



# White Paper

A Blockchain-Enabled Global Marketplace for  
Sharing Economy

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- Please consider this document, the English version of YDChain whitepaper as the sole origin of information. Any translation into other languages can be only taken as reference. If there is any inconsistency between the translation of this white paper and the English version, the English version shall prevail.
- Acquiring YDChain tokens and storing them involves various risks, including but not limited to: YDChain may not be able to launch its operations and develop its blockchain and deliver the services promised; the services of YDChain may be restricted under regional jurisdictions; being exposed to various risks and tax liabilities.
- The purchaser of YDChain tokens undertakes that he/she understands and has significant experience of cryptocurrencies, blockchain systems and services, and that she/he fully understands the risks associated with the crowdsale as well as the mechanism related to the use of cryptocurrencies.
- Prior to acquiring YDChain tokens, any user should carefully consider the risks, costs, and benefits of acquiring YDChain tokens in the context of the crowdsale and, obtain independent advice from professionals in this regard.

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# Mission and Vision

Sharing and connecting everyone  
based on blockchain

reimagine the value chain of service industry

Realising the full potential of individual  
productivity

A world without impossible task for anyone

A place where you can get any services you  
want

Through blockchain and tokenisation of  
individual services

To realise the globalisation of talent flow

## **1. Market Overview**

Freelancing and flexibility in career is one of the leading trends in our future job market. People with capabilities on demand have always been wanting to realise the value of their skills and resources, such as techniques, knowledge, information, time, space and so on more freely and independently. YouDeal is a blockchain enabling global marketplace for peer-to-peer exchange, where the barriers and restraints of traditional job market are removed. As Bryan Schreier (partner at the legendary Silicon Valley VC firm Sequoia Capital) has pointed out, the next big start-ups would come from companies combining sophisticated technology with hands-on operations.

“On the consumer side, it's very clear we are now in the age where the next \$50 billion market cap company will be what we call a 'hybrid' that uses both technology and operations from a human perspective.”, Bryan Schreier pointed out. He gave some examples , including Uber, Airbnb, Thumbtack. Thumbtack, invested by Sequoia Capital, is a platform that links consumers to specific service providers, such as baby-sitters, gardeners, and carpenters.

“I think, after Snap, the following three or four giant consuming IPO enterprises would be hybrid.” Bryan Schreier explained, “Technology has matured to a certain extent. Mobile platforms are 10 years old now. Companies like Facebook and Snap on the social media side, and Google and Microsoft on the platform side have already captured large segments of the marketplace. A lot of that white space is gone.”

Nevertheless, Technological maturity has also created other opportunities. Bryan added, “The new large markets that haven't been tapped into yet tend to be offline markets that are now coming online, sometimes because there's finally mobile connectivity or sometimes for other reasons. Uber is an obvious example where you want to disrupt the taxi industry once all the drivers have mobile phones and the phones have GPS.”

The potential for such hybrids is much larger than for pure technology companies. Bryan elaborated, “In core tech, we get excited about \$5 billion market. Uber's market is a \$60 to \$70 billion market. Airbnb's market is a \$100 to \$200 billion market.

Thumbtack's market is \$500 billion. But you need a very large human workforce that works with the technology.”

We believe that blockchain would drive the next wave of economic evolution, especially with enterprises that address great amount of workforce to cooperate with technology advancement. The transaction of services and commodities dominates the mass economy. Under centralised system, operation, management, and rentals are the key components of cost centre. Great values can be unleashed by reducing the cost and removing unnecessary middle men while running in decentralised and peer-to-peer manner.

However, due to the absence of information retrieval method, lack of trust base and concerns over privacy protection, the transactions between people have remained in low volume and are far away from active and saturated market.

The use of blockchain and smart contracts have provided solutions to the challenges stated above:

- A blockchain verified data source can serve as the public ledger for past service and transaction records
- The value lock-up mechanism and platform consensus embedded in smart contracts enhance the trust between buyers and sellers
- The anonymous nature of blockchain based transactions and trustless-driven communities significantly reduced the necessity of sharing sensitive information to gain trust, which helped to protect privacy to a greater extent.

It is our mission to free the constrained workforce in the market, reduce the cost of operation and maintenance of enterprises and create value for the general public. YDChain could also be the first ever blockchain project that already has hundreds of millions real users and mature use cases. It will be a significant milestone in the development of decentralised application ecosystem.



## 1.1 Defining the Target Market

According to Tencent Institute, “freelancers are defined as those who work independently, are not affiliated with any organisation, and who do not engage in a career for any employer with a long-term commitment.”

### The Rise of Freelancing

a. With the rise of service industries and network platforms allow people to easily convert their time and skills into productivity. (Hussenot, 2017) This is supported by Stephane Kasriel, CEO of Upwork and co-chair of the World Economic Forum’s Council on the Future of Gender, Education and Work as he said that

*“We are in the Fourth Industrial Revolution — a period of rapid change in work driven by increasing automation, but we have a unique opportunity to guide the future of work and freelancers will play more of a key role than people realise.” (Source 1)*

b. Perceptions of freelancing as a career are becoming more positive. Freelancers are finding more work online - 71% of those surveyed stated that the amount of work obtained online has increased.

c. The top drivers motivating people to start freelancing are the desire: 1) to be their own boss, 2) to choose when they work, 3) to choose their own projects, 4) to choose where they work and 5) to earn extra money.

Majority of freelancers are located in Europe (35.5%), Asia (28%) and Latin America (29.2%). YouDeal is initialising its global roadshow in Asian countries - such as Beijing, Shanghai, Shenzhen, and Seoul - before launching its application globally after it gains traction.

## 1.2 Estimated Market Volume

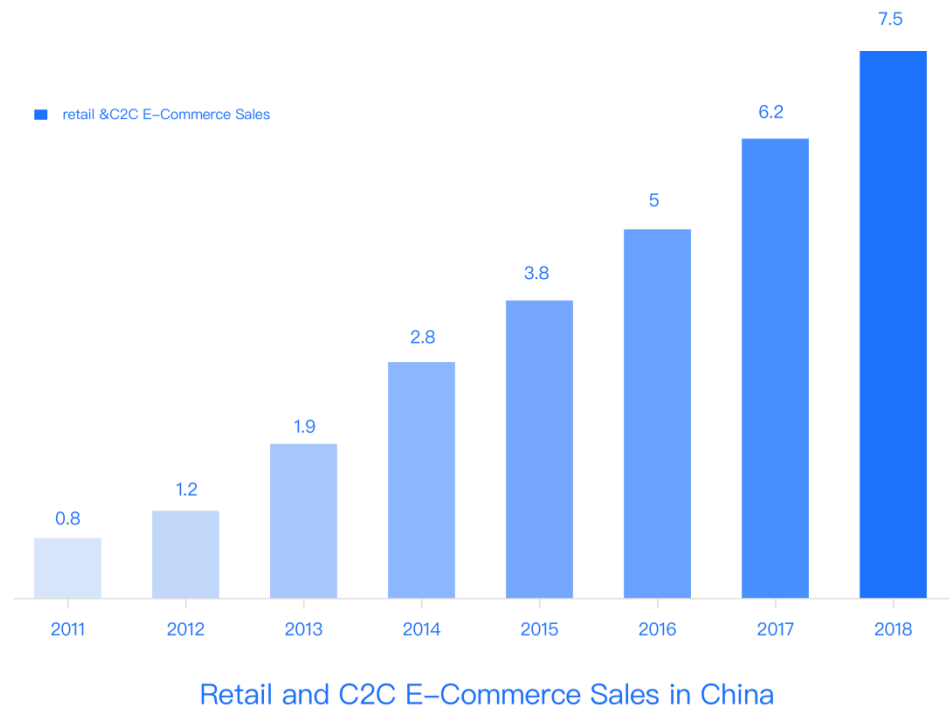


Figure 1: Overall Online Retail and C2C eCommerce Sales Increasing in China  
(eMarketer.com, 2018)

### 1.2.1 Value of the Service Industry

Globally, the service industry comprises 70% of the world's GDP, indicating that it is currently the largest sector and driver of economic growth. Regarding the China market, the National Bureau of Statistics has highlighted that the service industry in 2017 was 42.7 billion RMB, comprising 51.6% of China's total GDP. Additionally, the growth rate for the service industry that same year was 8.0% and has remained the largest industry for the past 3 consecutive years. As indicated in Figure 2 below, the growth rate of the service industry has been steadily increasing in the past 5 years. With future projections of China's service industry reaching 47.3 - 51.1 trillion RMB in 2020, its growth rate is expected to maintain at 10%. As China's income per capita increases towards middle to high level income countries, its economic structure eventually shifts from investment and export-driven to more consumer-driven.

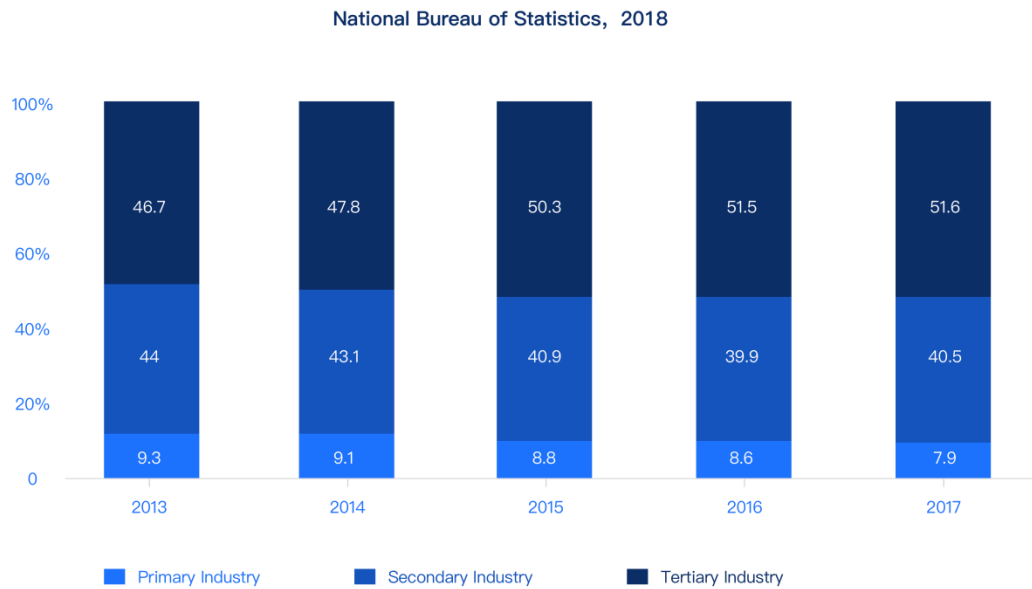


Figure 2: Shares of Three Industries' Value Added to GDP 2013-2017  
(National Bureau of Statistics, 2018)

### 1.2.2 Increasing Potential of Freelance Market

According to a McKinsey Global Institute study, by 2016, about 54 million to 68 million people in the United States will have earned a certain level of income through autonomous and freelance work. For the China market, a report by Alibaba projected that in 2036, as many as 400 million people in China may be freelancers in the no-labour economy. Finally, the World Bank report showed that in 2016, China's online freelance market reached \$4.4 Billion. Hence, this research indicates that China's freelance market has great potential.

### 1.2.3 Online Competitors

In the global space, popular freelancing sites such as Craigslist poses a major challenge, with a total of 525.10 Million visits as of April 2018. Additionally, Craigslist is valued to be at least \$3 Billion USD by Forbes in 2017.

In the China market, 58.com serves as a major online classified marketplace for freelancers. According to its CEO, 58.com receives 300 Million job seekers per day in 2017. 58.com's growth has also been impressive, with a 24.8% in subscription-based

paying members in H1 2017 and the platform's active mobile users increasing 638 percent from 2016 to 2017.

## **2. YDChain as a Blockchain Solution**

### **2.1 Executive Summary**

In recent years, with the rapid development of the mobile Internet, the amount of peer-to-peer transactions has increased significantly, and a huge market has been formed. The rapid development of this market has greatly improved the resource utilization rate, which has not only facilitated the buyers and sellers, but also contributed to the emergence of a centralized platform. The main problems faced by freelancers on the centralized platform are: high platform costs, lack of trust, and lack of protection of privacy.

In order to solve the above problems, based on blockchain encryption technology, we created YouDeal, a block-based personal sharing economy free trading platform. Compared with the Internet platform, it allows users to conduct peer-to-peer virtual service transactions with higher efficiency, while eliminating the barriers international service trade at the same time. Based on trust, users can enjoy personal services and provide services more securely and efficiently. Through blockchain technology, identity and transaction information will be protected from malicious attacks. All in all, decentralized networks enable users to collaborate more efficiently with better trust mechanisms, higher security and privacy systems, and lower costs.

Compared to existing peer-to-peer trading platform, YouDeal has the following merits:

- **Freelancers and users have full control over their privacy**

With the application of DID (Digitized Identity) identification system, Freelancers and service requesters are able to complete transactions efficiently with full control over their identity and credit information.

- **Risks of unfulfilled and delayed payment can be avoided.**

With the smart contract of blockchain, transactions are performed automatically after service is fulfilled, which avoids unfulfilled or delayed payment.

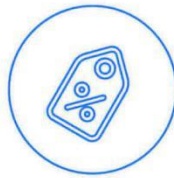
- **Embrace the global market.**

With the adoption of tokens as the method of payment, frictionless cross-border transactions can be achieved, which improve the global market efficiency.

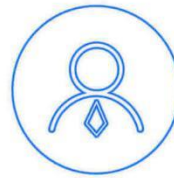
- Transactions take place at extremely low cost.

YouDeal is the service platform created under YDChain framework. In short, YouDeal is a global free personal service and product trading platform and it will be first built on Ethereum blockchain, and later will transform into a child chain on YDChain. It creates trust mechanism through the Internet and mobile applications, connecting buyers and sellers of certain services. It focuses on privacy protection and enables personal service free trades in real life.

Get Maximum 10000 rewards



Topping up for rebates  
More rebates with more top-ups



Publish Status  
Showcase your relevant skills



Build a Client Base  
Find 10 Potential Clients in 3 Minutes



Earn Salary  
Swap Skills for Salary

Figure 3: Types Of Skills That Users Can Choose To Publish

## 2.2 Solutions to Industry Pain Points

YouDeal is a decentralised trust and credit system built on blockchain. This system can alleviate the problem of building trust in global commerce due to the following problems:

- High platform expenses
- Lack of trust
- Privacy leakage

Through blockchain technology, all these problems are going to be solved with a decentralised system. Within YouDeal's decentralised system, all personal information is going to be protected via Hash function, and can only be accessed by authorized users.

### **2.2.1 Reduce Platform Expense**

Under the conventional freelance platforms, the following major problems still exist for freelancers:

a. Freelancers are being charged a commission rate of between 15-20%. The high expenses are attributed to the platforms' publicity expenses and providing security to freelancers. As a result, freelancers are being grossly undercompensated and underpaid for their services.

Solution: Targeting at the above problem, YouDeal uses neural networks and accumulated data, to match the best supply and demand, and automate transactions through smart contracts. Great reduction in the third-party platform will enable freelancers to achieve higher returns from services they provide.

b. Freelancers often have to deal with lack of payment and late payments. According to PayPal, "58% of freelancers in four major countries in Southeast Asia have experienced not being paid for their work".

#### **Solution:**

YouDeal will be built on YDChain and use smart contracts to solve the above problems. A smart contract is an auto-executed contract, and the terms of the agreement between the parties are written directly in the code. It will help YouDeal build a perfect payment system through the decentralized trust and reputation system of the blockchain. This feature will eliminate any disputes between participants, as the smart contract will be executed automatically once the terms are met. Freelancers will not have to worry about the difficulty of collecting money.

### 2.2.2 Establish a Trust Mechanism

Trust and reputation are extremely important for participants of today's global freelance industry. People are more likely to pay for services of trusted freelancers; therefore, freelancers are striving to maximise their trust rating and reputation to build a loyal customer base.

There are, however, a few major problems that regarding trust that freelancers face today.

a. Traditional freelance platforms are experiencing numerous scam projects, fraudulent payments and unresolved disputes. This is due to the difficulty for one party to obtain the background information of the counterparty. Even if the background information of the counterparty is obtained, its authenticity cannot be effectively verified. The lack of trust results in both clients and freelancers losing out in terms of transactions.

b. The trust and reputation system in place is only possible in closed marketplaces, which are controlled by a central authority. To build trust, freelancers must join centralised marketplaces (such as: Freelancer.com, Craigslist, 58.com). By joining them, freelancers must accept all their rules; such as a proportion of salary as part of commissions to the marketplace.

c. Freelancers have no ability to transfer their trust ratings from one centralised service to another. Freelancers might have to invest considerable effort and finance to build their reputation if they do not want to join any centralised marketplace.

#### **Solution:**

In response to the above issues, YouDeal introduces a decentralized, non-tamperable credit evaluation system that can be used throughout the blockchain network. Based on the asymmetric cryptography principle, blockchain has an irrevocable feature that allows it to establish a trust mechanism. This allows both parties in the blockchain network to engage in trustworthy exchange in an unfamiliar environment. This will greatly increase the possibility of personal service transactions and fully liberate individual productivity. YouDeal establishes a stable trust mechanism in the local

service industry by writing the certification data (mobile phone authentication, identity authentication, margin, insurance, etc.) and transaction data of the buyers and sellers into the blockchain.

### **2.2.3 Protect Personal Privacy**

In the traditional centralised model, the user's personal data, authentication information, and transactional records are being stored on the online freelancing platform.

a. This private data is susceptible to online hacking, increasing the risk of abuse and disclosure. According to Verizon's '2018 Data Disclosure Survey', 48% of data breaches are related to hacking. Gemalto's '2017 Data Disclosure Level Index Report' shows that the total number of data breaches worldwide in the first half of 2017 was 1.9 billion, exceeding the total volume of 2016 (1.4 billion), with an increase of more than 160% from the second half of 2016. According to Shodan, as of February 3, 2017, there were 15046 MongoDB databases exposed to public networks in China, with serious security problems.

b. The black market data transaction incidents occur frequently. In March 2017, JD probationary employees colluded with network hackers to steal 5 billion pieces of personal information related to transportation, logistics and medical care, and sold the information on the online black market. This privacy issue threatens the livelihood of thousands of online clients and freelancers and remains unresolved. (Source 4)

Solution:

a. Adopt Zero-Knowledge Proof Constructions similar to Zcash - a cryptocurrency aimed at using cryptography to provide enhanced privacy for its users - which allow two users to exchange information without revealing their identities. ZCash offers privacy through a scheme using a technology called Zero-Knowledge Succinct Non-Interactive Arguments of Knowledge, or zk-SNARKs. A zk-SNARK is a proof that something is true without revealing anything (zero knowledge) about what specifically makes it true. While Ethereum's blockchain contains records of participants in a transaction, Zcash's blockchain only shows that a transaction took place and does not show any other information relating to the transaction.



b. DID Identification System: Freelancers and users have full control over their anonymous identity. Freelancers' data can be selectively encrypted and stored on the blockchain, such as the user's skill qualification, years of experience, etc. Only freelancers and DIDs of corresponding industry authorities can access the proof data, while the outside world can only see the endorsement of freelance skills and industry reputation recognized by the industry authority DID (and YouDeal official DID). This will lead to proof of professional competence without revealing private data.

Freelancers and service users can also selectively disclose their private data, such as past transaction records, credit history, owned asset, etc., which are more conducive to the conclusion of the transaction.

### **3. *YouDeal as a Platform***

#### **3.1 Domain Functions**

##### **3.1.1 Matching Service Buyers and Service Providers**

###### **a. System Filtering**

When buyers publish their demands to a specific category of sellers, the system will also send this order to sellers that meet the demand criteria of the user through system filtering.

###### **b. Publishing of Skills by Service Providers**

Sellers choose specific categories they want to publish their skills in a profile page, which allows them to upload their service content, photos and video clips that showcase their skills, etc. When they have successfully published their contents, buyers may engage them to make transactions.

##### **3.1.2 Trading Process**

###### **a. Good-Faith Deposit**

The good-faith deposit is the money that the service requestor prepays to the service provider when sending an invitation to start a deal. The good-faith deposit can be used to pay for the service. If the deal does not get through, the amount will be returned to the requestor's account.

#### b. Order Confirmation Deposit

The order confirmation deposit is a partial willingness sum paid by the requestor after the order of service is confirmed. If transactions or deals are not completed, order confirmation deposit will be refunded back to the requestor's account.

#### c. Full Payment

Service is paid in full when requestors and sellers meet without performing the pre-agreed service. If the service is not done, requestors can apply for a refund from the platform.

### **3.1.3 Wallet Account**

#### a. Cash

Users can use cash to make payments or purchase In-App services (good-faith deposits, order confirmation deposits, full payment, paid phone consultations, paid video consultations) and withdraw cash.

#### b. YDChain Token

Users can use YDChain to redeem loyalty points and withdraw money.

#### c. Loyalty Points

Loyalty Points and YDChain can be exchanged for each other; and the points are anchored to YDChain which can be used to redeem payments or purchase services (good-faith deposits, order confirmation deposits, full payment, paid phone consultations, paid video consultations).

### **3.1.4 Publishing Status**

Photos or/and videos:

Sellers may publish photos or/and videos to market themselves and it will be displayed under the users' personal profile.

### **3.1.5 Interactive Features**

#### a. Like

Users can choose to 'like' any other registered users they are interested in, and the system will alert the counterparty through notification.

b. Comment

Users can 'comment' on the services requested by the sellers and further elaborate on the service content, quality, and attitude of the sellers.

c. Subscribe

Users can 'subscribe' to people they are interested in and keep notified of their status updates.

d. Chat

Buyers and sellers can chat with each other once the service provider and service buyer are successfully matched together.

e. Phone call or/and video call consulting

Once the service provider and service buyer are successfully matched together, buyers can contact sellers directly using the application.

### **3.2 Functional Application Use Cases**

YouDeal platform is a perfect online marketplace to connect professional sellers and clients. The economic impact is huge, as it gives freedom to the labour force and helps them to connect to clients in a much efficient way. The platform could be perfect for millennial generation or any person who seeks more flexibility in their life. Freelancers could plan their work according to their financial needs and lifestyle. People could be their own boss and have more control over their jobs. The review and rating system could also give the service provider a chance to build its reputation and credibility to attract more clients, a perfect way for marketing without spending single cent. Just like Uber, when one mobile fintech company changed the courier and taxi industry, YouDeal would like to use new technology to offer improvements in work and life of all types of freelancers. This is a huge market with a trillion-dollar potential.

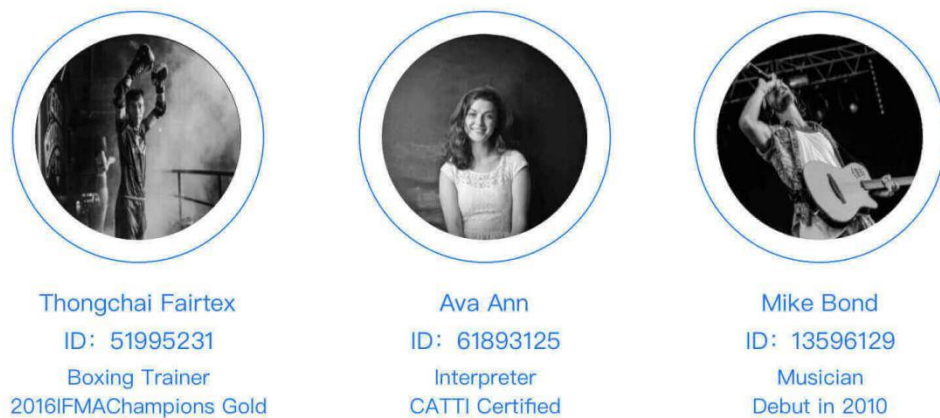


Figure 4: Examples of professional sellers on YouDeal platform

#### Example 1 - Physical Trainer

A Physical trainer is usually stationed to a fitness centre. However, by using YouDeal platform, trainers are no longer bound to a single centre. The platform offers the physical trainers a new client pool that usually goes beyond their circle. A simple registration could expand their client base horizontally into different gyms, clubs or even corporate entities and private clients. The interactive media platform gives them the chance to post short working out clips of themselves. Certificate verification on blockchain offers zero tolerance on forgery.

#### Example 2 - Models/Makeup Artist/Event Planner/Photographer/Hairdresser

YouDeal platform will also change the conventional entertainment industry service chain. As of now, many models, makeup artists, event planners, hairdressers, photographers are attached to a single studio or agency. Based on the information provided by the agency, clients will have to commit to a deal without having too much knowledge on the actual persons that they are going to hire. The platform offers more credibility and track records to clients who would like to seek high quality professionals in case of an important event and any chance of disaster should be avoided at the early stage if possible.

### **3.3 The Use of Blockchain in Platform**

Blockchain technology will be used in the platform in two aspects.

#### **a. Data on Blockchain**

The data on blockchain is immutable and the chance to change any data on the blockchain is extremely low, thus giving it credibility in keeping ledger records. Therefore, YDChain will utilise this feature to store the following data on the blockchain: transaction data, verified personal data, professional certificates and third party verified track records, comments, and ratings feedback. Transaction data is the perfect ledger information that should be kept on chain. While storing personal information or verified track records on blockchain, data owners will have control over who can authorise access to this data. Last but not least, to reflect a truthful standard of service, comments and ratings are data that we do not want to be tampered with. Blockchain is a technology that could safeguard this data.

#### **b. Crypto-asset/Token**

YDChain is the crypto-asset/token issued by the platform to incentivise the community. The token is generated using Ethereum ERC20 standard and awarded to the users when the clients either perform certain working tasks (Download/Top-up/Transaction/Sharing on SNS/Login) or stake to get a promotional coupon. The token could also be converted into loyalty points on YouDeal platform to further integrate the blockchain into the platform's usage.

### **3.4 YouDeal Platform and iYueDan APP Strategic Partnership**

YouDeal platform focuses on the integration of the platform ecosystem. In the early stage of the project development, it has successfully acquired a strategic partnership with the popular Internet-based service trading platform 'iYueDan' App, which promises to import all core businesses to YouDeal. In the platform ecosystem, at the same time, service provider and users have signed up to 'iYueDan' will be directly signed up to YouDeal.

As of August 8, 2018, the "iYueDan" APP has been active for three years, and the total value of orders broke 200 million. Taking a close look at the timeline, in 2015, "iYueDan" acquired the Angel Investment; in June 2016, it acquired the financing of 50 million during Series A round, and the number of freelancers exceeded 1 million in December of the same year; in April 2017, it acquired another 50 million yuan during the Series A+ round of financing of. In October of the same year, the number of users exceeded 30 million; in June 2018, the "iYueDan" and the YouDeal ecology formed an alliance and became a strategic partner. The number of users in the month exceeded 50 million. At present, the "iYueDan" has a total of 50 million users and 7 million individual freelancers, covering 400 cities, covering 200 major categories and 400 subcategories. The accumulated matching orders exceeded 200 million, and the accumulated order value exceeded 60 billion.

#### ***4. YDChain, the public chain***

##### **4.1 Introduction**

The blockchain used by YouDeal is named YDChain, YouDeal is the first workchain of masterchain. YDChain uses DPoS as its consensus, uses sharding to improve TPS, uses zk-SNARKs to achieve anonymous transactions, the overall architecture is composed of one MasterChain and innumerous WorkChains, to get better performance.

YDChain completely inherits the Ethereum mechanism and issues tokens through the ERC20 protocol during fund raising period. After YDChain is published, YouDeal will be transferred from ERC20 to YDChain.

Unlike traditional Smart Contract platform, the YDChain community will restrict users regarding the usage of the blockchain. YDChain does not allow the user to directly program a smart contract on the blockchain. Users are only allowed to use smart contract templates that are given by YDChain team. The scale of the smart contract templates can be gradually expanded and developed by the community; where the community members will determine the size and mode of expansion. Users can only

use the blockchain indirectly through the application. In this way, we can achieve the “community isolation” - an isolation between users and the blockchain network.

Though community isolation may increase the time for some users to enter the community, it can effectively ensure the accuracy of the information on the blockchain. The review system can also effectively reduce the possibility of corruption, and the traceability of the auditor's identity will always keep the auditor alert.

The community isolated from the blockchain can also provide a series of centralised organisation capabilities to implement the necessary non-blockchain functions, reducing the speed of blockchain validation and cost of gas. The organisation capabilities are as follow:

- YDChain wallet security management
- Trading intelligence
- Storage of massive user data

## 4.2 Technical Architecture

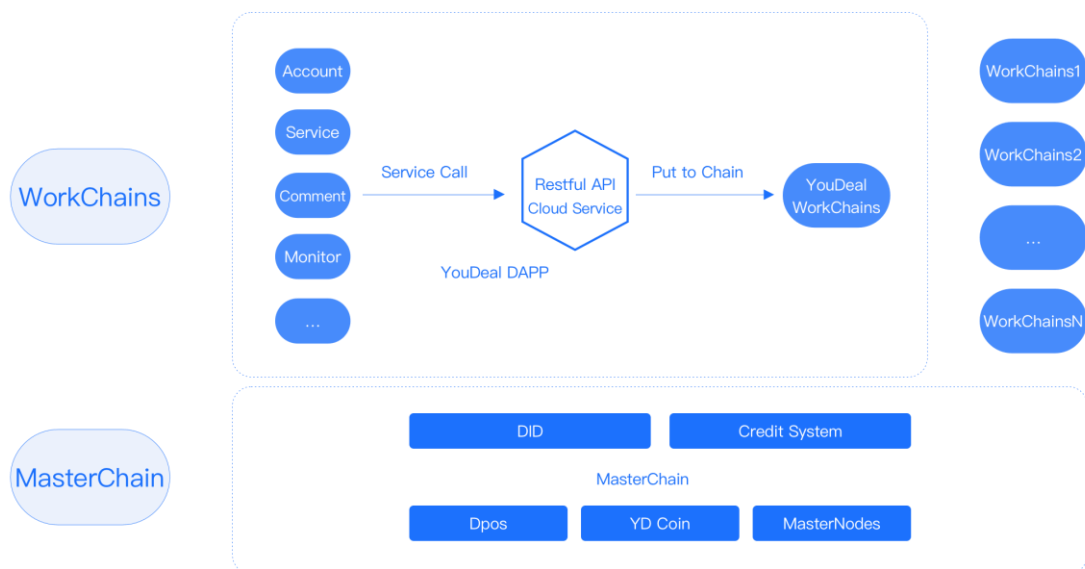


Figure 5: Technical Architecture of the YDChain

The overall architecture of YDChain is composed of one MasterChain and innumerous WorkChains, the following are some key components:

- MasterChain. It's the kernel chain, which is run by 21 MasterNodes, these nodes use DPoS to implement consensus, which is similar to EOS. The coin on MasterChain is named YD, which is the fundamental coin of YDChain. Each account on MasterChain records the YDChain Token balance, and additionally, it records other two important information, DID and credit score. The mission of YDChain is to create a digital ID system and credit system in cyber space. The credit system will create a worry-free environment for consumers even in anonymous cyber space. Since the personal service market is very wide, the DID and credit system are essential to reduce the cost of transactions between people.
- WorkChains. YDChain supports  $2^{32}$  WorkChains at maximum. Every person or organization can create a WorkChain as long as they comply with the specifications of MasterChain. People can issue their own tokens and deploy smart contracts. Everyone can create his own WorkChain to build his personal brand, make a living entirely on YDChain. YDChain aims to accomplish the grand vision of "one people one chain."
- YouDeal WorkChain. YouDeal is a special WorkChain, it's the first WorkChain with a chain number 0. The YouDeal DApp is running on this WorkChain.

#### 4.2.1 MasterChain

The MasterChain stores most essential data, including YD balance, DID and credit score, etc. Each WorkChain interacts with MasterChain via smart contracts. The MasterChain is composed of 21 MasterNodes.

- a. 2D distributed ledger. YDChain has one MasterChain and many WorkChains, so its ledger is two-dimensional instead of one-dimensional. Based on this structure, YDChain is capable of discarding wrong chains to avoid unnecessary forks.
- b. DPoS Consensus. YouDeal is a service marketplace platform which requires very high TPS, so far DPoS is the only time-proven consensus algorithm with the best performance. Although its decentralization is not the best, but in the use case of service trading, it doesn't require ultimate decentralization.



- c. Decentralized IDs. Each account on YDChain stands for a person or organization, thus YDChain creates a digital ID for each account, and calculate each account's credit score based on their activities. Imagine that in future everyone has a digital ID and it's the unique ID for everyone.
- d. Credit score. Each account on YDChain has credit score, which are calculated by a very complex model, all the details are going to be open sourced and keep transparency.

#### **4.2.2 WorkChains**

WorkChain is the real chain that DApps run on. There are multiple WorkChains on the MasterChain, and there are multiple DApps on a WorkChain. A WorkChain can have its own tokens, but a WorkChain doesn't have accounts, all accounts come from the MasterChain. A workchain might have its own consensus and rules, as long as it follows the requirements of MasterChain.

#### **4.2.3 YouDeal WorkChain**

YouDeal is the name of service trading product, and also the name of the WorkChain. YouDeal WorkChain is the first child chain of Master node, its chain number is 0.

#### **4.2.4 YouDeal DApp**

YouDeal is the service trading product, it interacts with the YouDeal WorkChain via restful APIs, its architecture is as the following diagram:

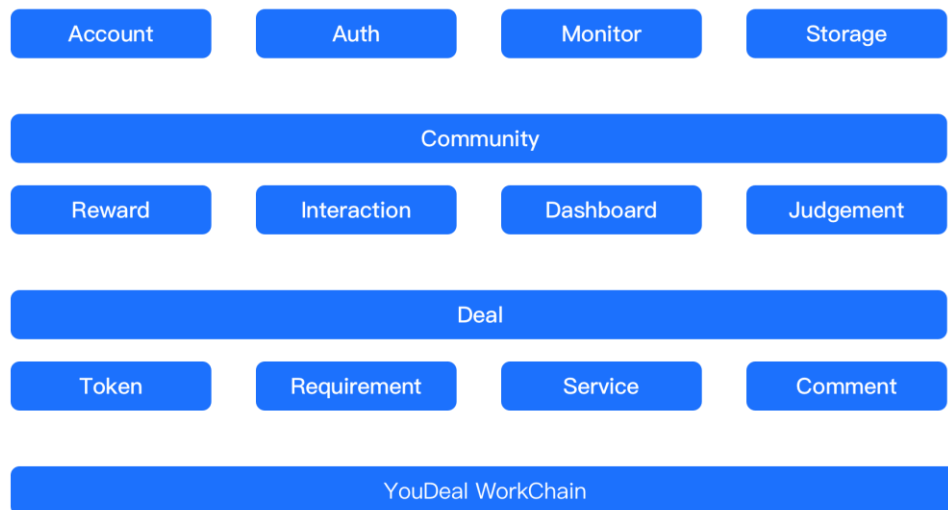


Figure 6: Restful service layer architecture

The functional core modules of the restful service include account system, authentication system, monitoring system, storage system, community system, transaction system, Raiden network and contract system.

#### a. Account Management System

According to the users' credit rating, accounts are divided into three hierarchy levels: primary account, secondary account, and tertiary account. Different levels of accounts have different transaction rights. All accounts have the identity of the buyer and the seller simultaneously. After registering or upgrading the account successfully, the system automatically records the user information on the blockchain using smart contract template. Personal transaction information is in The black box which uses SHA-256 encryption to prevent data loss.

#### Primary accounts

Accounts are registered to the platform through social media platforms like: Facebook, Twitter, WeChat, Weibo, QQ, and mobile phone numbers. After registration, the system assigns the user a unique digital ID and activates the user's wallet. Users can use their Digital ID to visit their personal home page. According to

their skillsets, users can join relevant industry groups after providing information, that includes but is not limited, to their skills, experience, industry understanding and qualifications.

### **Secondary account**

The user of the primary account can upgrade their accounts through verification of their identities by uploading ID photos or videos.

### **Tertiary accounts**

Secondary users can further upgrade their account by providing proof of property.

Proof of property includes proof of motor vehicle license, real estate registration, etc.

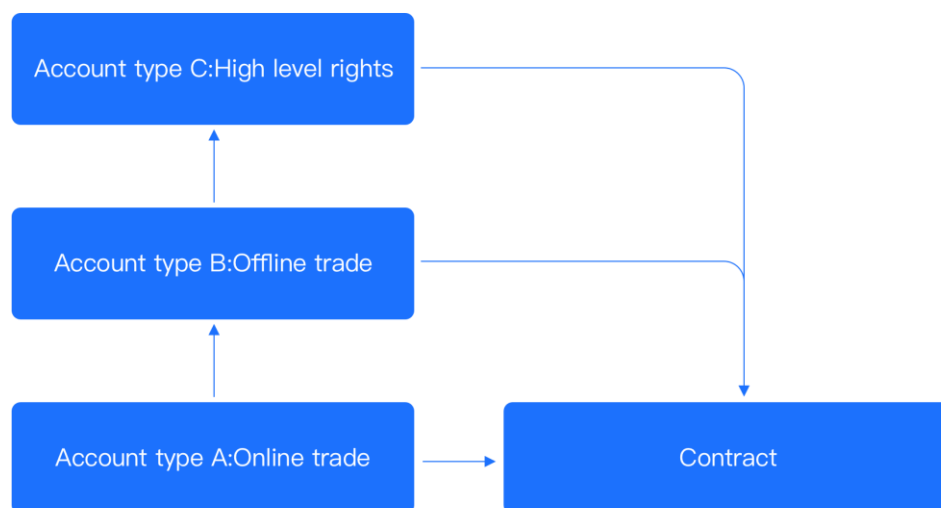


Figure 7: Account Upgrade, Equity Upgrade, Information Uplink

### **b. Verification Module**

Verification module is responsible for storage of account information and login function which are all encrypted. When users sign in into the portal, their identity, skill information will be automatically identified and displayed.

### **c. Supervision Module**

Supervision module is aimed to verify users' registered information - skills, personal information, and identity - through video verification or other verification methods. When account is verified, the smart contract template will record users' information on the blockchain.

#### **d. Storage Module**

Storage Module is based on centralised storage of vast information. Under double-entry bookkeeping of blockchain, historical data keeps accumulating along with the continuous running of the system. Referring to the cold and hot data storage, and sub-table storage methods in the conventional financial system, efficient storage of vast data is achieved. Obsolete transaction data, inactive asset data and other information could be stored on large data storage platform (e.g. Hadoop, which satisfies PB level data storage). The Inter Planetary File System (IPFS) is a distributed storage method. Users' pictures, videos and other information is stored on their local drive to protect their privacy from malicious attack.

#### **e. Community System**

Community incentive: Motivated or incentivised activities include: skill posting, requirement posting, deal match, deal confirmation, transaction review, being followed, being visited on personal home pages and completeness of verification. Discouraged activities include: posting fake information, creating fake transactions, fraud, and receiving negative reviews. Users will receive YDChain as incentives from motivated activities, and non-motivated activities will be recorded on blockchain and result in credit and reputation impairment.

Community interaction: YouDeal provides personal service communities based on geographical locations. Users form local personal service communities through publishing and accumulating pictures, audio files, videos, live broadcast, etc.

YouDeal provides community where the ranking of buyers and sellers is listed based on their reviews, reward tasks, lucky draws, and order bidding.

Community Announcement: Publish identity upgrade information, incentivised activities, and credit loss activities. Users can also post comments complaints about the announcement on the community announcement platform.

Community Arbitration: Targeting at transaction dispute, community provides community arbitration system. Members of arbitration group are elected through blockchain voting from community.

#### **f. Trading System**

Token: Token system is composed of two parts, namely digital assets YDChain and stable loyalty points. The loyalty points are incentives that helps to maintain the blockchain community; they can also be used for transaction payments within the community or be kept as assets.

Requirement Management: Buyers could publish their requirements requesting a particular user or open to all users in YouDeal Community. Orders will be created between active users who are perfect match through smart contract automatically.

Service Management: Every user could be a service provider and a service buyer at the same time. Sellers could make appointments with buyers and establish a working relationship once an agreement has been reached.

Smart Match: Based on big data, we will build database of user features (e.g. experience, expertise, etc) and project features (e.g. category, function). When sellers publish their skills, the system will push notifications and recommend relevant sellers to buyers. This allows sellers to find the buyers at minimal effort and price. Users could score the recommended services and recalculate based on the score with algorithm, to realise self-learning and improve accuracy.

Review System: Buyers can use filters to narrow down the list of sellers, vice versa. After the two parties are matched up, a chat room is created for instant communication between two parties within a timeframe where they can exchange files, send voice messages, and conduct video chats. Users can 'like' or 'follow' the recommended sellers based on the filtering results. Readers of articles or blogs can both interact with the writer through the comment function.

#### 4.2.5 YD Wallet

The YD wallet is presented in the form of a YDChain digital wallet. The digital wallet application establishes multi-level security protection and is implemented on multiple platforms.

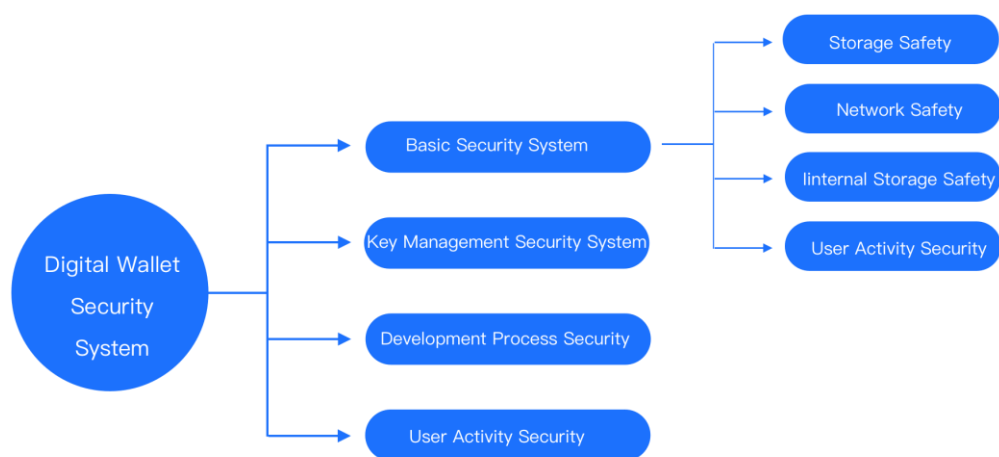


Figure 8: YDChain digital wallet system

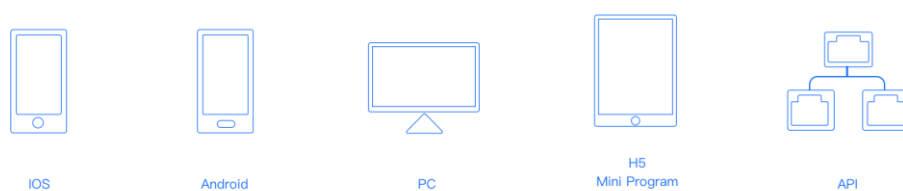


Figure 9: Types of platforms YDChain digital wallet will be established on

## **5. Tokenomics**

In general, upon establishment of platforms, the puzzle of ‘chick and egg issue’ should be solved first. Users will not like to use platforms with few freelancers. At the same time, freelancers do not want to provide services on platforms that are scarce of users. Therefore, in the YouDeal ecosystem, YD Token plays a very important role. We use YD Token to create a robust reward mechanism for users and freelancers in the ecosystem, this will enable the YouDeal platform grow at much faster rate than traditional platform.

### **User**

For users, YD Token can be applied in the following ways:

- a. During the early stage, downloading and sharing YouDeal App can earn YD Token as a reward.
- b. Using YD Token as method of payment for services on YouDeal will receive YD Token as reward, which encourages the circulation and adoption of YD Token.
- c. Advanced user privilege could be acquired through staking. Privileges will be awarded based on the number of Tokens and the length of staking period. The more Tokens users stake and the longer the staking period, the more privileges users can receive. Privileges of Super Membership: regular offline communication, lower service fee, voting on the development of YDChain, priority campaign on Supernodes.
- d. Better user experience can be achieved through staking. When users stake beyond a certain period and a certain number of YD Tokens, they can access to some advanced features, such as priority of connecting with highly rated freelancers, higher weight of service reviews, deleting after reading, copyright source protection, encrypted chat, customizing smart contract, etc.

### **Freelancer**

For users, YD Token can be applied in the following ways:

- a. Freelancers can receive token reward and income through content creation (e.g. paid instructional videos).
- b. Receive token reward upon successful transactions.

- c. Freelancers can use YD Token as a service deposit, which helps to improve their reputation on the platform and thus, access to orders more easily.
- d. Freelancers is rewarded with YD Token upon successful invitation of other freelancers getting on board.

In summary, in the ecosystem of YouDeal, holding more YD Token for a longer period will –

Receive more advanced user experience, reward, and privileges as a user;

Acquire trading priority and reward as a freelancer.

### **Tokenomics Model**

When we design YD tokenomics, we refer to the Fisher's equation of economic monetarism and adjust based on the blockchain context. Substituting Fisher's equation into our YouDeal ecosystem, with adjustment of the Fisher equation, we can define:

$$M \times V = P \times Q$$

M = Total Value of YD Token

V = (Annual)Trading Frequency of YD Token

P = Price of Service/Product on the Platform

Q = Transaction Volume of Service/Product on the Platform

From this we can understand that PQ is the total economic value of the entire YouDeal platform. Under the assumption of a certain V, how much M is needed to maintain the entire platform economy can be inferred

$$M = (P \times Q)/V$$

This means that while the platform economy is growing, if the growth rate of the platform trading frequency does not exceed the growth rate of the platform economy, the price of YD Token shall increase. In this regard, we have used a variety of staking mechanisms to greatly reduce the frequency of YD token transactions, this benefits YD Token in the case of the continued rapid growth of the YouDeal platform.

### **YD Token on YDChain**



After YDChain is online, YD Token will be the native token of YDChain adopting DPoS consensus, where 21 Supernodes will receive newly minted YD Token, as a reward for maintaining the network and community. At the same time, the community can vote autonomously to determine the YouDeal platform reward mechanism with YD Token, allowing the ecosystem to continue to evolve and adjust to the needs of the community, save that (1) they do not have any voting rights in the foundation or any other company, enterprise or undertaking, (2) nor do they have any right to vote to give Token holders' any entitlement to any promise of fees, revenue, profits or investment returns."

### **Industry Supernodes**

YDChain's Supernodes will be industry-led: leading players in various industries can become YDChain industry Supernodes by staking YD Token, and will be eligible for some of the block rewards. Supernode's obligations and incentive:

a. Obligation: Supernode has to gather transactions from the network and build blocks; provide computing power, network resource, and storage resource to execute smart contracts; participate in community management and maintain the operation of YDChain.

b. Incentive:

1. Supernodes are eligible for some of the block rewards.
2. Participation in decision making: Supernodes have the rights to participate in major decisions regarding governance of the YDChain. Which for the avoidance of doubt does not include (1) any voting rights in the foundation or any other company, enterprise or undertaking, (2) nor for any right to vote to give Token holders' any entitlement to any promise of fees, revenue, profits or investment returns. This however doesn't give any economic rights to Supernodes.

## **6. YouDeal Strategy Trilogy**

### **6.1 A New Hope: Ecosystem Strategy**

The ecosystem of YouDeal consists of parties: buyers, sellers, and YDChain-YouDeal platform. The clients are people who publish their personal requirements on the platform and would like to pay for specific service or product. The freelancers or sellers are people who have professional skills or goods and would like to provide the service

or goods in exchange of a fee. The platform provides a marketplace for the two parties to trade.

The initial strategy for YouDeal is to have organic growth in the quantity of users. The growth will become the supporting pillars of the platform, generating sufficient cash flow to sustain the business. The verified data generated by the growth will become the fuel to the engine of the blockchain system, acting as a cornerstone to the potential business growth in future.

To better adapt the platform into daily life usage, both fiat and crypto-currency YDChain could be used on the platform at the beginning. It is expected for fiat currency to be used at the beginning, to allow people who don't understand blockchain to easily use and the platform.

However, over time, people would develop trust in the platform and realise the benefits of using YDChain tokens over fiat currency. YDChain will be adopted as the major payment system in the platform, and it will work as a lubricant of the system to generate momentum in customer and market acquisition.

Firstly, YDChain token serves a perfect intermediary of cross-border transactions compared to fiat currency. This system will reduce the risk of fluctuation of foreign currency exchange for the clients as well as the platform.

Secondly, YDChain token holders will enjoy better membership benefits compared to non YDChain token holders. In the design of the token economy, we have involved loyalty points, which YDChain token could be inter-converted to loyalty points for members to enjoy the membership benefits which the fiat currency users could not enjoy, such as discount coupons or membership prices that is used to enjoy other services. The loyalty points also serve as a stable system which will not be affected by the volatility of the YDChain token traded at exchange. This parallel design could help different community members capture their own interests with different tools in the platform. Finally, tokens can serve as a good marketing campaign reward to the community. In conclusion, this token ecosystem design will create a cycle of supply and demand of the token in the platform itself, which allows different stakeholders to

capture their own interests best in the system with capability to quickly grow overseas markets. The token mechanism is shown in Figure 5 below:

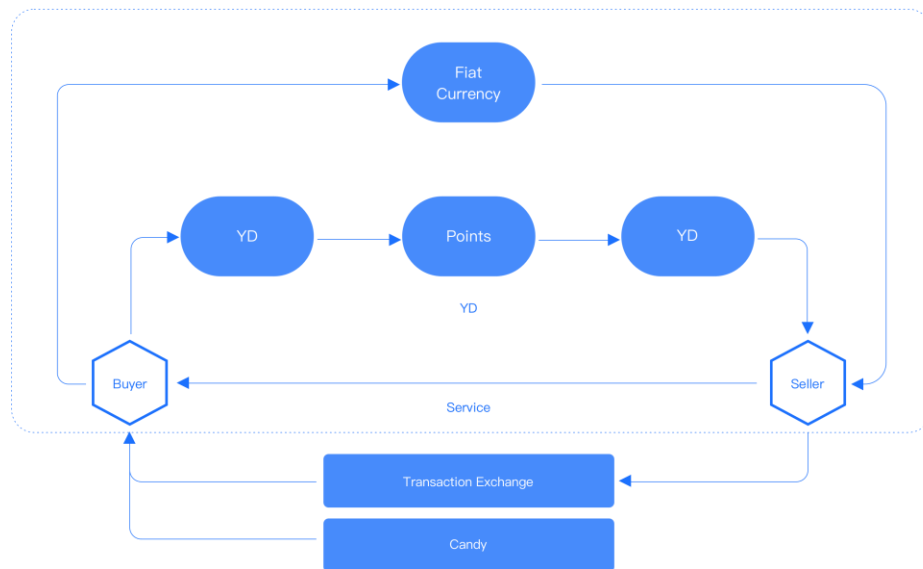


Figure 10: Use of fiat and cryptocurrency YDChain Token on YouDeal platform

## 6.2 The Syndicate Strikes: Platform Strategy

Our vision is to use blockchain and other deep technology to support an O2O/C2C global platform to benefit the global community. As a DAC, YDChain will inherit all advantages of blockchain. The data will be immutable on a decentralised platform. The system will support an application platform, YouDeal. This two-layer structure (YDChain-YouDeal) allows the user to easily use the application without the hassle of trying to understand blockchain technology. While the design has the added advantage of only necessary data being stored on the blockchain, all other data could be stored on a central server, which allows faster transactions to happen off chain.

YouDeal application aims to create an ecosystem for freelancers and clients to trade actively, easily, and quickly. To achieve this, extensive digital marketing tools will be utilised to attract both the clients and freelancers to register and use the App to create a network effect. Network effect espouses that the addition of any user will add more

value to the entire network – just like a rolling snowball, the faster it rolls, the faster it grows.

As for the market growth, the more users the platform attract, the more value or transactions the platform will get. In addition, we will also develop big data analytics once we have sufficient user and transaction records. This will lead us to better understand user preference or behaviour and provide better support to the community by offering better matching services in the application.

### **6.3 Return of the Yuedi: Community Strategy**

Token reward is one of the key strategies that the platform will adopt to attract user adoption for community. The YDChain token has been created based on the ERC20 standard to provide more benefits to the members in the ecosystem. This token will also be used as a major marketing tool to attract user adoption and engagement channel. YouDeal will set up a YDChain pool to reward the contributors and active participants in the community. Based on its own algorithm, YouDeal will reward the community by calculating a “Daily Active User” score according to the activities/tasks the user has performed on the platform. Each day a certain amount of the YDChain tokens will be distributed to community based on their score.

To achieve this goal, YouDeal will engage a two-stage campaign.

The first stage focuses on freelancer (service provider) recruitment. YDChain tokens will be used as rewards after freelancers complete the entire registration process: 1) download the app, 2) sign up, 3) fill in verified information, 4) share their services on Social Network and participate in real transactions. The platform will also compensate the freelancers for them to create better deals to attract the clients. The platform will focus on specific service sectors and industries; as well as create network effects in particular cities or key territories. Key Opinion Leaders (KOL) or online celebrities will also be engaged to raise awareness within the community.

Once the first stage is achieved, YouDeal will focus on client adoption using a similar strategy. Buyers will be rewarded with YDChain tokens to encourage them to use YDChain tokens on the platform.



## 7. Roadmap and Future Plans

Date	Description
2018 June	<ul style="list-style-type: none"> <li>• Release of YDChain Whitepaper v1.0</li> <li>• YouDeal APP v1.0 Internal Testing</li> </ul>
2018 July	<ul style="list-style-type: none"> <li>• YouDeal APP v1.0 Public Testing</li> <li>• Initialise YDChain global roadshow series: Beijing, Shanghai, Shenzhen, Seoul, Tokyo, San Francisco</li> </ul>
2018 August	<ul style="list-style-type: none"> <li>• YouDeal APP v1.0 going live</li> <li>• The launch of global ecosystem partnership program</li> </ul>
2018 September	<ul style="list-style-type: none"> <li>• YouDeal App go live + ERC20 Token go live</li> <li>• Ecosystem transfer with strategic partners</li> <li>• YouDeal APP market expansion to 20 major locations: Singapore, Thailand, Malaysia, etc.</li> </ul>
2018 October	<ul style="list-style-type: none"> <li>• YouDeal APP market expansion to 300 cities globally.</li> </ul>
2019 March	<ul style="list-style-type: none"> <li>• Development of YDChain, including DPoS, and ERC20 protocol</li> <li>• YouDeal/DAPP development and upgrade</li> </ul>
2019 August	<ul style="list-style-type: none"> <li>• YDChain incorporates Sharding and side chains</li> <li>• Build ecosystem of other DAPPs on YDChain</li> </ul>
2020 August	<ul style="list-style-type: none"> <li>• Incorporates DID function into YDChain</li> </ul>

## 8. Appendix

### 8.1 Sources

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### 8.2 YouDeal Terminology

#### **Freelancer:**

According to Tencent Institute, “freelancers are defined as those who work independently, are not affiliated with any organisation, and who do not engage in a career for any employer with a long-term commitment.”

**YouDeal Platform:** a P2P platform utilizing blockchain technology.

**YD Token:** A crypto currency issued by YouDeal Platform, and will be the native token of YDChain in the future.

**The Relationship between YouDeal and iYueDan:** YouDeal is an upgrade of iYuedan with decentralised system.

**Targets to achieve with blockchain technology:**

(1) Help existing users to protect their privacy, reduce transaction fee and access to global market.

(2) Based on existing users, open up to the global market, creating an accurate, highly efficient P2P platform.

Because we highly recognize the commercial value of each individual skill, in order to more efficiently match the supply and demand relationship between the freelancers and the demander, we build the underlying platform with blockchain technology and use YD Token as settlement of service provided, to create a decentralized, cross-border, flexible transaction, transparent price, and well-protected personal value delivery platform.

**YDChain:** The underline blockchain on which YouDeal is built. YouDeal WorkChain is the first child chain of YDChain. YDChain is a public chain based on DPoS consensus.

**Industry Supernodes:** The YD Token adopts a DPoS consensus mechanism similar to EOS, and generates 100 standby nodes and 21 supernodes by user voting. The 21 supernode operations are more efficient due to the reduced number of nodes. The difference with EOS is that YouDeal's supernode is eligible to be elected. In addition to obtaining enough votes, it also needs to provide industry resources for the respective industry.



### 8.3 Sample Application Interfaces



Figure 11: Personal center of 'Nearby'



Figure 12: the personal center—— “my YD ”

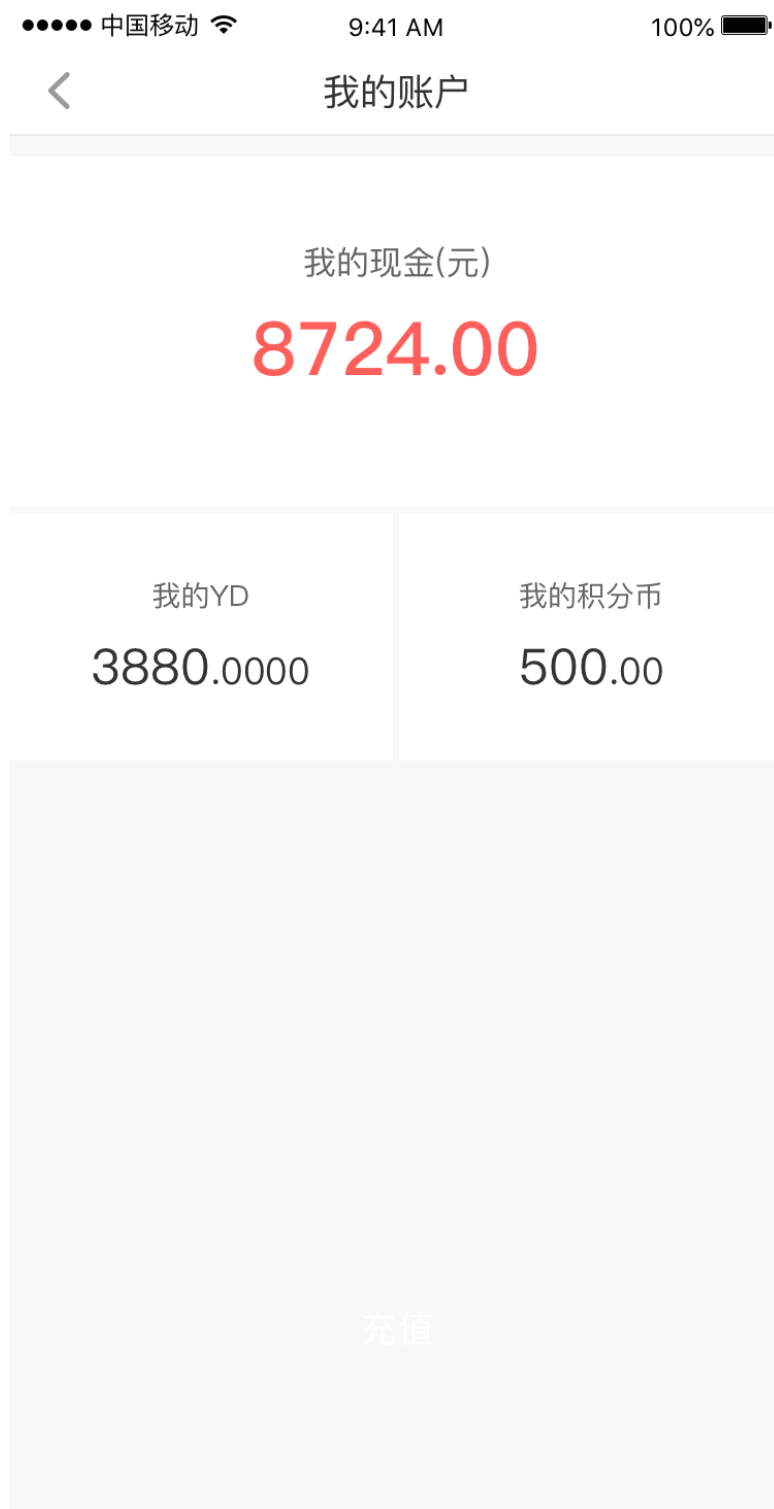



Figure 13: My account information

●●●●● Sketch

9:41 AM

100% 

账单



2018-10



收入

07-31 14:20

+100.0000YD



收入

07-30 15:08

+120.0000YD



收入

07-29 18:55

+20.0000YD



收入

07-27 21:45

+180.0000YD



收入

07-27 14:12

+60.0000YD



收入

07-26 17:31

+80.0000YD



收入

07-26 13:15

+300.0000YD



收入

07-25 12:30

+150.0000YD



收入

07-25 10:01

+50.0000YD



Figure 14: Information list of "YD currency bill"



Figure 15: Homepage section of 'Needs Management'



Figure 16: Homepage of 'Skill Management'



Figure 17: 'personal center' displayed on the home page

The homepage interface upon opening the YouDeal App includes four sections - 'Nearby Activities', 'Need Management', 'Skills Management' and 'Personal Control

Centre'. Figure 12 shows 'Nearby Activities' where users can find a variety of activities performed or transacted by nearby application users. The page also shows different kinds of categories of available services, such as 'Yoga', 'Oral Communication', 'Photography', 'Manicure', etc. 'Need Management' shown in Figure 13 gives users notifications in the particular service the user has requested or already performed. The 'Skill Management' interface allows users to post their skills through identity verification, and add photos and videos. The last section 'Personal Control Centre' contains all users' information which include 'Task centre', 'Invite friends', 'Settings' and other features.





Figure 18: Selection of sellers from preferences



Figure 19: Seller's profile page view



Figure 20: Activity feed of different users in one category

From the homepage, users can instantaneously perform two activities - 'Find Services' or 'Earn Money'. These two activities bring users to another pages which let them publish their demands and skills respectively. When the user wants to find a particular service such as 'Home Tuition', shown in Figure 18, the user can choose the service

users he wants based on preferred criteria such as the age range. When the user has chosen a desired service provider, the profile page of the service provider has four options for the user to select from - “Invite”, “Earn Money”, “Send Money” and “Share”.

## **8.4 About YDChain Foundation**

### **The Establishment of YDChain Foundation**

YDChain is a Blockchain-enabled global marketplace for peer-to-peer exchange, which aims to cover most cities in the world and achieve a multi-trillion-dollar level of market capacity. YDChain is a not-for-profit organisation established in Singapore.

The foundation shall construct an open ecosystem that welcomes sellers, consumers, and 3<sup>rd</sup> party application partners to collaborate in developing extensions to the main frame. The foundation vows to closely abide by the core principles of DAC, to make it truly attributed to the members of the community.

### **Corporate Governance Structure**

There will be 2 stages for the incorporation of YDChain Foundation’s corporate governance structure: establishment and stabilisation. A management committee will be set up to make operational decisions (which for the avoidance of doubt exclude the decision to give YDChain token holders any entitlement to any promise of fees, revenue, profits or investment returns).

#### **a. Establishment period**

The management committee will be formed with 5 core founding members - who have abundant industry experience - with a 3 years tenure.

#### **b. Stabilisation period**

After the establishment period, 50 nominees will be selected based on their holdings of the digital asset. From this pool, the community members would elect 5 new management committee members.

## The Foundation Management Principles

### a. Fairness

The foundation shall be managed by an independent team developing software architectures and applications; strictly separated from any member companies' legal entities.

### b. Not-for-Profit Governance

The foundation oversees only the issuance and distribution of tokens, applying fair treatment to participating parties based on their contribution to the ecosystem. The core objective is to nurture the development of a stable and scalable public chain platform, for the ultimate benefit of all YDChain holders.

### c. Sound Execution

The foundation is run independently, reflecting the appeal of all community members, and is advised by top technology talents and professionals in the field.

## Trading Safety and Auditing

YDChain secures the safety of user accounts using blockchain consensus, audited smart contract, digital signature and encrypted terminal wallet. YDChain meets the security standard of financial institutions, effectively integrate data ledger, application, and transaction modules into cloud. YDChain works with trusted trading platforms and security experts to ensure the safety of trading.

## 8.5 Token Issuing Scheme and Distribution Plans and Fund Usage

YDChain is the token to be used on YDChain Platform, generated based on the ERC20 standard.



Figure 21: Token structure、Fund Usage

#### Token structure

10,500,000,000 YDChain tokens will be issued and the allocation structure is as such: founding team, foundation, community bounties and pre-sale, with allocation percentage of 15%, 20%, 40% and 25% respectively.

#### Fund Usage

Distribution of fund: 25% for market operation, 30% for labour cost, 10% for business partnership, 5% for advisory, 5% for company operation, and the rest 25% is used as reserve fund.

### 8.6 Legal Matters

YDChain Foundation is established in Singapore. While in need of seeking legal advices and verifications in this regard, please contact local lawyers.

YDChain Foundation aims to convert into a not-for-profit organisation. Users on YDChain receive the right to use products and services on the platform. The YDChain Tokens do not grant users the right to participate, control or alter the operation strategies of the platform. Token holders should understand that YDChain will not refund the fund received under any circumstances.

YDChain Foundation reserves the right of final explanation to this whitepaper.