OTB - The OTCBTC Token

More Intelligent Platform Designed for Higher Liquidity

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www.otcbtc.com

White Paper

V0.3

Project Background

With blockchain technology developing so quickly and gaining increasing usage in most sectors, the activities of the global OTC(over-the-counter) trade has been boosted and the use of cryptocurrency have gained serious diversification, especially as regards to trade and business models, which connects the OTC and the exchange more closely.

The exchange between cryptocurrency and fiat money is vital to the ecological chain of cryptocurrency. At present, cryptocurrency and fiat money can only be traded through the OTC in most countries in the world.

In general, there is no fixed place, no provisions for membership and no strict regulations for OTC. It is mainly person-to-person trade conducted by individuals through private negotiation.

OTC is currently developing rapidly all around the globe. The chart below is part of the BTC-CNY OTC trading volume movements that happened per day on certain platforms in 2017.
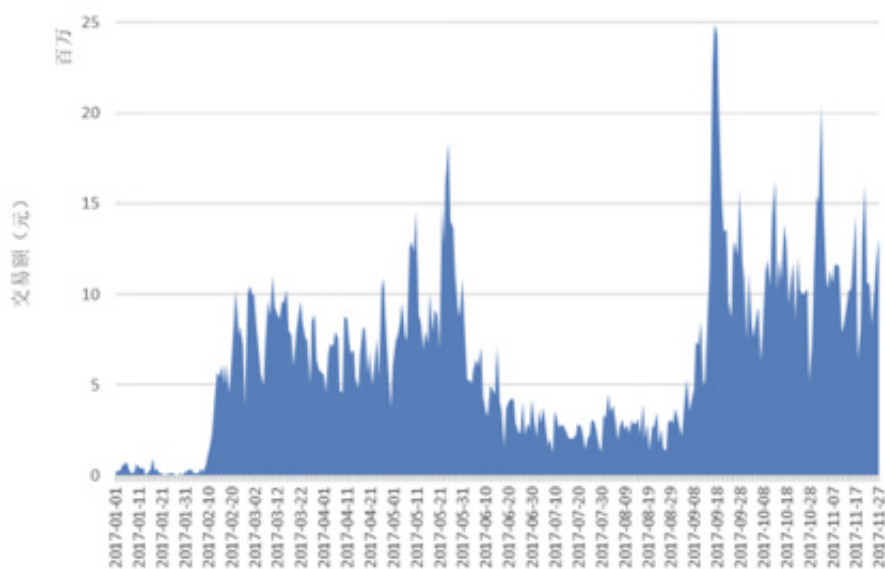
Introduction of OTCBTC Platform

Overview

Currently, Localbitcoins is the largest OTC for cryptocurrency in the world. Localbitcoins was founded in 2012 and mainly deals with Bitcoin, without supporting other currencies.

However, with the the rapid development of the blockchain technology, over the years, at least two hundred or more cryptocurrencies have appeared besides Bitcoin in within the past 5 years. Apart from Bitcoin, there is also a strong demand for many other cryptocurrencies listed on OTC market, such cryptocurrencies as ETH, EOS, LTC, USDT, QTUM etc. are becoming a hot cake demand.

Moreover, trends are changing fast, many other cryptocurrency exchanges springing up like mushrooms, the demand for OTC platform too is increasing sharply. Nevertheless, there has been no revolutionary changes in the field of OTC trading platforms for years.

This article focuses on a smart digital trading platform OTCBTC, which is charged with a responsibility of allowing your assets to flow freely.

What is OTCBTC?

OTCBTC was founded in September 2017 by a Taiwanese development team who were fascinated with blockchain technology. With an adoption of KYC (Know Your Customer) procedure and impartial scoring mechanism, OTCBTC is committed to providing global users with a secure, easy-to-use and reliable blockchain powered service by engaging its rich experience in exchanges and applications of foreign finance, in order to create a smart trading platform that allows your assets to flow freely.

2.1 What OTCBTC has achieved:

With its advancing technology, OTC trades between three fiat money (TWD, HKD, CNY), and within just one month eight cryptocurrencies (BTC, ETH, EOS, BCH, QTUM, GXS, Zcash, USDT) can now be traded in OTCBTC.

Irrespective of location, people can now trade cryptocurrency in an easy and secure way with online payments.

Sellers can post a sale offer on the platform with explanation of payment methods and exchange rate, allowing buyers the liberty choose a suitable seller to trade with directly online according to their own needs.

During the trade, the cryptocurrency is locked within the encrypted wallet of the OTCBTC platform. Users trading on this website are all subject to identity verification through the KYC mechanism.

It is reliable and convenient for users to consummate the entire trade here. It only takes 0.7 minutes to make an average OTC deal in OTCBTC.

2.2 What is forthcoming on OTCBTC platform:

- Based on the of existing OTC trades, OTCBTC platform is developing a smarter and more advanced exclusive engines and mechanisms to enable semi-automatic OTC trade as a way to substantially increase trade efficiency.
- OTCBTC will publish iOS / Android apps to significantly accelerate the trading through mobile devices within six months.
- OTCBTC will develop trading interfaces in English, Japanese, Korean and Russian versions within six months.
- Trade support for the exchange between at least ten major fiat and cryptocurrencies will be enabled within six months. It will be significantly optimized according to different trading practices and conventions of each country.
- OTCBTC currently has been in talks with a number of cryptocurrency wallets, to discuss the integration of a built-in OTC trade entry.
- OTCBTC will develop a unique mechanism to dramatically optimize the liquidity among cryptocurrency assets, therefore all businesses will not be limited to only OTC trade. The ultimate goal is to develop a new type and fully functional exchange distinct from existing exchange mechanisms.

3. Data of OTCBTC:

- On 2017/10/26, the project completed its cold start without any endorsement from cryptocurrency celebrities.
- 20 days after opening: The single-day turnover reached 10 million CNY, while the cumulative turnover was up to 100 million CNY.
- 30 days after opening: The cumulative turnover reached 200 million CNY.
- 32 days after opening: The single-day turnover exceeded 20 million CNY.
- 35 days after opening: The cumulative turnover reached 300 million CNY.
- 40 days after opening: The cumulative turnover reached 500 million CNY.
- 50 days after opening: The single-day turnover recorded 56 million CNY, while the cumulative turnover reached 700 million CNY.
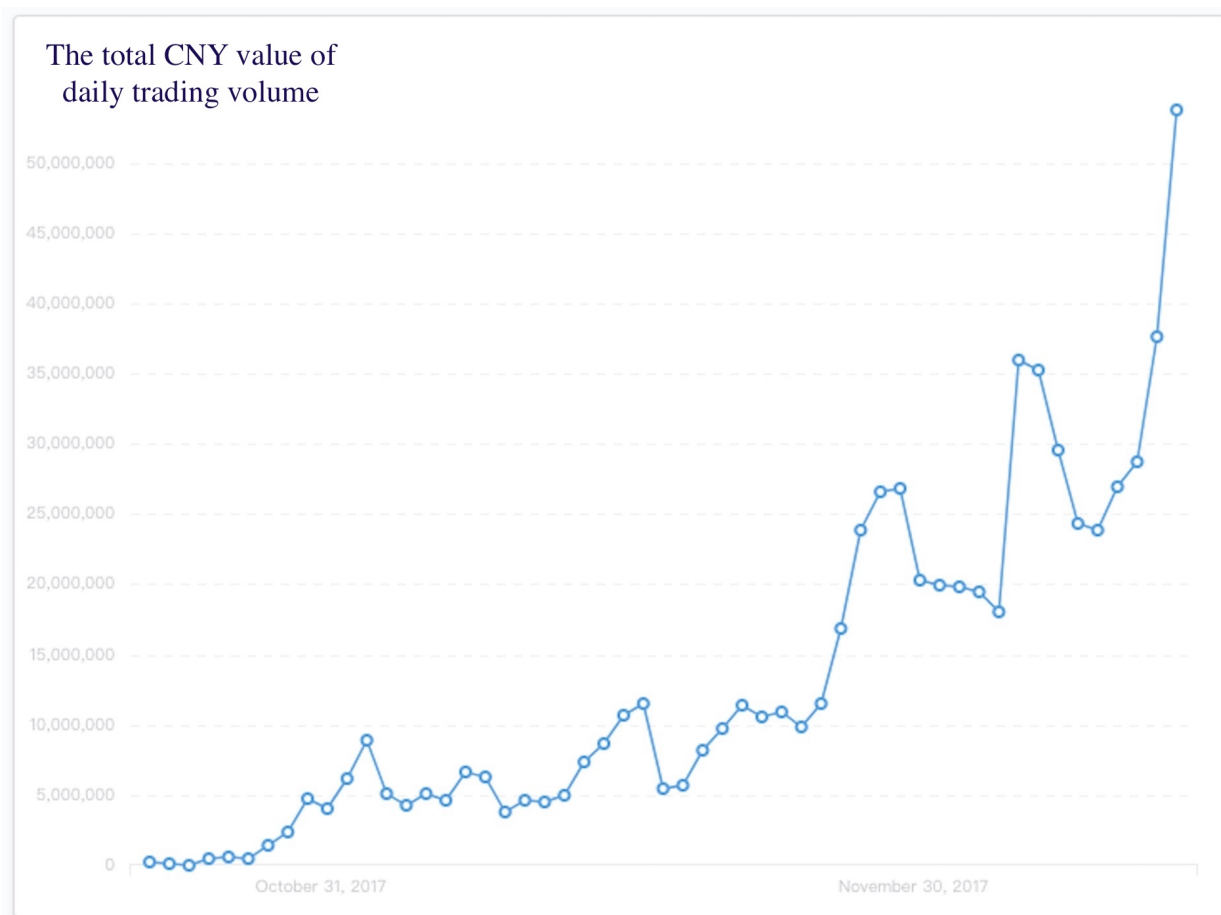

Operational Data after 50 Days of Opening Day：

- Number of registered users have grown more than 25,000, with at least 18000 active users every day.
- More than 70,000 orders were accumulated.
- The cumulative turnover reached 700 million CNY, while the highest single-day turnover came to 56 million CNY.
- On the 30th day after opening, the company profitility rose with a commission of 0.1%, and the profit is still growing rapidly.
- Six cryptocurrencies EOS, GXS, BCH, Zcash, QTUM, USDT are available online at a speed of one currency every week.
- Net Promoter Score scored 70 points, a new world-record that far exceeded the average

value of the general Internet industry products and even many first-tier exchanges (27 points).

- PV (page views) was up to 860,000 among which the highest UV(un-repeat visitors) was up to 200,000 in a single day. The average length of stay of users was 28:30, bounce rate of 21.62%.
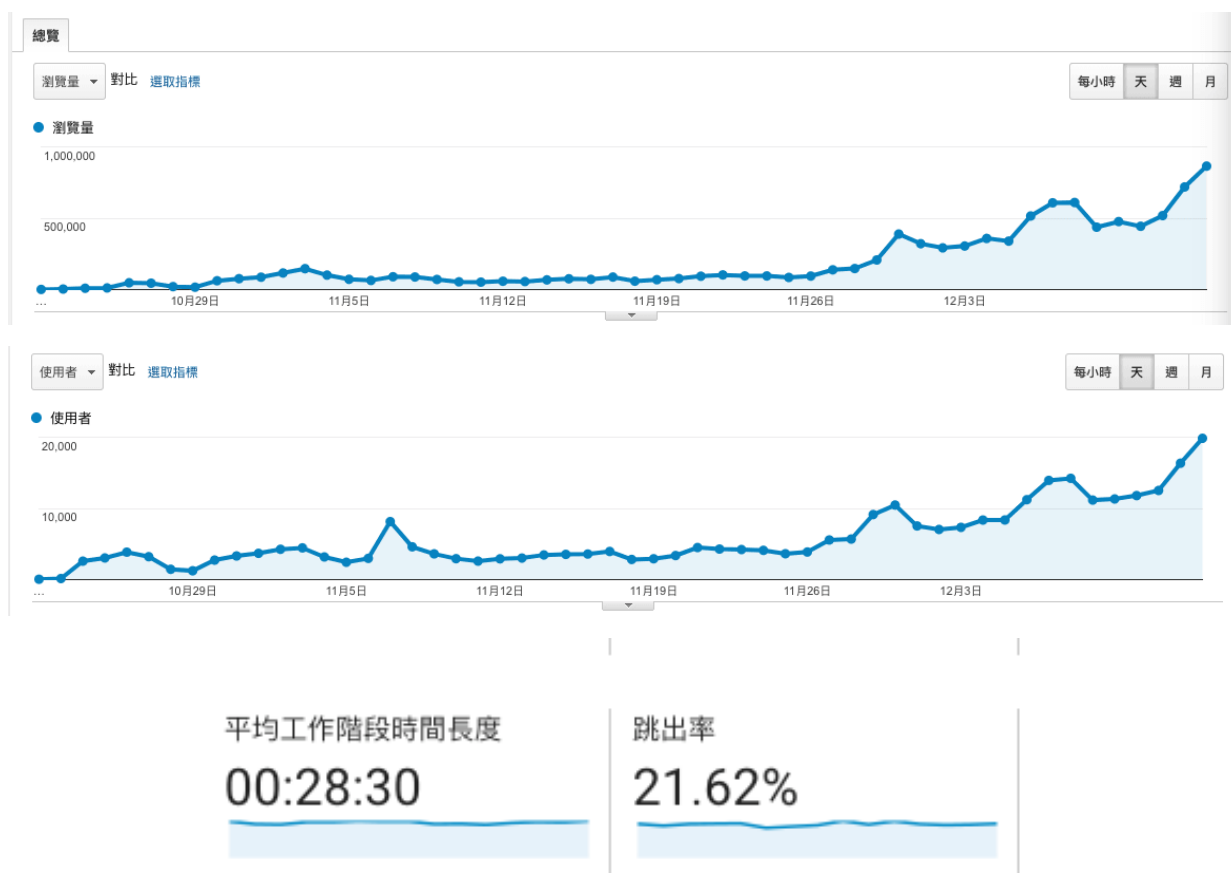
4. Advantages of OTCBTC Platform：

4.1 Safe and reliable

OTCBTC adopts an advanced multi-cluster system architecture to ensure security, stability, high performance and scalability. Functional deployment and update without downtime was enabled to maximizes user's experience.

4.2 Total Liquidity

On average, there are 4-8 orders concluded on OTCBTC every minute, with each order being delivered in not more than one minute. The provision of adequate liquidity for the platform gives users a good trading experience.

4.3 Support a variety of fiat money

The platform currently supports three types of fiat money TWD, HKD, and CNY for OTC trading. In the future, more than 15 fiat money will be online, promoting the liquidity of assets in different countries around the world.

4.4 Support a variety of cryptocurrency

On average, one token is listed per week. At present, the platform has implemented eight cryptocurrencies: BTC, ETH, EOS, GXS, BCH, Zcash, QTUM and USDT. More cryptocurrencies with high market share will be available in the future.

4.5 Swift iterative development

The development team consists of famous elites in the internet industry. They have a better nose for product and faster technology iteration, which is significantly exceeding the industry level of normal exchanges. All customer requirements can be achieved timely.

4.6 Efficient and smooth

The platform provides users with ultimate experiences in an efficient and smooth way, because the trades on OTCBTC can be delivered within only 0.7 minutes on average.

4.7 Trustworthy and credible

The platform drastically reduces the risk of fraud on OTC trading platforms by introducing the professional KYC mechanism. Through sophisticated safety detection mechanisms and easy-to-read as well as high-quality teaching documents, it effectively improves the customer's awareness of account keeping and reduces the risk of account intrusion. At the same time, the anti-money laundering mechanism has been strengthened through a professional third party (Jumio, a document verification system adopted by mainstream currencies globally). Up till now, no accident has occurred in which the customer's ATM card was frozen.

4.8 Professional service

The platform is customer-oriented to provide users with caring services, fast KYC verification, and good trading experience.

4.9 User-friendly interface

WEB version

Mobile version (under development)

5. Project Team:

Yiting Cheng (Xdite) - the founder of OTCBTC

- **Champion of 2012 Facebook World Hackathon**
- ico.info CTO - Led the team to develop and launch a project within 42 days
- otcbtc.com CEO - Led the team to develop and launch a project and within 31 days
- A continuous entrepreneur with technical background and ten-year experience in development, who had served as technical director of several multinational large and medium-sized technical development teams in the past.
- Taiwan's well-known growth hacker

Team performance: OTCBTC website, breaking even and making profit within 30 days.

6. Project Roadmap:

- 2017.10 - OTCBTC is online
- 2017.12 - OTB token ICO launched
- 2018.Q1 – OTCBTC mobile apps are released
- 2018 Q1 - Exclusive Express Trading System is online
- 2018 Q2 – Launch its exclusive matching engine
- 2018 Q2 - Multilingual version is supported

OTB Token

The token issued by OTCBTC platform is OTCBTC Token, referred to as "OTB" for short. The total number of OTB is 200 million and will never increase any more. The OTB is a decentralized blockchain digital asset based on Ethereum according to ERC20 standard.

Value of OTB

1. Offset Trading Fee

OTB will be activated online in 2018 Q1 to set off against the transaction fee on the platform. No matter what token you trade, if you need to pay the trading fee and you had held enough OTB, the system will discount the fee that you have to pay and convert the value to OTB by market capitalization. Then you can pay the trading fee with OTB.

- First year: 50%
- Second year: 25%
- Third year: 12.5%
- Fourth year: 6.75%
- After the fifth year: no discount

2. Fast trading bridge

OTB will be part of the fast-trading system, serving as a mechanism for fast settlement and as a bridge of guaranteed function to improve the trade efficiency on the platform.

OTB repurchase mechanism

OTCBTC will use 20% of the quarterly net profit to repurchase OTB every quarter after the matching engine is launched. The repurchased OTB will be directly destroyed and the buy-back records will be released immediately. Users can search information through the blockchain browser to ensure that it keeps open and transparent until only 100 million OTB are left.

Funding utilization plan

- 35% of the funds raised from public sale will be used for the functional development, system operation and maintenance of the OTCBTC platform, including rewarding team members and R&D expenditure.
- 50% is to be used for branding and operation promotion of the platform, including to continuously promote and popularize the platform to traditional industries and blockchain industries, and to provide financial support for various marketing activities, so as to ensure that the platform can gain market recognition within a short period and rapidly attract trading users;
- 15% of the funds will be retained in the company to pay various emergency spending.

OTB ICO rules

- ICO Period: 2017/12/18 ~ 2017/12/23
- Total token supply: 200 million.
- Distribution: 100 million OTB are for the exchange within the website. The team will keep 80 million for the expense of development and marketing (unfreeze OTB tokens in 4 years). 20 million are owned by early-stage investors.
- Price: It will be settled in accordance with the proportion of sales after issuance.
- Token involved: It can only be purchased with ETH. The target number is 40000 ETH. If the contribution did not meet the standard, a certain amount of tokens would be destroyed in

proportion.

Distribution rule

50% is for crowdsale, while 40% is held by the team and 10% is held by the early stage investors.

Participation rule

OTB token crowdsale starts from 00:00 (UTC + 8 Taipei) on December 18, 2017 on the official website.

- On December 18, it will be only open to Mil1 members from earlier events to complete the contribution: Mil1 members' maximum contribution is 50 ETH, and enjoy a 15% discount. Failure of contribution shall be deemed as a waiver by the users and the retention quota is overdue.
- On December 19, it will be open to users with limit contribution. Users who participate in ICO on December 19 can enjoy a discount of 5%. Failure of participation shall be deemed as a waiver by the users and the retention quota is overdue.
- From December 20 - December 23, other OTCBTC platform users will have the opportunity to participate in the ICO, and there is no maximum contribution. There will be no gift token discount at this stage.

Maximum contribution rules:

The contribution limit is due to be announced between December 16 and December 17. (settlement cycle: 2017/10/26 - 2017/12/15 23:59)

The contribution limit can be increased in three ways:

- If users post sales offers in OTCBTC and your each successful trade is equal to a 5000 CNY order, 1 more "contribution limit" will be added to ETH.
- Inviting friends into OTCBTC. If friends "who post sale offer and their each successful trade is equal to a 5000 CNY order ", the maximum contribution limit can increase 0.2 ETH.

Note: The maximum contribution is only the maximum amount for common users who can participate in ICO on December 19 to convert. Whether or not to participate in the ICO depends on the remaining number of tokens in real time.

Risk Warning and Disclaimer

This document is for informational purposes only and does not constitute any advice regarding the sale and/or purchase of OTCBTC's shares or securities. Any proposals or solicitations alike will be made under credible terms and with the applicable securities laws and other relevant laws. The above information or analysis does not constitute investment decisions, or specific recommendations. This document does not constitute any investment advice, investment intentions or instigation of investment in the form of securities. This document does not constitute and should not be understood as any offering involving sale or purchase, nor any invitation to buy or sell securities of any kind, nor is any formal contract or commitment.

OTCBTC clearly expressed the intention to remind the user of understanding the risks of OTCBTC platform. Any users who participate in ICO is regarded to have understood and accepted the risks of the project, and is willing to bear all the corresponding results or consequences personally.

OTCBTC clearly disclaims any direct or indirect damages that result from any participation in the OTB project, including:

1. Any economic loss caused by the user's own operation during trade;
2. Any errors, omissions or inaccuracies made by the individual's misunderstanding;
3. Personal economic loss and any resulting behavior when trading various blockchain assets .

The OTB is a utility token used by the platform, instead of any investment tool or tokenized securities.

We can not guarantee of the rise of OTB value, which in some cases may also have the potential to suffer impairment. People who do not properly use their OTB may lose the right to use OTB and may even lose their OTB.

OTB are not a type of ownership or right of control. Controlling OTB does not mean the ownership of OTCBTC or its platform. OTB does not grant any individual any rights to participate, control, or make any decision regarding the OTCBTC and its platform.

Risk Reminder

Many cryptocurrency exchanges ceased operation due to security concerns. We place great emphasis on safety, but there is absolutely no 100% safety in the world, for example: losses caused by force majeure. We promise to do everything possible to ensure the security of your trade.

Please carefully evaluate your financial situation and be sure that you are able to withstand the risks involved in the project.

FAQ

1 . How should I participate in the ICO?

This ICO only allows OTCBTC users to participate:

- Mil1 members will participate in the retention quota purchase on December 18. All whitelist user have a retention quota of 50 ETH, which is guaranteed convertible success and at the same time enjoy a 15% gift token discount. If the user does not participate in ICO timely, then it will be viewed as an initiative to give up, retention quota overdue and discount invalid.
- Users with the "contribution limit" will participate in the limited quantity contribution on December 19. Participating users can enjoy a 5% gift token discount on that day. If the contribution limit fails to participate in ICO of the day, it will be regarded as an initiative to give up. Retention quota of overdue and discount will become invalid.
- Ordinary users can participate in ICO from December 20 to 23 without limit credit. There will be no gift token discount at this stage.

2 . What is my contribution limit?

- Mil1 members have a retention contribution limit of 50 ETH, only valid on December 18.
- Users who meet "maximum contribution" condition are qualified to retain "contribution limit", which will be only valid on December 19 and can be viewed at https://otcbtc.com/account/tokens. (Note: The contribution limit is only the maximum amount that the user can purchase on December 19, and success or not depends on the current remaining number of tokens of the project.)
- From December 21 to 23, all users of the platform will have the right to purchase all the remaining amount.

3 . When does the ICO start?

- Mil1 members can make contribution since December 18 when participating in ICO of retention quota, have the limit on December 19, and purchase all the remaining amount during December 20-23 .
- The user who have the "limited contribution" can start purchasing on December 19, and can participate in contribution limit on December 19, and purchase all the remaining amount during December 20-23 as well.
- It is open to all other users from December 20 to 23.

4 . If total contribution did not reach the cap of public sale, how would you deal with the remaining tokens?

The platform allows 100 million OTB for public sale. If the total contribution does not reach the limit in ICO period, the corresponding OTB tokens share will be destroyed.

5 . Will the token be issued again?

OTB has totaled 200 million, and will never be issued any more.

6 . What's the date for settlement and payment?

The final amount of token purchase has been settled in OTCBTC's personal wallet by 31 December, 2017.

7 . Is there a lockup period for the OTB in this sale?

- OTB Token for this sale to the public has no lockup period.
- The ability OTB tokens could be transferred within the website has been enabled since 1 January, 2018.

8 . When can I transfer OTB tokens to my own wallet? Will it be listed? Which exchange will it be listed on?

After the trading engine has been launched on crypto exchange, OTB ERC token can be transferred to your wallet. It will firstly be listed on the exchange of OTCBTC.

9 . What is the business model of this project?

OTCBTC will pay 20% of the quarterly net profit from the platform to repurchase OTB every quarter after the launch of matching engine. The repurchased OTB will be directly destroyed and the buyback records will be released immediately. Users can look up the information through blockchain browser to ensure that it is open and transparent, until only 100 million of OTB are left.

10 . Where is OTCBTC registered? Is it taking any risk of violating local regulations?

OTCBTC is operated and registered in Taiwan with the company name of ANJIAOSUO Technology Ltd, whose legal adviser is WISETEAM law firm. In Taiwan, cryptocurrency is considered as a type of commodity. According to local laws, the company can legally practice OTC trade and the exchange of both fiat and cryptocurrency.

11 . Contact

Telegram Community

English https://t.me/otcbtc_en

Chinese https://t.me/otcbtc_cn

Official Blog https://medium.com/otcbtc

Project Details https://otcbtc.com/account/tokens