Libertum Project:

Bridge and tool between the traditional economy and Web3.0

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Abstract

Libertum Project is the intermediate bridge between traditional economics and Web3.0 economics. Each LBM can be used in one every BEP20 to access a decentralized financial service. Libertum's smart contracts and libraries make it easy to publish P2P lending services (lending and borrowing LBM and other cryptocurrencies) and using DeFi-specific services such as Liquidity Pools and Swap. Libertum contracts are executed on the main network of Binance SmartChain to start and in the future it is expected to have its own blockchain that allows us to have even more decentralization. The Roadmap that Libertum plans in the future is not only limited to providing DeFi financial services and loans with crypto collateral, but also seeks to broaden the horizons of the credit market, connecting the real estate market along with decentralized finance. That means that we will be a Marketplace for the real estate market (purchase-sale-investment) and a secondary market for all projects and platforms that ally with the Libertum launchpad which seek to incur cryptographic loans with real collateral.

Content

1. Overview

1.1. Introduction

"*What the cryptographic ecosystem lacks is the usability of the potential of this technology for people's daily lives*" (Luis Leon, 2020) and among them one of the difficulties / challenges of Libertum is to be able to legalize loans with material collateral to further expand the crypto economy that is associated with reality.

The objective of Libertum is to provide fully decentralized and anonymous financial services in which both Fiat currencies and cryptocurrencies can be used (even eventually the Libertum cryptocurrency itself), this will provide people with the opportunity to choose those options in which they have greater confidence or that provide them with greater benefits for their current situation. In the first instance, two technological structures will be implemented, the DeFi services (Swap – Borrowing) and the real estate Marketplace, and in the medium long term it is to create the launchpad that will promote other projects to incur within the credit market with real collateral. The implementation of these technologies will promote the evolution of the market, generating better products, processes, technologies and new business models, which will result in greater benefits for the consumer of the products or services, promoting an even more productive and sustained economy over time. These will be the necessary tools for the construction of a broader, decentralized system attached to the physical world for the long-term growth of a stable economy.

1.2. Problem

Thanks to smart contracts, the evolution of decentralized finance has created a highly diverse, transparent and verifiable financial ecosystem. Libertum did not reinvent the wheel, as it is not the first protocol that helps close these gaps between traditional financial lending and decentralized protocols on blockchain. In the past and present we can see many protocols that achieved this with billions in assets locked in their protocols, all from a Fiat or Crypto provenance. What if someone wants to take out a loan with real collateral? As an example a good and real estate without having the need to sell it? Current protocols do not solve this demand/problem, since it is difficult to liquidate something of that magnitude without leaving behind the legal part.

1.3. Solution

So what's the solution? Correct, incur in the creation of a real estate Marketplace that allows quick settlements of loan protocols. The objective of Libertum is to solve and simplify the legal process of property and real estate when connecting to web3.0; standardizing the process to be replicable and useful for other platforms, kicking off the Libertum Launchpad that would allow new protocols to use the Libertum Marketplace by expanding the offering portfolio while these new projects focus their efforts on solving tomorrow's problems.

2. Libertum Protocol

2.1. Supply of assets

Users of the Libertum Protocol can supply various cryptocurrencies or compatible digital assets on the platform, which can be used as collateral for loans, providing liquidity and earning an APY, or for synthetic mint stablecoins.

Supplying assets such as cryptocurrencies or digital assets to Libertum gives users the ability to participate as a lender while maintaining the security of collateral in the protocol. Users will get an interest rate based on variables depending on the utilization of the yield curve of that specific market.

All user assets are grouped into smart contracts so that users can withdraw their supply at any time, given that the balance of the protocol is positive. Users who supply their cryptocurrency or digital asset to Libertum will receive an auToken, such as auBTC, which is the only token that can be used to redeem the underlying collateral provided. This will allow users to use these tokens to hedge against other assets or move them to cold storage wallets that support Binance Smart Chain.

2.2. Indebtedness assets

Users who want to borrow any of Libertum's compatible cryptocurrencies, stablecoins, or digital assets must promise a collateral that will be locked on the protocol. These assets must be over-secured and will allow up to 75% of that collateral value to be borrowed. These collateral ratios are determined by the protocol and are controlled through the Governance process, which is documented in this Whitepaper. Once these assets are supplied, you can borrow based on the asset's collateral relationship. Typically, the guarantee ratios are set between 40% and 75%. For example, if Bitcoin has a collateral value of 75%, that means you can borrow up to 75% of the value of your BTC. If the user has $100,000 worth of BTC supplied to the Libertum protocol, that means they can borrow up to 75% of the value. However, if a user's collateral value falls below 75%, or any percentage of collateral ratio that a certain asset has, it could cause a settlement event, which will be discussed later. Users will have a compound interest rate that will be applied per block on these assets and will have no monthly payment obligations. To return the collateral, the user must pay their origination balance and compound interest to the protocol. Market interest rates are determined by the specific yield curve that is designated in the contract. Depending on market utilization, you will determine what the interest rate will be for that specified market.

2.3. What is a stablecoin?

Stablecoins are the bridge between the world of cryptocurrencies and the money we use every day as their value is pegged to a reserve asset like the US dollar in a 1:1 ratio. Thus, it significantly reduces its volatility compared to something like Bitcoin. The result is a digital currency that is best suited for everyone from daily exchanges to transferring funds between exchange offices. Combining the stability of traditional assets with the flexibility of digital assets has proven to be an extremely attractive idea; But because they are pegged to the U.S. dollar, they remain vulnerable to the Fed's inflationary policies.

2.4. Algorithmic stable currency

An algorithmic stablecoin is designed to achieve price stability as well as to balance the outstanding supply of an asset by pegging it to a reserve asset such as the US dollar, for example, gold or any foreign currency. In other words, an algorithmic stablecoin actually uses an algorithm below, which can issue more coins when their price rises and buy them on the market when the price falls.

2.5. Libertum synthetic stablecoins

The Libertum Protocol, for starters, will allow users to mint LUSD (LUSD), a synthetic stablecoin based on the $1 USD price, by using the auTokens of the underlying collateral they have pre-supplied to the protocol. Users can borrow up to 50% of the remaining collateral value they have in the protocol of their auTokens to mint LUSD. Stablecoins in the Libertum Protocol can be synthetically designed through Governance and added as a proposal. LUSD will be the default stablecoin of the protocol that can be minted by guarantees already promised in Libertum. These stablecoins will not have yield curves that determine their interest rates, which in other protocols are known as stability fees. Interest rates will be determined by the Governance process within the Libertum Protocol.

2.6. Pricing mechanisms

Since no underlying fiat reserve guarantees the value of the synthetic stablecoin in the Libertum Protocol, it will rely on market forces, the basket of collateral and security mechanisms to maintain its peg to the fiat currency it is designed to synthesize. As an example, LUSD will originally maintain a parity of 1:1 per LUSD:USD. The market is encouraged to maintain this parity so that programmatic mechanisms designed to protect the peg are not initiated by the protocol. If there comes a point where LUSD or another synthetic stablecoin loses its parity value, the protocol can use the governance process to initiate the price adjustment module. This module will allow the change of parameters within the stablecoin system in Libertum to unhook the peg and create a change in supply and demand to bring the ability to return to its original peg. This system will enable two main points.

A benefit to hold/buy a synthetic stablecoin, or mint/borrow a synthetic stablecoin. This is determined whether the price parity has become negative or positive due to external market conditions.

2.7. Stablecoin Parameters

Users who have the protocols' native tokens can create proposals to change parameters specific to the synthetic stablecoins on the platform using the on-chain governance system. These parameters are configured from a protocol risk perspective to protect the interests of users and the platform. The parameters that users can control are as follows:

- *Maximum supply:* This determines the maximum number of units of synthetic stablecoins that can be minted at a given point to determine the maximum supply of synthetic stablecoins.

- *Interest rate: The interest* rate parameter controls how much in interest rates the user pays to mint these synthetic stablecoins. These interest rates go directly to the Community Reserve Factor funds.

- *Collateral ratio:* Each synthetic stablecoin will be a settlement price. These settlement prices are controlled by the guarantee ratio for each synthetic stablecoin.

- *Penalty ratio:* If a settlement occurs, there will be a penalty percentage that you must pay to the protocol. This penalty ratio is established by the protocol.

2.8. Token Libertum (LBM)

The Libertum Protocol is governed by the Libertum Token (LBM), which is designed to be a "fair launch" cryptocurrency. The total issuance supply will be 30,000,000 LBM of which 72.5% (21,750,000 LBM) of the distribution will go to the customer, in various sectors such as the liquidity mining system, airdrops and public sale. 13% (3,900,000 LBM) of the distribution will go to the sectors that initially drove Libertum team and influencers, and 14.5% (4,350,000 LBM) of distribution will go to Launchpad, private investors and adviser.

For more information, enter the following link:
Tokenomics distribution.xlsx

2. 9. auTokens

The assets linked to the protocol when the collateral is supplied are called auTokens. AuTokens represent the unit of collateral supplied and can be used as a refund tool. AuTokens are created and implemented by governance processes and voted by Libertum token holders.

3. Protocol architecture

The protocol has been designed as a fork code base of Libertum Protocol so that in the advances of Libertum it is extended to the markets with security interests.

3. 1. Controller contract

The smart contract of the controller deployed in Binance Smart Chain is the decentralized vision of a processor. This smart contract creates all interactions between other associated smart contracts. Libertum does not natively support tokens by default. It will be based on specific markets to be whitelisted within the Controller's contract. The protocol has access to whitelisted markets using the management function: supportMarket with parameters for address models and interest rates. For an asset to have a functional market, there must be a valid price feed of the Oracles of Value along with a Collateral Factor. Every interaction with the protocol will be verified and validated through the Controller's smart contract, which validates liquidity and collateral before a function is executed.

3. 2. Value of the guarantee

When a user supplies, borrows or mints the Libertum protocol, they are using an underlying asset for the first bonus to auTokens. These underlying assets held as collateral on the

platform have dollar values that are also pegged to auTokens. For this system to work properly, collateral values are drawn from market rates. To get these market rates efficiently, we will use Band Oracles to get market prices and update the on-chain protocol.

3. 3. Oracles of value

Collateral values are propagated from price feed Oracles, such as Chainlink, which extract market price data and send these values to the chain, making them transparent and verifiable. Due to the fast speed and architecture of binance Smart Chain, these prices can be easily determined with low cost and high efficiency directly on the chain. Currently, there is an obstacle of bottleneck problems of oracles, such as Chainlink, which are provided on Ethereum. With rising gas costs and congestion, these pricing oracles are not updating prices as efficiently or cheaply.

3. 4. Governance

Libertum has been designed to allow community control at its core. Since there are no pre-mines for the team, developers and founders, this means that the protocol will be controlled by those who decide to mine Libertum Tokens. To create a proposal, a PR bidder will need 300,000 LBM and the proposal must reach a minimum of 600,000 LBM quorum to be approved.

Governance features include:

- Add new cryptocurrencies or stablecoins to the protocol
- Adjustment of variable interest rates for all markets
- Fixed interest rates for synthetic stablecoins
- Vote on improvements/protocol proposals
- Delegate protocol reservation distribution programs

3. 5. Liquidations

A user's collateral can be liquidated if it falls below the thresholds required for the loan or stablecoin side of a specific coin market. These settlements are subject to a settlement fee and to satisfy the outstanding debt. The remaining warranty, if any, is returned to the user. A liquidator may benefit from the liquidation of a secured position.

3.6. Interest rates

The protocol has market-designated interest rates on both the supply side and the borrowing side. Interest rates also apply to synthetic stablecoins that are created in the Libertum protocol as auUSD. The expected interest rates for the markets that can be lent or supplied are dynamic and have a yield curve that varies according to uses. These interest rates are also set from floor to ceiling based on the protocol's Governance process. For synthetic stablecoins, the interest rates for minting them are fixed. There is no variable interest rate design on these interest rates. However, through the Governance process, users can control.

4. Our market

4.1. Market to which we are going

User to whom the Libertum message arrives

Once we have defined what Libertum is, we must focus on our users to understand them. That's why we work based on three people: Robert, Alba and Fred.

Roberto: investor (regular/crypto)

Roberto is 45 years old and owns a small IT business. In parallel to his work, he seeks to invest in new projects. It has short times.

Alba: entrepreneur.

Alba is a young adult of 25 years who is looking for various sources of savings in which to invest savings for the near future. He is passionate about technology and, in his spare time, pursues IT projects independently.

Fred: normal person of the population

Fred is a normal 35-year-old who likes technology and innovative ideas. He has a regular job in a tech factory and in his spare time fixes computers.

Our users are investors, business entrepreneurs and future members of the crypto community. As a value proposition, we offer a cryptographic platform that differentiates itself from the rest by interconnecting these three users.

Empathy map

Let's keep working on our users. For this section, we made an empathy map to track how our users feel, what motivates and frustrates them.

1. **Robert:**
   - **What he thinks and feels:** He thinks that today's generation is the future, he believes that technological innovations should not be neglected.
   - **What it says and does:** Invest in startups with a viable future. He says contributing innovative ideas can help and do business at the same time.
   - **What frustrates you:** Small innovative systems within IT industries.
   - **What motivates him:** new technologies on the market.

2. **Alba:**
   - **What you think and feel:** Think about your future and how to progress in your career. He feels that, in a world full of opportunities, there is no need to sit still.
   - **What she says and does:** She has too many ideas for her startup project, but not a lot of money. She says that with an investor great things can be achieved.
   - **What frustrates her:** Being so young, adult people sometimes don't take him seriously on important issues related to new technologies.
   - **What motivates her:** the advancement of technology.

3. **Fred:**

- **What he thinks and feels:** Fred believes technology has a lot to offer and shouldn't be neglected.
- **What he says and does:** He prefers to research new forms of investment and learn about new technologies.
- **What frustrates him: He** doesn't like not feeling included in technological innovations. He wants to be a part of it!
- **What motivates you:** You feel motivated to learn new things

4.2. Customer Categories

Primary

Our main customer focus at Libertum is to provide innovative lending solutions such as what we propose, crypto mortgages; to this we add the Libertum launchpad which will be responsible for supporting other crypto projects.

Real Estate inverters

Libertum al create crypto mortgages gives birth to the Marketplace of real estate where we will have 2 types of clients, the institutional investor (investment funds and construction companies) and the regular investor; within the category of investments of real estate and real estate.

Cryptocurrency Investors

The adoption of cryptocurrencies in the market has expanded at an increasing rate since the summer of 2020. The appreciation of cryptocurrency assets in recent years has resulted in investors gaining a significant amount of value, and they see this increase continuing over the next 10 years. As a result, cryptocurrency investors are unwilling to spend or sell their cryptocurrency positions. This attitude in the market creates the need for investors to unlock some of the value of their investments without triggering a tax event or liquidating their positions. Cryptocurrency-based loans and lines of credit are a more efficient and cost-effective way to realize your earnings on Fiat so you can use them in events in your everyday life.

Liquidity miners

Cryptocurrency miners are a key player in the Libertum cryptocurrency ecosystem in helping toinject liquidity into the protocol in exchange for distributing among users, with a number of tokens giving access to the governance of the project and which can also be exchanged for better rewards or for other cryptocurrencies.

Businesses that dabble in crypto assets

Crypto businesses need fiat capital to be able to operate and handle day-to-day expenses. These companies usually have large balances which will gradually become crypto balances, and Libertum provides a bridge to make this switch from Fiat to crypto without affecting your profits, expenses or investments.

Cryptocurrency Exchanges

Currently there are multiple cryptocurrency exchange options which do not become intuitive or fast and for that Libertum offers a simple and fast interface to be able to change Fiat to crypto and from crypto to crypto.

Secondary

Institutional Investors for DeFi 1.0

An institutional investor is an entity that pools money from clients, or partners, to buy investment assets or originate loans. Institutional investors include banks, credit syndicates, insurance companies, REITs, investment advisors, endowments and mutual funds. These include operating companies that invest excess capital in these types of assets. Libertum can offer these investors greater capital efficiency and attractive interest returns from fiat liquidity, providing a solution for excess capital.

Banking of the unbanked

One of the reasons we are building the Libertum protocol is to expand our market to a population that currently does not have access to cryptocurrency-backed loans. This population is the "unbanked" and comprises approximately 2 billion people. The "unbanked" is a term that describes those who do not have access to a bank account. In addition, this population may not have access to other financial services such as credit cards or loans. According to a World Bank report in Latin America in recent years approximately 60% of the population is still unbanked, yielding alarming data that speak a lot about the low quality of life and its percentage to improve it.

4.3. Customer acquisition

Libertum will not only recruit customers from existing crypto holders, but will also take an active role in acquiring new players to the crypto/blockchain ecosystem by giving them an outlet for their financial concerns. Our strategy consists of 4 main components:

Building a strong community

Building a strong community will be paramount to creating the first layer of ready-to-use customers at Libertum once it is operable and, secondly, as ambassadors and cheerleaders in spreading the word of freedom. Community building will be spearheaded by us from the (ICO) stage.

Strategic Partners

Expanding the growth of Libertum will require partnerships with both decentralized and centralized companies. A partnership with Visa will allow Libertum to be able to grant its customers debit cards instantly and improve access to liquidity. On the other hand, Binance

is a long-term strategic partner to which being able to work together will allow us to grow and expand the voice of Libertum without counting advice.

Influencer and Content Marketing

We will use both Influencer and Content Marketing to first create attention about the ICO, build the community and acquire more customers. Our Influencer Marketing approach will cover both the use of Crypto Influencers and ensure Crypto Thought leaders and Celebrity Endorsements. This includes sponsorships of podcasts and YouTube channels and cooperations with Twitter, YouTube and TikTok influencers. In addition, we will focus on the line of influence with personal finance operating outside the crypto sphere. Our Content Marketing will also focus on both specialized Crypto Media and the conventional press. It will also be boosted through SEO linking to our own domain, ensuring that we attract customers who actively search the network for crypto loans.

Democratization of financial tools

As part of our mission to turn the general public into cryptocurrency holders, we will conduct more traditional marketing campaigns to educate them about the benefits of blockchain for their financial situation. In the way mass adoption of the internet came about when people understood, not how it worked, but why it was a benefit to them, we will highlight how blockchain and its financial benefits can change people's lives.

5. Product and services

5.1. Canvas Business Model

We need to have our value proposition divided, as well as the benefits and activities for our users. That's why, for this instance, we made a business model canvas: recognized as a strategic template for our project process.

[Fountain](#)

6. Future Objectives

1. Enhance job creation, wealth production and market competitiveness;
2. Securing the transactions of monetary activities
3. Ensure the sustainability of the decentralized system to ensure compliance with the obligations of each of the sectors and entities that comprise them;
4. Cushion and minimize systemic risks and reduce economic fluctuations;
5. Deepen the process of constitution of a liberal economic system, in which the work of the next is the center of everything;
6. Provide new alternatives and services to people, different from traditional methods.

7. What do I expect to get as a result?

Finalize the tools that will lead us to create a better, freer and fairer world, where everyone knows about respect for private property and the free market, where truth and ideas prevail, above all, where we work for our neighbors to be even more united and be able to prosper in life without anyone or anything stopping us, to fulfill the dream of freedom in all its essence and the dream of thousands of people who struggle every day, Libertum will set us free. The result I hope for is an economic and social impact in countries where freedom does not exist or is limited.

8. Disclaimer

Nothing contained in this Technical Report shall be deemed to be a prospecting of any kind or an investment requisition, nor is it in any way an offer or requisition of an offer to buy securities in any jurisdiction. This document is not composed of agreement and is not subject to the laws or provisions of any jurisdiction that are designed to protect investors.

9. Forward-Looking Statements

Except for historical information, there may be matters in this Technical Report that are forward-looking statements. Such statements are only predictions and are subject to inherent risks and uncertainties. Future predictions, which are based on assumptions and estimates and describe the company's future plans, strategies, and expectations, are typically identified by the use of the words "anticipate," "do," "believe," "estimate," "plan," "expect," "intend," or similar expressions. Participants are cautioned not to rely on future projections. Future projections reflect views held only as of the date of this report.

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