



GEX Business Requirement

EXECUTIVE SUMMARY

- GEX, known as the Glitch Decentralized Exchange, is a permissionless peer-to-peer engine powered by smart contracts with built-in profit-sharing, inclusivity, and community-shareholder features. The GEX will initially launch as an MVP with a basic swap and liquidity feature and will be expanded beyond that.
- DEXs and AMMs today claim to have decentralization when in reality, they are more centralized than they lead off. Front-running and a poor UX/UI are other reasons why the GEX aims to stand out amongst the rest, especially due to its unique revenue-sharing feature.
- GEX's ideal user base includes traders and long-term users. These users directly contribute to generating fees for each token swap or addition to the liquidity pool. In the future, the revenue-sharing mechanism will go live, and the fees will be distributed to participants securing the network. It will act as a DAO from the first day of operation.
- Allocations have been broken down according to our success metrics. Marketing will come into play as the MVP is launched, and, post-launch, will run campaigns after community approval from the governance proposal and funds taken from the treasury. The community will take over GEX Operations as per the standard DAO governance mechanisms.
- GEX MVP will launch on Testnet first and then on the mainnet.

OPERATIONS

TECHNICAL REQUIREMENTS

GEX MVP Functionality	<ul style="list-style-type: none">• Swap<ul style="list-style-type: none">◦ GEX - BASIC SWAP• Add & Remove Liquidity<ul style="list-style-type: none">◦ GEX - ADD/REMOVE LIQUIDITY
Initial Supporting Assets Must have a variety to attract liquidity	<ul style="list-style-type: none">• Native GLCH• Native GEX• WETH, WBTC, USDT
Security Measures	<ul style="list-style-type: none">• GEX should have strong security protocols in place to prevent from malicious attacks<ul style="list-style-type: none">◦ Secure wallet integration◦ Smart contract auditing◦ Conduct regular penetration testing to identify security weaknesses• Decentralized hosting with permissionless access. IPFS hosting without using Infura as the core RPC since they claim to be decentralized but are actually centralized and have been colluding with intelligence agencies to block access.

PRODUCT DESCRIPTION

Mission	<ul style="list-style-type: none">• Our mission is to create a decentralized and transparent exchange on the native Glitch network that fosters deep liquidity and attracts whale-sized investors while promoting democratization. We aim to expand liquidity throughout the ecosystem and offer revenue sharing, transparent governance, and basic token swaps to all users.
Opportunity	<ul style="list-style-type: none">• Goal: Create the world's first truly decentralized exchange• Components:<ul style="list-style-type: none">◦ Hosting◦ Runtime◦ Application◦ Messaging◦ DAO governance• Liquidity should be linked directly to the network's revenue sharing.
Objectives	<p>Short-term:</p> <ul style="list-style-type: none">• Provide a user-friendly experience• Provide a safe platform to swap assets• Enhancing liquidity of the GLCH token• Council elections <p>Long-term:</p> <ul style="list-style-type: none">• Plug into the revenue sharing mechanism• Drive liquidity through the ecosystem• DAO governance
Target Market	<ul style="list-style-type: none">• Primary Regions: USA, EU, Indonesia, India• Ideal users:<ul style="list-style-type: none">◦ Frequent DeFi users◦ Knowledgeable in protocol usage for DeFi◦ Able to use native DeFi protocols without a lengthy explanation/guide◦ Understand wallet management, token swapping, adding or removing liquidity, and LP token staking• Ideal LPs:<ul style="list-style-type: none">◦ Aware of the risk of providing liquidity◦ Understand that LPing causes impermanent loss

MARKET ANALYSIS MVP SWOT

Strengths	<ul style="list-style-type: none">• Features such as a basic swap, add/remove liquidity, and off-chain governance using Snapshot.• A truly decentralized trading experience that is transparent with no single point of failure (that is the goal) with proof of reserves.
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	<ul style="list-style-type: none"> • Revenue share can incentivize users to participate by offering a portion of fees accrued from tx within their dApp, which can encourage liquidity and growth. • Low trading fees drive in users and expands accessibility. • Increase liquidity on the GEX with activating an integration like Orion. • DAO governance gives the community the power to launch proposals and make executive-level decisions as a collective to drive decision-making. Community members will need to pass a proposal to make changes to the DEX. GEX token holders will vote in board members to carry out “the voice of the people”
Weaknesses	<ul style="list-style-type: none"> • Limited features within the MVP as other DEX have significantly more features thus the GEX MVP may not be immediately competitive in today's market. This could also effect short-term adoption, but supports long-term adoption as GEX development will go beyond the initial MVP version. • Smart contract risks and the potential for bugs in the code may be higher compared to more established DEXs. • Limited scalability at first because there is no implementation of the revenue share. This may cause congestion to the dApp, which in turn may or may not cause congestion to the network.
Opportunity	<ul style="list-style-type: none"> • Goal: Create the world's first truly decentralized exchange • Components: <ul style="list-style-type: none"> ◦ Hosting ◦ Runtime ◦ Application ◦ Messaging ◦ DAO governance • Liquidity should be linked directly to the network's revenue sharing.
Threats (+ Competitors)	<ul style="list-style-type: none"> • Competitors that launch a DEX on the chain can take away from TVL but encourages network adoption, so a double-edged sword. • Uniswap, dYdX, Balancer, Curve Finance, Pancakeswap, Trader Joe, Raydium, Bancor, and DEX aggregators.
Industry Challenges	<p>Centralized exchanges today:</p> <ul style="list-style-type: none"> • Single point of failure in an industry that touts self-custody • High trading fees with no revenue sharing for users • Limited to no proof of reserves - needs to adapt to the growing trend of on-chain transparency • Poor UI, customer service, and communication channels to resolve issues • Spoofing and fake orders are rampant <p>Decentralized exchanges today:</p> <ul style="list-style-type: none"> • Many are actually centralized, using Infura hosting as the main RPC • Lack of liquidity, especially for traditional AMMs

	<ul style="list-style-type: none"> • Limited legitimate token pairs with lots of low liquidity scam pairs • Smart contract risk and potential bugs/exploitation by bad actors • Front-running and bad UX/UI • Lack of innovative features as most DEXes are an uninnovative fork
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TOKENOMICS

TOTAL SUPPLY	8,888,888
CIRCULATING SUPPLY	4,444,444
TOKEN SPECIFICATIONS	Governance
TOKEN MODEL	Deflationary
TOKEN ALLOCATION STRUCTURE	<p>Out of the 8,888,888 GLCH:</p> <ul style="list-style-type: none"> • 50% goes to liquidity • 50% goes to development <p>Therefore, 4,444,444 GLCH are in circulation, and the other 4,444,444 GLCH are in the team's possession.</p> <p>BREAKDOWN</p> <p>Token Allocation:</p> <ul style="list-style-type: none"> • Public Raise: 50% • Treasury: 45% • Founding Team: 2% • Misc. Contingencies: 3% <p>Treasury breakdown (from the 45% allocated):</p> <ul style="list-style-type: none"> • Product Development: 40% • Ops/Hosting: 10%* • Marketing: 30% • Rewards for Marketing: 20% <p>Liquidity:</p> <ul style="list-style-type: none"> • The 50% of the total Raise is deposited into the GEX as liquidity. The other 50% is deposited into the treasury to begin operations. Once we do the token swap, all of the liquidity on UniSwap can be transferred to the GEX as liquidity or the Glitch treasury. <p>*for servers/hosting etc (to be managed by a reputable provider approved by the community preferably decentralized IPFS hosting)</p> <p>TOKEN SPLITS UPDATE AS OF JULY 2023</p> <p> Sign in to access Google Drive Spreadsheet</p>

TOKEN ECONOMICS

INITIAL LIQUIDITY ALLOCATION	<p>50% of the Raise</p> <p>If we wanted to pull from Uniswap, then it would be \$419K USD as of Jun 27, 2023</p>
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SWAP FEES	0.03% collected in GLCH as the underlying L1 token
ECONOMICS	<ul style="list-style-type: none"> All protocol fees collected will be proportionately distributed to LPs and the rest will go into the treasury <ul style="list-style-type: none"> 50% (0.005%) to LPs from swaps 50% (0.005%) to DAO treasury 25% of the fees that are deposited in the treasury (0.0025%) will be used for a token buyback and burn on a quarterly basis as GLCH tokens are used to purchase GEX tokens and then burned. <p>After Revenue Share:</p> <ul style="list-style-type: none"> All protocol fees collected will be proportionately distributed to LPs, the revenue sharing mechanism, and the rest will go into the treasury <ul style="list-style-type: none"> 50% (0.005%) to LPs from swaps 30% (0.003%) to DAO treasury 20% (0.002%) to Revenue Share mechanism Out of the tokens deposited in the treasury, 5% of the fees (0.00015%) will be used for a token buyback and burn. <p>This proposal strikes a balance between incentivizing liquidity providers and ensuring the GEX's long-term sustainability by funding the DAO treasury, and aims to incentivize LPs and validators while supporting the token's value through buyback and burn mechanisms.</p> <p>Utility considerations:</p> <ul style="list-style-type: none"> Holding GEX increases the weight of the revenue share proposals after revenue share is launched <ul style="list-style-type: none"> 0.25% for an example increases total revenue share into your wallet Locks up GEX tokens Stake GLCH for network revenue share, stake GEX for GEX revenue share embedded into the protocol.
TOKEN BURNING AND BUYBACKS	Please see above.
TOKEN STAKING (LP)	The initial staking will begin with LP and will need to expand to non-LPs that must go beyond the MVP version. This can be expanded upon through community governance proposals.

TOKEN REQUIREMENTS

Category	Governance voting	Council Member Eligibility
Description	As a token holder, I can vote on proposals	As a token holder with this many tokens, I can eligible for board member approval.
DAO Membership Requirement (Enter governance)	Minimum of 1 GEX (Snapshot req. 1 token)	Minimum of 8,888 GEX (configurable by proposal and accepted if a governance vote passes alongside a unanimous council approval)

Note: Increasing the minimum token requirements beyond 1 will create an unequal distribution of voting power and will impact decision-making and must remain at 1.

MEMBERSHIP PERKS BASED ON TOKEN HOLDINGS

Early access to exclusive features	888 GEX
Access to exclusive liquidity pools	888 GEX
Discounted transaction fees	888 GEX

Note: These are the initial figures and would be configurable through a governance proposal.

GOVERNANCE STRUCTURE

CODE OF CONDUCT

1. Treat each other with respect and professionalism
2. Discriminatory behavior or hate speech will not be tolerated
3. Threats of violence will not be tolerated
4. Any form of spamming, including promoting unrelated products or services, will not be tolerated
5. All members are expected to be transparent and honest in their actions
6. Any attempts to subvert or manipulate the governance process will not be tolerated
7. Community members should work together to resolve any disputes or issues in a peaceful and respectful manner

ROLES

ROLES	<ul style="list-style-type: none">• Chairman: ELECTED<ul style="list-style-type: none">◦ To oversee the council's operations◦ Voting and mulitsig• Operations: ELECTED<ul style="list-style-type: none">◦ Operations of the business overall◦ Voting and mulitsig• Marketing: ELECTED<ul style="list-style-type: none">◦ To manager the marketing of the GEX◦ Voting and mulitsig• Tresusary manager: ELECTED<ul style="list-style-type: none">◦ Prepare monthly finance reports for the community (high level) and quarterly details reports◦ Voting and mulitsig• Board member 1: ELECTED<ul style="list-style-type: none">◦ Voting and mulitsig• Board member 2: ELECTED<ul style="list-style-type: none">◦ Voting and mulitsig• Board member 3: ELECTED<ul style="list-style-type: none">◦ Voting and mulitsig• Board member 4: ELECTED<ul style="list-style-type: none">◦ Voting and mulitsig
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	<ul style="list-style-type: none"> • Board member 5: ELECTED <ul style="list-style-type: none"> ◦ Voting and mulitsig • Board member 6: ELECTED <ul style="list-style-type: none"> ◦ Voting and mulitsig
COUNCIL MEMBER REQUIREMENTS & RESIGNATIONS	<ul style="list-style-type: none"> • Requirements: <ul style="list-style-type: none"> ◦ Must hold a minimum of 8,888 GEX ◦ Must hold their position for a minimum of 12 months with an option to renew by submitting an updated proposal. ◦ Must attend regular meetings coordinated by all council members ◦ Must not abuse their responsibility ◦ Existing council members have the right to “veto” your candidacy if the decisions are unanimous. • Resignation: <ul style="list-style-type: none"> ◦ If a council member wants to resign, they must submit a proposal which must be approved by at least 75% of existing council members. ◦ 75% of existing council member would need to agree to “sack” another council member, in which their position would be open for proposal reviews by the community. ◦ If someone is sacked, the Chairman must temporarily take over until a suitable replacement is elected in.
TREASURY MANAGEMENT	<p>Must have the ability to make good decisions/overpower bad actors at any time</p> <ul style="list-style-type: none"> • 1 or 2 people
Council Term Limitations	<ul style="list-style-type: none"> • Term limits: <ul style="list-style-type: none"> ◦ 1 year, with renewal option ◦ Council members can be replaced at any time through a voting process. This can occur if the community feels that they are not fulfilling their duties or if new candidates with better qualifications emerge. ◦ Proposal can be renewed by submitted an updated proposal with accomplishments and future goals. ◦ The community will decide if there is a maximum term or not based on who they decide to elect for the position.
Council Member Eligibility	<p>An individual can become eligible for responsibilities after completion of the following steps:</p> <ol style="list-style-type: none"> 1. Ideate and launch a proposal for the position. The proposal must be detailed with what you plan to accomplish by holding the selected position. 2. Get people to review and vote for your proposal. 3. Purchase a minimum of 8,888 GEX (configurable). Individual will need to verify using a smart contract and submit the tx hash within their proposal. Those that skip this step will have their proposal rejected by current council members by signing with a large amount of GEX tokens.

	4. Council members will see to it that your proposal is approved if the community wants to move forward. Council members have the right to "veto" a candidate if it is unanimous.
Membership Revoke	Members (non-council and council) who violate the GEX's guidelines may have their membership revoked by a vote of the DAO's governance mechanisms.

Note: All positions must be elected from the start, including staff positions, for it to be "Truly decentralized". The Glitch team cannot make up more than 40% of the council to allow the community to retain control. Community members will likely come and go, so the community must elect quality council members. Validators and trusted advocates are good candidates for council members due to long-term participation. The team can nudge community members in the right direction to vote for more qualified applicants when voting occurs.

VOTING

Governance Mechanism	<ul style="list-style-type: none"> Off-chain voting such as Snapshot. On-chain voting is too costly due to high gas fee costs, and the more tokens that are used to vote on proposals, the higher the gas fees are. Off-chain voting resolves this as you cannot use an L2 to sign transactions around governance.
Voting Period	Once a proposal is submitted, the voting period will remain open for a total of 30 days. Define these parameters on the voting portal
Voting Pass Or Fail	<p>Must have majority support of at least 75% for the proposal to pass. This will allow proposals to pass fairly without conflict between DAO members and without being at the whim of whale-sized holders.</p> <ul style="list-style-type: none"> 75% Yes 25% No <p>In this scenario, the governance proposal would pass.</p> <ul style="list-style-type: none"> 90% Yes 10% No <p>In this scenario, the governance proposal would pass.</p> <ul style="list-style-type: none"> 74% Yes 26% No <p>In this scenario, the governance proposal would fail.</p> <ul style="list-style-type: none"> 51% Yes 49% No <p>In this scenario, the governance proposal would fail.</p>

NEEDS, WANTS & HOSTING

Needs	Simple to use UXUI	GEX Liquidity Rewards Program	Low swap fees to encourage adoption and trading activity	Access to a variety of token trading pairs	Decentralized hosting options
Wants	DAO-based forums for membership	Advanced trading features such as limit orders, stop-loss	A decentralized method of distributing rewards	Support for staking and yield farming enables users to	Activation of integrations to

	communications, discussions, etc.	orders, margin trading, and more.	by depositing GLCH into a time-locked smart contract. This contract provides rewards to participants who store their liquidity in a defined contract for X amount of time over Y weeks or months.	earn rewards for contributing to network liquidity and governance.	increase liquidity and reduce slippage. <ul style="list-style-type: none"> • Orion LBP • Chainlink Price Feeds • Add Alchemy Pay into Glitch Wallet to connect with GEX.
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HOSTING

Domain Name	In discussions
RPC Provider	<p>Infura is a widely used blockchain infrastructure provider but there are decentralized alternatives to Infura that offer better functionality, including:</p> <ul style="list-style-type: none"> • Alchemy • QuickNode • Pocket Network • MYTHX <p>These are all examples of decentralized alternatives to Infura.</p>
IPFS Hosting	<p>IPFS hosting can provide a decentralized and censorship-resistant way for the GEX to store and distribute data instead of centralized servers, which improves the security, privacy, and resilience of the GEX, making it less vulnerable to attacks and downtime.</p>

GEX RAISE & TOKEN

Token Ticker: GEX

Raise Location: Blueprint Launchpad

Raise Target: \$500K USD++

Use of proceeds: Initial Liquidity, Operations (Treasury)

Type of sale: Public

The GEX cannot have a private sale as it would be out of line with the “decentralization” ethos.

There will be an open raise, so the community will decide based on demand. Funds are distributed in percentages based on the total funding round managed by the council. Elections must occur BEFORE any funding is spent, and any spending must go through a governance vote.

The target raise is at least \$500K-1M USD, but it is up to the community to decide on the final amount.

Launching the GEX Token (High-Level)

1. Write and deploy GEX smart contract
2. Test the smart contract for vulnerabilities

3. Deploy the smart contract
4. Verify that the smart contract source code is on the Glitch block explorer
5. Seed the liquidity pool in the GEX token and its trading pair
6. Add the GEX token to different coin-tracking websites like CoinMarketCap, LiveCoinWatch, and CoinGecko
7. Add the GEX platform to different DeFi analytics platforms like DeFi Pulse, DeFi Llama, and DappRadar

CEX Trading

The GEX token will start trading on the GEX itself as it is a GRC-20 token.

The GEX token does not need funding to list on a layer-1 right out of the gate. This would be the responsibility of the community to submit a proposal to utilize some funding from the DAO Treasury to list the GEX token on a CEX.

GEX LIQUIDITY PROGRAM

GEX requires users, and users require volumes and incentives. Providing liquidity on a DEX has become an essential part of the DeFi experience, enabling better liquidity, faster transactions, and a higher level of convenience for traders. Users who want to trade on a DEX need liquidity to be able to swap their tokens with others. By providing liquidity, LPs earn a share of the trading generated by the pool.

Offer a monthly reward that is distributed proportionally to LPs based on the amount of liquidity they provide.

A liquidity program needs to be created and launched right after GEX on Mainnet.

A referral system needs to be created to continually attract eyes to the GEX.

These are a work in progress.

Domain Names

GEX Domain: tradegex.com

Domain Registrar: godaddy.com

Emails

Support: support@tradegex.com

Contact: hello@tradegex.com

Business Inquiries: business@tradegex.com

Key Performance Indicators (KPIs)

TARGET KPIs - Liquidity Program

Program Feature	Specific Details
Liquidity Reward Rate	0.03%
Reduced Trading Fees	50% reduction with participation
Referral Bonus	5% of referred user's rewards
Early Withdrawal Penalty	10% loss of rewards

Bonus for Long-Term LPs	Additional X% rewards after 1 year
Tiered Reward System	More rewards for higher contributions
Minimum Liquidity Lock-up Period	30 days
Special Rewards from Events	Variable
Governance Voting Rights	1 vote per 1 GEX Tokens staked

TARGET KPIs - General Operations

KPIs	1 month	3 months	6 months+
GEX Market Capitalization	\$500K	\$5M	\$25M
GEX Token Price (Assuming 8.88M max supply)	\$0.1125	\$1.125	\$5.625
Total Value Locked	\$1M	\$10M	\$50M
Daily Active Addresses	100	1,000	5,000
Daily Trading Volume	\$50K	\$500K	\$2.5M
Liquidity Depth	\$500K	\$5M (Liquidity program)	\$25M (Liquidity program)
Trading Fees (configurable)	0.03%	0.03%	0.03%
Slippage	0.1%	0.075%	0.05%
Number of Transactions	1,000	10,000	50,000
Number of Listed Pairs	2	5	10

MARKETING KPIs

View [marketing-specific KPIs](#) here.

TARGET KPIs - Financial Projections (Hypotheticals)

Year	Revenue	Operating Expenses	Net Income	TVL
1	1M	800K	200K	5M
2	2M	1.6M	400K	10M
3	4M	3.2M	800K	20M

As GEX scales, it will maintain its operating expenses at a steady level and will increase over time.

STAFFING

As we begin to roll out the GEX MVP, we may need to consider onboarding the following to assist us with the launch and can extend into growing GLITCH:

1. Community Moderator: GEX Community Channels.
2. Business Development: Get projects to build on Glitch and have them launch tokens directly on the GEX for trading.

LAUNCH ROADMAP

Planning	Pre-Launch	Launch	Post-Launch
Testnet Timelines	July	July/August	September
Mainnet Timelines	August	September	October+

Once the MVP has been thoroughly tested on the Testnet, governance elections can begin and roll into the mainnet.

COMMUNITY HANDOVER

Step #	Task	Description	Timelines After Testnet (*Dependent on various factors and likely to be adjusted)	Estimated Business Costs Associated (*Variable dependent on factors)
0	Testnet	Launch on Testnet	Week 0	<ul style="list-style-type: none"> • \$45K GEX MVP (Swap, add/remove liquidity) • Pending quote from tech for 2 bridging contracts (WETH/USDT) → Estimated at \$15K • Internal testing costs estimated at \$5,000 2 weeks of testing based on team salaries <p>Total: \$65K</p>
1	Testing	Request that the community utilize the testnet and provide feedback on its functionality. Early access.	Week 1	<ul style="list-style-type: none"> • Gleam sub: \$97/mo for 3 months at \$291 • Early access Gleam campaign: \$10 per person at an average of 350 people testing the platform initially at \$3500 <p>Total: \$3,791</p>
2	Communication	Educate the community on the intent to hand over the GEX	Week 1	No business costs associated

3	Development	Resolve critical hidden vulnerabilities that community members identify, if any	Week 1-4	No additional business costs associated beyond development which is already a fixed monthly cost
4	Educate Users	Conduct webinars, workshops, and Q&A sessions to educate users about the GEX, its governance model, voting process, and its features.	Week 1-4	No business costs associated
5	Mainnet	Go-live on Mainnet	Week 5-6	
6	GEX Raise	Conduct an open raise on the Blueprint Launchpad. Communicate that users who had used the testnet AND mainnet will receive a 0.5x increase on the GEX Raise. Run a proposal to airdrop 1-2% of the total supply to users who transact as well.	Week 6-7	
7	Decentralize Ownership	Distribute governance tokens to all testnet and mainnet users, and investors during the GEX Raise.	Week 8	
8	Test Run	Conduct a test run of the token governance with a minor proposal to ensure everything works as expected.	Week 9	
9	Decentralize Protocol	Communicate the need to decentralize the GEX with open governance elections. Educate the community and then execute on Snapshot.	Week 10	
10	Transfer Control	Gradually transfer control to the community. Monitor and provide guidance as necessary.	Week 11	
11	Support	Continue to provide support and guidance. Continue submitting proposals for the community to vote on.	Ongoing	

		<p>Make adjustments to ensure the GEX is running smoothly and the community is actively participating.</p>		
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