Univaults

Litepaper V1.0

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Contents

1   What is Univaults($UNVT) ?

One of a number of new and emerging DeFi cryptocurrencies, Univaults is a **decentralized lending system** that allows users to **lend, borrow and earn interest** on crypto assets, all without middlemen.

Running primarily on the Ethereum blockchain and Binance Smart Chain, Univaults is a system of smart contracts that enables these assets to be managed by a distributed network of computers running its software.

This means Univaults users do not need to trust a particular institution or person to manage their funds. They need only trust that its code will execute as written.

At its core, the Univaults software enables the creation of lending pools that enable users to lend or borrow a abundance of different cryptocurrencies such as ETH, BSC, BUSD, USDT, AVAX and many more.

Like other decentralized lending systems on Ethereum, Univaults borrowers must post collateral before they can borrow. Further, they can only borrow up to the value of the collateral they post unless the user were to complete the transaction in one block using Univaults flash loan documentation.

Borrowers receive funds in the form of a special token known as an **mToken (moneymarket token)**, which is pegged to the value of another asset. This token is then encoded so lenders receive interest on deposits. mTokens (moneymarket tokens) are tokens minted and burnt upon supply and withdraw of assets to an Univaults market, which denote the amount of crypto assets supplied and the yield earned on those assets. The aTokens' value is pegged to the value of the corresponding supplied asset at a **1:1 ratio** and can be safely stored, transferred or traded.

A borrower may post collateral in DAI, for example, and borrow in ETH. This allows a borrower to gain exposure to different cryptocurrencies without owning them outright.

Univaults can also introduce additional features, such as instant loans, and other forms of issuing debt and credit that take advantage of the unique design properties of blockchains and bridge traditional finance with DeFi in a way not seen before.

2   Univaults Swap

Univaults swap is an Automated Market Maker (AMM), and the Exchange is at the heart of Univaults. Univaults swap aims to be the leading AMM on the BNB Smart Chain & ETH in addition to eventually supporting 6 other chains including AVAX, KCC, FANTOM, CARDANO, DOT and SOL.

What is an AMM Exchange?

Automated market makers (AMM) are decentralized exchanges that pool liquidity from users and price the assets within the pool using algorithms. The exact mechanics vary from exchange to exchange, but generally, AMMs offer deep liquidity, low transaction fees, and 100% uptime for as many users as possible. AMM's utilize an algorithm, usually **$x * y = k$**, to provide everyone trading with the pool a constant price.

Swapping/Trading

Univaults swap lets users trade without the need to go through a Centralized Exchange. Everything you do on Univaults swap is routed directly through your own wallet—no need to trust someone else with your coins!

Liquidity Pools

- You can only swap tokens on Univaults swap if there is enough liquidity for those tokens.
- If nobody has added much liquidity for the token or tokens you want to swap, it will be difficult, expensive, or impossible to do so.
- Providing liquidity will get you LP Tokens, which will earn you rewards in the form of trading fees for making sure there's always liquidity for the exchange to use.

When you make a token swap (trade) on the Univaults swap you will pay a **0.15% trading fee**, which is broken down as follows:

- **0.1200%** - Returned to Liquidity Pools in the form of a **fee reward for liquidity providers**.
- **0.0300%** - Sent to the **Univaults swap Treasury**.

3 Staking

Farms

Yield farming involves staking tokens (either liquidity paired tokens or single tokens) to earn additional tokens. The purpose is to incentivize holders to provide additional liquidity to the project to help improve buying/selling pressure.

In $UNVT, adding Liquidity for the BNB pairs and native pairs can be done by purchasing tokens and then pairing it together using the Add Liquidity button on the menu. There are no fees to stake in Univaults, thus you can stake and unstake as many times as you wish.

APR (Annual percentage return) represents the yield you will get in $UNVT, as expressed in dollars, therefore the APR fluctuates based on:

1) How many others are in the pool / farm
2) The current price of UNVT

Native LP Pairs

Unlike most yield farms we only allow native token pairs to prevent whales from dumping on UNVT.

Pair the following LP to earn $UNVT :

- **UNVT-BNB LP**
- **UNVT-ETH LP**
- **BUSD-BNB LP**

Partnership LP Pairs

Pair our partnership's tokens to our native token to earn $UNVT. Partnerships will be announced in the coming months :

- **PARTNER 1: TBA**
- **PARTNER 2: TBA**
- **PARTNER 3: TBA**
- **PARTNER 4: TBA**
- **PARTNER 5: TBA**
- **PARTNER 6: TBA**

Pools

A pool is a simpler farm. Instead of putting tokens together in an LP, you can just stake single tokens! We offer this for the following tokens:

- **AUTO UNVT**   **- Stake and earn $UNVT**
- **MANUAL UNVT** **- Stake and earn $UNVT**
- **STAKE USDT**   **- Stake and earn $UNVT**
- **STAKE USDC**   **- Stake and earn $UNVT**
- **STAKE WBNB**   **- Stake and earn $UNVT**
- **STAKE BUSD**   **- Stake and earn $UNVT**
- **STAKE DAI**   **- Stake and earn $UNVT**

4   Univaults Moneymarket

What is the Univaults Moneymarket?

Univaults now hosts a range of different cryptocurrencies, from stablecoins to altcoins. These cryptos can be borrowed for stable and variable interest rates or users can lend cryptocurrencies into liquidity pools and earn interest on deposits.

The service is completely decentralised in comparison to other lending platforms such as BlockFi and Nexo, requiring no KYC checks or limitations for users. Lending and borrowing are controlled by smart contracts that incentivise liquidity pools to remove the need to match the borrower to the lender.

The Univaults lending protocol incentivises a **native token** called **UNVT**. The UNVT token is used for governance and can be staked in return for fees and other rewards.

Univaults is a **non-custodial service** meaning cryptos are never stored directly with Univaults. Deposits are always controlled by the user.

How to lend on Univaults?

Users can deposit many different cryptocurrencies on Univaults in return for varying levels of interest.

Some cryptocurrencies characteristically return higher yields than others but interest rates are constantly changing.

To deposit funds on Univaults you will need to connect to the site using a web 3.0 digital wallet such as Metamask or Trust wallet:

1. On the Univaults homepage, click "**deposit**" next to the asset that you would like to lend.
2. Enter an **amount** and confirm the transaction through your web 3.0 wallet.
3. Once the transaction is complete you will then **receive** the associated mTokens in your digital wallet.
4. These mTokens will then begin to accrue **interest**.

```
Univaults homepage
        ▼
   Click Deposit
        ▼
   Enter Amount
        ▼
 mTokens Received
        ▼
  Accrue interest
```
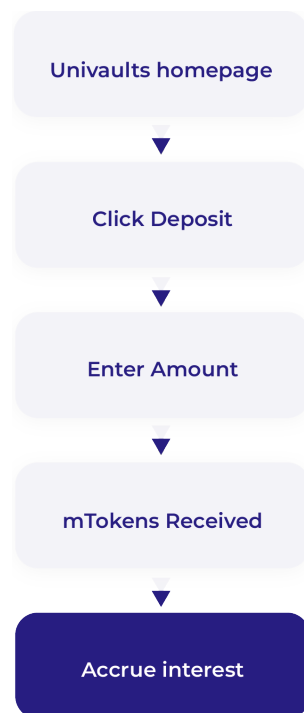
mTokens

mTokens stand for Univaults **interest-bearing moneymarket tokens.**

Cryptocurrency deposits made to Univaults result in the creation of derivative tokens – mTokens. These mTokens are pegged **1:1** to the value of the deposited cryptocurrency.

> If 100 DAI were deposited onto Univaults, the user would then receive 100 mDAI tokens. The 100 mDAI would earn interest and could either be exchanged for the original asset on Univaults, or traded on any other DeFi platform that supported them.

How to borrow on Univaults?

Users can borrow from any of the cryptocurrency pools listed on Univaults for both variable and stable interest rates. To do so users will need access to a web 3.0 digital wallet:

1. Before borrowing, users must **deposit a digital asset to be used as collateral.** The amount available to borrow will correlate to the amount deposited as collateral.
2. Note, all loans are **over-collaterised**, meaning that the deposit has to be larger than the loan.
3. After depositing collateral, on the Univaults home page **find the cryptocurrency** that you wish to borrow.
4. Click "**borrow**" on the right of the screen.
5. You will then be prompted to connect your web 3.0 digital wallet. Once connected, choose the **amount** you would like to borrow. You must then select either a stable or variable interest rate for the loan.
6. Choose the preferred interest rate and **confirm** the transaction through your web 3.0 digital wallet.
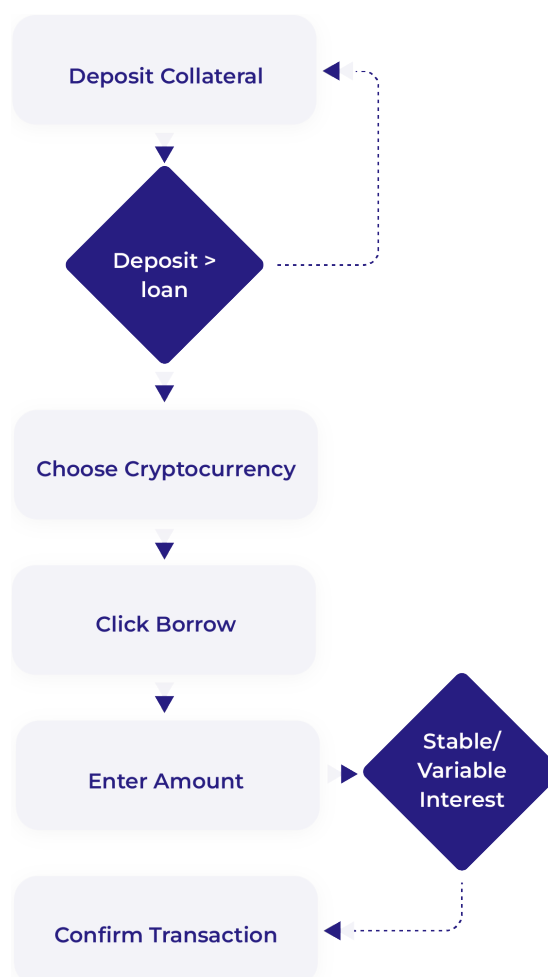
Variable and stable interest rates

Interest rates are changing constantly on Univaults and adapt depending on the utilisation of Univaults liquidity pools. This is known as the "**utilisation rate**".

When a large amount of capital is in the liquidity pools, interest rates remain low to encourage users to take out loans. When capital is limited, interest rates increase to offer incentives to lenders and encourage borrowers to return funds.

Variable interest rates vary with the demand in the Univaults markets. Variable rates can offer lower interest rate fees but that depends on market conditions. The inconsistent nature means variable rates are not ideal for long-term financial planning. Where you might have an excellent rate one week, the next could offer something much lower.

In comparison, stable interest rates provide a more predictable rate for the borrower. Note, stable interest rates are not the same as traditional fixed interest rates. They can still move. But they are a much more stable form of variable interest rates that remain less affected by market volatility. **Due to the benefit of predictability, stable interest rates are often higher than variable interest rates.**

Swap stable for variable rates

Borrowers can swap a variable rate for a fixed rate and vice versa. This provides the user with the freedom to get the best interest rate possible at any given time.

Users can swap between variable and stable interest rates at any time by visiting the dashboard and by clicking the "**APR type**" switch button.

Univaults Dashboard ▶ Deposit collateral

How does the Univaults token work?

UNVT is the native token to the Univaults lending protocol.

Univaults primary use case is governance of the Univaults protocol, ensuring **decentralised control of the platform**. It provides holders with the opportunity to vote on items such as the management of the platform, improvement proposals and the allocation of funds.

Staking

Along with governance, the UNVT token can also be staked on the Univaults platform in return for staking rewards.

UNVT holders are utilised to lend their tokens into a liquidity pool called the "**safety module**". The Univaults safety module is used to cover lenders in case of a capital shortage. If required, UNVT tokens in the safety module can be sold for the digital assets that are needed to pay out lenders.

Lenders of UNVT collect protocol fees and other rewards.

5   Governance voting power

Governance tokens are cryptocurrencies that represent **voting power on a blockchain project**. As of recently, they are mostly integrated into DeFi projects since they need to distribute powers and rights to users in order to remain decentralized.

Univaults Governance consists of the proposition and decision-making process for the different risk parameter changes, improvements and incentives that constitute the policies, and upgrades to governance itself. All future decisions governing the protocol will be enacted through this procedure.

The UNVT token empowers holders to collectively act as governors of the protocol by enabling them with the **capability to vote and propose**.

As described in the Policies section, the Policies of the Univaults ecosystem affect all markets, therefore, control over them resides in the UNVT token. These market-wide parameters are just constraints; they define the ranges for which specific configurations of markets can be defined. The importance of providing constraints to the market parameters by using protocol policies materializes in the protection guaranteed by the Safety Module. This results in markets that adhere to the Policies automatic protection from Shortfall Events.

Market specific parameters defined in the Protocol Policies can be adjusted to the use case of the market and/or interests of the parties involved in it (market creators, liquidity providers, borrowers, liquidators etc.).

The different components of the protocol include capabilities to quantify the involvement of the different participants within a market, with metrics like the interest earned over time by liquidity providers for an asset, the interest repaid by a borrower or the amounts liquidated, amongst others.

AssetVotingWeightProvider: Defines weights a voter can vote on proposals. Only UNVT tokens will be allowed to vote, with a weight of 1 (1 token = 1 vote).

6 Univaults Bridge

The Univaults Bridge currently allows for you to **move your tokens from ERC-20 (ETH Network) to BEP-20 (Binance Smart Chain) or vice versa** thereby increasing the scope of coverage and suppressing the supply on a single chain.

Univaults aims to connect 6 other chains in the coming months and therefore creating a fluid moneymarket where the UNVT token is barrierless to be transferred between the following networks:
ETH, BSC, AVAX, FTM, KCC, ADA, DOT, SOL

The bridge works by **burning your tokens in the source chain and minting the same value in the destination chain.**

Step by step guide on how to use the bridge

Step 1 : **Connect your Metamask** to Main Ethereum Network **(Required)**

Step 2 : **Approve** you UNVT to ETH-BSC Bridge

Step 3 : Set the **amount** of UNVT that you want to convert to UNVT on BSC then click "**Next**". Fee for bridge will stand at, and always remain at **1%**.

Step 4 : When you click "**Next**", the pop-up will display on you screen. You can click to choose "**I have read and agree to the terms**" then **confirm** your transaction.

> **NOTE :** The same flow of events (Step 1-4) will apply when transferring in the opposite direction from BSC-ETH.

7   Uninomics

	LOCK %age on launch	Lock duration	% per month vesting	First unlock (dd/mm/yyyy)	Lock record Link
8% -- **Private seed funding**	75%	3 months	25%		
22% -- **Presale funding**	0%	-	-	-	
11% -- **On chain liquidity**	100%	12 months	-		
17% -- **CEX listing reserve**	100%	4 months	25%		
12% -- **$UNVT Ecosystem**	100%	∞	-	-	
13% -- **Staking farms/pools**	100%	∞	-	-	
5% -- **Developers**	100%	10 months	10%		
3% -- **Team**	100%	5 months	20%		
1% -- **Hackathon bounty**	100%	2 months	50%		
2% -- **Partnerships**	100%	8 months	12.5%		
1% -- **Airdrop**	50%	1 month	50%		
5% -- **Treasury Reserve**	60%	4 months	15%		

TOTAL SUPPLY	MAX SUPPLY	CIRCULATING SUPPLY
22, 000, 000	22, 000, 000	8, 250, 000

Governance/Voting with the $UNVT token

AssetVotingWeightProvider: Defines weights a voter can vote on proposals.

Only UNVT tokens will be allowed to vote, with a weight of 1 **(1 token = 1 vote)**.

8   Roadmap

August

- Team recruitment
- Whitepaper
- Socials set up
- Private sale

September

- Web development
- Ecosystem DOCS
- dApps UI design
- Token Deployment on BSC

October

- 2 Audits for the Token CA
- Swap, Pools, Farms Live
- BSC funding round
- Token Deployment on ETH

November

- ETH funding round
- Moneymarket Live
- Governance Live
- CEX listing

December

- Cerik Audit for whole ecosystem
- Bridge Live
- CEX listing 2

January

- Token Deployment on KCC
- Token Deployment on Cardano
- KCC & Cardano funding round
- NFT Lend/borrow market

February

- Token Deployment on Fantom
- Token Deployment on Solana
- Fantom & Solana funding round
- Onboarding Advisors

March

- Token Deployment on AVAX
- AVAX funding round
- Multi-chain bridge Live

April

- Token Deployment on DOT
- DOT funding round
- CEX listing 3

May

- Start of Hackathons
- Partnerships announcment
- CEX lising 4
- Roadmap for Q3 and Q4 2023

9 Socials

Our official social media accounts

github.com/Univaults

Here you can find our open source code, suggest improvements to our dApps and use the code displayed for the purpose of bug bounty participations.

twitter.com/univaults

On our Twitter you will find everything from, recent updates and implimentations to the protocol, giveaways/competitions, partnership and CEX announcements and much much more!

t.me/univaults

The Telegram account is our main point of contact with our community, here you will be greeted by expert moderators in the main chat and participate in AMAs where you can ask questions and get well and truly involved in our ecosystem.

youtube.com/channel/UCfjz-JyKXAyduvQXR_-1h2w

Videos and explanations of our ecosystem and how to use the various dApps that are available for use on our platform.

univaults.medium.com

For those that want a more in depth view, and are fond of reading, take a look at our medium! Here you will find updates in correlation with explanations of our protocol mechanics.