ERUSD

Whitepaper

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ABSTRACT

The Maker Protocol, also referred to as the **VERITAS DAO system**, empowers users to mint ERUSD by leveraging approved collateral assets determined through "Maker Governance." Maker Governance is the community-driven mechanism responsible for overseeing various facets of the Maker Protocol. ERUSD is a decentralized and impartial cryptocurrency, backed by collateral, with a soft peg to the US Dollar. Its resistance to hyperinflation, stemming from low volatility, provides economic freedom and opportunities globally.

This document serves as an easily digestible overview of the Protocol, which is constructed on the Ethereum Classic blockchain. For those with a technical background, a comprehensive explanation of the entire system can be found in the "Introduction to the Maker Protocol" within the Maker Documentation Portal.

ABOUT VERITAS DAO

VERITAS is an innovative project with a forward-thinking vision. The initiative, led by Ale/Garalo, focuses on building a stable coin called ERUSD on the Ethereum Classic blockchain. This stablecoin will take inspiration from MakerDAO's DAI. Unique to VERITAS is the incorporation of NFT memberships for gathering of funds, contributing to project financing and offering monthly rewards to holders from ERUSD fees.

The development of a decentralized autonomous organization (DAO) within ERUSD marks a significant stride. Beyond ERUSD, VERITAS is engaged and in the process of working on various projects, showcasing a commitment to innovation and independence. The project embodies a multifaceted approach, spanning blockchain development, and decentralized governance.

ABOUT THE VERITAS DAO PROTOCOL

The VERITAS DAO, constructed on the Ethereum Classic blockchain, empowers users to generate currency. Essential components of the VERITAS DAO encompass the ERUSD stable coin, VERITAS Collateral Vaults, users can lock Ethereum Classic assets as collateral, establish a collateralization ratio to ensure stability and minimize risks, and Voting. Governance of the VERITAS DAO is executed by deciding pivotal parameters (e.g., stability fees, collateral types/rates, etc.) through the voting influence of Veritas (VTS) governance token holders. Collateralized Debt Positions (CDPs), users can open CDPs by locking ETC collateral, monitor and manage CDPs through the user interface. Liquidation System, develop a liquidation mechanism to automatically liquidate under collateralized CDPs, integrate price feeds from reliable oracles for accurate asset valuation.

As one of the most prominent decentralized applications (dApps) on the Ethereum Classic blockchain, the VERITAS DAO holds the distinction of being the inaugural decentralized finance (DeFi) application to amass substantial adoption.

ABOUT THE VERITAS FOUNDATION?

Veritas, established in October 2022, initially conceived as a chat system, underwent a transformative evolution over time, emerging as a robust stablecoin project. The pivotal turning point occurred in July 2023, marking the beginning of a significant phase in the project's development. Since then, we have actively embarked on the journey of constructing and refining our stablecoin, laying the groundwork for its success and sustainability.

INTRODUCTION

Within the Ethereum Classic ecosystem, a noticeable gap exists—the absence of an on-chain stablecoin and a dedicated oracle. This gap restricts the potential for a variety of financial applications and impedes the overall progress of the blockchain. ERUSD, led by Ale/Garalo, aims to address this issue. Drawing inspiration from the success of DAI, our team is dedicated to creating a stablecoin and oracle specifically designed for Ethereum Classic. This initiative goes beyond merely filling a void; it represents a strategic effort to empower the community, encourage financial innovation, and propel the Ethereum Classic blockchain to new heights.

We plan to release our stablecoin and oracle by the end of the first quarter of 2024. Following that, we intend to roll out the governance platform in the second quarter. Our primary focus is on delivering a fully operational stablecoin before introducing additional modules. This approach ensures that we offer our upcoming users a functional product first, before incorporating them into the governance module.

AN OVERVIEW OF THE VERITAS PROTOCOL AND IT'S FEATURES

COLLATERALIZATION PROTOCOL

- Participants have the ability to secure Ethereum Classic (ETC) assets by pledging them as collateral.
- Implement a collateralization ratio to maintain stability and mitigate potential risks effectively.

In this innovative mechanism, users possess the option to lock in their Ethereum Classic (ETC) assets, leveraging them as collateral to facilitate various financial activities within the system. The establishment of a collateralization ratio plays a pivotal role in ensuring the resilience and security of the overall network.

By carefully determining and implementing a specific collateralization ratio, the system aims to strike a balance that prevents excessive risk exposure while allowing participants to harness the benefits of collateralized assets. This sophisticated approach not only safeguards the stability of the platform but also provides users with a transparent and efficient framework for managing their assets.

Furthermore, the collateralization mechanism serves as a cornerstone for fostering trust within the ecosystem. Participants can confidently engage in transactions and financial interactions, knowing that the collateralization

ratio acts as a robust safeguard against potential market volatility and unforeseen events.

As the financial landscape continues to evolve, this collateralization protocol stands as a contemporary solution, aligning with modern practices to enhance the security and efficiency of asset management within the Ethereum Classic ecosystem.

STABLECOIN CREATION FRAMEWORK

- Establish a resilient system to generate the stablecoin ERUSD, backed by securely held ETC collateral.
- Clearly outline the criteria governing the issuance and redemption of the stablecoin.

In the dynamic landscape of decentralized finance, the creation of a stablecoin is a pivotal aspect of financial innovation. This framework aims to implement a robust mechanism for generating the ERUSD stablecoin, ensuring its stability through the backing of locked Ethereum Classic (ETC) collateral. This collateralization serves as a key pillar, providing confidence and security to users within the decentralized ecosystem.

To further enhance transparency and user understanding, comprehensive parameters will be defined to govern the issuance and redemption processes of the stablecoin. This includes setting clear guidelines on the collateralization ratio, ensuring a balance between stability and flexibility. The issuance and redemption criteria will be designed to adapt to market dynamics, fostering a sustainable and adaptive financial ecosystem.

This initiative not only seeks to create a stablecoin but also aspires to contribute to the broader conversation surrounding decentralized finance,

emphasizing the importance of security, transparency, and adaptability in the rapidly evolving landscape of blockchain-based financial solutions. By implementing these measures, the stablecoin generation framework aims to set a new standard for stability and reliability in the decentralized finance space.

CREATING COLLATERALIZED DEBT POSITIONS (CDPS)

- Users have the ability to initiate CDPs by securing collateral in the form of ETC.
- Keep a close eye on and efficiently handle CDPs using the user interface.

In the realm of decentralized finance (DeFi), Collateralized Debt Positions (CDPs) serve as a pivotal financial instrument. This innovative system empowers users by allowing them to initiate CDPs, a process that involves pledging Ethereum Classic (ETC) as collateral. This collateral, in turn, facilitates the generation of stablecoins or other digital assets, providing users with increased liquidity and financial flexibility.

Unlocking the full potential of these financial tools necessitates a seamless and user-friendly experience. Hence, users are granted the capability to monitor and manage their CDPs through an intuitive and accessible user interface. This interface serves as a control center, offering real-time insights into the status of collateral, outstanding debt, and other critical metrics.

By embracing CDPs, users enter a dynamic ecosystem that not only enhances their financial leverage but also encourages responsible and strategic decision-making. The transparent and user-centric approach ensures that participants can navigate the complexities of DeFi with confidence, contributing to the broader adoption and evolution of decentralized financial systems.

LIQUIDATION MECHANISM

Establish an advanced liquidation system to autonomously liquidate collateralized debt positions (CDPs) that fall below the required collateral threshold. This cutting-edge mechanism will operate seamlessly, ensuring swift and efficient resolution for under collateralized CDPs.

INTEGRATION OF PRICE FEEDS

Incorporate precise asset valuation by seamlessly integrating price feeds from trusted oracles. These oracles will serve as reliable sources, providing up-to-date and accurate market information. This integration not only enhances the overall accuracy of the liquidation system but also contributes to the robustness of the entire financial infrastructure.

By automating the liquidation process, the system is poised to respond promptly to market fluctuations, mitigating risks associated with under collateralization. The reliance on reputable oracles ensures that asset valuations are reflective of real-time market conditions, thereby fortifying the reliability and effectiveness of the entire financial ecosystem. This

meticulous approach to liquidation and valuation aligns with contemporary financial standards, fostering a secure and resilient decentralized financial environment.

THE FUTURE OF THE VERITAS PROTOCOL

We aim to develop a fully self-sustainable stablecoin on the Ethereum Classic platform, removing the need for oversight from any centralized entity. Our objective is to establish a decentralized system that operates independently, empowering individuals to autonomously control ERUSD. Through this initiative, we strive to offer a decentralized finance (DeFi) solution on the Ethereum Classic blockchain, catering to those who wish to engage in financial activities on the platform.

CONCLUSION

In conclusion, the VERITAS DAO system, operating on the Ethereum Classic blockchain, introduces the Maker Protocol, also known as VERITAS DAO, which enables users to mint ERUSD through Maker Governance. ERUSD, a decentralized cryptocurrency pegged to the US Dollar, offers economic freedom globally, backed by collateral to resist hyperinflation. The VERITAS DAO, led by Ale/Garalo, stands out as a pioneering project on the Ethereum Classic blockchain, aiming to build a stablecoin inspired by MakerDAO's DAI.

The protocol includes essential features such as Collateral Vaults, a Liquidation System, and a Governance platform executed through Veritas

(VTS) governance token voting. As the first decentralized finance (DeFi) application on Ethereum Classic, VERITAS DAO is gaining substantial adoption.

Addressing a gap in the Ethereum Classic ecosystem, the ERUSD initiative, led by Ale/Garalo, plans to release a stablecoin and oracle by the end of the first quarter of 2024. The stablecoin creation framework focuses on a resilient system backed by securely held ETC collateral, incorporating clear criteria for issuance and redemption. The collateralization protocol and creation of Collateralized Debt Positions (CDPs) offer a contemporary solution for managing assets, enhancing security, transparency, and efficiency.

The liquidation mechanism, coupled with the integration of reliable price feeds, further fortifies the financial infrastructure, responding promptly to market fluctuations. The VERITAS protocol aims for increased adoption and full decentralization, envisioning a self-sustainable stablecoin, independent of centralized oversight. The team eagerly anticipates collaboration with the Ethereum Classic community, valuing insights and support for the mission to contribute to and enhance the Ethereum Classic ecosystem.