DHURA

Monetary legitimacy

According to law, legitimate is that which complies and corresponds to law or which is allowed and not prohibited by law.

Legal tender currencies

The banks of issue (central banks) issue legal tender currency[1] without a monetary reserve guarantee[2], therefore tickets (banknotes) devoid of any real value that gain value through law[3]. It can be affirmed that banknotes are fake bills of exchange to the bearer with no term[4].

The other banks (ordinary credit banks or commercial banks) receive deposits that, owing to the fractional reserve rule[5], they have to keep in the amount going from 0% to 2%[6] and can give the remaining.

Because loans in their turn get deposited in the bank that granted them or in other banks, through the fractional reserve effect we have what's called the monetary multiplier[7], which allows the bank system in its complex to multiply the currency issued by central banks up to 50 times, causing the credit expansion.

With this legal tender currency devoid of value and guarantees it's possible to buy real value goods and services and undersign or purchase instruments of credit. So, with this currency, which only has a value by law, pays debits, buys credits and finances States.

Because less than 5% legal tender currency is employed in real economy and the rest in purely financial operations, this currency is the main cause of the concentration of wealth[8].

The legitimacy of legal tender currency comes from law, which allows the issue of it also without monetary reserves.

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[1] Legal tender currency is the one that isn't covered by other material reserves and that is given value by a state or interstate authority.
[2] Monetary reserve is the value of metal or other goods that the currency issuer must keep as guarantee for the printed banknotes.
[3] If legal tender currency had a value or had been guaranteed by values it wouldn't need legal tender.
[4] It's to the bearer because it has no holder and doesn't need to be endorsed; and it has no term because it only carries the issuing date (or year).
[5] Fractional reserve is the percentage of bank deposits that, according to law, the bank is obliged to keep under shape of cash or easily payable activities.
[6] In Europe the monetary reserve is actually 0% for term deposits lasting more than two years, deposits reimbursable with a two years notice, liquid securities and securities with fixed term higher than three years. It's indeed 2% for the other liabilities subject to reserve as established by article 4 of regulation 1745/2003 by the European Central Bank.
[7] The monetary multiplier is the ratio between the currency issued by the central bank and the outstanding monetary mass.
[8] One per thousand the world's population controls directly or indirectly more than half the entire wealth of the planet.

Dhana

No national or international law prevents a subject different from the state or the central bank from issuing a currency.

Dhana is entirely guaranteed since it's first issue[9] by capitals of enterprises[10] denominated in legal tender currencies[11] for a nominal value[12] equivalent to a gram of 999/1000 fine platinum per one Dhana.

The shares representing the capitals of securities are (shares or quotes) pledged to guarantee the issued Dhana and their nominal value in legal tender currency changes depending on the floating of the price of platinum compared to the same currencies[13]. This is way Dhana is guaranteed constantly by a real value equivalent to one gram of platinum.

The legitimacy of Dhana rises from the legitimacy of the enterprise capitals guaranteeing its value and from the legitimacy of pledge as kind of guarantee.

The legitimacy of the enterprise capitals rises from the application of trade and corporate law norms regarding the formation and payment of capitals. Pledge legitimacy rises from the relative norms of each country.

Conclusions

So, in law Dhana is as legitimate as legal tender currencies: they are both based on law. But, between Dhana and legal tender currencies there are guarantee, tender and compulsoriness differences.

Regarding guarantee, Dhana is entirely guaranteed since its issue, while legal tender currencies are only guaranteed by the solvency of the issuing bank.

Regarding tender, Dhana is convertible with capitals owned by the firms guaranteeing it while legal tender currencies undergo forced circulation[14], therefore unconvertible, because they aren't covered by any monetary reserve.

Regarding compulsoriness, the acceptance of Dhana as payment is and will always be free and voluntary, while legal tender currencies must always be accepted as payment.

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[9] That is beginning from when Dhana is printed.

[10] The enterprises guaranteeing Dhana are companies or other bodies exerting economic and/or financial activities.

[11] With the national currencies where the enterprises are located.

[12] For guarantee purposes, capitals are evaluated their nominal value to avoid the risk the same guarantee could result reduced as effect of an eventual devaluation. Really, because the actual value is higher than their nominal value, each Dhana is guaranteed by a value higher than the one of a gram of platinum.

[13] Through a specific reserve, each day the pledge value is reduced or increased in relation to the floatation of the price of platinum.

[14] Forced circulation currency isn't convertible with the goods guaranteeing it.