AVIPAD

A Regulatory Grade Token Launchpad

4 May 2023 - https://injective.com/hackathon/

INJECTIVE

Virtual Hackathon

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AVIPAD - Bringing Regulatory Grade assets and trading volume to DEXs

Launch

custom regulatory grade token (rgToken) contracts perform withdraw screening of ZK proof of credential owner

Transform

existing token into rgToken, an optionality for self regulation

Adapt

rgToken to native-rgTokens to be used on existing DEXs

AVIPAD is based on **AVIDA Framekwork**

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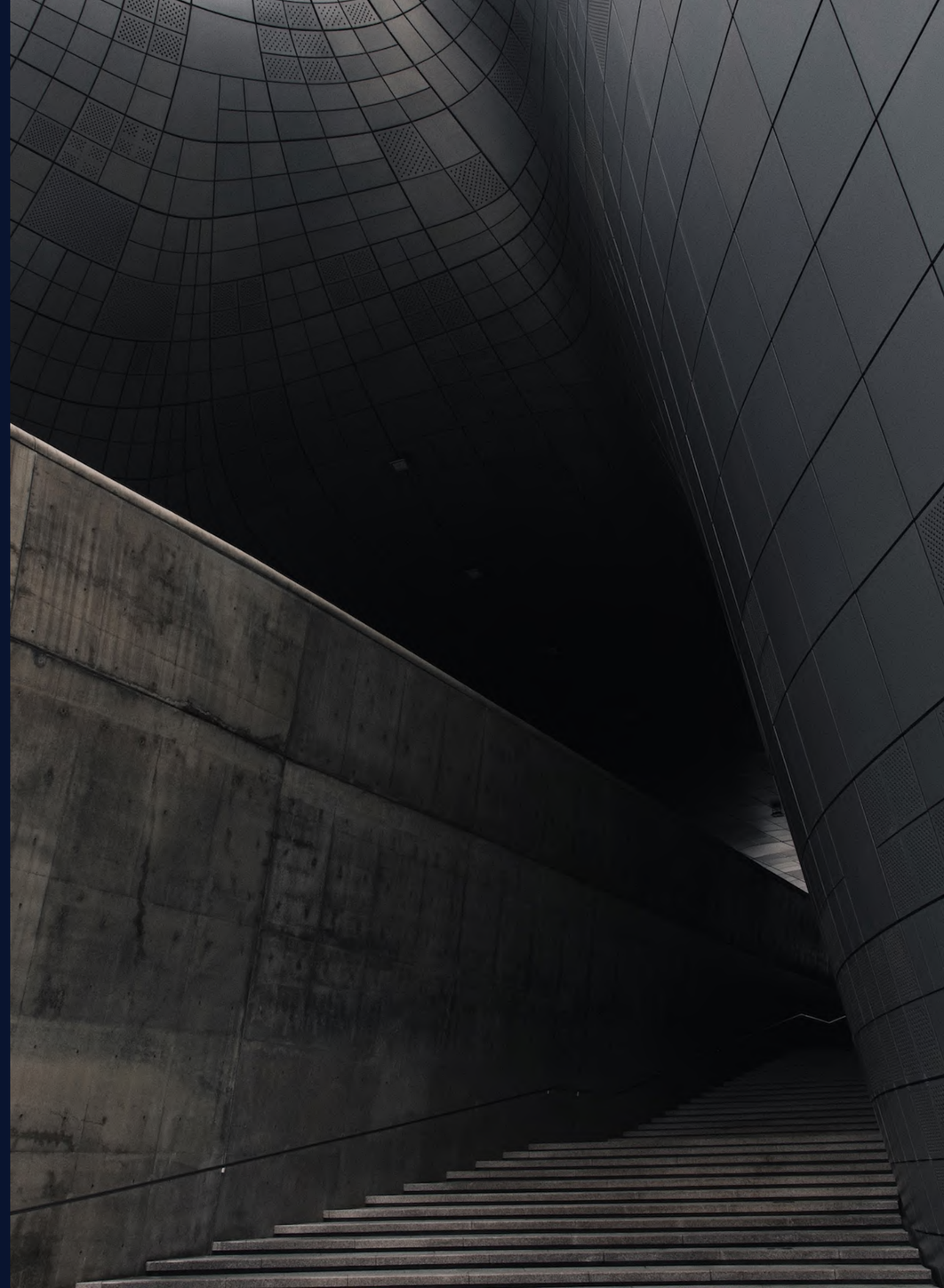
Uncertainty in regulatory landscape puts decentralised applications at risk

DeFi and regulation are converging fast.

Will your dApp be flexible enough to adapt?
Will your tokens be considered a security?

With the recent delisting of some cryptocurrencies considered securities and taking down of decentralised applications, regulatory-related risk must be managed

We think DeFi should be provided with the optionality to anticipate and/or adapt quickly to dApps future regulation and to increase the chances of their continued operation.



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Existing solutions

There are several solutions that aims to provide compliance, the methods have been catagorised by a paper by Joseph Burleson, Michele Korver, Dan Boneh. In summary:

Account Blocklist / Allowlist

This is easy to implement, does not change current dApp user flow

Limitations: Hard to cover wide range of regulation, slow to react, and not dApp specific

E.g. Chainanalysis Sanction Screening APIs

Withdraw Screening
(or onchain tx screening)

This allows for fine-grain and flexible regulation configuration

Let's dive into this a bit more!

E.g. Monetary Authority of Singapore pilot, Fractal

Viewing key

There is initial hurdle to enter the system, but once in there, can transact freely.

Limitations: Who holds the viewing key? Centralised risk of loosing anonymity

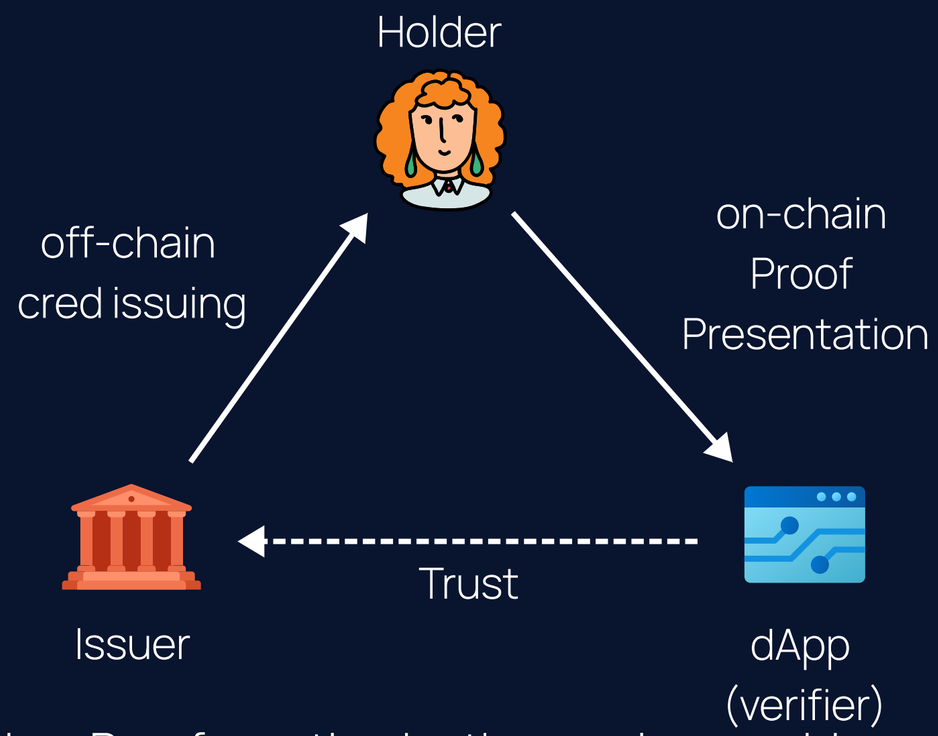
E.g. Concordium

Different types of tx screening solutions still have limitations

Simply put, *transaction screening* requires on chain verification of some proof from the user who claims to be eligible to transact under specific regulation.

It might be the proof of ownership of certain credentials (legal entity, member of a community, drivers license, etc).

AVIDA puts the verifier (from the trust triangle) on chain which allows for dApps to call it and verify in real time.



Example cases:

1. Fractal: bespoke credential and credential < >identity mapping. Proof creation by the service provider.
2. Monetary Authority of Singapore pilot: W3C credentials are used for verification, making transactions linkable.

We believe that unlinkable, self-sovereign control provides more protection for users.

Design Process behind the AVIPAD Idea

Very simply, the Design Process for Regulatory Grade Token originates from our vision and mission

"Empowering Decentralised Networks Through Self Sovereign Identity"

We believe that the synergy between SSI and Web3 can bring mainstream adoption of decentralised application, establishing a compliant environment for both institutional and retail investors.

For every 1 individual skilled enough to interact with decentralised finance applications today, we want 1,000 of our users tomorrow to be able to purchase a low-risk liquid investment product within a regulatory-grade decentralised framework

read more **here**

Introducing AVIDA by NYMLAB

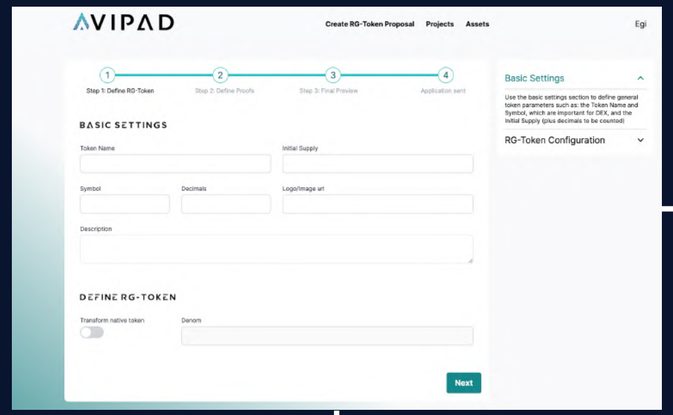
Atomic **V**erification of **I**dentity proofs for **D**ecentralised **A**pplications

- AVIDA is a framework designed to accelerate the convergence between SSI and decentralised networks. Down to the network validators, all participants spend their privacy-protecting credential proofs to interact with applications. We believe the regulatory use of such a framework to prove instrumental to decentralised finance applications.

- The use cases are limitless but the one we are excited about is providing mainstream users with ease and protection, thanks to AVIDA synergy between Account Abstraction, Anonymous Credentials and on-chain verification of privacy preserving ZK-proofs.

- AVIDA is using Hyperledger AnonCreds, which is the most commonly used VC format that adds important privacy-protecting ZKP (zero-knowledge proof) capabilities and is unlinkable by design.

AVIPAD - how it works



Transform
Proposal INJ → rgINJ

rgINJ

INJ

Defines rg-Token
Trust Model

Swap INJ for rgINJ
presenting ZK-Proofs

Request Verifiable Credentials to Trusted Issuers

Trusted Issuers

Required Proofs

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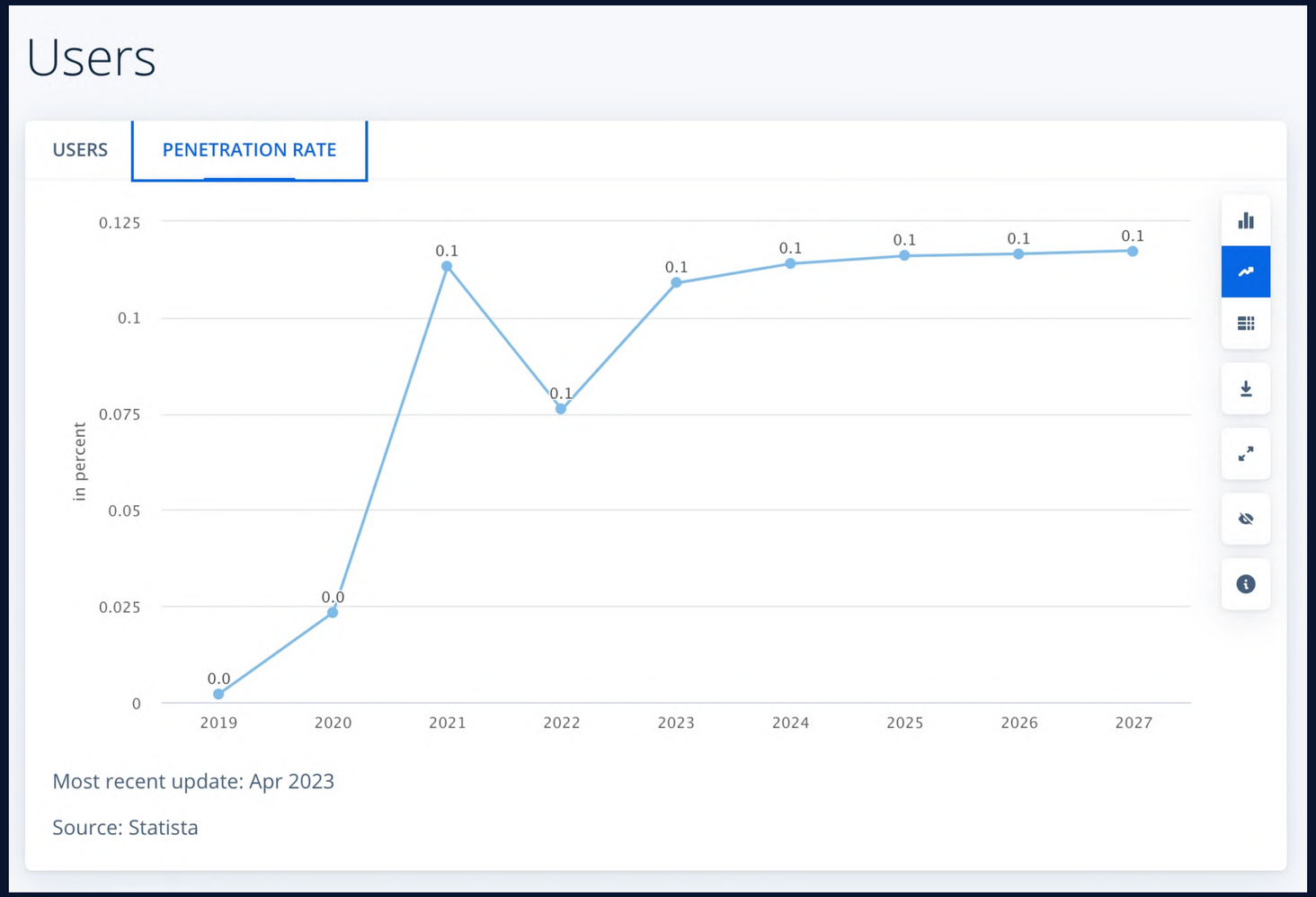
Competition

Solution	Adaptable to different regulation jurisdictions	Decentralised Provider	Unlinkable / difficult to correlate	Credential / Account Revocable	Privacy Preserving
Blacklist / Whitelist	✗	✗	✔	✔	✔
Viewing Key	✔	✔	✗	✗	✗
Tx Screening Bespoke	✗	✔	✔	✔	✔
Tx Screening W3C	✔	✔	N/A	✔	N/A
Tx Screening AnonCreds (AVIDA)	✔	✔	✔	✔	✔

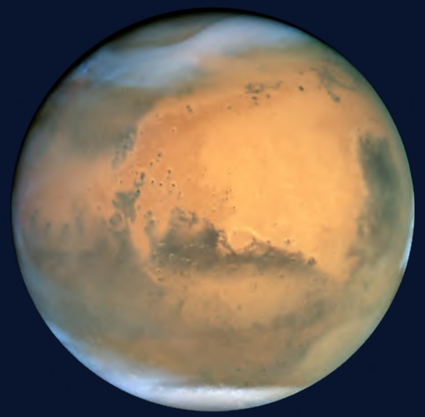
AVIPAD - Impactful tool to the ecosystem



Source: Statista

- DeFi user penetration rate has flattened due to uncertainty in regulation.
- AVIDA powered RG-Token constitutes a catered solution to enter into a new user exponential growth phase thanks to the numerous use cases it unlocks, such as:
  - Membership based protocols participation
  - Bringing on-Chain ESG oriented assets, bridging them to off-chain activities
  - etc..

AVIPAD - Impactful tool to the ecosystem



The global **DeFi** market size was valued at **USD 13.61 billion** in 2022.

TradFi holds more than **USD 100+ trillion** capital that currently has a limited interaction with DeFi due to a lack of translation in the regulatory rules.

AVIDA can help in bringing TradFi capital and users to the DeFi space.

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Project sustainability

AVIPAD potential revenue streams

Launch / Transform fee	Mint fee	Transform fee	vc-verifier fees
Whenever they want to list a token we can do a fixed fee (whether it be a brand new one or one to transform into regulated tokens)	Every time someone mints, we take a %	This is per transform into rgToken and back	We only verify tx of addresses from the launchpad, so we can charge subscription fees for verification rates

Project sustainability

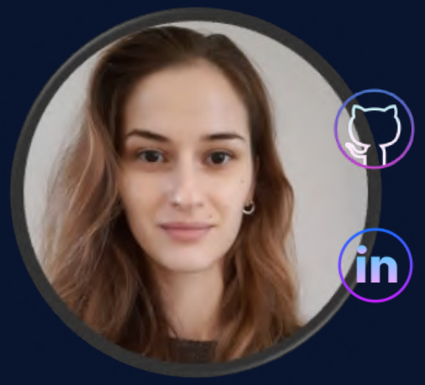
It is not known when and how the digital assets market will be regulated.
However, using the AVIDA framework, AVIPAD unlocks many diverse applications that will each require regulatory grade infrastructure today.
Utility of the designed workflow can be found in different market domains.

Types of tokens	Example requirements	Qualification / Credentials	Domain	Projects / Posts in the domain
Digital Assets	Residency in or outside of a certain country, Not sanctioned. Understands product risk.	Verifiable Credentials on Residency, KYC, AML	DeFi	AVIDA, Concordium, Polygon ID, Fractals
Assets in Web3 Gaming	Age restriction. Awarded an asset for completion of a challange.	Verifiable Credentials on Age, Claim on Award	Gaming	Altura, Laguna Games, Web3 Gaming Opportunities
Loyalty points (ESG)	Awarded loyalty points based on particular user activity (ESG principles).	Claim on loyalty points	ESG, Customer Loyalty Programs	3mint, ESG social tokens, BCG on Customer Loyalty
Membership	Based on reputation and experience.	Verifiable Credentials on reputation	DAO, Governance, Community membership	creds.xyz, Fractal for DAOs, DAO and Identity

Hackathon Team

Belsy

Smart Contract
& back end



Elena

Financial
engineering

Iris

Front End

Javier

Full Stack

Arsen

Smart Contract
& testing

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Thank you

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