

0cf ZeroDao

0cf protocol **removes** wait for the standard 6 confirmations for a bitcoin transaction

Make bitcoin transactions faster with 0cf protocol



Distraction risk

0cf reduces the wait for bitcoin transaction which help the users to not lose focus on what they are doing



Price risk

0cf addresses price risk with their protocols to eliminate wait for standard 6 confirmations in bitcoin transactions



The solution

0cf protocol enables bitcoin holders to initiate a shift of their BTC onto Ethereum and make transactions immediately.

What is 0cf swap?

- ❖ 0cf swap is a simple app which allows to swap BTC for DAI using renVM and uniswap in under 2 min. This is accomplished through a short term loan and the advent of the borrow proxy wallet which is a dynamic escrow that holds any assets acquired as a result of the proposed transaction. If the bitcoin transaction doesn't reach 6 confirmations the assets can be liquidated and the funds returned to the liquidity pool.
- ❖ 0cf swap is built with tight coupling of renVM. 0cf swap interacts with renVM multiple times while performing the transaction. (<https://renproject.io>)

A Proof of Concept

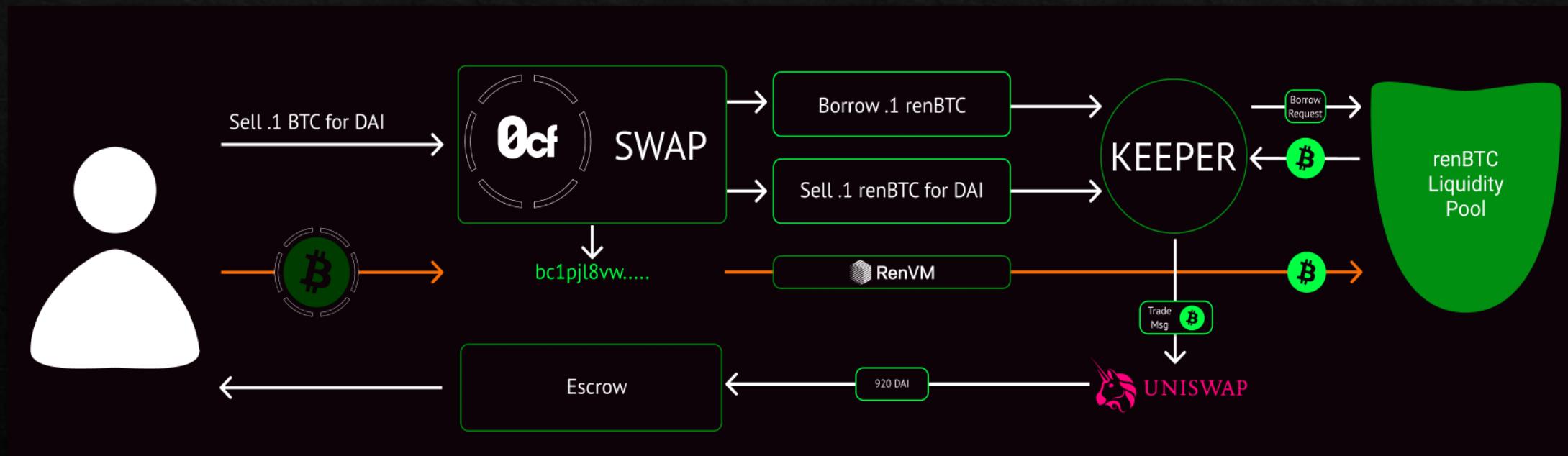
- ❖ 0cf protocol is focused on building infrastructure to improve efficiency and reduce friction for cross chain interactions.
- ❖ 0cf team is open to all the suggestions to improve its functionality.

A System for Risk Transfer

- ❖ 0cf is a risk transfer protocol which is isolating global confirmation risk to one location is much more efficient than individual apps or protocols addressing it themselves.
- ❖ 0cf team deployed some parameters at the protocol level and managed by zeroDAO. By controlling these settings 0cf team limited the probability of any losses being incurred by liquidity providers.

0cf works in following way:

- => A User creates a uniswap transaction to sell renBTC for DAI
- => User signs a message that contains the liquidity request for the amount of renBTC to trade and a uniswap transaction
- => User is prompted with a BTC address (generated via renVM) to deposit to
- => When the keeper sees the BTC transaction they post a security bond, Source the renBTC liquidity from the 0cf liquidity pool, Execute the swap, then send the DAI to a dynamic escrow (borrow proxy)
- => Once the BTC transaction clears the funds are automatically forwarded to the users address



THREATS

- ❖ There are two ways in which the 0confirmation system can be negatively affected.
 1. An origin transaction never reaches 6 confirmations and during the time before liquidation the price of the assets being held as collateral change more than the value of the keeper bond.
 2. An origin transaction that had reached one or two confirmations and asset has been forwarded to the users address never reaches 6 confirms. This leads to a total loss for the system

SOLUTION

- ❖ 0cf team deployed some parameters at the protocol level managed by ZeroDAO. By controlling these settings we further limited the probability of any losses being incurred by liquidity providers.
- ❖ Only assets with ample liquidity at enabled modules should be included to reduce losses that could be incurred by keepers and/or LPs due to slippage.
- ❖ Min Loan Size: 0,026 BTC
- ❖ Max Loan Size: 1 BTC

Fees

- ❖ For every transactions 0cf charges a fees which is managed by ZeroDao:
 - Keeper: 0.1%
 - Liquidity Pool: 0.1%
 - 0cf Labs DAO: 0%

=> Fee Distribution:

- ❖ 45% to the liquidity pool
- ❖ 45% to the keeper
- ❖ 10% to ZeroDao

Earn

- ❖ Liquidity pool contributors earn yield from the short term loans enabling the confirmation swap.
- ❖ Since the loans are only ~1 hour in length, this helps pool to be very capital efficient depending on the distribution of volume over time.

Current restrictions to analyze behavior of protocol:

1. Maximum trade size: .1 BTC (To limit Risk)
2. Minimum trade size: .026 BTC (To help make sure gas doesn't eat too much of the trade size)
3. Asset Whitelist (Just DAI to start)
4. Keeper whitelist (All keepers run by Ocf Labs to start)
5. Liquidity Pool deposit Whitelist (Reach out to us directly if you would like to deposit)

Gas as a service

- ❖ 0confirmation utilizes a Gas as a Service protocol to enable users to swap their bitcoin using uniswap without ever having to have ETH.
- ❖ Whenever a transaction is published to the network and a keeper picks it up, the keeper uses their own ETH to pay the gas for it.
- ❖ The protocol estimates the amount that should be paid and calculates the value in BTC terms.
- ❖ The Keeper is paid this amount out of the shifted renBTC. The estimated amount of BTC that will be used for gas is displayed in the fee portion of the app.

Reach out, work with us a bit and, if its a good fit, join the DAO

- Grant writer (Lots of opportunities for grants for cross-chain work)
- Designer (under-appreciated importance in DeFi)

❖ Some important links:

1. **Code:** <https://github.com/0confirmation/0confirmation>
2. **Access it here:** <https://mainnet.0confirmation.com/trade/swap>
3. **Twitter:** <https://twitter.com/0Confirmation>
4. **Telegram:** <https://t.me/zeroconfirmation>
5. **Email:** jon@0confirmation.com