OneDeFi Whitepaper

Introduction

Team

LedgerOne Co Ltd is a Fintech company incorporated in November 2018 in Malta, aiming to provide global customers with VFA (Virtual Financial Asset) services under the Malta Virtual Financial Act. The company's main business includes VFA issuing, VFA sales and various innovative services. LedgerOne is also one of the first member institutions certified by the BitAu Reserve System Foundation (BARSF). Furthermore, to completely solve the pain point in storing a long, complex, and easy-to-forget private key, LedgerOne developed an innovative solution to encrypt and store the user's private key, named "Sun Card". Now users can easily and safely keep their account private keys and personal privacy data with just one picture, the "Sun Card".

Product

OneDeFi is a decentralized trading platform developed by the LedgerOne team. It is developed on the Stellar network and adopts the constant product AMM market making formula. It provides users with exchange and automatic market making services.

OneDeFi function introduction

1. Exchange

Exchange digital assets on OneDeFi has the advantages of low cost, decentralization, and fast confirmation.

Different from centralized exchanges (such as Coinbase Pro) and smart-contract based decentralized exchanges (such as UniSwap), the OneDeFi exchange runs on the built-in decentralized exchange of Stellar network. As a result, on OneDeFi the Gas fee for one single transaction is only 0.00001 XLM (approximately 0.000043USD), without additional handling fees.

Compared with Ethereum's easily tens or hundreds of dollars gas fee for invoking smart contracts, plus a 0.1% ~ 0.3% exchange fee, OneDeFi has a huge advantage on cost saving.

Meanwhile, the average confirmation time of Stellar blocks is 5.5 seconds. Among similar decentralized networks, it has a big edge on speed. You can "flash exchange" the assets you want through OneDeFi.

2. Automated market making

Exchange services are inseparable from liquidity providers. To encourage more people to provide liquidity, we must focus on revenue efficiency and transaction security.

On revenue efficiency, we choose the constant product model, i.e., X*Y=K, as the founding principle for the automatic market making robots. It is neat and elegant, it is proved to have good price elasticity in a long trading cycle, thereby bringing continuous income to liquidity providers. The automatic market making robot will continuously buy low and sell high for users according to the built-in strategies, put orders instantly, thus complete automated arbitrage. 50% of the market making profit belong to the liquidity provider, and the remaining 50% will be used for team operations and governance currency destruction.

On transaction security, different from other AMM smart contracts, when using OneDeFi, the user's market making assets stay all along securely in their own account. Whereas when you use a smart contract, you must transfer the assets to the address written in the smart contract, which inevitably expose yourself to the risks of smart contracts attacks and code vulnerabilities. Besides, malicious smart contracts are not uncommon in the market. Most users are unable to detect these malicious scripts, and many users have suffered losses as a result.

When using OneDeFi, users do not need to transfer the market making tokens out, instead they will derive a new account from the main account, and give part of the authority (Signer) of the derivation account to the automatic market making robots. These market making robots run the same set of open-source trading instructions, and jointly supervise, check and sign all trading instructions. And finally complete the transactions on the Stellar decentralized exchange.

The user only give part of the authority of the derivation account to the automatic market making robots, and multiple market making robots monitor and correct each other to ensure transaction security. The user always keeps the highest authority on the derivation account. In extreme cases, such as shutdown of the market making robots, the derivation account assets can still be transferred out. There are explicit settings on the role assignment, permission allocation and security measures of the automatic market making robots, please refer to the relevant description sections.

3. Token governance

OneDeFi is an equitable decentralized project. To allow users to participate in product management, we will issue CAFE tokens as a voting certificate for platform governance and development decisions.

There is no pre-sale of CAFE, no initial investors, and no pre-mining. The team can only obtain CAFE tokens when users distribute. The general distribution rules are as follows:

Governance Token: CAFE token

Stellar issuance address:
GCIEGKAZ4ZUM4PEBTDXUMG6N4ZXOTCCK3UMSJCJ33QE5SVMCTTBKCVNY

Total circulation: 100,000,000

Issuing cycle：Based on Stellar Network block height, every 112,000 block is regarded as one cycle.

Issuing speed: In the first issuing cycle since genesis block, a total of 13.392866 CAFE tokens will be issued each block. After that, the issuance number will decrease by 1.5% per cycle.

Distribution rules: CAFE tokens will be 100% allocated to the participants in certain OneDeFi services. For the moment CAFE tokens are given only to market making liquidity providers. When collected, 50%~70% of the tokens are donated to each automatic market making robots as rewards. When OneDeFi adds other services in the future, it may adjust the CAFE allocation ratio of each designated service.

Each time the tokens are collected, 50%~70% of them are donated to each automatic market making robots as rewards. For liquidity provider, each transaction will generate a minimum of 0.3% market making reward, among which, 50% is given to the liquidity provider, the rest 50% will be split into 2 parts as follows: 66% goes to the development team as revenue, 34% is converted into CAFE tokens and then burned as a deflation measure.

Related description

Stellar

The Stellar network was launched in 2015. It aims to use blockchain technology to lower the threshold of conventional financial services, and to allow the general public to enjoy a safe, convenient, cost efficient financial services. The Stellar network has developed its original "Stellar Consensus Protocol (SCP)"to improve efficiency of network nodes reaching consensus and thus greatly reduced operating costs, which is very different from the traditional POW "Mining" mechanism used in many other blockchains.

For further information, please check the Stellar whitepaper.
https://www.stellar.org/papers/stellar-consensus-protocol。

Node robot

Stellar does not have Turing-complete smart contracts for now, to perform decentralized operations on OneDeFi, we use OneNode node robots to achieve decentralized automatic market making.

In OneDeFi's business scenarios, the OneNode node robots have the following role settings:

> - CM Node, the full name is Coffee Maker Node, a robot that generates trading instructions through an open-source instruction set;
>
> - QC Node, the full name is Qualification Controller Node, a robot that checks transaction instructions generated by CM Node;
>
> - QS Node, the full name is Qualification Standard Node, a robot that performs full life cycle inspections in accordance with a qualified third-party standard.

Anyone can apply to become a CM or QC and run the node robot on iOS devices that support cellular networks (iOS 14 and above).

Risk warning:

Risk of exchange

Influenced by transaction depth, network delays, market sentiment, etc., you may incur significant price volatility in large amount transactions.

Risk of liquidity offering

The offering of liquidity will result in "Impermanent loss". In simple terms, impermanent loss is when you deposit digital asset into the liquidity pool, due to changes in the current price from the time of deposit, a temporary book loss will incur to your assets.

Risk of governance currency

Except for its voting function, CAFE token itself has no intrinsic economic value. Please deal with discretion.

Disclaimer

This whitepaper is for general information purposes only. It does not constitute investment advice or a recommendation or solicitation to buy or sell any investment and should not be used in the evaluation of the merits of any investment decision. It should not be relied upon for accounting, legal or tax advice or investment recommendations.