Care Cash (KRWC)

Technical and regulatory design white paper

Jace Shim · November 2026 · https://doi.org/10.5281/zenodo.24612001

Executive summary

Care Cash is a proposed won-referenced payment instrument for conditional care settlement, developed from Chapter 15 of Target Money. This standalone design describes a settlement system and its prerequisites. The design remains conceptual and experimental. It provides no evidence of authorization, live issuance, or operational performance.

Keywords · KRWC, care payments, won stablecoin, reserves, conditional settlement

Roles and architecture

A prospective issuer manages issuance and redemption. A custodian holds reserve assets, and a separate operator administers care claims. Providers submit evidence of authorized service, beneficiaries can contest it through an assisted channel, and a designated reviewer decides disputed amounts. The proposed interface combines a wallet and merchant interface, a sponsored-fee option, conditional settlement, and external records. Track who actually pays sponsored fees and account for this cost independently of the settlement amount.

Reserve and redemption

The proposed design targets par redemption and tests a reserve mix of 30% won deposits and 70% short-dated Korean sovereign or monetary-stabilization instruments. The mix is illustrative. Evaluate marked value, legal segregation, asset availability by payment deadline, and custodian and payment-rail concentration. Reconcile token supply with custodian and bank records daily. Escalate discrepancies and stale attestations before further issuance. External agreed-upon procedures and broader financial audits have different scopes. A reserve snapshot offers only point-in-time evidence.

Stress same-day and multiday redemptions against accessible deposits and sale proceeds after conservative haircuts. Include weekends, custodian outages, and delays in receiving sale proceeds. Identify assets already pledged and calculate outflows in a common currency. Contingent credit should carry a named funding source and tested draw conditions. Preserve an operational redemption route when further issuance is suspended, subject to the governing arrangements.

Care settlement and safeguards

A payer commits funds for defined care units. A provider supplies a claim against those units. The evidence keeper records service documentation in a restricted system and communicates an approval or exception reference. Supported amounts may be released while disputed amounts await review. The parties agree on notification, evidence correction, appeal, and refund procedures. Minimize personal data disclosure and preserve alternatives for users who lack smartphone access.

Implementation gates

Before real-value activity, establish who has legal authority to issue, hold reserves, and handle redemption. Review privacy, consumer remedies, financial-crime controls, insolvency treatment, and permitted responses to lawful orders with jurisdiction-specific counsel. Test reconciliations, authorizations, controlled upgrades and incident recovery with synthetic funds. Then evaluate external assurance, governance separation, and participant experience before considering a limited pilot. This white paper condenses the book chapter into a standalone design and records no approval or legal finding.

References

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