native CRC tokens of their own but can store CRC from others. As Shared Wallets don't create tokens, they cannot receive trust - they can only give it.

If you are a business, you should NOT use your personal wallet, because taxing will be a real nightmare.

## 02.

### WHERE CAN I DOWNLOAD THE CIRCLES APP?

You can't yet, but we're working on it. The Circles decentralized application is only available as a web application that you can access via the circles.garden interface.

## 03. HOW DOES CIRCLES WORK IF I JOIN AS A BUSINESS?

Please go to <https://joincircles.net/business> or send us a friendly email at [business@joincircles.net](mailto:business@joincircles.net). Or just go ahead and make a Shared Wallet (see the question: "What is a Shared Wallet?") and start using Circles!

## 04. CAN I DONATE OTHER CRYPTOCURRENCIES TO CIRCLES?

First off, we're deeply grateful for your donation and we'll love you forever and ever for it. ☐

We accept donations in BTC and ETH denominated addresses.

You can donate to our Bitcoin address here:  
1P8oaMk65aE5PqJfsfzAzgRwqdPSHoXhw1

Or our Ethereum address here:  
0xd525fF26F45f3B7D20cfEf170E2cb9E601A0b4dA

Only send Ether and assets to this address (e.g. ETH, ERC20, ERC721)

# SECURITY AND TECHNICAL BACKGROUND

## 01. HOW DO YOU PRODUCE MY CIRCLES TOKENS (CRC)?

Technically speaking, your Circles tokens are created automatically by the Circles 'smart contracts' whenever you log in to the Circles web application.

Our principle is this: with Circles, we want to express that you, as a human being, are valuable and important. Therefore, no matter what, you should be able to cover your basic living expenses, without official validation from any authority, or state. That's why Circles is a basic income system, where we, the people, give each other basic income, instead of the state.

The creation of your personal tokens happens through the xDAI blockchain, which runs on a Proof of Stake (PoS) algorithm. You can read more about xDAI at <https://www.xdaichain.com/>.

Every day, when you open your Circles wallet, it checks the smart contracts for updates. We set up the Circles protocols in a way that users can activate 24 CRC tokens per day, decaying 7% per year. The smart contracts issue CRC tokens every day as a reward for being part of the community, and become more valuable over time as the Circles community becomes stronger.

## 02. WHAT TYPE OF BLOCKCHAIN IS CIRCLES USING?

Circles is using the xDAI blockchain. xDAI is functionally almost identical to Ethereum but has substantially lower transaction costs because it's being operated by only a limited number of validators instead of using high energy and cost consuming "proof of work". You can learn more about xDai at <https://www.xdaichain.com/>.

## 03. WHY DID CIRCLES STOP ISSUING MY BASIC INCOME?

Probably the issue here is that you haven't used your wallet for some time. If you don't visit the Circles garden interface for more than 90 days, a command will deactivate the CRC tokens' issuing mechanism. We call this a "liveness trigger", also known as a "dead man's switch". We set this up to make sure people using Circles have a social life and spend their CRC tokens in meaningful ways.

If, after 90 days, you haven't logged in, we can't reactivate your basic income. If, after 90 days of inactivity, you'd like to receive a basic income again, you'll need to create a new Circles wallet (a new account) and transfer the CRC tokens from your old account to the new one. Don't forget to update your trusted Circles friends about this, so you can keep being connected to your community.

## 04. HOW CAN I MAKE SURE MY CIRCLES ACCOUNT IS SECURE?

There are two things you can do to keep your Circles account secure.

1. You can save your Magic Words (seed phrase);

2. You can link your Circles account with other devices.

**Saving your Magic Words:** We recommend saving it in a place where only you have access to it. Our tips on this:

- Add to a password manager
- Save in a notes app
- Send to yourself in an email
- Write it down, and put it somewhere safe
- Make sure you can read your own handwriting. :)

**Important: if you lose your Magic Words (seed phrase), there is no way anyone can help you retrieve your account.**

For security reasons, your seed phrase is normally kept hidden. You can reveal it by clicking on “Export your seed phrase” on your profile page.

**Linking your Circles account with other devices:** We also recommend adding a second device as soon as possible, for example, both your phone and your computer. Adding a device makes it easy to reconnect to your account if one device fails for any reason.

## 05.

### I LOGGED OUT OR LOST MY DEVICE - WHAT CAN I DO?

If you have lost one of your devices, or reset your browser, you will still be able to recover your account with your seed phrase. You can go to the Circles wallet and click “Connect to existing account” then “Restore from seed phrase.”

If you have a second device that is currently connected to your Circles account, you can still access your account from there.

If you don't have your seed phrase saved, and

you don't have access to another device where you are logged into Circles, we can't recover your account. You are welcome to create a new account but make sure to tell your trusted Circles peers to "untrust" your previous account. Note that if your Safe and Circles tokens haven't been issued (produced), your account was never fully created and there is nothing to restore.

## 06. **WHAT ARE 'MAGIC WORDS'? AND WHY DO I NEED THEM?**

Magic Words (seed phrase) are a set of words that contain all the information about your wallet, including your Circles tokens. It's like a secret code for accessing your account. You can also think of them as a password with many words.

It's important to keep your Magic Words secret and safe. If someone has access to your Magic Words, they can access your private account.

Save them in a private place that only you have access to. If you lose your Magic Words, not even the Circles team can recover it.

## 07. **CAN I RESTORE MY WALLET WITHOUT MY SEED PHRASE/MAGIC WORDS?**

Unfortunately, it's not possible to restore your wallet if you've lost your seed phrase. If you lose it, not even the Circles team can recover it.

But don't worry! You can still create a new wallet if you'd like to receive your basic income.

## **08. WHAT'S THE CORRECT WAY TO TYPE IN MY SEED PHRASE/MAGIC WORDS? WITH OR WITHOUT NUMBERS? WITH BLANK SPACES BETWEEN THE WORDS?**

Please write down your seed phrase word by word with a space and no caps, no numbers.

## **09. CAN I CHANGE THE LOGIN MODE, SO I DON'T HAVE TO TYPE IN MY 'MAGIC WORDS' (SEED PHRASE) ALL THE TIME? CAN I USE MY OWN PASSWORD INSTEAD?**

We're sorry, but you can't change your login mode. Make sure to allow your browser to save the cookies on the circles.garden web app, so you don't have to manually log in every single time you visit the site.

## **10. WHAT INFORMATION DOES CIRCLES COLLECT ABOUT ME?**

The only data we store is your email address and username - and we will never share these with anyone. Your wallet's private key lives offline on your device browser and is not shared with us.

The data collected by blockchains is publicly accessible and includes the trust network and your transaction history, but it's not linked publicly to your email address. Read more on our privacy policy.

## **11. IF IT'S OPEN-SOURCE, CAN ANYBODY HACK CIRCLES AND TAKE MY TOKENS?**

No. The transactions are embedded very deep in the blockchain. This is probably the most secure way in the world today for storing information: where are which tokens and to whom they belong.

The only risk is losing your secret 24 Magic Words (seed phrase). If you lose this phrase or accidentally share it, you may lose access to your Circles. So make sure to keep it safe!

12.

### **CAN I CHANGE MY NAME OR PROFILE PICTURE?**

Sorry, not yet. But in the future, you will be able to do this.

13.

### **CAN I DELETE MY ACCOUNT?**

Although you can't currently delete your account, if you don't use your account for 90 days, you won't be able to issue any more Circles tokens.

This is the "liveness trigger", also known as a "dead man's switch".

If you haven't logged in for 90 days, we can't reactivate your basic income issuance. You will, however, be able to trade your old tokens. If, after 90 days of inactivity, you'd like to receive a basic income again, you will need to start a new Circles Wallet (create a new account).

14.

### **WHAT HAPPENS IF I DON'T USE MY CIRCLES ACCOUNT THAT OFTEN? (WHAT IS THE "LIVENESS TRIGGER" OR "DEAD MAN'S SWITCH"?)**

To keep the Circles community free from fake accounts, and to make sure our members live meaningful social lives within our system, we've set up a "liveness trigger" (or a "dead man's switch").

This means if you haven't logged in to your Circles account for more than 90 days, your basic income will stop. And even our Circles team can't reactivate it for you. However,

you can still start a new Circles Wallet (create a new account), log in to your old account and transfer all the tokens you have there to your new account. Make sure to tell your trusted connections about your new account, though, so they know it's you and not a fake account.

In the future, we might cancel this "liveness trigger".

But for now, please make sure to visit your account at least once every three months.  
dresshere:0xd525fF26F45f3B7D20cfEf170E2c-b9E601A0b4dA

15.

**CAN I SAVE MY CONTACTS UNDER DIFFERENT NAMES? OR DO I HAVE TO REMEMBER PEOPLES' WEIRD USERNAMES?**

Sorry, you can't change your contacts' names.

16.

**CAN I CONTACT A USER IN THE CIRCLES SYSTEM?**

Sorry, you can't. You can find out what their username is, trust them and send them Circles.

17.

**CAN I CONNECT MY SOCIAL MEDIA TO CIRCLES TO SEARCH FOR FRIENDS WHO ARE ALSO CIRCLES MEMBERS?**

Unfortunately, you can't. Circles is not a social media platform. It works via a trust network, where money is flowing between trusted peers. If our members could link their Circles accounts to their social media accounts, the social media companies might have free access to your and our sensitive data - and we don't want that.

Also, Circles works best with real, quality connections. This means if our members could just "import" hundreds of friends, that would

devalue your basic income. We believe Circles communities should be based on real trust connections. And to achieve this, we consciously set up some barriers in the system, so we won't get on the social media train.

Therefore, we recommend talking to your friends about Circles preferably without the social media apps, because we don't know where that exchanged information might go.

## **18. I'M TRYING TO SEND CIRCLES TOKENS (CRC), BUT I KEEP GETTING AN ERROR MESSAGE. WHY?**

Sorry you're experiencing that. Sometimes the system has a problem with "higher" amounts of CRC. We're still working on sorting out these transitive transfers. Meanwhile, you can try to send smaller amounts multiple times and see if that works.

## **19. CAN I EXCHANGE MY CIRCLES FOR EUROS OR DOLLARS? DOES IT HAVE AN EXCHANGE RATE?**

No, Circles is not on the exchange market. We didn't build Circles for that. Circles is a different type of money: it's not meant to serve as a storage unit to get rich. It's meant to be used for our basic needs. Technically speaking, you might be able to sell your individual tokens, but it depends on who is willing to give you Euros/USD/Bitcoin/etc for Circles tokens. As the system is based on a plurality of currencies, it's meant for Peer to Peer (P2P) transactions.

# CIRCLES MARKETPLACE – HOW CAN I PARTICIPATE?

## 01.

### HOW CAN I USE THE MARKETPLACE?

To become a buyer or a seller (private or business) at the Circles Marketplace, you need to register at the **Circles Marketplace**, create a **Circles Wallet** and gain trust to start issuing Circles tokens (CRC) and spend or gain them (by selling products or services).

## 02.

### WHO CAN SELL AND BUY PRODUCTS AND SERVICES AT THE MARKETPLACE?

In short: anyone. :)

You, your friend, and also our business partners.

The Circles Coop itself is not selling items, only providing the match-making infrastructure for resources and needs.

## 03.

### WHICH PRODUCTS AND SERVICES AM I ALLOWED TO SELL VIA THE CIRCLES MARKETPLACE, WHICH NOT?

Circles reserves the right not to publish ads or to remove them from Circles Marketplace if there are indications that the advertised product is not for sale or is otherwise being offered in an illegal manner, or if there are indications that the ad is being or has been placed for improper purposes. We can remove ads, if they have sexist, racist etc. background or connections, they are against science, seem like scam, and have unserious offers. Thanks for letting us know about the new category!

## 04. I CAN'T FIND A FITTING CATEGORY FOR THE PRODUCTS OR SERVICES I'D LIKE TO SELL. WHAT DO I DO NOW?

On your marketplace account, you can find a detailed list of categories you can link your product or service with. If you can't find a category that fits, please use "others" for now.

Also, please let us know about the missing category or subcategory on our feedback form you can find at the bottom of the marketplace website. (Please choose the topic: "Marketplace features").

Thanks for letting us know about the new category!

## 05. HOW DO I SET PRICES ON THE CIRCLES MARKETPLACE? ARE THERE ANY REFERENCES?

The marketplace is currently mainly being used by the Berlin community. This local community is part of a Circles laboratory, including a subsidy program. In the subsidy program, businesses can receive a EUR exchange for the items they offer in CRC, currently at a rate of 10 CRC : 1 EUR. While this impacts the pricing of some products and services in Berlin, it does not necessarily reflect the various ways CRC can be used and valued for offers outside the subsidy program and in general across the globe.

That being said, you are pretty much free to set prices according to your own will. Just remember: If prices are too high, nobody will buy your item and if they are too small you

# 06.

## ARE THERE ANY REQUIREMENTS FOR BUSINESS SELLERS?

The marketplace itself does not contain or enforce any special requirements for business sellers. Nevertheless, and according to the German Consumer Rights Directive from 13.06.2014, some essential obligations apply for all online sellers (businesses, not private people) no matter where they are located:

### **Right of withdrawal**

Merchants must give consumers a minimum of two weeks cancellation period. They also must instruct consumers about their rights and provide a withdrawal form. Merchants are now no longer required to pay for return shipping for orders costing 40 Euros or more. They are free to decide whether they or the customer should pay for the return.

### **Warranty rights**

If the customer files a complaint about product defects in the first six months, the merchant has to prove the defects didn't already exist at the time of purchase. After the first six months, however, the customer has to prove the defects were already there to ask for a refund.

### **Transparent information**

A major point is the now regulated information obligations for online retailers. Whether it's transparent delivery conditions, information about statutory warranty rights, or pointing out warranty conditions - retailers have to consider a whole range of obligations. You can ask the "Händlerbund" for support.

To correctly define your business' terms and conditions, Circles recommends consulting a lawyer and not using terms and conditions templates.

## 07. HOW MUCH DOES IT COST TO USE THE MARKETPLACE?

It's free!

Circles transactions on the blockchain have no costs for buyers and sellers either since transactions on the Gnosis Chain are covered by us. Users only have to pay for the products/services they'd like to buy.

## 08. CAN I PAY WITH EUROS AT THE MARKETPLACE? OR CAN I ONLY USE CIRCLES TOKENS (CRC)?

For now, you can use CRC (Circles tokens which are generated in your Wallet: 1 CRC/h, 24 CRC/d, 720 CRC/m), but in an upcoming version of the Marketplace, we'll consider to include EUR payments. We might include other community currency options in the future as well.

## 09. I HAVE ENOUGH CIRCLES TOKENS (CRC BALANCE) TO BUY A PRODUCT/SERVICE, BUT THERE IS A SPENDING LIMITATION. WHAT CAN I DO?

If you can't spend the right amount of CRC even though you have a sufficient balance, it means that the trust network which connects you and the seller is limiting your spending capacity. You can solve this issue by trusting more people within your network: real people you know and you consider trustworthy. That will increase your personal and indirect links throughout the trust network, because your peers are connected to other peers and this will bridge the lacking connection with the seller. Your personal CRC will be transferred to the seller through your peers and other nodes in the network.

# 10.

## THEY CAN'T PAY FOR MY OFFERED PRODUCT/SERVICE. AS A SELLER, WHAT CAN I DO?

We don't want to encourage you to directly trust the buyer if you don't know them.

Trusting them would allow them to pay you, for sure, however, you might not be able to spend their tokens on something else, because other sellers might not accept these tokens. (Since you would get their personal CRC – See the question: How do you mean each user has their own, personal tokens?.)

Better to trust more people within your network: real people you know and you consider trustworthy. That will increase your personal and indirect links throughout the trust network, because your peers are connected to other peers and this will bridge the lacking connection with the buyer. If you know the buyer, however, you can trust them directly.

# 11.

## HOW DOES PAYMENT WORK AT THE CIRCLES MARKETPLACE? HOW AM I NOTIFIED ABOUT RECEIVED FUNDS?

At this point, the marketplace is only facilitating the match-making between buyers and sellers while the payment is happening only via the wallet. In addition the marketplace does not get feedback from the wallet whether the amount is paid or not, which is why there is no function at the marketplace informing you about the payment status.

Nevertheless, that might change once we are working on an integrated payment API, which is scheduled for later this year.

For now sellers need to check in the wallet,

whether a payment has been received. To make the check-up easier, item numbers which are communicated through the order confirmation emails will automatically be associated with the payments in the wallet.

## 12. **HOW DO I RECEIVE THE ITEM I PURCHASED? WHAT ARE THE AVAILABLE SHIPPING OPTIONS?**

The best option for receiving the product you purchased is meeting with the seller. That way you can connect with a real person and perhaps decide whether you want to trust them in our Circles trust network. This way, your spending capability will increase. Otherwise, you can pay extra Circles tokens (CRC) to the seller, so they can send your package using a known shipping partner, who may also accept CRC. Soon, Circles will offer shipping services run by a partner from our ecosystem. In any case, you can select your preferred option during the ordering process, or you can get in contact with the seller.

## 13. **WHERE DO I SEE THE PRODUCTS AND SERVICES I HAVE SOLD?**

In your marketplace account you find an overview of different item lists: active articles, inactive articles, purchases and sales. Once you have sold an item it automatically moves from the category of "active articles" to "sales". In case you offered only 1 unit of the item being sold, the listing on the marketplace will disappear and be shown under the category "inactive articles".

## 14. IT SEEMS LIKE MY PRODUCTS OR SERVICES “DISAPPEARED” FROM THE MARKETPLACE. WHAT CAN I DO?

Products and services do not disappear from the marketplace without any reasons. The only explanation why items can appear to be missing is, if they are marked as inactive by the seller or if an item is sold. Then those items are listed in the respective categories: either in “inactive articles” or in “inactive articles” and “sales” at the same time.

Please be aware that an item listed with a quantity of only 1 unit will automatically “disappear” from the marketplace when it is sold, because it moves into the “sales” and “inactive articles” category. To prevent this and in case you want to offer many units of the same item, please ensure to increase the quantity of the product or service within the item description. item being sold, the listing on the marketplace will disappear and be shown under the category “inactive articles”.

## 15. CAN I CANCEL AN ORDER I PLACED?

You can cancel an order simply by contacting the seller.

## 16. MY PURCHASE IS DELAYED OR NOT BEING DELIVERED. WHAT CAN I DO?

In case of delay or no delivery, please contact the seller directly.

## 17. HOW DO I GET IN TOUCH WITH THE SELLER?

On the seller’s profile, you can find a form where you can contact them.

# 18.

## AM I PROTECTED AGAINST FRAUD?

The purchase contract is set between the buyer and the seller. Circles and the marketplace is only an intermediary and does not sell products or services. To protect buyers against fraud, Circles recommends - especially for items and purchases of 1000 Circles tokens (CRC) or above - to transfer the amount right on the spot during pick-up. In individual cases, it may be also useful to obtain proof of ownership or proof of authenticity (e.g. software) or intactness (e.g. photos of used items).

# 19.

## HOW IS MY PRIVACY PROTECTED ON THE MARKETPLACE?

The marketplace doesn't use any cookies or analytics programs to track you individually. We are considering using Matomo, the Google Analytics alternative that protects your data and customers' privacy, to gain some general information about the usage of the marketplace (e.g. unique users, visitors map, visits over time).

# 20.

## HOW CAN I GIVE FEEDBACK ON THE MARKETPLACE OR ANY OTHER CIRCLES SERVICES? WHERE CAN I REPORT BUGS?

If you experience any problems with the marketplace, or you'd like to give feedback or report bugs in our system, please use our feedback form, and choose from the list: technical issues, marketplace design, marketplace features, business inquiry, wallet & transfer or others.

Thank you for the heads up!

# BUGS AND PROBLEMS WITH THE CIRCLES APPLICATION

## 01.

### I KEEP GETTING AN ERROR MESSAGE. WHAT CAN I DO?

We're very sorry about that.

Circles is a brand new system. There are a lot of moving parts that need our nurturing care, so everything can work smoothly. If you run into any kind of issue, the best thing to do is to refresh the page or try another browser/device. (Make sure you have your seed phrase/Magic Words at hand).

If nothing helps, try creating a new account.

You can also report bugs in our system. Please use our **feedback form**, and choose from the list: technical issues, Marketplace design, Marketplace features, or business inquiry.

Thank you for the heads up!

## 02.

### I COULDN'T RESTORE MY ACCOUNT DUE TO AN UNKNOWN ERROR

We're very sorry about that.

Almost always the best thing to do is to refresh the page whenever you can't give trust or send Circles tokens (CRC) to someone. You can also try another browser/device (make sure you have your seed phrase/Magic Words at hand).

Or if nothing helps, you can try creating a new account.

## 03. THE ACCOUNT I TRIED IS NOT REGISTERED

We're very sorry about that.

Refresh, try another browser and/or another device. (Make sure you have your seed phrase/Magic Words at hand).

## 04. SERVER ERROR OCCURRED DURING SIGN UP, ERROR 500

We're very sorry about that.

Refresh, try another browser/device (make sure you have your seed phrase/Magic Words at hand).

And if nothing helps, create a new account. You can also report bugs in our system. Please use our feedback form, and choose from the list: technical issues, Marketplace design, Marketplace features, or business inquiry.

Thank you for the heads up!

## 05. I CAN'T RESTORE MY WALLET AFTER ENTERING MY SEED PHRASE/MAGIC WORDS

We're very sorry about that.

Refresh, try another browser/device (make sure you have your seed phrase/Magic Words at hand).

And if nothing helps, create a new account.

You can also report bugs in our system. Please use our feedback form, and choose from the list: technical issues, Marketplace design, Marketplace features, or business inquiry.

Thank you for the heads up!

## 06. I'M STUCK ON THE 'CREATE ACCOUNT' PAGE. NOW WHAT?

Refresh please, or try another browser.

**CIRCLES IS A  
NEW WAY TO  
THINK ABOUT  
MONEY.**

**CIRCLES IS  
A PEOPLE  
POWERED  
MONEY SYSTEM.**