

QALS – The Layperson Guide

No jargon, just the idea

QALS project · qalarc network · 22 September 2026
generated from layperson_guide.md · not legal or financial advice

The QALS Layperson Guide

How qalarc's credit system works, explained like you're a mate at the BBQ

Version 1.0 – 6 September 2026

If you've heard qalarc is "building its own cryptocurrency" and your eyes glazed over — good news. That's not really what we're doing. This guide assumes zero crypto knowledge. Every technical term gets an everyday analogy, and we'll be honest about what could go wrong, because that's more useful than hype.

— 1. The story of one dollar

Let's follow a single dollar and see where it actually goes.

Sarah runs a landscaping business. She buys \$50 of qalarc credit to pay for AI help — drafting quotes, summarising invoices, translating plans for a supplier. Her card gets charged \$50. Now what?

Step one: the dollar goes into a safe. Not into qalarc's normal bank account where wages get paid. It goes into a separate locked account — a *segregated client account*, which is a fancy way of saying "a safe at the bank, legally kept apart from the business's own money." Think of how a gift card works: when you buy a \$50 Bunnings card, the shop holds your \$50 as an obligation. They owe you \$50 of stuff off their shelves. They can't spend it on the office Christmas party. Your money sits there, waiting for you.

Step two: a credit is created, one for one. The moment Sarah's dollar lands in the safe, exactly one unit of credit — one QALS — is created in her qalarc wallet. This is the golden rule: *a credit can only be created when a dollar enters the safe*. Nobody, not even the people who built it, can make a credit out of thin air. The system won't do it, the same way a vending machine won't dispense a drink because you asked nicely.

Step three: Sarah uses the credit. She asks the AI to draft a quote for a deck build. That work costs, say, 40 cents. Her balance drops by 0.40 — and here's the neat part — that 0.40 of credit is *used up (retired)*, and at the same moment, 40 cents moves from the safe into the till as ordinary revenue. Just like spending a gift card: the card's value shrinks, and the shop finally counts that money as theirs.

So the dollar and the credit never drift apart. At every moment exactly one of two things is true: either Sarah's credit exists and her dollar sits untouched in the safe, or the credit has been spent and the dollar has become normal income. There's no third state where the credit exists but the money has wandered off. The whole system in one sentence: **money in the safe always equals or exceeds the credits people are holding — every dollar, every day, provable.**

Step four (optional): Sarah changes her mind. She can hand her credit back and get her dollars out — one credit returns one dollar, minus half a percent (50 cents per \$100) as a handling fee. No reason needed, nothing to sell to anybody. That small fee matters later, as you'll see.

One more thing — the small change. The smallest credit unit is a *doof* — one billionth of a QALS, named after qalarc's little sister site doof.ing. Machines deal in doofs the way you deal in cents, just much smaller; it's how a job costing a fraction of a cent gets measured.

And that's the whole money story: one dollar in, one credit born; credit spent, credit destroyed, dollar becomes revenue; credit returned, dollar comes back out. A gift card locked in a safe that never gets opened until you use it or hand it back.

— 2. Why a company would run its own mini-blockchain

Qalarc runs several apps: qalarc.com (AI services), tradez.au, doof.ing, endispute.com.au, plus a compute rig and a hub where AI agents work. Each needs to know the same things: who has credit, what did that just cost, what's left?

The old way: separate notebooks. Each app keeps its own record of who paid what. Sounds fine until the notebooks disagree — app A thinks you have \$12 left, app B thinks \$9, and nobody can say which is right without a painful afternoon of reconciliation.

The new way: one shared notebook. All the apps write every payment into the *same* notebook, and the notebook has three special properties:

1. **It's written in pen.** Entries can't be rubbed out or quietly edited afterwards. Mistakes get corrected by adding a new entry on top, never by erasing the old one.
2. **Several people hold the same copy.** Qalarc runs a handful of computers (*validators* — think of them as the staff allowed to write the next page) and all of them must agree on each page before it counts. Like three accountants each keeping a copy of the books and co-signing every page.
3. **Pages get a postmark from the outside world.** Every so often a fingerprint of the current page — a *hash*, think of it as a wax seal made of numbers — is published to a big public blockchain (one called IOTA). Anyone can later check the seal still matches the page. The notebook is private, but there's public proof its pages haven't been swapped.

This setup is called **Qalnet** — qalarc's own private chain, existing to do one job: be the single source of truth for qalarc's apps and money, like a company running its own internal mail system instead of handing every memo to Australia Post.

So why can't the apps cheat each other? Because your balance doesn't live *inside* any app — it lives in the shared notebook, and the notebook enforces the rules. If an app tries to spend money that isn't there, the notebook refuses: not a polite check written by a programmer, but arithmetic that doesn't work. No app can invent a discount, bury a charge, or "lose" your payment. Every entry is visible, permanent, and agreed by all copy-holders; cheating would mean faking a page that a majority of independent copies would immediately reject.

One shared notebook, one set of rules, every app. That's the blockchain part.

— 3. Is my money safe?

The right question. Let's take it slowly.

The safe is always full. Every credit is matched one-for-one by an Australian dollar in the segregated account. Not "mostly backed." Not "invested in something that usually holds value." Not lent out to homebuyers or parked in other crypto. A dollar, in a bank, in an account kept apart from the company's own money. Full stop.

You get receipts, every month. Qalarc publishes the bank statement for the safe alongside the total of all credits people hold — and that second number isn't the company's claim; the notebook *is* the list of who holds what, publicly readable. Anyone can check the two numbers match. An outside accountant checks quarterly; a full audit comes later.

There are several locks on the door. New credits can only be created after a confirmed bank deposit, with daily limits on how many. Changing the rules needs several people to agree, then waits 48 hours so there's time to notice something odd. And the reserve numbers are signed off by a small committee of separate machines and people — not one person with one password.

What if qalarc went bust tomorrow? Plain answer: the safe is *client money*, held separately from the company's operating accounts. If the company folded, the safe's money is earmarked for credit holders — it covers outstanding balances dollar-for-dollar, and the company's other creditors can't treat it as theirs. That's the design.

And the honest caveat, said plainly: **the legal structure that guarantees this in every possible scenario is still being built.** The account separation and published proofs exist; the formal legal wrapper that makes the guarantee airtight no matter what is in progress, with proper legal advice, before anything is offered to the public. Until that's done, this is a promise backed by good architecture and honest bookkeeping — strong, but not yet iron-clad. We'd rather tell you that than pretend otherwise.

One boundary: everything above covers **the credit**. The loyalty points described next are a different beast and are *not* protected by the safe.

— 4. What are credit Qals vs rewards Qals?

Two names, and the difference matters. Think gift-card dollars versus loyalty points. (The old technical names — B-QALS and G-QALS — still appear in the deep docs.)

Credit Qals (old name B-QALS) — the gift-card dollars. The "B" was for "backed." These are what you get when you top up: one per dollar, a dollar in the safe, redeemable for cash any time (less the half-percent fee), used up (retired) when spent. If Sarah holds credit Qals, then "1 QALS = AU\$1 of qalarc services" isn't a marketing line — it's true by construction, because the dollar exists before the credit does.

Rewards Qals (old name G-QALS) — the loyalty points with a price tag. The "G" was for "growth." These go to the team, early supporters, and as rewards — like frequent flyer points, except these can be traded with other people, so they have a market price. They are **not** redeemable for cash from qalarc. Ever. Their value is what someone else will pay you, plus a safety net below.

	Credit Qals (B-QALS)	Rewards Qals (G-QALS)
Most like	a gift card	frequent flyer points that trade
Backed by	a real dollar in the safe, each	a revenue-funded price floor
Cash out from qalarc	yes, AU\$1 less 0.5%	no — sell to someone else if you find a buyer
What it's for	paying for services	rewards, and a share in the network's success

The floor — a jar of money standing under the loyalty points. What stops the price of the rewards Qals going to zero? A jar called the FloorVault. Real revenue feeds it: 20% of the profit margin on qalarc's services, most of the exchange's fees, and penalties paid by misbehaving computers (more on those later). A robot buyer — FloorBot — stands at the market permanently, always offering to buy rewards Qals at a set minimum price, using only the money in the jar. If everyone sells at once, the price slides to the floor and the robot starts buying — it can't go below, because there's always a buyer standing there. Above the floor, the price floats freely. And the floor only ever ratchets *up*, never down.

The honest numbers. At the start the jar is small — floor coverage might be a fraction of a cent per point. It grows with the business because it's fed by revenue, not promises, and the coverage is published every month. If the jar ever grows big enough to cover a full dollar per point, the rewards Qals can graduate to full backing and merge with the gift-card credits. The company won't *call* the rewards Qal a dollar until the jar actually contains the dollars — small published numbers over big round ones, always.

5. AI agents with wallets

Here's the genuinely new part.

An "AI agent" is software that does chores on your behalf — books the jobs, drafts the responses, orders the parts. Those chores cost small amounts of money: an AI call here, a few seconds of computer time there. So the agent needs to pay for things.

Picture the obvious worry: you would *not* hand your company Amex to an AI. You'd give the apprentice a separate card with a \$50 daily limit — never the main card. That's exactly what happens here, except **the limit is enforced by mathematics instead of promises**. Every agent gets its own wallet with a hard daily cap, and on Qalnet the cap is part of the notebook's arithmetic: payment number 51 on a \$50 day isn't *refused* — it's *impossible*, the same way you can't withdraw money that isn't in the ATM. No sweet-talking the software changes that.

Agents carry ID cards. Each agent gets a *Qal ID* — an identity it can prove without a password that can be stolen. Think of an employee ID card that can't be faked: "I'm the booking agent for tradez.au" is a claim the notebook can verify, not just text the agent says about itself.

They can prove single facts without showing everything. Say a system needs to check "is this user over 18?" Normally you'd hand over your driver's licence — revealing your address, licence number, everything. Instead, you prove just the one fact — "yes, over 18" — like showing the bouncer a note from the licensing authority that says only "this person is over 18" and nothing else.

There's a kill switch. If an agent misbehaves or gets compromised, its permissions can be revoked in about two seconds — the experience of cancelling a stolen card, not filing a support ticket.

Everything an agent produces carries a receipt. When AI drafts a report or generates an image, the work can be stamped with a signed record: which model made it, when, on whose computer, for which job — a birth certificate for AI output. "Who actually wrote this?" becomes checkable, not claimed. For a dispute-resolution service like endispute.com.au, that's not a nice-to-have; it's the whole ballgame.

6. Tracking computer work like parcels

Some AI work needs serious muscle — a proper computer (a GPU) grinding away for minutes or hours. Qalarc runs its own machines, and the system is built so machines can do work for each other and get paid fairly. The trick: **treat every computer job like a parcel with a courier.**

1. **Posted.** The job is described — what needs doing, and the *maximum* it should cost. Like a parcel form with a declared value.
2. **The money goes into escrow.** Payment is locked in the middle, held by the shared notebook itself — like paying through a service that holds your money until the parcel arrives. Neither side can grab it early, and the notebook doesn't take sides.
3. **Matched.** A computer takes the job — the courier. Couriers must post a bond before they can carry anything; lose your parcel and the bond gets docked.
4. **In transit.** The computer does the work, its machine signing off its own activity along the way — how long it ran, what it ran. Like GPS pings and checkpoint scans.
5. **Delivered.** Results come back with a signed note of exactly what was done. For important jobs, a second computer can re-run a sample as a spot check — a second signature on the delivery.
6. **Settled.** The courier gets paid from escrow — only the actual cost, any change returned automatically — and a **receipt** is issued: what ran, where, how long, what it cost, whose machine. Permanent and independently checkable. A tracking number that also notarises what was inside the box.

If the courier loses the parcel — the job fails, or the machine's signed log doesn't match reality — the money bounces straight back to you and the courier's bond gets docked. No arguing, no "please hold for the next available operator." The notebook holds the money and the evidence; it pays out on what actually happened.

Beyond fair billing, this means **every piece of AI work qalarc ships can carry its receipt**. "This report was made by model X, on date Y, for client Z, unaltered since" becomes a checkable fact, not a promise. That's how you get AI you can hold to account.

— 7. The exchange (Qalx)

You'll hear the name **Qalx**. Strip away the mystique: it's a small market stall, run by qalarc, where the different tokens can be swapped. Not the ASX. Not a casino. Think of the farmers market stall the farm itself runs, so people can trade what the farm produces at a fair, published price.

Three things to know:

1. **The gift-card dollars barely need the stall.** They have something better: a redemption desk that always pays one dollar per credit (less the tiny fee). That desk *is* the price — it anchors the credit to the dollar no matter what's happening at the stall.
2. **The loyalty points trade at the stall, and there's always a buyer standing there.** That's FloorBot, holding the jar, permanently bidding the floor price. It can't be outbid from below because there is nothing below. Above the floor, prices rise and fall with demand — the floor is a safety net, not a ceiling.
3. **Most of the stall's fees go back into the jar**, lifting the floor over time. The stall exists to give loyalty points a fair, transparent price — not to encourage trading. If you never touch Qalx, you're not missing the product; the product is the services.

One fence around all this: **none of the public-facing trading exists yet, and won't until the licensing work is done.** Right now Qalx is internal plumbing. The company is deliberately walking the regulatory path in the right order — prepaid credit first, legal boxes ticked, then open up.

— 8. What could go wrong

No system worth trusting hides its failure modes. Here they are, plain, roughly in order of importance.

1. The rules could change. The biggest known risk. QALS is deliberately built as *prepaid credit* — the same legal family as a gift card or phone top-up. But a regulator could one day decide it's something else — a security, a bank deposit — needing a different licence. The company is

staying inside the prepaid fence, getting written legal opinions, and refusing to offer anything publicly tradeable until the path is cleared. Right posture, real risk until resolved.

2. Loyalty points could go to near zero. The rewards-Qals floor starts at fractions of a cent and is fed by revenue over years. If the business stalls, the floor stays small. Don't buy rewards Qals thinking it's savings; it's the speculative end, clearly fenced off from the gift-card money.

3. Bugs. This is software, and software has flaws. The defences: several independent computers must agree on every entry, rule changes wait 48 hours, an outside accountant checks quarterly, and discrepancies trigger automatic pauses. A lot of nets — but no net catches everything.

4. Qalarc itself. The safe protects your credit balance even in a wind-up (that's the design, legal wrapper in progress). But no reserve keeps the *service* running if the company stops, and the jar can only support loyalty points to the extent of the revenue feeding it.

5. Home-built parts. Some of the notebook-keeping computers are ordinary machines in ordinary rooms. If a few go down, the rest carry on and a cloud copy exists — but this is a small fleet, not a global network of thousands.

The general warning: the credit Qal is a prepayment, not an investment. The rewards Qal is a speculative loyalty token, not a savings account. Nothing here is financial advice. Use the credit because the services are good; treat everything else with BBQ-level scepticism.

— 9. Ten questions your mates will ask at the BBQ

1. "So it's crypto, like Bitcoin?" The plumbing is blockchain-family; the product isn't. Your credit is a prepaid service — always worth exactly \$1 of work — not a coin you hope goes up. No mining, no power stations in the garage, no price rollercoaster on the gift-card side.

2. "Is it a stablecoin? Those blew up." The ones that blew up took people's dollars, lent them out, and promised the money back anyway. Here the dollar sits in a locked, separate account, never lent, with receipts published monthly. Closer to an e-gift card than a stablecoin.

3. **"Can I get rich off it?"** Not off the credit — always exactly \$1 of services, by design. The loyalty points are the upside part, and they start small and risky. If someone calls this a moonshot, they haven't read the guide.
4. **"What the hell is a doof?"** The small change. One millionth of a credit, named after doofing. Machines deal in doofs the way you deal in cents, just much smaller.
5. **"What's an AI agent doing with a wallet?"** Its chores: drafting, booking, paying the computer that did the work. Same reason you give the apprentice a card with a daily limit instead of the company Amex.
6. **"Can an AI go on a spending spree?"** The daily limit is enforced by the maths, not the honour system — payment 51 on a \$50 day simply can't happen. And there's a kill switch that shuts an agent down in about two seconds.
7. **"Why not just use a bank and Stripe like everyone else?"** Machines paying machines in fractions of a cent doesn't fit card payments, and every app keeping its own books is how accounts drift. One shared notebook fixes both at once.
8. **"Is my prepayment funding crypto trading?"** No. The safe money never leaves the safe until you spend the credit or hand it back. The trading stall handles the loyalty points, not your prepayments. Different jars entirely.
9. **"What if you get hacked?"** No single key opens everything: faking entries means fooling a majority of independent copies, moving money needs several approvals, and big rule changes wait 48 hours in plain view. Not hack-proof — nothing is — but no one door to kick in.
10. **"When can I actually use this?"** In stages: internal testing, then a closed group of customers, then publicly — only after the legal boxes are ticked. Ask again at Christmas.
-

— The words, in plain English

- **QALS** — the credit. One QALS equals one dollar of qalarc services.
- **Doof** — the small change; a millionth of a QALS.
- **Qalnet** — the shared notebook; qalarc's own private chain.

- **Credit Qals (B-QALS)** — gift-card dollars: backed one-for-one, redeemable, used up (retired) when spent.
 - **Rewards Qals (G-QALS)** — loyalty points with a market price and a revenue-funded floor.
 - **FloorVault / FloorBot** — the jar of money, and the robot that always buys at the floor.
 - **Escrow** — money held in the middle by the notebook until a job is done.
 - **Qalx** — the market stall where tokens swap, run by the company.
 - **Qal ID** — the unforgeable employee ID card, for people and their AI agents.
 - **Burn** — destroying a credit when it's spent, so it can never be spent twice.
-

— The honest one-liner

If you remember nothing else, remember this — it's what we'd tell your grandmother, and what we'd tell a regulator:



Every QALS you buy as credit is backed dollar-for-dollar by Australian money in a segregated reserve — redeemable any time, and used up (retired) when you spend it. The rewards Qals that reward our team and network aren't backed; they're supported by a revenue-funded floor that we publish every month.

That's the whole system. A gift card locked in a safe, a shared notebook that can't be cheated, AI workers on strict allowances, computer jobs tracked like parcels, and a market stall with a floor that only rises. No magic — just arithmetic doing what promises can't.