



The Next-Generation
*All-In-One-Trading
Blockchain Platform*

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ABSTRACT

CoVEX is creating the next-generation Blockchain-based trading infrastructure to allow traders to maximize and diversify their portfolios in the volatile crypto market space.

We want to transform the foundation of crypto markets into a viable ecosystem that boosts the mass adoption of crypto currencies. CoVEX is leveraging Ethereum Blockchain to create a one-stop platform incorporating an Exchange House, Social Trading, Margin Trading, P2P Loan, and Payment Gateway.

Combined with Machine Learning (ML) and Artificial Intelligence (AI) models, CoVEX is creating an infrastructure which democratizes crypto trading in the following ways:

- ☒ Creates more opportunities for traders to buy, sell and exchange their favorite crypto currencies;
- ☒ Allows traders to use their funds and tokens to copy-trade top traders in a transparent, verifiable and auditable manner;
- ☒ Allows traders to margin-trade their tokens and invest in approved sales using existing tokens and funds as security;
- ☒ Creates a truly P2P Loan platform that allows direct interaction between the borrowers and lenders, enabling the former to obtain loans without the involvement of financial institutions; and
- ☒ Creates a payment platform that allows traders to send and receive payments in multiple cryptos.

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1. INTRODUCTION

It is largely acknowledged that crypto markets behave fundamentally differently to the conventional fiat markets. A recent study conducted by Osterrieder and Lorenz reveals that ROI (Returns from Investments) from cryptocurrencies follow a non-Gaussian behavior and heavier distribution tails.

Because of non-Gaussian behavior, prices are prone to speculative bubbles, as witnessed in 2017 when the price of Bitcoin soared to \$20,000 for the first time. Although such behavior may lead to high gains, it can also present extreme negative shocks, with the potential to increase the likelihood of marketplace failure.

Although knowledgeable crypto investors are aware of the volatile nature of these markets, most seem either uninformed or ignorant about the inherent risks involved. As is the case with new technologies and trends, media attention is usually fixated with movements in price, leading to a general feeling about the likely returns that cryptocurrencies provide. But this can only apply to a knowledgeable crypto trader.

A new report by the United Nations agency reveals that nearly 51% of the world population (about 3.9 billion people) have access to the Internet. However, the same statistics cannot be said about cryptocurrency adoption. A recent report by Cambridge Center for Alternative Finance reveals that nearly 3 million people (less than 1% of all the internet users) are actively using cryptocurrencies.

Clearly, there is an imbalance between internet adoption and cryptocurrency usage. Notwithstanding the rapid growth of crypto markets, mass adoption into mainstream business is still a mirage. Most ecosystems have largely focused on single platforms that offer one service.

There is no one-stop platform where traders can exchange cryptocurrencies, margin-trade, copy trade skills, obtain P2P loans, and compete with each other's trades within their investment groups. A one-stop trading platform backed by the latest ML and AI models would help minimize risks by helping traders diversify their portfolios.

1.1 CoVEX Model

Consider, as a general case, a sequence of identically and independently distributed random variables $\{X_1, X_2, \dots, X_n\}$ having a continuous cumulative distribution function F_X , for $i=1, 2, \dots, n$. Given a threshold $u > 0$, $X-u$ (Excess distribution) denoted by $T(x)$ can be formed as:

$$T(x) = P(X - u \leq x | X > u) \dots \quad (1)$$

This can be simplified as follows:

$$\frac{F_x(u+x) - F_x(u)}{1 - T(x)}, \quad 0 \leq x \leq x_{FX} - u \dots \quad (2)$$

Where $x=X-u$ is the number of excesses while $x_{FX} \leq \infty$ is the right endpoint of F_X . Balkema and De Haan postulate that for a large class of distributions, the excess distribution F_X can be computed using a general Pareto distribution (GPD),

$$T(x) \approx G\xi, \sigma(x) \text{ when } u \rightarrow \infty$$

Thus, using the peak-over-threshold approach, the excess distribution ($X-u$) can be modelled a general Pareto distribution as:

$$G\xi, \sigma(x) = 1 - \zeta \left\{ \frac{G\xi}{\sigma} \right\}^{1/\xi}, \quad x > u \dots \quad (3)$$

Where x denotes the exceedance ratio, ζ the tail probability associated with the exceedances over the threshold u , $\sigma > 0$ is the scale parameter and $\xi \in \mathbb{R}$ denotes the tail index. In this case, $x \geq 0$ if $\xi \geq 0$, and $x \in [0, -\sigma/\xi]$, if $\xi < 0$. When $\xi > 0$, the $G\xi, \sigma(x)$ will correspond to Fréchet type distribution (fat-tail distribution).

On the other hand, when $\xi = 0$, $G\xi, \sigma(x)$ corresponds to an exponentially declining tail distribution (Gumbel type) or thin-tailed distribution. When $\xi < 0$, $G\xi, \sigma(x)$ function corresponds to a distribution with no tail such as a Weibull type distribution.

If the number of cryptocurrencies was small enough and markets were not as volatile as they are today, then cryptocurrency traders would encounter minimal challenges due to the thin-tailed distribution nature of the distribution. However, this is not the case.

At the time of writing, there are over 1500 cryptocurrencies with a total market cap of nearly \$800 billion. If a statistical distribution were to model the behavior of current crypto markets, then it would result in a fat-tailed distribution obeying the conditions $x \geq 0$ if $\xi \geq 0$, and $x \in [0, -\sigma/\xi]$, if $\xi < 0$.

Such a distribution would heavily disenfranchise novice traders who are still learning the cryptocurrency trading curve. This does not only apply to novice traders but experienced traders as well. It can take many years of hard work for a trader whether novice or experienced to acquire the knowledge required to make profits in crypto markets.



1.2 Statement of the problem

In the recent past, several startups have tried to resolve the problem of cryptocurrency adoption by leveraging P2P platforms with varying extents of success. P2P platforms offer many benefits for traders over traditional assets in the sense that they are transparent, decentralized, borderless and can be transacted at any time. While this can unlock limitless potentials to practically any trader, it creates many risks that may arise as a result of a lack of regulation, control, and liquidation.

The main challenges bedeviling most P2P trading platforms include:

- ☒ Lack of a one-stop cryptocurrency exchange platform with a universal wallet to allow users to trade effortlessly without using multiple wallet services;
- ☒ Inadequate diversification strategies that can be incorporated in crypto trading portfolios to allow traders to maximize the true potentials of these markets;
- ☒ A limited set of assets for use as collateral to obtain a loan. The concept of margin lending is still evolving with a number of startups jumping in to fill the gap
- ☒ Inadequate infrastructure for a global payment system which caters to the requirements of both customers and their merchants.

As a result of the aforementioned challenges, trading in crypto markets is a complex undertaking.

1.3 What is CoVEX?

CoVEX is an all-in-one Blockchain-based trading platform dealing in all matters crypto. CoVEX integrates the following components in one platform:

- ☒ Exchange House;
- ☒ Social Trading Platform;
- ☒ Margin Trading;
- ☒ P2P Loans;
- ☒ Payment Gateway; and
- ☒ Prepaid Card Service

CoVEX has its own cryptocurrency named CoVEX Coin. CoVEX Coin generates an entire cryptocurrency portfolio for token holders and fuels all the transactions on the platform. CoVEX holders are incentivized with payouts in all cryptocurrencies supported by CoVEX.

2.0 MARKET OVERVIEW

The inherent value of cryptosystems as an alternative method for storing and transferring units of value is increasingly gaining acceptance by a critical mass of tech enthusiasts, investors, financial institutions, regulators, merchants, ordinary consumers, and entrepreneurs. 2018 marks the 10-year anniversary for Bitcoin; the first ever use case of the ground-breaking Blockchain technology.

The ever-growing acceptance and range of capabilities is a testament to the fact that cryptosystems will even begin to take on more important roles in everyday activities for a growing number of businesses, people, and institutions around the globe. When 1 Bitcoin (BTC) was exchanging for a paltry \$1 in 2011, many people doubted the power of cryptocurrencies. However, when the focus shifted to Blockchain as opposed to Bitcoin, crypto markets began growing exponentially.

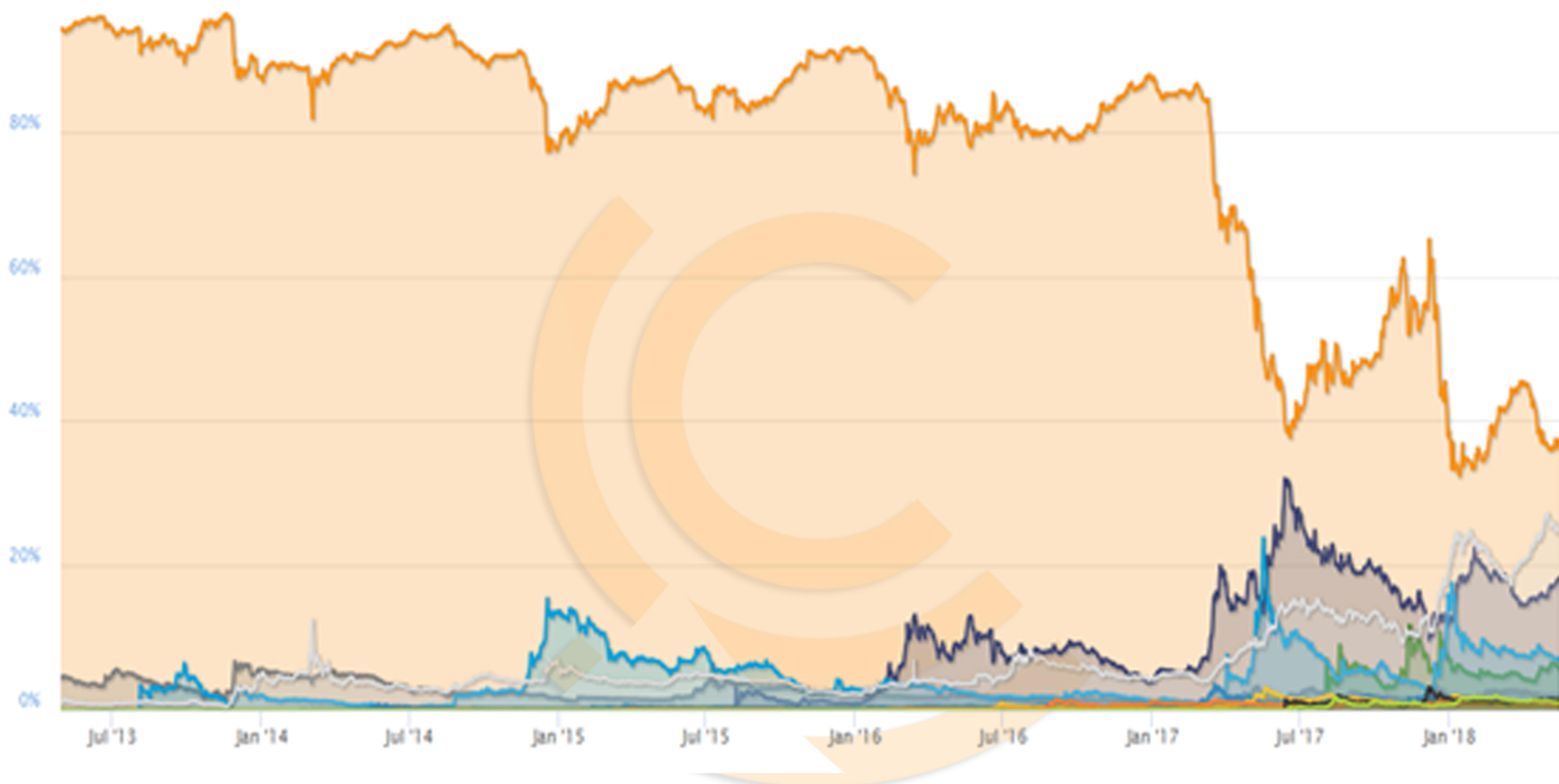
Cryptosystems allow users to have direct access to the global financial transaction system—anywhere, anytime, and without requiring financial institutions or credit history. In a sense, crypto markets promise to decentralize and democratize the global payment system, in the same ways the social media democratized the internet in the 2000s.

In December 2017, the value of 1BTC soared to \$20,000, representing a staggering 2,000,000% growth over the last seven years. Even though the price of 1BTC has stabilized to an average of \$6,800, the increase is still unprecedented, as shown below:



According to Coinmarket.com, the market capitalization for all the cryptocurrencies, as of the time of writing, is over \$800 billion. This figure surpasses the liquid money supply of major fiat currencies such as Korean Won, Swiss Frank, and all other currencies in the world aside from the big four currencies (the US Dollar, The Euro, Japanese Yen and Chinese Yuan).

The chart below shows the percentage of the total market cap for significant cryptocurrencies:



Bitcoin's dominance may lessen in the future as more viable players join the market. Notably, Ethereum—a Blockchain released in 2015 by Vitalik Buterin—has the potential to alter the entire structure of crypto markets. Perhaps the most revolutionary element of Ethereum is its ability to allow developers to code, execute, and deploy smart contracts (decentralized applications) on a Turing-complete Ethereum Virtual Machine (EVM). Today, there are hundreds of cryptocurrencies built on the Ethereum Blockchain and utilizing its inherent smart contract functionality. Ethereum has grown into a consummate tokenized ecosystem, allowing programmers to create interfaces between all conceivable sectors of public and private activities at both organizational and individual levels.

Besides Bitcoin and Ethereum, there have been some significant technological developments surrounding Blockchains. Corda a Blockchain developed for banking institutions became open sourced and was unveiled in 2016. Hyperledger Fabric a Blockchain hosted by Linux Foundation was unveiled in July 2017. JPMorgan Chase & Co. created Quorum, a customized Ethereum-based Blockchain, as an in-house platform and open sourced it in October 2016.

Clearly, the emergence and thriving of these platforms add significant value to crypto markets as they provide crypto traders with native tokens that can be applied far beyond the mere financial transactions. A recent study by the University of Cambridge reveals that the number of active users using crypto wallets ranges between 2.9 million and 5.8 million.

This number is expected to grow significantly as cryptocurrency gains acceptance in the mainstream services. As such, scaling the number of users will require an all-in-one crypto market that is user-friendly and can appeal to the ordinary users who may lack the necessary knowledge and technical skills in cryptosystems.

At CoVEX, we intend to bring cryptocurrency trading to the masses by providing them with an easy-to-use, one-stop-solution ecosystem that is suitable for businesses and individuals, irrespective of their experience levels.

2.1 Competition Landscape

The individual services on the CoVEX Platform have various competitors. However, the CoVEX Platform promised to occupy a unique position in the crypto market space in many aspects. If the number of token holders who have expressed interest in the project is anything to go by, we are primed to become a global market leader in crypto trading.

The table below summarises the key competitors for our individual services:

Service	Major Competitors	Strengths	CoVEX's Unique Position
Crypto-exchange	Kraken, Coinbase, Poloniex, Bitsquare, BitStamp, Gemini, and Livecoin	Large customer base Established already	Focus on cryptocurrency traders and businesses with little or no experience in cryptocurrency trading CoVEX offers an all-in-one cryptocurrency trading platform featuring a payment gateway, prepaid card services, P2P loans and lending and social trading.
P2P Loan	Lendoit, Salt Lending, and Karma	The majority of these platforms are still in the initial stages of development. However, we can glean from their whitepapers that they are entirely decentralized. This leaves out many traditional lending aspects.	CoVEX P2P lending platform is primed to connect international lenders and borrowers via an easy and trusted platform, leveraging the benefits of Blockchain and smart contracts.



Service	Major Competitors	Strengths	Covex's Unique Position
Margin Trading and Lending	Lendroid, Exmo, Bitbond, Xcoins, BitLending Club.	Most of these platforms are still in the initial stages of development. However, we can glean from their whitepapers that they do not provide a holistic experience for a trader willing to trade in cryptocurrencies.	CoVEX offer platform for both lender and borrower for margin trading. Our credit rating facility will help the lender to offer a leverage rate. CoVEX algorithm will prevent unusual or unfair leverage rates
Social Trading	TrakInvest, CopyCash, Covesting, and Fiancia	The platforms are still in the initial stages of development and do not provide a holistic experience for a trader willing to trade in cryptocurrencies.	In CoVEX Social trading, new traders can follow the expert traders who have higher profitability and successful trade history. Paying a small fee to join the successful trader group, a novice trader can learn the skills, chat with trader and share the trading experience. This leaves both traders in a win-win situation.
Payment Gateway	Gourl and Coinpayments	A variety of merchant tools Traction Many cryptos supported	Token holder loyalty optimization enabled via a self-sustainable CoVEX Token and a reward program The platform will be designed to acquire the new merchant sign-ups at a faster rate the platform will have a complete set of tools for merchants, including integration with e-commerce systems The platform will provide a merchant marketplace for both B2B and C2C business models. The platform will offer unique technical support for merchants
Prepaid Card service	Bitpay Card, Cryptopay, Spectrocoin, and Wagecan	These platforms do not provide a holistic experience for a trader willing to trade in cryptocurrencies.	Users of CoVEX prepaid card will be able to spend their funds in stores by using their exchange, private wallet fund or Cryptocurrency in the same way as they could do in the fiat based prepaid card. CoVEX is building a quicker, cheaper and more secure environment than it is possible in any traditional fiat based prepaid card.

3.0 CoVEX ECOSYSTEM



3.1 Uniqueness of CoVEX Ecosystem

The CoVEX platform has the following unique features

❖ **Simple GUI**

Our value proposition is the mainstream mass adoption of cryptocurrencies. Therefore, a simple GUI will serve as a conduit between classical finance and the digital asset economy allowing mass adoption of cryptocurrencies.

❖ **Universal wallet service**

CoVEX wallet is an intuitive, self-administered, universal wallet that allows traders to safely store, manage, leverage and monetize their digital assets in one place while maintaining complete control of their private keys. In a sense, the universal wallet service—which is based on BIP32 and SLIP44 standards—provides a decentralized wallet management system which enables any trader to transfer value anywhere in the world.

❖ **One-stop service**

We will connect traders by creating a one-stop evolving platform whereby payment providers, developers, merchants, tech enthusiasts and entrepreneurs can interact.

3.2 Exchange House

CoVEX will not only be a platform for buying and selling cryptocurrency, but it will also offer a full set of tools for traders, working with a multi-currency crypto portfolio. The primary goal of the exchange house is to create a service that meets all the needs of today's crypto market. Therefore, users of the CoVEX platform will benefit from:

- ❖ An intuitive user interface;
- ❖ Listing and support of highly liquidized assets; and
- ❖ Personal and financial information security

3.2.1 Architecture of CoVEX Exchange House

The platform includes the following modules:

- ❖ **Universal wallet module:** The Universal Wallet will serve as a one-stop wallet service allowing traders to display, transmit and receive balances of any supported crypto. The wallet manager will be entirely decentralized, meaning that CoVEX users will have complete control over their private keys at all times. All changes to the account balance will be entirely user-driven with no limits or locks. The goal here is to promote anonymity and complete autonomy.
- ❖ **KYC/AML module:** The KYC/AML module will ensure that all users on the CoVEX platform conform to regulatory laws and regulations.
- ❖ **Statistics module:** The statistics module will use advanced statistical techniques and ML algorithms to aggregate data to keep track of all the funds in deposit accounts, trading volume for each crypto supported, number of open and closed orders, and the top tickers.

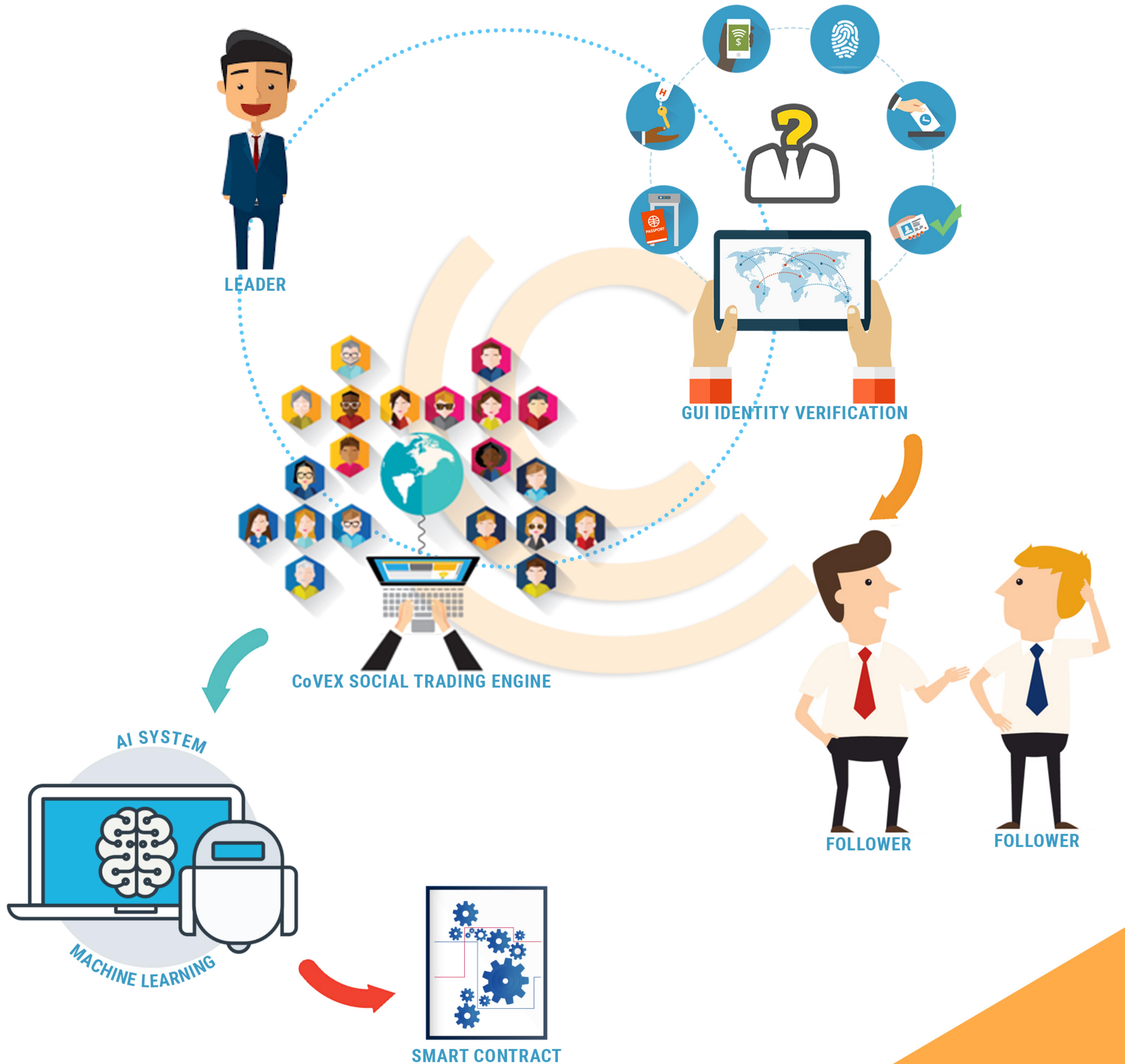
Here is the architecture of the Exchange core service



3.3 Social Trading

CoVEX is implementing social trading as an investment diversification feature, allowing traders to follow more experienced investors by copying their trading portfolios and mirroring any future adjustments. Below is the architecture of the Social Trading Platform:

Ultimately, the platform will benefit both leaders and followers.



Leaders

Leaders will directly interact with their followers to trade in cryptocurrency without relying on a central server for every trade. Followers will efficiently allocate their money under the assistance of their leader in a transparent and trustless manner. This will end up saving time for every participant in the trade. If the leader performs well over time, he/she will generate additional income in the form of CoVEX coins. Successful leaders will naturally create a brand for themselves in the process.

Followers

Once a follower deposits their funds to CoVEX, they will pick a leader of their choice and copy that leader's portfolio. The assigned funds will then be used to purchase the portfolio that is presently held by the leader so that it matches his/her funds by providing risk management across each copy relationship based on real-time Profit/Loss values. The entire social trading experience is one of an automated risk control system which facilitates the follower to set controls for the copy relationship.

Thereafter, any future trade undertaken by the leader will be matched at the prevailing market rates. Using the CoVEX Platform, followers will rely on and trust only leaders that are more knowledgeable with experience in crypto trading. As such, the Platform will be based on ML algorithms that will differentiate knowledgeable and experienced leaders, generate and store the portfolio on a Blockchain for followers to use.

3.4 Margin Trading

CoVEX's Margin trading platform will allow users to trade using cryptos borrowed from other traders which will be supported by collateral funds. These funds will be computed based on the borrower's token share and portfolio. Margin traders will be allowed to open long and short positions by borrowing money which they can either buy or sell.

Later on, traders will close the positions by settling the loans, and, in the process, the lender receives interest from the margin trader as an incentive for lending funds while CoVEX retains a percentage for providing a platform lender. The Platform will offer the following features:

1

Amount

This is the net amount of the market's cryptocurrency that you have bought or sold. If your position is short, this amount will be negative;

3

Action

The trader will click on the "Close" button to close his/her position with a market order;

5

Lending Fees

This is the estimated total value of the interest that you currently owe on your active loans;

8

Initial Margin

This is the percentage of your Net Value of the total value you can borrow. For instance, if you borrow 2 BTC and your Initial Margin is 30%, you will need to have at least 30% of 2 BTC – or 0.6 BTC – worth of cryptos in your account, minus unrealized losses and lending fees

2

Base Price

This is the approximate price at which you would need to close your position for you to break even;

4

Unrealized P/L

This is the approximate total profit or loss that you would incur if all of your open positions are closed immediately with market orders, minus the unrealized lending fees;

6

Net Value

This is the sum of Total Margin Value, Unrealized P/L, and Unrealized Lending Fees. In other words, Net Value represents the current total worth of your collaterals;

7

Total Borrowed Value

This is the total BTC value of your open loans. It is determined by the amount of BTC that you are currently borrowing and the amount of BTC that would be required to purchase, on the current order books, the total of all other currencies you are presently borrowing;

9

Margin level

This is the percentage of your Total Borrowed Value that your Net Value must support to avoid a forced liquidation.

Margin traders will have a Margin Portal from which they can margin trade. This has 2 components: Margin Account and Lending Account. The Margin Account will hold collateral funds for securing loans used in margin trading while the Lending Account will hold the funds to be borrowed by other traders where the Lender automatically earns interest.

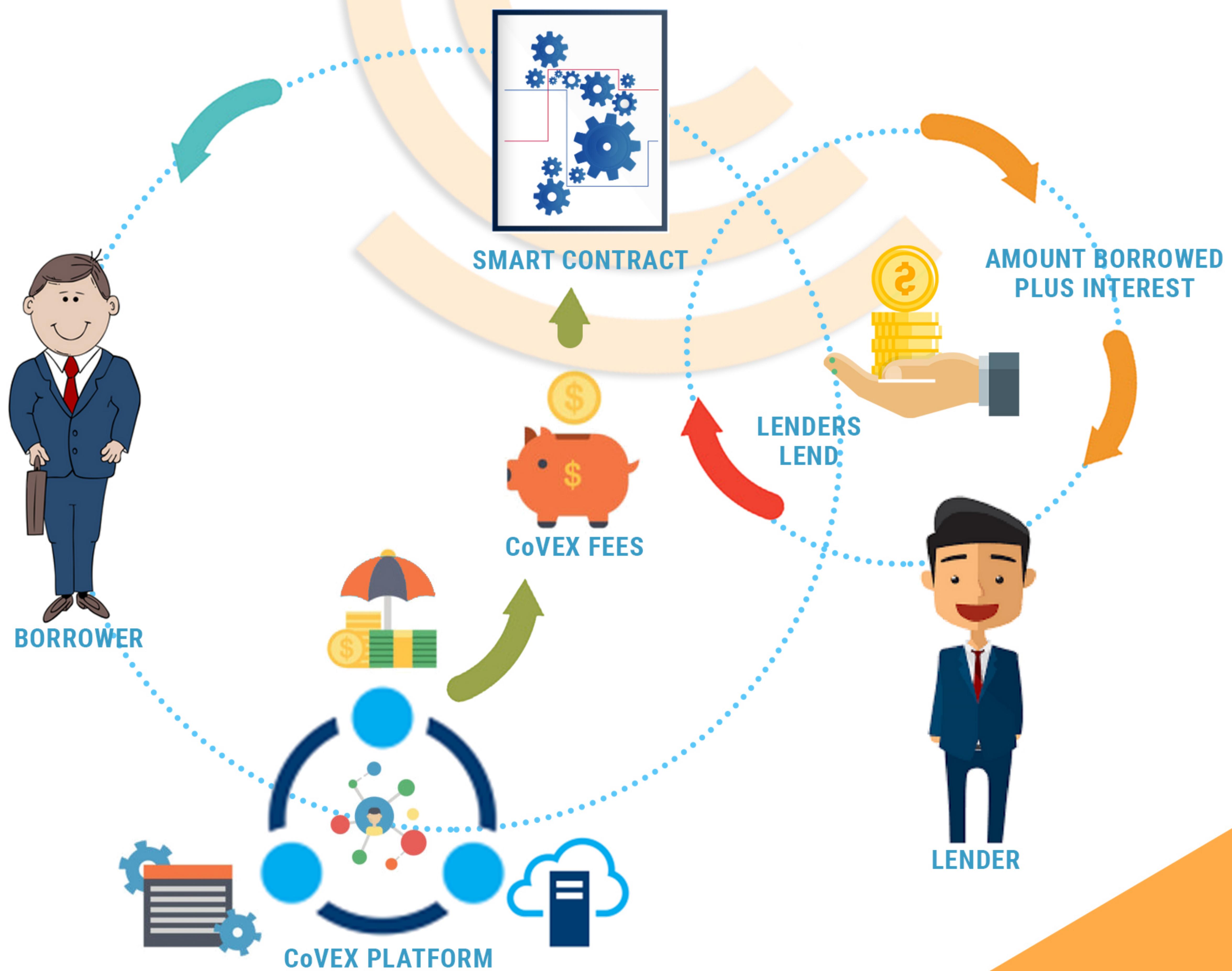
3.5 P2P Loans

CoVEX is a P2P lending platform that is primed to connect international lenders and borrowers and lenders via an easy and trusted platform, leveraging the benefits of Blockchain and smart contracts. CoVEX will provide multitude loaning solutions to cater to the needs of lenders and borrowers by integrating global third-party systems that will verify, score and perform roles in the collection.

The CoVEX P2P Loan platform will comprise of the following actors:

- ✖ Borrowers;
- ✖ Lenders; and
- ✖ Investing Houses (Corporate Account)

BELOW IS THE SUMMARIZED ARCHITECTURE



01

Borrowers

How borrowers will apply and access the funds on CoVEX Platform

The borrower will start by signing up and submitting his/her KYC and/or legal documents to a credit rating agency for approval

The credit rating agency provides a score indicating how accurate the documents are and his/her likelihood of repaying the loan

If approved, the borrower is redirected to the lender's page to access the lending services;

The borrower uses the lender's page to contact the favorite offer post by lenders

The borrower bids on the offer and comes to an agreement with the lender

The lender confirms whether the bid is accepted or not

The lender releases the funds to the borrower

The borrower receives the payment and rates the lender with a positive +1 if the loan has successfully been handed over.

Loan repayment

The procedure for loan repayment on the CoVEX platform is as follows

01

If the duration of loan repayment elapses, the borrower must pay back the lender. Also, the lender must pay back the investment house if he/she took a loan from the investment house. There are two scenarios

⦿ The borrower/lender returns the amount within the agreed time

⦿ The borrower/lender doesn't return the amount within the agreed time.

Lawyers will deal with all legal compliance with regard to loan processes. They will also suggest or reject any loan application that comes from jurisdictions that are beyond their reach.

02

Key stakeholders in P2P Loan Processes

Below are the definitions of the key factors:

03

Investing House

The investing house will contact support from fund managers to provide details and sign up on the CoVEX Platform as an investing house. Once they sign up, they will have their own corporate account setup and panel and sub-lenders or child accounts system.

How investment houses will provide loan services on the CoVEX Platform

They will contact the support fund managers to furnish them with details and sign up on the CoVEX Platform as an investment house

Next, the investing house will be directed to search the lender's page where they will identify lenders and provide their investment plans or loans

Once the lender has been determined, the investment house will float the terms of the loan and, if confirmed, the lender will receive their payment

02

If the borrower or the lender returns the amount within the agreed duration, then the following procedure takes place

⦿ The collector receives the correct amount

⦿ The collector checks if the corporate account was involved in the loaning process. If this is the case, then the collector will pay an agreed percentage to the investing house and the remaining amount to the lender.

⦿ If there was no investing house involved in the loaning process, then the collector will simply pay back the lender and the lender will rate the borrower.

Collectors will ensure local collection of debts in cross-border transactions by any legal means available to them in the jurisdiction of the lender. Each collector has the right to fix its commission for the recovery of the debt, depending on the complexity of the loan environment. When the collector signs a smart contract with the lender/investing house, he/she will have the right to act on behalf of the investor.

02

Lenders

How lenders will offer loan services on the CoVEX Platform

⦿ The lender signs up and signs up his/her legal documentation to a credit rating agency

⦿ The credit rating agency provides a score indicating how accurate the documents are and his/her likelihood of issuing out the loan

⦿ If approved, the lender is redirected to borrower's page to access the loan services

⦿ The lender searches for borrowers on the borrower page offering them any good deal/loan; The lender sets a percentage on his/her loan offer

⦿ The lender offers the amount of the loan. If the credit exceeds his own amount, then the lender can ask for an additional amount from the investing house

⦿ If the amount is confirmed by the lender, then the payment is released to collectors for borrowers to receive their payments. The lender rates the borrower with a positive +1 if the loan has successfully been handed over.

03

On the other hand, if the borrower/lender doesn't return the amount within the agreed time, then the following chain of processes takes place

⦿ The collector contacts lawyers

⦿ Lawyers take legal action against the borrower/borrowers in the jurisdiction where the loan was offered

⦿ Lawyers get the money back (and deduct 1% of the whole amount as fees) and submit to the collector

⦿ The collector transfers the amount to the lender or the investing house.

Besides borrowers, lenders and investment houses, the CoVEX Platform will also incorporate the following actors

⦿ Lawyers

⦿ Collectors

⦿ Credit scoring agents

3.6 Payment Gateway

CoVEX's Payment Gateway Platform will democratize the payment gateway and establish a trust solution based on the Blockchain. The Payment Gateway will work seamlessly with a decentralized trust and reputation system where merchants will accept cryptocurrencies.

Essentially, the Platform will allow merchants and their customers to participate in borderless, global decentralized commerce with trust. Our platform's reputation and reputation system will be transparent, universal, self-executing and transferable and not managed by any central authority.

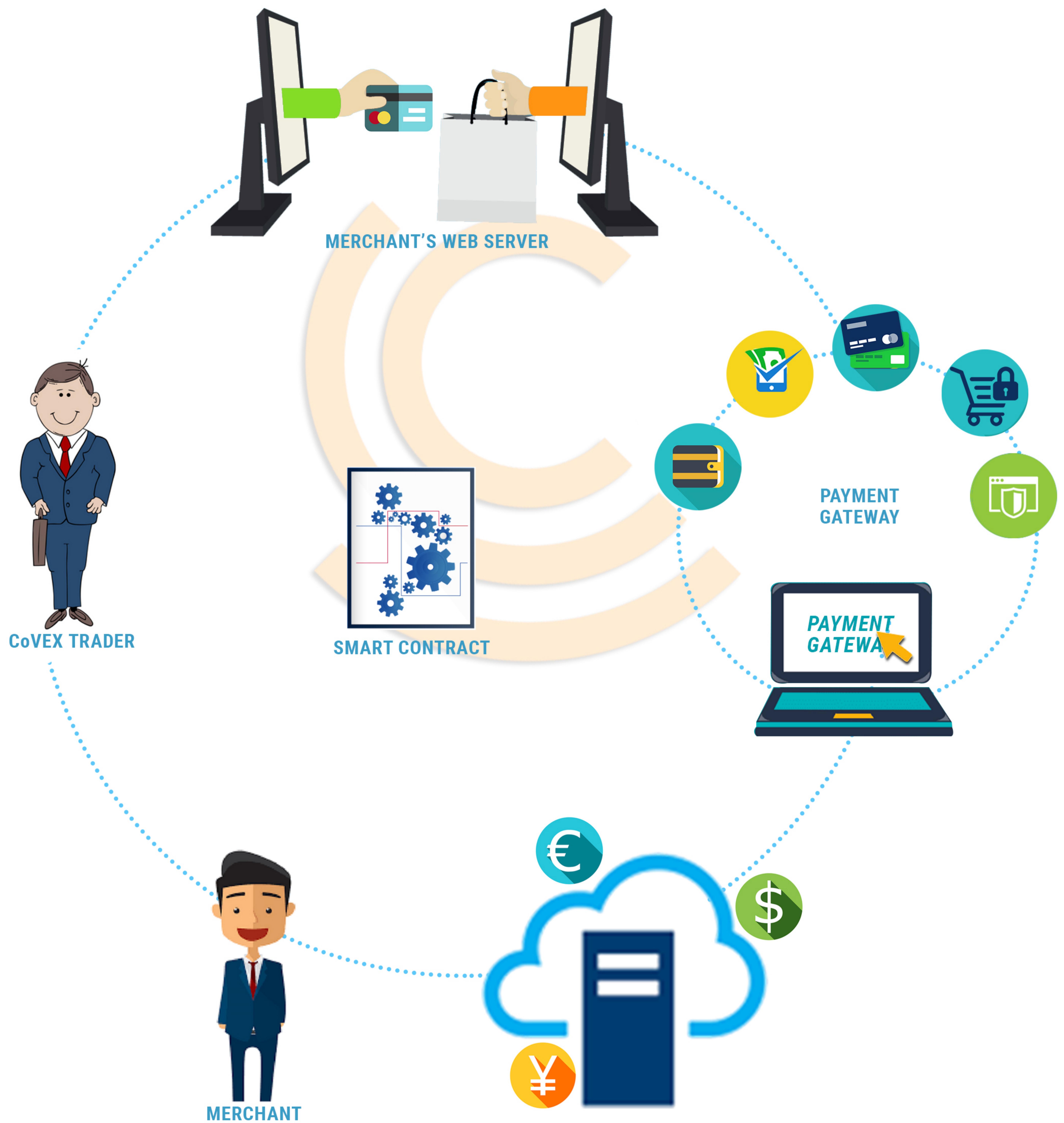
Any time a transaction is conducted, the Blockchain will record the time of the transaction, the senders and receivers' addresses, delivery time, warranty conditions and any data that can generate trust. Based on the information stored on the Blockchain, merchants and clients will be able to file or solve various claims and rate each other.

A trust rating system will be created so that every time a transaction is completed, the claim registered, solved or unsolved (based on the purchase details that were saved on the Blockchain during the purchase) and reviews.

The smart contract will automatically alter the trust level for any of the parties—whether merchants or clients—involved in e-commerce. Here is an example of how the platform will work:

- ☒ A client picks his/her items;
- ☒ The client adds the items to the cart and picks the mode of payment;
- ☒ The amount required for the products or services is automatically converted to a related cryptocurrency; and
- ☒ Funds are transferred into the merchant's smart contract wallet within a short time.

CoVEX's Payment Gateway Platform will democratize the payment gateway and establish a trust solution based on the Blockchain. The Payment Gateway will work seamlessly with a decentralized trust and reputation system where merchants will accept cryptocurrencies.



3.7 Prepaid Cards

CoVEX Prepaid Card Service Platform's goal is to allow exchanges to take place in real-time, in any location where credit cards are accepted with minimal fees that are comparable to the transaction costs in cryptocurrencies. CoVEX Prepaid Cardholders will be able to use any of the Blockchain assets to purchase goods and services from merchants who accept the global credit cards.

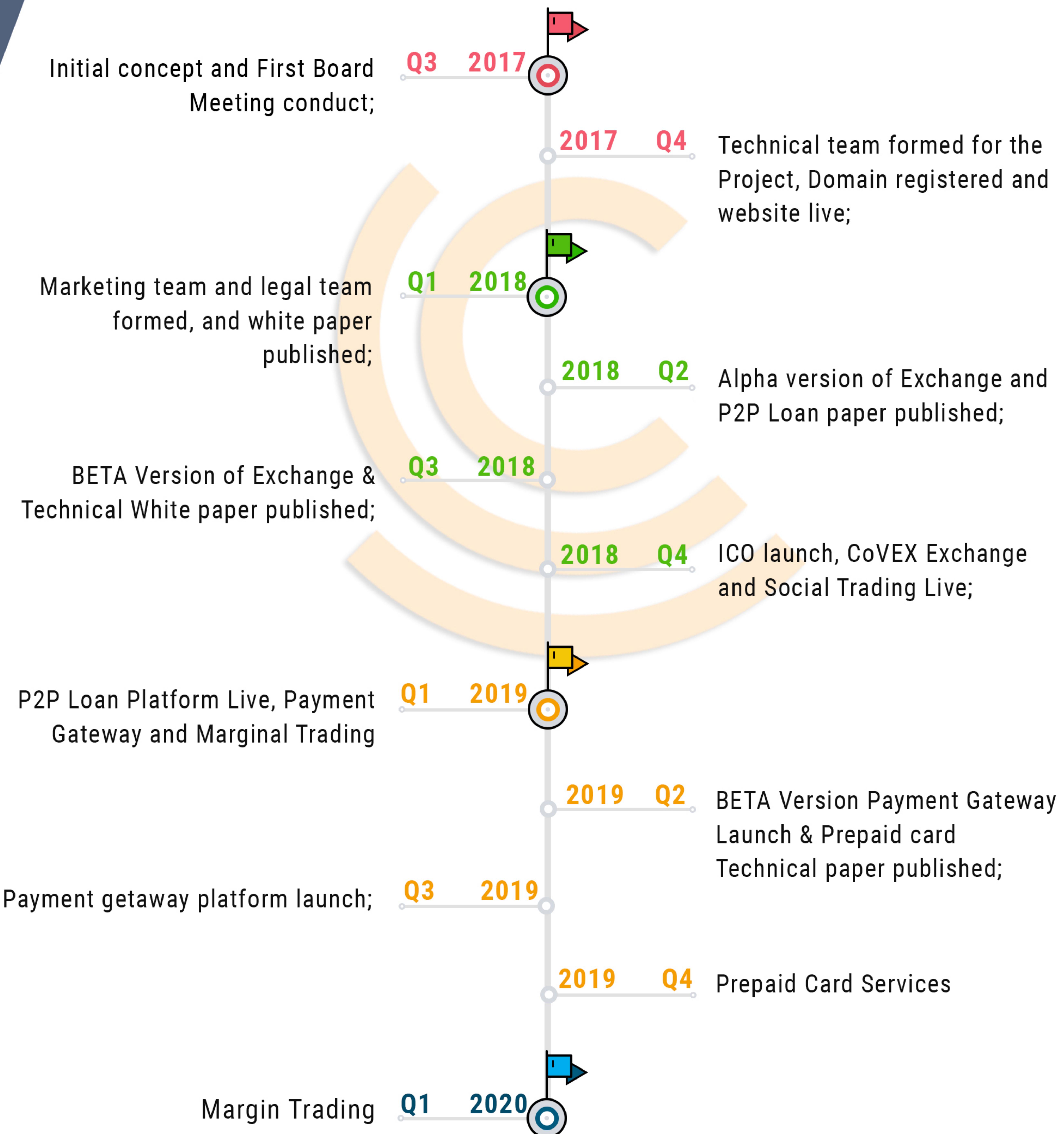
The Platform will apply the cross-chain payment channels to facilitate the buyer to settle any incoming payment requests from a credit card network in real-time. Here are steps that illustrate the payment flow:

- ❖ The buyer pays the merchant using his/her physical/virtual CoVEX Prepaid Card;
- ❖ The card system sends an authorization request to CoVEX platform for the amount to be spent;
- ❖ The buyer receives an invoice from the cross-chain payment channels;
- ❖ The buyer selects which Blockchain asset to use for paying the product/service and sends the precise amount to CoVEX platform via the cross-chain payment channels; and
- ❖ Upon getting the corresponding value for the invoice, CoVEX Platform approves the payment to the merchant.

For every prepaid card transaction that the merchant accepts, the merchant will pay a fraction as a merchant discount fee. The CoVEX platform will reward users with tokens on every purchase to enable them to become token holders. CoVEX token holders will automatically receive a fraction of the entire payment on the platform as an incentive.

4.0 ROADMAP

HERE ARE IMPORTANT MILESTONES REGARDING THE IMPLEMENTATION OF THE PROJECT



5.0 CoVEX TOKEN

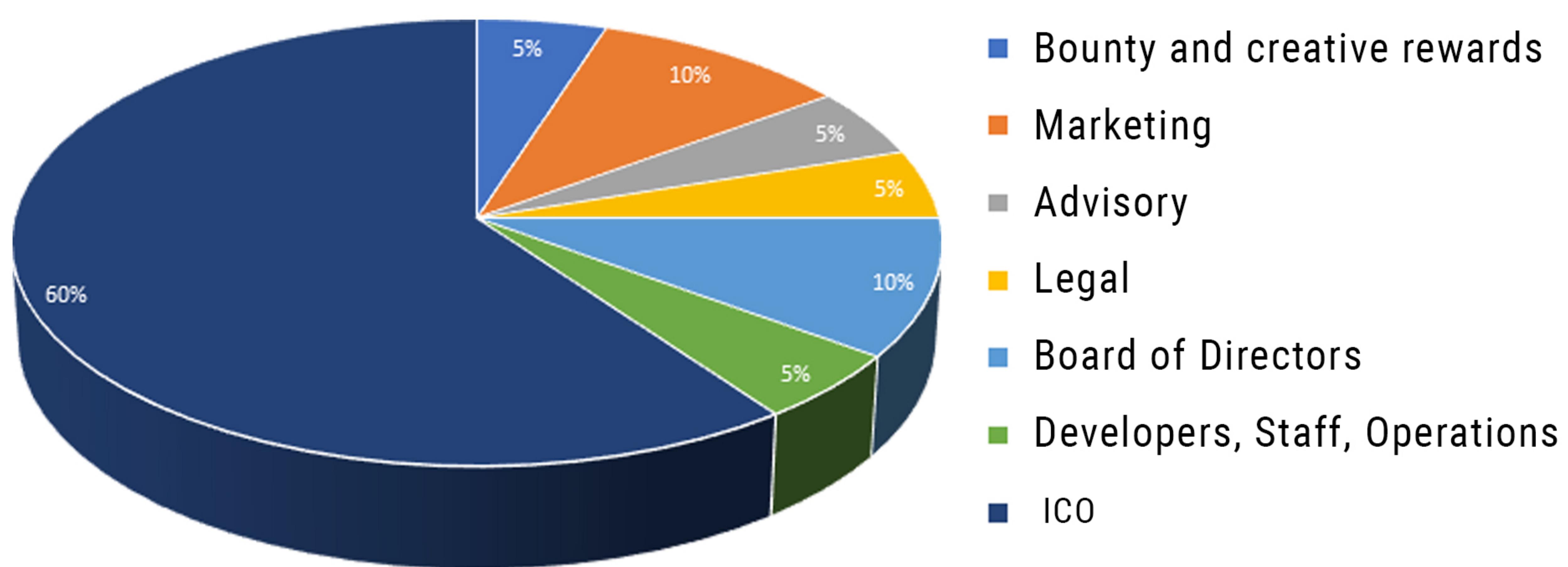
CoVEX token is the engine that will fuel all the transactions on CoVEX platform. It will allow the token holders to receive rewards in the form of the Implementing for Stake (IFS) model.

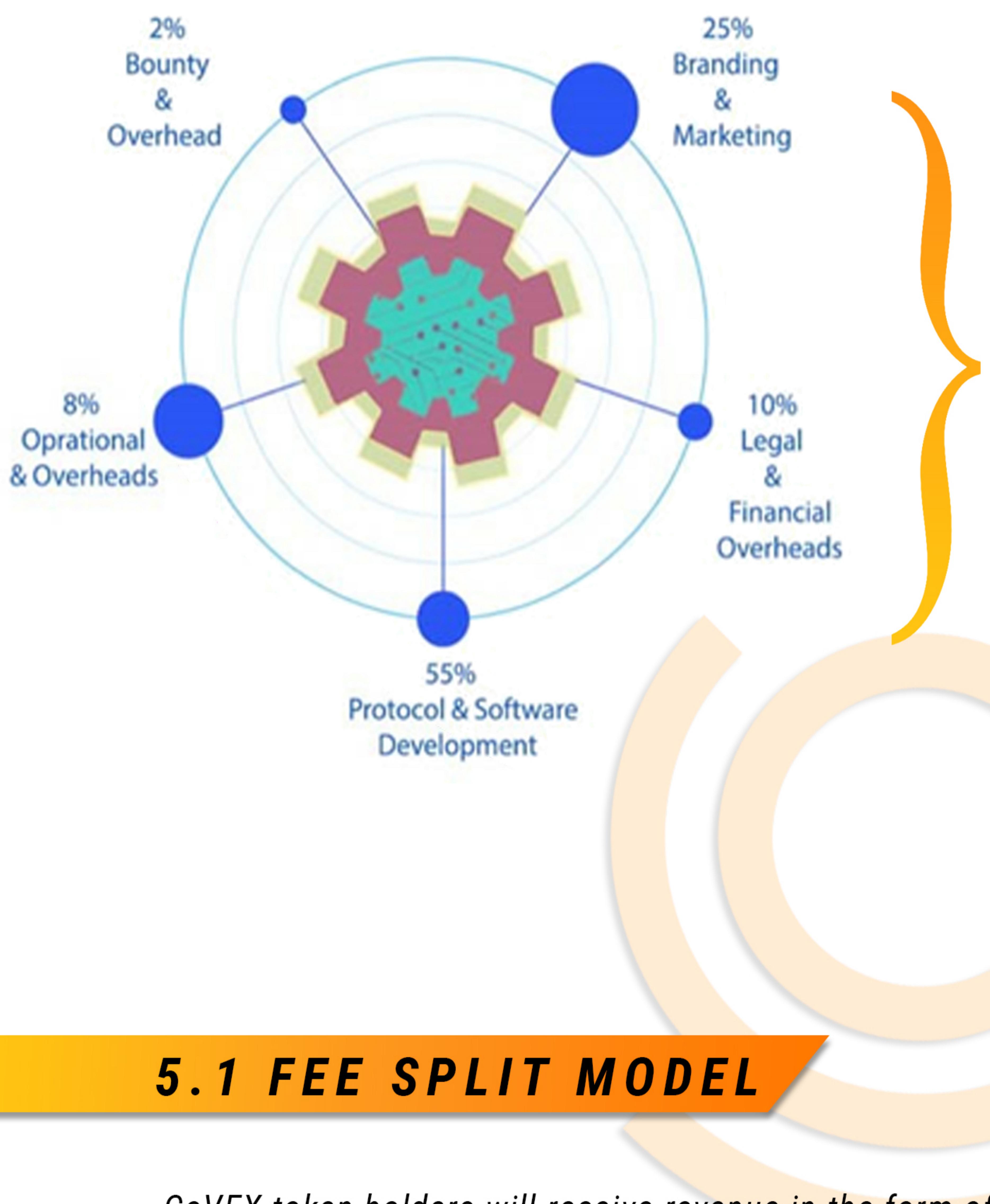
Token Name	CoVEX Coin
Blockchain	Ethereum
Standard	ERC 223
Regulation	All unsold tokens will be stored and locked for 1 year
Smart Contract	Open on the Ethereum Blockchain
Token price during sale	150,000,000 CoVEX released at an exchange rate of 1 CoVEX= \$0.85 Token Sale Date: 15th November – 30th December 2018. Bonus: <ul style="list-style-type: none">▫ 30% First Week,▫ 20% Second Week▫ 10% Third Week▫ 5% Fourth Week▫ 2.5% Fifth Week▫ No Bonus Sixth Week
Minimum limit of tokens	0.1 ETH or Equals to ETH
Maximum limit of tokens	100 ETH or Equals to ETH
Accepting currencies	BTC, ETH, ETC, LTC, EOS, NEO, BCH



Here is the Full CoVEX Coin Distribution Blueprint

Allocated to	Distribution (%)	No of Tokens
Bounty and creative rewards	5	12500000
Marketing	10	25000000
Advisory	5	12500000
Legal	5	12500000
Board of Directors	10	25000000
Developers, Staff, Operations	5	12500000
ICO	60	150000000
Total	100	250000000





5.1 FEE SPLIT MODEL

CovEX token holders will receive revenue in the form of daily transaction fees. The platform will use a cut-off time of between 11:00 p.m. and 11:59 p.m. as the basis for computing the revenue. At the last minute of each day (11:59 p.m GMT), the Platform will compute and distribute the revenue to be computed as follows:

Net Bonus Reward = Total Exchange Fees Collection - Discount in Exchange Fees - Referral Commission

Here is how the net revenue will be shared

- ✖ 50% to the CovEX holder
- ✖ 20% to the ICO Token holder's referrals
- ✖ 30% to remain in-house

Team

J Mohan Subedi Founder & CEO

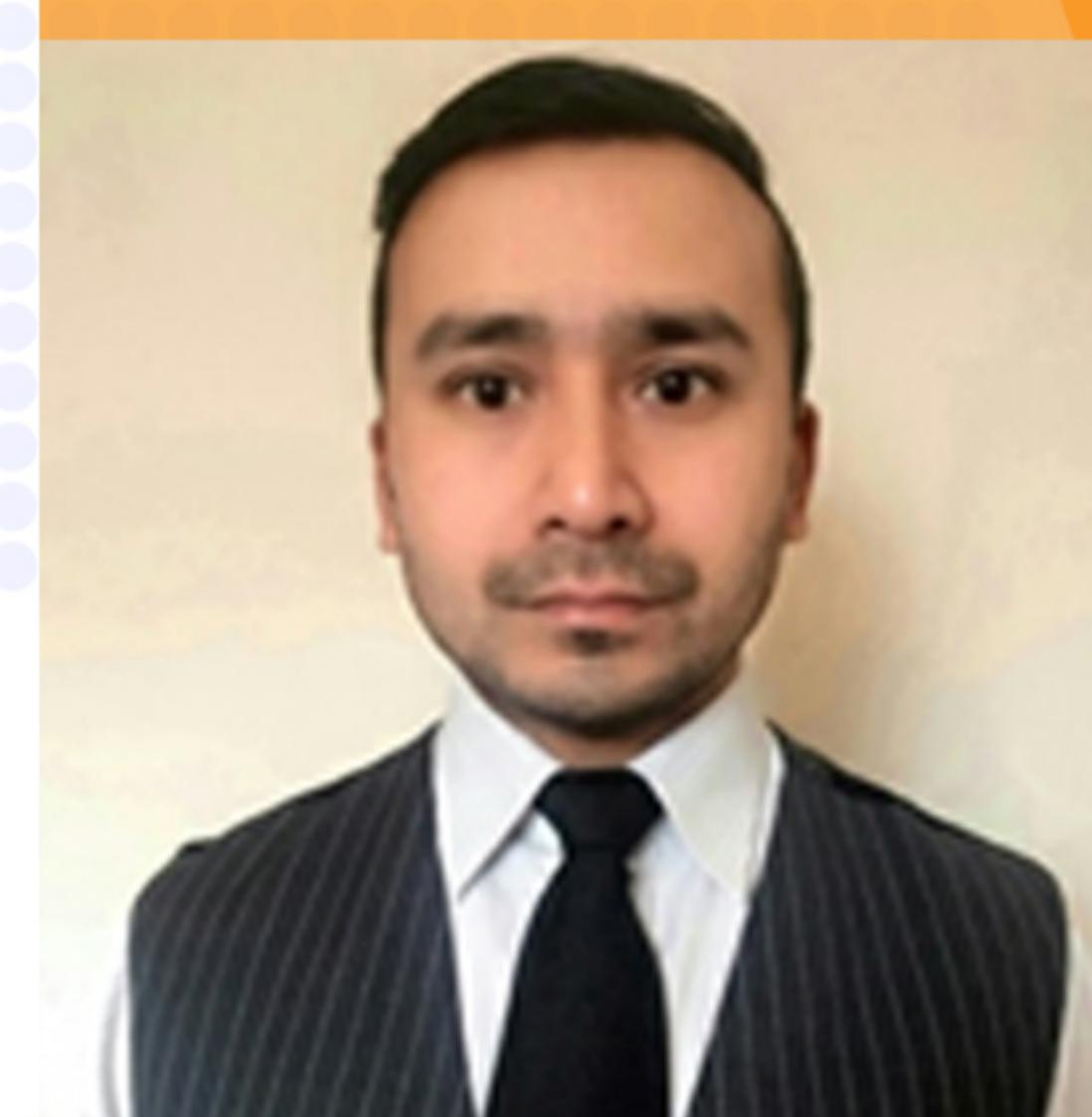
J. Mohan is an experienced forex & cryptocurrency trading analyst. He is also involved in business development, Risk Management, Finance consultant in manufacturing, services and the gaming industry. In 2001, J Mohan started MiDas Technology to fill what he saw as a void in the school and hospital management system in Nepal. Today, MiDas Technology has grown from a small start-up to 400 employees based in Kathmandu.



He holds a Bsc (Hons) in applied accounting and finance from University of Oxford Brookes and MSc Risk Management from University of Wales, United Kingdom. J Mohan is an active investor and advises many SME in the United Kingdom. Over the years, J Mohan has diversified his involvement from software development to the range of other sectors, including consumable goods to beauty and fashion products in the UK SME.

Labu K Ghimire Co-Founder & COO

Labu has been actively involved in Blockchain sector since 2015, working as a Binary option advisory for firms in the UK. He has been a full-time trader in the cryptocurrency space for the last 3 years. Founder of a Stock Broker company – DDK Pvt. Ltd. He also has more than six years of experience in stock exchange in Nepal.



Labu is one of founders of a classified Nepali portal, Such karan.com. He has several years of work experience as a credit manager in one of the renowned commercial banks - NMB Bank, Nepal. He holds a Master's Degree in Finance and Investment from Tribhuwan University, which he was awarded in 2006.

Junaid Nawaz Platform Development Project Head

M. Junaid Nawaz: Junaid boasts an impressive history of working in the computer software industry. Junaid is highly skilled in SQL, ASP.NET MVC, Databases, Software Project Management, crypto/Blockchain development, and is an investor and trading analyst. Junaid is responsible for building the CoVEX platform, payment gateway and all Blockchain-related features.



APPENDICES

Appendix 1:
Terms and Conditions

01. GENERAL

The official website for this Token Sale is <https://www.covex.io>. CoVEX reserves the right, at its sole discretion and without providing any prior notice, to:

Modify, change, add or remove any feature(s), or amends any section of the website as it deems fit. You shall be considered to have acknowledged and agreed to any such modification, change or amendments to any document(s) related to the project; and

Block or limit access to, or end, withdraw or postpone the use of the website or any component or section of Website. No CoVEX management, staff or any of its representative(s) will be liable for loss or damages arising from such actions.

02. ICO

Investors, herein called CoVEX holder(s) or CoVEX coin holders will privately provide funds to CoVEX for the implementation of the CoVEX platform and will receive tokens in recognition of their contributions.

From time to time, CoVEX may hold an election, via the Platform, to get opinions of CoVEX holders regarding the technical or financial implementation of CoVEX. In case the poll is conducted, only the Board of Advisory will participate.

The acquisition of tokens does not offer any proprietary obligations or rights or even a contract, whether express or implied, other than receiving rewards described in the Whitepaper when CoVEX is successfully concluded and deployed. During the poll, the outcome of the poll, may not, under conditions, be binding on the development of CoVEX or its future prospects.

CoVEX reserves the right to make any change(s), additions or modifications to the technical and financial direction or even implementation of the project.

The Token Sale (ICO) will be conducted through the website and will involve CoVEX accepting currencies and issuing tokens in recognition of such payments. Interested investors can use Bitcoins or Ethereum as means of payment. Any questions regarding payments should be directed to info@covex.io.

There are no agreements or warranties that the CoVEX Platform will be delivered within the required timeframe, or at all. By agreeing to participate in this Token Sale, via buying CoVEX tokens, and to the extent allowed by applicable laws and regulations, you agree not to hold any CoVEX management, staff(s), or any of its representative(s) liable

03. COVEX TOKENS

CoVEX tokens will be available for interested investors during the ICO that is set to run from October 2018. During the ICO, a total volume of 150,000,000 CoVEX tokens will be released to interested token holders.:

A total volume of 150,000,000 CoVEX will be released at an exchange rate of 1 CoVEX= USD \$0.85. The funds raised from the ICO will be used for the development and marketing of CoVEX Platform as stipulated in this whitepaper.

04. TAXATION

CoVEX makes no representations regarding tax consequences of participating in the ICO, making payments to CoVEX, or receiving and holding the CoVEX tokens. You bear the ultimate responsibility for evaluating or assessing the tax consequences of your participation in the ICO to CoVEX or holding tokens in all the respects in any applicable jurisdiction. By participating in this Token Sale, making payments, or holding or receiving CoVEX tokens, to the extent allowable by relevant law, you agree that no other party will be held responsible for damages or losses connected to CoVEX Platform.

05. FEE SPLIT MODEL

CoVEX token holders will receive revenue in the form of daily transaction fees. The platform will use 11:59 p.m. as a cut-off time from which to compute the revenue. At the last minute of each day (11:59PMGMT), the Platform will calculate and distribute the revenue using a uniform rate of 0.10%.

The net revenue for the system will be computed as follows:

Net revenue=Total Exchange Fees Collection-Discount in Exchange Fees-Refferal Commission

The net bonus will be distributed as follows:

- € 50% to the CoVEX holder
- € 20% to the referrals**; and
- € 30% to remain in-house

****20% to the referrals**

The revenue for referrals will be shared with Seed Investors, Private Sale Investors and ICO Holders who successfully refer others to trade on CoVEX Platform. This Special offer will last a year from the launch of CoVEX exchange platform.

The revenue will be computed as follows:

Let x =Net Revenue

Let y =total market supply of CoVEX coins

Then $R=(x/y)*0.5*\text{number of coins} + \text{Referral Revenue} + \text{Commission} + \text{Discount}$

Where R is the total revenue earned by the CoVEX holder.

06. DISCOUNT MODEL

Any CoVEX holder with more than 1000 CoVEX coins will be entitled to 50% discount in buying and selling fees.

07. COMMISSION MODEL

Any CoVEX holder who refers a trader to the Exchange will be entitled to 10% commission of every coin that the trader exchanges. This commission will be computed in USD and paid in CoVEX coins. For one to qualify for the commission fees, he/she must hold CoVEX coins.

08. ACCEPTANCE OF TERMS AND CONDITIONS

You acknowledge that

CoVEX tokens may be value-less

There is no assurance or representation of value or liquidity attached to the CoVEX tokens

CoVEX tokens are not offered for speculative purposes

None of the CoVEX and/or the CoVEX staff shall be held responsible for or will be liable for the value of the CoVEX tokens, their transferability and/or liquidity and/or the availability to any market via third parties or otherwise.

In any decision to trade in CoVEX tokens or participation in airdrop, you have not banked on any information spelled out this document

You admit, understand and agree that this document and the CoVEX ICO shall not be deemed as any form of advice, statement or suggestion of the benefits of CoVEX and/or the CoVEX ICO

The information provided herein is confidential and cannot be distributed to others without the prior written consent of CoVEX

In case you buy the CoVEX tokens, you will and shall at your own expense make sure you comply with all laws, regulatory obligations and limitations relevant in any jurisdiction (as the case may be)

You acknowledge that you are not eligible to buy any CoVEX tokens if you are a US citizen/resident, or citizen/resident of the Republic of Singapore and Peoples' Republic of China.

All the statements contained herein, statements made via press releases or in any place accessible by the

09. INTELLECTUAL PROPERTY

Unless otherwise expressly stated, the data and content on this website is the sole property of CoVEX. No part of this Whitepaper will be copied, reproduced, and distributed in any manner without prior written permission of CoVEX, and specifically must not be transmitted to any jurisdiction where such distribution is restricted.

APPENDIX 2: DEFINITIONS

01. BLOCKCHAIN

Blockchain is the decentralized ledger which can be shared, copied and synchronized among the nodes in a network. Blockchain record transactions like the transfer of data or digital assets among the computers in the network using public-key cryptographic where records are grouped in blocks and then coupled together to form a continuous chain which has a hash value, and a time-stamp of current transactions.

” <https://www2.deloitte.com/ch/en/pages/strategy-operations/articles/blockchain-explained.html>

” <http://www.zdnet.com/article/blockchain-explained-in-plain-english/>

” <https://blockgeeks.com/guides/what-is-blockchain-technology/>

02. ICO/TOKEN SALE

An ICO is a “crowd sale,” whereby an organization releases its own cryptocurrency with the intention of seeking to fund the development of crypto-based projects. During an ICO, a company issues a specific number of tokens that are sold to the willing investors in exchange for the cryptocurrencies or even fiat money.

” <https://www.readcode.net/2017/9/19/16243110/initial-coin-offering-ico-explained-what-is-money-bitcoin-digital-currency>

” <https://www.cnbc.com/2017/10/05/how-icos-setting-the-vc-world-ablaze-work.html>

” <https://cointelegraph.com/explained/ico-explained>

03. CRYPTOCURRENCY

A form of P2P and decentralized digital currency that is created through cryptography which secures its creation and uses as a means of exchange. The first cryptocurrency to be unveiled was Bitcoin in 2009. Since then, many cryptocurrencies that have been created include Eth, Litecoin, DodgeCoin, Monero, etc. As of this writing, there are over 1400 cryptocurrencies.

” <https://www.pwc.com/us/en/industries/financial-services/fin-tech/bitcoin-blockchain-cryptocurrency.html>

” <https://blockchain.wtf/what-the-faq/blockchain-cryptocurrency-difference/>

” <https://www.cnbc.com/2018/01/26/blockchain-experts-tips-for-understanding-cryptocurrency.html>

04. SMART CONTRACTS

A smart contract is a self-executing computer program which can be developed on a Blockchain to perform tasks like data storage, value distributions, and interaction with other contracts. The smart contract can be regarded as unique types of accounts that appear on a Blockchain as if they are regular even though they are not controlled by any humans.

” <https://www.coindesk.com/information/ethereum-smart-contracts-work/>

” <https://medium.com/crypto-currently/build-your-first-smart-contract-fc36a8ff50ca>

” <https://opensource.com/article/17/12/whats-blockchain-smart-contract>

05. TOKEN

Venture capitalists and IPOs get dividends as a compensation for their shares in the firm. In contrast, the ICOs provides incentives in the form of tokens. Tokens can be regarded as specific values of any digital asset that you can control on the Internet. You can also reassign their values to someone else.

” <https://bitsonblocks.net/2015/09/28/a-gentle-introduction-to-digital-tokens/>

” <https://masterthecrypto.com/differences-between-cryptocurrency-coins-and-tokens/>

” <https://medium.com/cryptomover/what-are-erc20-and-erc223-tokens-307badcca5a>

05. ERC 223

Unlike Bitcoin and other Blockchains, Ethereum has a standardized guideline which helps to integrate different currencies. Before ERC-223 standard was conceived, each new token implemented its own system of verifying the account balances and the initiation of transfers. Implementing a platform to different interchange tokens required the developer to carefully study the source code of the 2 tokens to generate a seamless interface. Today, all the ERC-223 based tokens are easily interchangeable with other tokens with similar functionalities.

” <https://bitsonblocks.net/2015/09/28/a-gentle-introduction-to-digital-tokens/>

” <https://masterthecrypto.com/differences-between-cryptocurrency-coins-and-tokens/>

” <https://medium.com/cryptomover/what-are-erc20-and-erc223-tokens-307badcca5a>