



WANDX

Trade Smart with WandX

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WANDX - Multi-Blockchain DEX and decentralized hedging on NEO and Ethereum

1. Executive summary

- As consumer appetite in various classes of assets have grown over the last half of the 20th century, methods to derisk a purchaser from speculative activity has evolved. An ideal example of the need for this derisking is the tulip mania that overtook modern day Netherlands in the 17th century. Similarly, purchasers of wine, paintings, property and stamps, are vexed with the question of how to ensure that pure speculation does not negatively affect the price of the asset that they are buying. Purchasers of cryptocurrencies face the same problem.
- WandX seeks to establish an infrastructure for decentralized trade of Tokens and Token products/instruments built on any Blockchain. The WandX Desktop app allows users to trade NEP5 and ERC20 Tokens and Baskets of NEP5 and ERC20 Tokens entirely through the smart contracts developed on NEO and Ethereum.

2. Problem statement

- Some of the problems that the WandX platform aims to solve are:
- How can users solve the problem that the price of any single ERC20 Token is higher than it ought to be, on

account of speculation?

- How can users purchase multiple Tokens in a single transaction?
- How can users increase the liquidity of single tokens?
- How can users create and trade digital assets (such as loyalty points) recorded on a blockchain?
- Many of these problems are currently being solved by centralized cryptocurrency exchanges and crypto-asset management platforms. Though popular and easy to use, many centralized exchanges and asset management platforms face problems with data security. They provide a centralized platform for blockchain assets, which by definition are meant to be decentralized. Other challenges faced by centralized exchanges and platforms include low liquidity thresholds and longer waiting periods for users to withdraw their funds from these exchanges.

3. Solution

- WandX aims to solve the above problem by providing a decentralized platform that enables the trade of Tokens and Token Baskets through smart contracts.
- Users can trade in Baskets of ERC20 or NEP5 Tokens. Users can acquire multiple NEP5 or ERC20 Tokens with a single transaction. The WandX platform does not hold private keys or any Tokens.
- Innovative solutions to sell an NEP5 or ERC20 Token or Basket that is borrowed are being developed on WandX.
- WandX provides tools to create tokens that can be backed by a digital asset such as loyalty points, and these tokens can be traded on our platform. We are experimenting with a larger number of trades happening off-chain, and only record the trades happening on-chain.
- Some of the Token instruments that can be created on WandX are as follows:
- **Baskets of Tokens:** These are combinations of ERC20 or NEP5 Tokens can be created with a single transaction. Users can create a basket of ERC20 or NEP5 Tokens; this Basket has an associated price which is determined by the underlying Tokens in the Basket. Creation and Trade of this Basket happens by way of smart contracts. For ERC20 Tokens, every Basket is a smart contract that contains the underlying Tokens. This implies that Baskets have their own liquidity layer on top of Ethereum, and that Baskets trade independent of APIs or other price indicators. For NEP5 Tokens, each Token Basket is assigned to the smart contract that we've created, and trade in a Basket implies that the ownership of all the underlying Tokens is changed.
- **Issue Crypto-assets:** WandX would enable a user to record his/her digital asset(s) on the blockchain through a user friendly front-end for creating tokens on Ethereum. These tokens would then represent ownership of crypto-asset(s) such as loyalty points which could be transacted with other users. Such transactions, along with the decentralized exchange, could be used to create markets for any crypto-asset.

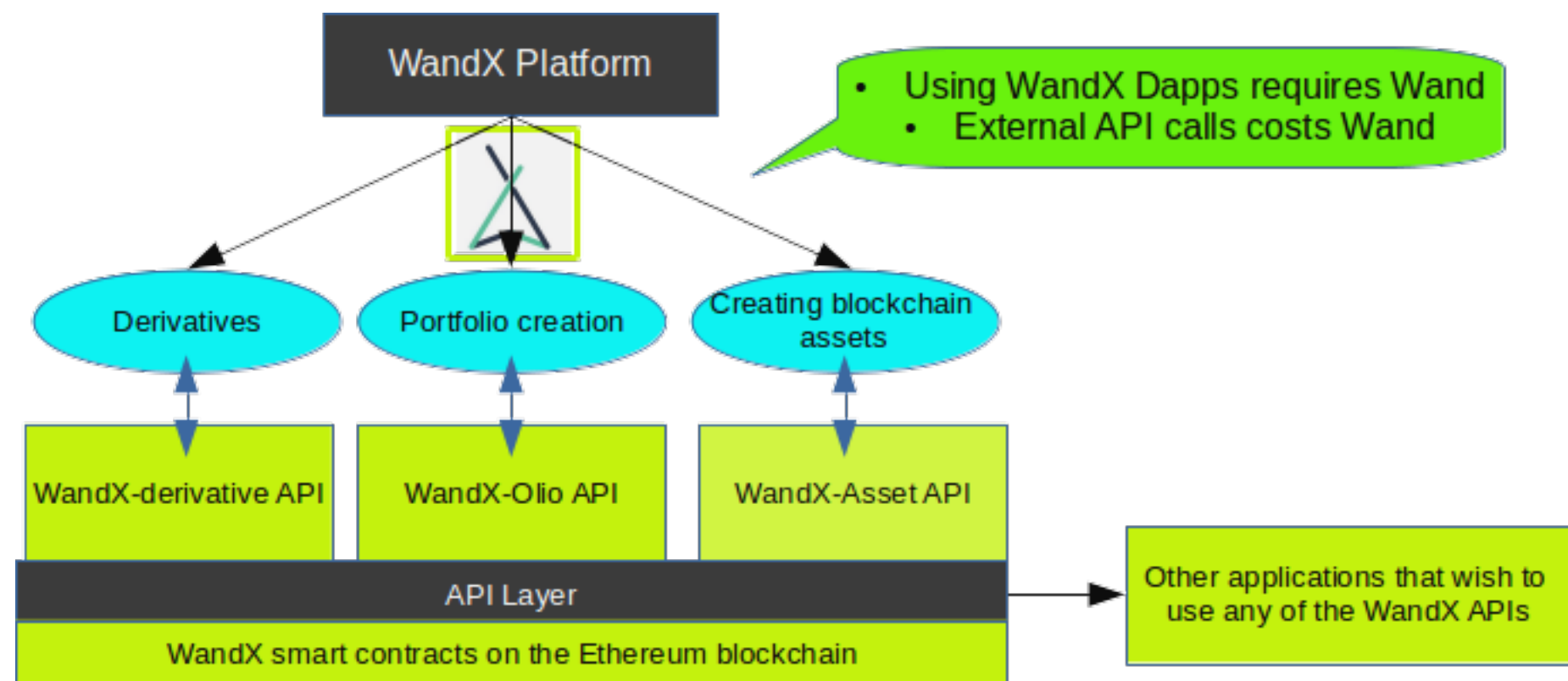
4. Identity

- Although anonymity or pseudonymity is welcome in certain cases, in the WandX business model it would benefit the network as well as the users to reveal their identities or parts of their identities. This would be done through standard login systems such as Facebook/google login, and in time integration with third party decentralized login systems that can support Desktop app logins.

5. Technology

- From a technology standpoint, WandX is built on the NEO and Ethereum blockchain because of its smart contracting capabilities, large network of miners and users, and a large number of tokens already having been issued. Our product will be based on creation of baskets of ERC20 tokens and NEP5 Tokens on

Ethereum and NEO, as well as a decentralized exchange on both platforms. We have six types of contracts - data storage (d-gen), functionality enabler (f-gen), trade enabler (t-gen), settlement enabler (s-gen). Together they create a holistic ecosystem to create, trade, view, and settle contracts. Issuers create the ERC20 and NEP5 Token instruments, market makers and buyers purchase these instruments and settlement happens through the Blockchain. Using the f-gen, the issuer creates the product, the d-gen stores the product, the t-gen and s-gen are responsible for decentralized trade of the product through smart contracts.



[Figure 1. WandX platform architecture]

6. Incentivization

- All the incentives are distributed using the WAND Token on Ethereum and the WANDNEO Token on the NEO Blockchain. Users who pay for transaction fees on Ethereum using the WAND Token get a 75% discount on the transaction fees. Users can stake the WANDNEO Token on the NEO based smart contracts that we've written to obtain a percentage of the fees generated on the platform. These fees are generated on the NEO based DEX and Basket protocol, and are generated in NEO or NEOGAS. Users will be able to withdraw the fees every 45-75 days depending on the Block size on NEO.
- **Market maker:** Market makers are marketing partners. Their role is a combination of acting as an issuer and as a seller. They create a market for products that they think will sell based on their experience. For example, if they think that a certain basket of five NEP5 Tokens has shown good returns in the past two months and are strong on their fundamentals, they would create and trade this basket on WandX.
- **Developers:** Benevolent developers are always welcome! Developers can greatly contribute to the Beta version of the platform by identifying bugs and suggesting features, and better yet creating and pushing the fix.
- **Issuer :** Issuers are basically creators of the Token products.
- **Sellers :** Sellers enhance the liquidity of the various products. Sellers are the other side of the contract, and help with price discovery of the basket or asset.
- **Buyers :** Buyers will trade in the products given below.
 - Baskets: These baskets, which are smart contracts in itself on Ethereum, can be created and traded on WandX. On NEO, every Token Basket created by users is recorded on our contract by matching the user address to the underlying Tokens. Hence, when a trade occurs the ownership of the underlying Tokens is shifted to the new owner.
 - Bilateral Contracts: Using the Basket Protocol on either Ethereum or NEO, users can trade a large

number of individual Tokens without affecting the price of that Token. For example, if a user wants to trade 100,000 ABC for 50ETH. Since liquidity of ABC is low, this large trade would affect the price of ABC. Using the Basket Protocol, users can place this order without affecting the ABC price as the price information is recorded on the smart contract rather than on APIs through which current prices are determined.

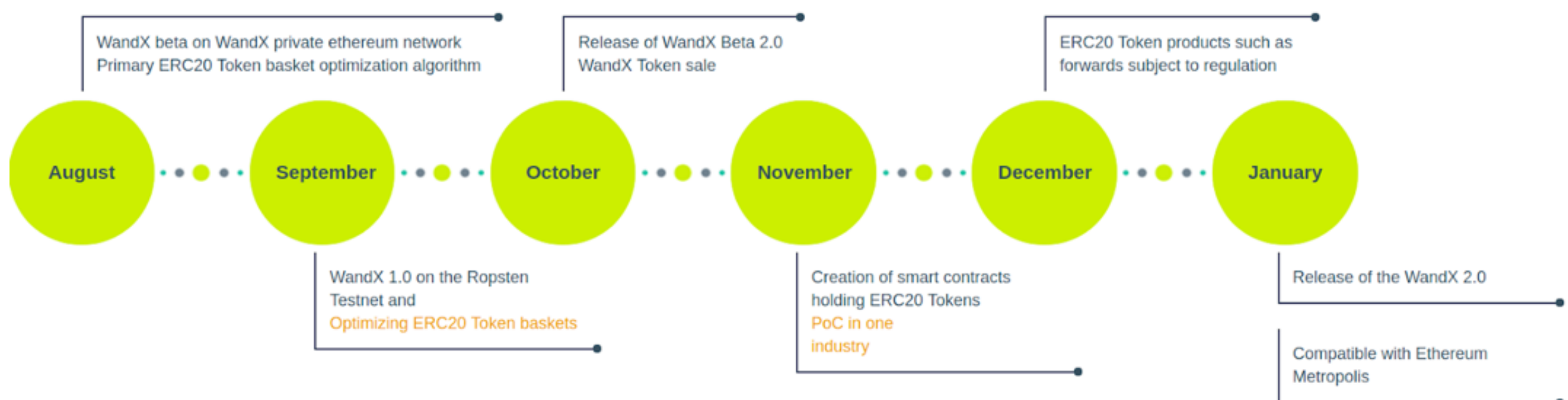


[Figure 2. WandX platform users and modules]

7. Governance

- The point of creating this system of decentralized Token contract settlement on Ethereum is to allow the system to develop trust amongst different players. However, adherence to the type of contracts on the platform can be further enforced using standardized accounts available on the platform through tying accounts to
- Since this platform is developed on the Ethereum blockchain, the single source of truth of the creation, trade and settlement of the products is based on the blockchain. Integrations of uPort and other identity platforms will serve to increase trust in the system.

8. Timeline



9. Competitor Landscape

- **Decentralized exchanges:** 0x project, Etherdelta
- **Centralized exchanges:** Kraken, Coinbase, Shapeshift
- **Centralized digital assets trading:** Kraken, Poloniex, Prism (by shapeshift)
- **Decentralized digital assets trading:** IDEX, Bancor.
- **We have two major differentiators:**
 - A single platform to create wallets and trade on a decentralized exchange on either NEO or Ethereum.
Change Blockchains through a single click rather than manage multiple wallets and browser extensions.
 - Hedge your position on either Ethereum or NEO based assets through the WandX Basket protocol.

10. Technology integrations

- **10.1 Data from other blockchains and oracles**
 - Using applications such as Oraclize, Streamr, price feeds and other data can be integrated into the WandX Desktop app through API calls or building using third party SDKs.
- **10.2 Other platforms**
 - After the release of the WandX Desktop app on the Ethereum and NEO main network, WandX intends to use the Wanchain interoperability protocol to enable users to create and trade in Baskets of Tokens containing Ethereum/NEO/Wan/BTC based assets.
 - Analytics engines
 - We are working on integrating analytics tools that can recommend certain hedging strategies for users who take positions in Tokens on either Ethereum or NEO and later on Wanchain.



[Figure 4. Different technology integrations into WandX]

11. Legal considerations

- The legal and regulatory environment around token generation events, cryptocurrencies and crypto-exchanges are in a state of flux. Our ability to operate legally in the jurisdictions that we operate in are subject to these legal and regulatory changes. As such, we anticipate a lot of regulatory changes, and we may modify our roadmap and plans depending on the regulatory changes made.
- The legal considerations of using the WandX platform is tied to the regulations around cryptocurrencies in your respective countries. Please read our terms of use, privacy policy requirements and consult with a legal expert in your jurisdiction before using the WandX application.
- We will have a continuous channel of communication with our lawyers. Should either our lawyers or applicable regulators raise any issue in respect of the implementation of this roadmap, we will remodel this roadmap or obtain appropriate approvals.
- **YOU ARE ASSUMING THE RISK THAT A REGULATOR WILL IMPOSE REGULATORY RESTRICTIONS ON WANDX. WANDX WILL NOT BE LIABLE TO YOU FOR ANY DIRECT OR INDIRECT LOSSES ATTRIBUTABLE TO A LEGAL OR REGULATORY EVENT DESCRIBED ABOVE.**

12. Development Roadmap

- **Pilot :** Create, trade, and settle a Basket of ERC20 Tokens. For example, you could create a Basket of five ERC20 tokens in a given proportion. This Basket can be traded with buyers who don't want to go into the trouble of buying five separate ERC20 Tokens. A trading fee and a creation fee can be specified at the time of creation. The buyer can then choose to liquidate his Basket and get the underlying cryptocurrencies into his wallet.
- **Beta :** We will release our Beta by 16th September onto the Ethereum blockchain.
- **Token sale :** We are launching our Token sale on 27th October. Further details are available in the Token sale section of the Whitepaper.
- **WandX 1.0:** WandX 1.0 will go live on the Ethereum mainnet on 20th November.
- **Pilot across industries:** We aim to be a truly decentralized platform for the creation and trading of baskets of ERC20 Tokens. We believe in building great products, but also in creating trustworthy brands. We plan to pilot our platform on a private Ethereum network in the telecom sector and carbon credit trading sector. For applications in industries as highlighted here, we will create a private network whose transactions will be pegged to the main-net to reduce transaction time and transaction costs.
- **P2P contracts for digital assets :** In November, we will launch the P2P traded baskets and digital assets market on WandX. WandX 2.0: This releases in Jan 2018. WandX 2.0 will be the platform to create and trade any ERC20 Token instrument.

13. Marketing and sales strategy

- Our strategy is aimed toward onboarding a gamut of user types. We want our users to use our platform as a tool to understand and explore crypto assets, as a method to hedge their positions, and to reduce the risk of fluctuations in the value of crypto assets.
- **13.1 Online strategy**
 - Ads: Google and Facebook ads as and when applicable.
 - Social media: Use social media (Reddit, Twitter, and Facebook) to spread the word.
 - Other media: Use medium, Blogs, YouTube videos, our telegram group and channel, Reddit to inform users about our updates and new features.
 - Videos: Create YouTube videos for instructions on how to use our platform.

- **13.2 Offline strategy**

- Crypto Partners: Partnerships with various players to make it easy for fast onboarding.
- Sale bounty: Give out bounties for those who are willing to be our sales partners to identify and engage with potential clients.
- Advisors: We have a large team of advisors in the fields of statistics, data analytics, and markets.

14. Token Sale

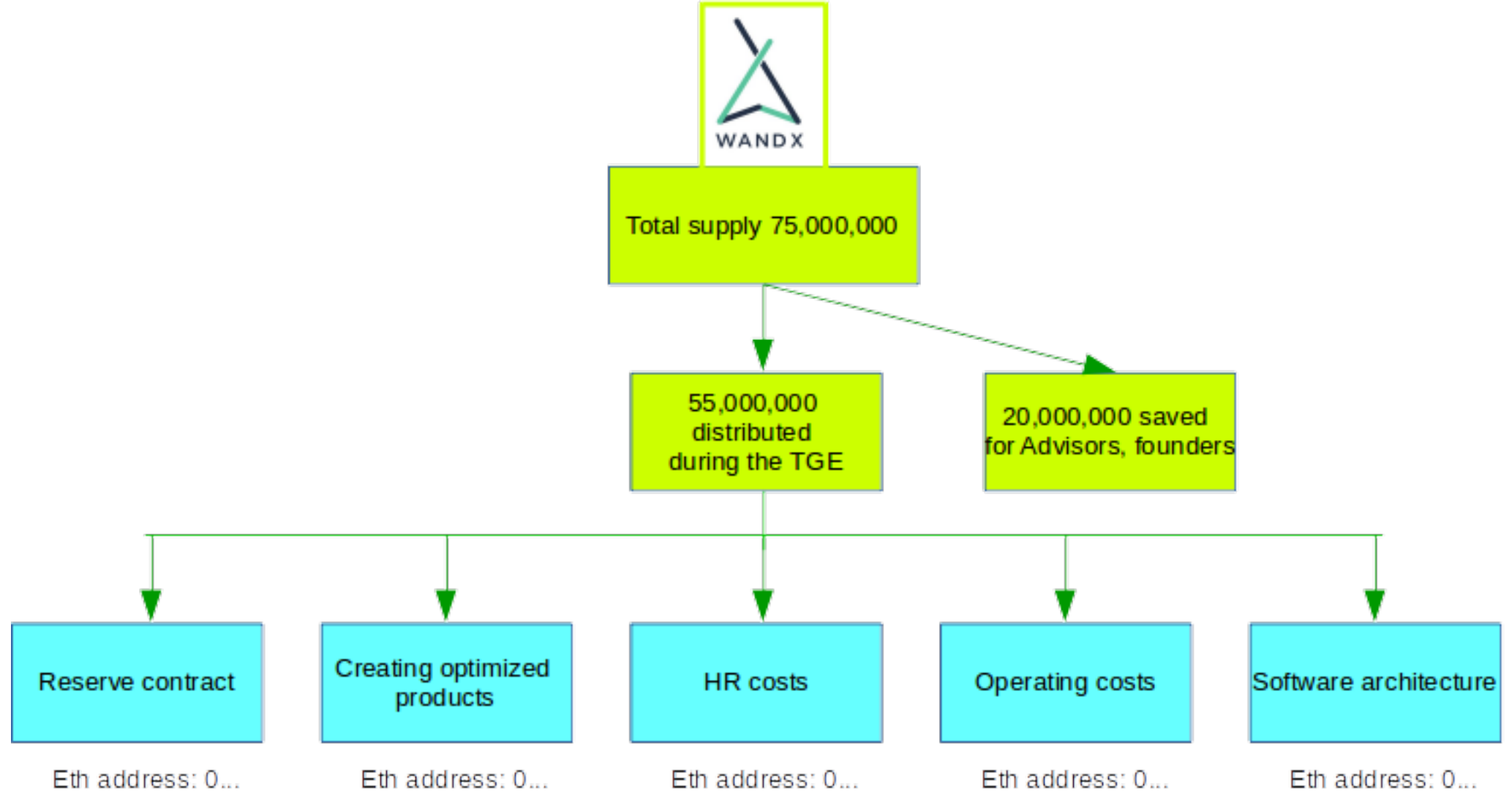
- Our Token sale concluded on December 5th, and we raised over a million dollars in Ether.

- **14.1 Why launch a new token instead of just using Ether?**

- Incentives: Incentive programs for users of our platform.
- Future development: If we decide to integrate the tokens created on other blockchains as well (such as AION or TEZOS), we would need to be able to introduce interoperability protocols such as the Wanchain interoperability protocol for interaction between the blockchains. It would be more efficient to do this if we have our own token.
- Token utility: The WAND Token on the Ethereum Blockchain enables users to get a 75% discount on trading fees. The WANDNEO Token on the NEO Blockchain is a staking Token. The WANDNEO Token enables users to “Stake” WANDNEO Tokens to receive a proportional amount of the trading fees generated by the platform. For example, if the user has 1million WANDNEO Tokens, he receives 1/100 of the Trading fees generated on the platform. Every 45-75 days, the trading fees generated is distributed to WANDNEO Token holders.
- Developing the WandX protocol: The WAND token and it’s variants will be used to access any application on the WandX platform. When external applications use any of the WandX APIs or SDKs, they will be charged a certain fee in WAND or it’s variants.

- **14.2 Why launch a new token instead of just using Ether?**

1. WAND: The Total supply of the WAND Tokens is 16.2million. The WAND Token is used to obtain a 75% discount on trading fees for trading Ethereum or any ERC20 Token.
2. WANDNEO: The WANDNEO Token is a staking Token. Users who stake WANDNEO on the WandX Desktop app will receive a percentage of the trading fees generated on the platform proportional to the number of Tokens staked.
3. Please read the terms and conditions before using the WandX Desktop app.

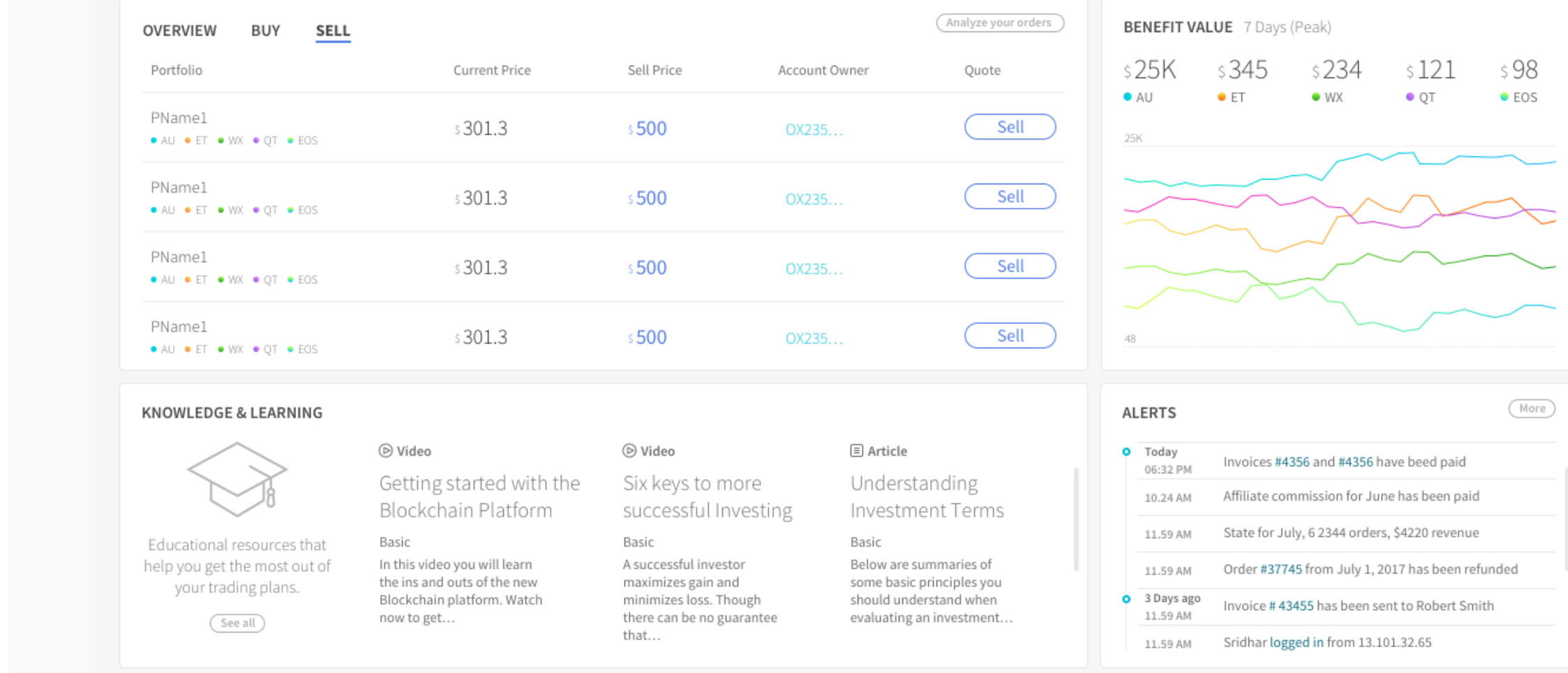


[Figure 5. Description of how the ether received during the Token sale will be used]

15. System architecture

○ 15.1 Core platform

- Data storage: For the decentralized exchange on Ethereum - Orders are stored on our MongoDB database, all trades on the platform happens through the smart contracts that we've deployed on Ethereum. Signed orders are matched, and the swap happens either ERC20 for ERC20 or Ethereum for ERC20. For the decentralized exchange on the NEO Blockchain, Orders are stored on our smart contract, trade happens through the smart contract, hence all transactions goes through the Blockchain. We store and display orders from our database for faster use.
- For the Basket protocol on Ethereum, 1. When users create a Token Basket, a smart contract is created that represents the "Basket". Users deposit Tokens into the "Basket", and that Basket is a smart contract that holds the underlying Tokens. Users quote a price for the Basket and that quote is stored on the smart contract. 3. The owner of the smart contract is the creator of the Basket, and when the any other user transfers the quoted price to the smart contract (this can be from any wallet), the ownership of the smart contract is transferred to the new address.
- For the Basket protocol on NEO, 1. Every Basket that is created is assigned to a particular user. Each basket does not create a smart contract, as the creation of the smart contract is very expensive on NEO. Trade of a Basket is basically transferring ownership of the underlying Tokens to the other user.
- Connecting to other platforms: WandX is now exploring Wanchain to enable hedging with the option of adding BTC as a hedging instrument using the Wanchain 3.0 interoperability protocol.
- Off-chain capabilities: We are working on technology to create most transactions off-chain in order to prevent clogging of the Ethereum network. In the real world trades happen in microseconds, which we can enable either through pegged blockchains, lightning networks, or state channels.



[Figure 6. Front end design of WandX]

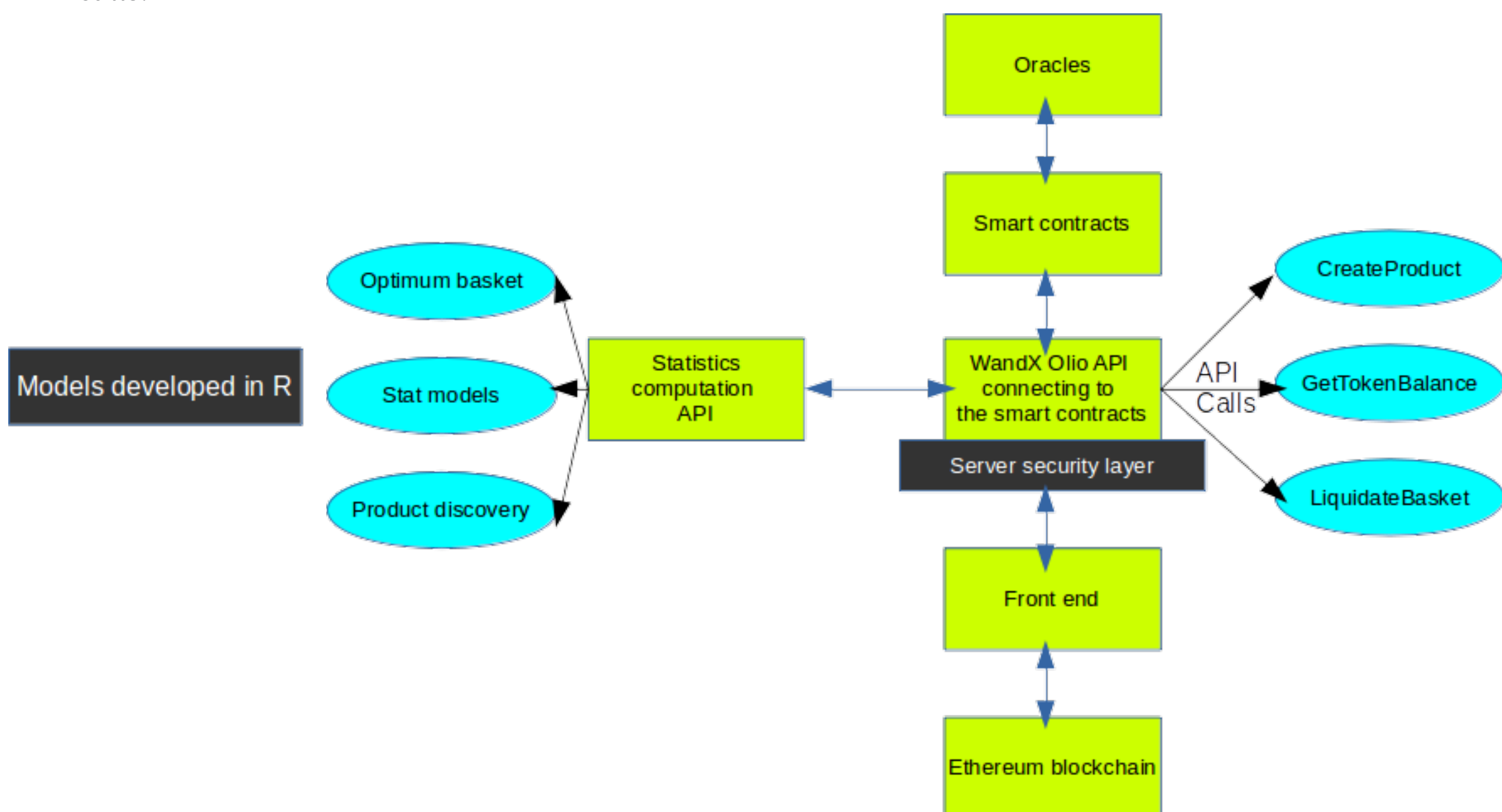
○ 15.2 WandX Desktop app:

The WandX Desktop app has two major applications:

- A Decentralized exchange on both Ethereum and NEO
- A hedging product on both Ethereum and NEO enabling users to hedge their positions for both Ethereum and NEO assets.

○ 15.2.1 WandX Beta (Olio basket trading application)

- In order to realize the creation of the WandX protocol for decentralized ERC20 Token instruments, starting with the Olio basket trading application, WandX is creating APIs for all future Dapps on WandX. Each API will contain all functionality available on the Dapp, and the API will act as a bridge between the front-end Dapp and the Ethereum smart contracts. In addition to the protocol, the API would add a security layer for the platform as well as an additional business model for external API calls.



- **15.2.2 WandX Beta (Olio basket trading application)**
 - Users can create a basket of ERC20 tokens (known as a basket from now on) which can then be traded with other users. For our Beta product, we will enable creation of baskets from the top 20 ERC20 tokens. Users can select the percentages of each ERC20 token in the basket. If the user has the coins in his wallet, the basket is immediately created. If not, the user is redirected to an exchange.
- **15.2.3 Buy baskets**
 - Users can quote bid prices for basket that they want to own. For the first two weeks, users can quote prices in Ether, and then they can quote prices in only Wand tokens. All bids have an expiry date and time; when sellers accept a bid, the basket along with the underlying coins is transferred to the buyer and the seller receives Ether.
- **15.2.4 Sell baskets**
 - Users who own a basket can quote an ask price when they want to sell it. For the first two weeks they may quote in Ether, following which period they would quote in Wand. When a buyer accepts the ask price, the basket is transferred and Ether/Wand is transferred to the seller. If the seller wants to liquidate the basket and get the underlying coins, he activates the liquidate contract through the Dapp and the Wand-Olio API, after which they receive the underlying coins in their address.
- **15.2.5 On-chain**
 - All transactions that happen on-chain are through the WandX-Olio API. The API integrates the Dapp with the smart contracts, hence improving security of the platform and providing an additional business model for future use of the APIs.
 - Creating baskets: Creation of baskets by users is done through the WandX-Olio API.
 - Buy/sell baskets: Accepting Bid and Ask prices calls functions from the API which execute the smart contract code.
 - Liquidate baskets: Liquidation is the process of getting the underlying coins into your address. This event again calls the smart contract through the Olio API.
 - Recording changes in the order book: Any change in ownership of a basket is also recorded on the WandX order book contract.
 - Use of WandX Token sale revenue: The revenue gained from the WandX Token sale will be used as mentioned on our token sale page. Addresses are assigned for operational costs, hiring, and basket creation. Users can see how the revenue is used by seeing the consumption of tokens in each of these addresses.
- **15.2.6 Off-chain**
 - Order book listing: Listing the basket available to buy/sell will be done off-chain. Keeping the list on-chain would be very expensive because of gas costs due to change in contract state.
 - Bid/Ask quotes: Listing of bid/ask quotes is done off-chain, with only the accepted quote being moved to the blockchain through the API and smart contract.

16. Risk and compliance

- Token sale: The ETH address to which you will have to send your ETH during the token sale will be on the date of the Token sale.
- Terms and conditions: Before participating in our Dapp or token sale, users will have to accept the terms

and conditions and privacy policy of our platform, login through civic, enter their Ethereum address.

17. Advantages of WandX

- Decentralized Trade - Trade Tokens on Ethereum or NEO while always holding control of your Tokens; Orders are hosted on the Blockchain; trades happen through the Blockchain, hence no central party confirms your transactions.
- Decentralized Hedging - Hedge risks associated with volatile prices through purchasing a portfolio of Tokens with a single click. Purchase a "Decentralized Exchange Token" or "Stable Coin Basket" with a single click.
- User owned custody - Create/import wallets on either Ethereum or NEO while always having control of your wallets.



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