

# CryptoPool Whitepaper

## 1. Introduction

The cryptocurrency economy has grown tremendously from May 22, 2010, when 10,000 bitcoins were first exchanged for two pizzas in Florida, USA. The cryptocurrency market today is valued at around \$1.7 trillion dollars. It is a fast-paced, expanding universe of more than 19,000 different cryptocurrencies that facilitate an endless variety of revolutionary and innovative services and applications.

Today, cryptocurrencies are traded on innumerable platforms. They can be withdrawn and deposited at tens of thousands of ATMs around the world. Finance platforms in cryptocurrency routinely offer interest rates of more than 10% to lenders. Collectibles and Digital art, known as NFTs, depend on cryptocurrency to be traded between buyers and sellers.

Yet this \$1.7 trillion dollar economy remains quite separate from the larger world of fiat currency. It is still surprisingly difficult for the average fiat currency holder to benefit from participation in the crypto world. And it remains difficult for the cryptocurrency holders to access the benefits of the fiat world. This is an enormous impediment to crypto adoption.

**CryptoPool is building the bridge between the crypto and fiat worlds.**

In this whitepaper, we describe the protocols, incentives and scenarios; CryptoPool has developed to achieve seamless transactions between the separate worlds of fiat and crypto. In short, we describe how this bridge is built.

## 2. Overview

As recently as mid-2018, when the total value of the cryptocurrency market was less than one-tenth of what it is today, electronic/online payments outside of the fiat economies were mostly unknown to the world. That is now beginning to change. But even as the cryptocurrency value surpasses \$1.7 trillion, the rules, verification, access mechanisms and protocols of the fiat world remain native to highly

centralized systems that are extremely incompatible with the decentralized underpinnings of blockchains.

### ***It is time to connect the crypto and fiat worlds.***

The CryptoPool decentralized payment network offers the following capabilities stated below:

- Scalable and open consensus protocols capable of seamlessly evolving payment industry norms to immensely powerful next-generation standards
- Lightning network technologies for real-time transactions
- Full-scale support for cryptocurrency payments in a plethora of transaction scenarios
- Fast access to necessary plugins, APIs and SDKs for offline/online "buy now" processing, including seamless/coherent integration with smartphone POS apps
- Decentralized network protocols for governance networks and operation, including dispute arbitration, credit scoring, custody, anti-fraud, clearing, risk control, etc., to greatly improve the operational efficiency and reduce major operating costs
- Basic payment solutions and functions for major large-scale commercial applications
- Visual, standardized, simple smart contract interfacing to lower the basic threshold for commercial use of smart contracts
- Robust localization compliances and anti-money laundering programs for different countries and regions

Through the above capabilities, CryptoPool makes it possible to integrate cryptocurrencies into the global payment macroeconomy at a level that matches the demand for convenience, safety, speed and security for users, with added efficiency and reliability for merchants.

Through the veteran experience and knowledge of CryptoPool and its partners in mobile payment applications, CryptoPool intends to lead the payment industry's major development of crypto/blockchain solutions in popular and traditional payment contexts. The Blockchain protocols have opened up amazing new ways to gain consensus, incentivise, guarantee the transparent implementation of rules, and

much more, and CryptoPool is extremely excited to be at the forefront of these major developments.

## **3. Problems To Be Solved**

### **Fiat Complexity & Crypto Bridging**

#### **3.1 Fiat Complexity**

In order to interface with the current fiat payment systems, there are innumerable challenges that are considered business-as-usual.

- There are numerous intermediate links to negotiate in the process, and each comes with its own charges and fees.
- Cross-border transactions are especially complex.
- Trusting each intermediary is the key to completing any financial transaction, and the essence of almost any functionary in the industry is to facilitate the establishment, evaluation, and maintenance of trust.
- The complexity of trust functions means commensurate complexity in privacy and security procedures.
- Overall settlement, clearing, reconciliation and dispute resolution involve numerous steps that take a lot of time.

The above challenges mean that in some places like Southeast Asia, fees/charges can add up to 30%-50% of a transaction cost, and numerous multi-channel strategies are employed to avoid such exorbitant fee. Overseas workers are hit especially hard in their efforts to remit their hard earned money back home.

At the enterprise level, a big multinational retailer in the Asia-Pacific region with retail stores in different locations like Kuala Lumpur Hong Kong, Dubai, Bangkok, Singapore and Sydney will work through a separate set of payment processing agencies in each different country.

The service standards, rates, clearing time, and surcharges of each processor are all different, requiring dedicated departments to reconcile by country.

### 3.2 Crypto Bridging

Bitcoin and other cryptocurrencies have been developed to solve challenges like the ones described above. Tremendous simplifications and efficiencies have been achieved through the basic principles of decentralized blockchain ledgers at the heart of the cryptocurrency technology, and many more are emerging as the industry grows. However, despite the continuous inventions, recognition and breakthroughs of many cryptocurrencies for their advancements and applications, the current role of cryptocurrency for payments remains relatively small and is growing at a turtle's pace.

It can be argued that the major reason for this is the sheer inertia of the whole \$80 trillion fiat payment ecosystem. It can be argued that some well established commercial enterprises that profit from the existing system are resisting the desired change. More fundamental, however, is the bigger role of sovereign currency in the geopolitical realm. An especially significant impediment to the growth of cryptocurrency for payments has a lot to do with the prevailing assumption that the motive of cryptocurrency is to eliminate fiat currency altogether.

CryptoPool has chosen instead to build an interface--bridging rather than leaving the fiat world behind--applying our immense experience in fiat currency payment processing, and leveraging our early entry in the world of blockchain technology. Our bridging agenda divides the whole challenge into three broad categories:

- Payment functions for commercial applications
- Support functions for commercial applications
- Performance issues with cryptocurrency itself

## 4. Vision

CryptoPool envisions a world of transparency, greater financial empowerment and dependability for governments, institutions, enterprises and individuals, regardless of location or wealth, enabled by technologies that bridge the gap between crypto and fiat payment systems.

## 5. Mission and Goals

CryptoPool's mission is to lead in making blockchain services and value accessible with fiat currency and making fiat-based services and value accessible with cryptocurrency. We drive blockchain adoption by bridging the gap between fiat and crypto. Within this mission, we have five goals:

### 5.1 Decentralization

Decentralization is a core principle of blockchain-based cryptocurrencies, as it has the profound advantage of eliminating highly inefficient, arbitrary, and proprietary procedures for establishing and maintaining trust.

Decentralization of the CryptoPool payment network allows access to various assets that can be liquidated without the need for expensive and time-consuming trust procedures, including but not limited to various cryptocurrencies, tokens, credit payments and points of credit service providers, multiple forms of digital assets, and fiat currencies. In each case, decentralization helps us bring users and merchants closer together and reduce transaction costs.

The product architecture of CryptoPool is composed of five layers: the access layer, the solution layer, the product layer, the core layer, and the blockchain network layer. Each layer is decentralized and defined through an open payment consensus protocol to ensure consistency with decentralized applications. The consensus protocol can be seamlessly deployed in all major public chains and integrates layer 2 networks such as Lightning Network to meet the demand of real-time transactions and avoid the risk caused by price fluctuations.

Decentralization allows the merchant onboarding process, reconciliation, and settlements to be facilitated through the automated and transparent execution of smart contracts; dispute settlement, exchange, and automated clearing, all benefit from decentralized processes. CryptoPool Pay adds value by ensuring quality and efficiency with these decentralized operations.

## 5.2 Large Commercial Application

CryptoPool meets the needs of large-scale enterprises by supporting complex account infrastructure, complex PUSHPAY and PULLPAY payment models, and complex transaction types with the efficiency and cost savings of decentralized applications.

We answer the following core demands:

- Support for complex account infrastructure

Including hierarchy accounts, “payment collection parallel” accounts, and payment consolidation accounts, escrow accounts, credit accounts, joint accounts, and high-frequency hotspot accounts.

- Support for complex payment models

This includes C2C (Customer-to-Customer), C2B (Customer-to-Business) and B2B (Business-to-Business). Different business models have corresponding payment models.

For example, the PushPay & PullPay models discussed earlier, transactions involving escrow, batch payments, salary payments, capital consolidation, fund appropriation, supply chain factoring, etc. With CryptoPool, these can involve cryptocurrency transactions, bonus point payments, coupons, tickets, and any other assets that can be represented or constructed digitally.

- Support for complex transactions

Such as combination payments, subscription payments, batch collections, restricted payments, secured payments, split payments, and corporate payments.

- Better support for payment service flow

Traditional electronic payment is variously impeded not only by government administered rules and regulations, but also the interface limitations of centralized payment institutions. CryptoPool’s decentralized hybrid crypto-fiat infrastructure can reduce the problems of business flow and capital flow, both within and across international borders.

- Smart contracts need to become easier to use and meet the requirements of commercial scalability

CryptoPool implements a large number of smart contracts to automate payments. The deep technical expertise required to build and execute a smart contract is entirely different from the knowledge required to

determine the appropriate results. CryptoPool enables financial experts and others with smart contract needs to work directly with smart contract drafting and implementation tools that are suitable for non-technical users. We also provide convenient smart contracting tools for DAPP developers as well.

### **5.3 Security and Trust**

CryptoPool is building a certainty-driven ecosystem through credit scoring architecture.

Decentralized blockchains gave rise to the concept of a “trustless system.” It is a reference to the many financial arrangements in the fiat world that rely on a certain degree of faith, or probability, as opposed to certain types of absolute guarantees that a blockchain-based arrangement can establish even between two perfect strangers involved in a transaction.

Nevertheless, blockchains do not eliminate the need for trust-based protocols altogether. Even simple arrangements in the blockchain world can benefit from trust-based tools like credit scores in certain circumstances. The absolute transparency of blockchain transactions, in fact, gives blockchain-based credit scores a certain predictive advantage that CryptoPool can bring to client enterprises that have related risk-mitigation requirements.

### **5.4 Sustainable Evolution**

CryptoPool’s ecosystem promotes sustainable evolution through consensus.

Consensus promotes sustainability. Ecosystems that build in consensus mechanisms inevitably and necessarily evolve, too. The key is in how consensus and governance mechanisms promote innovation. The CryptoPool team’s long experience developing electronic payment systems has demonstrated the importance of granting power to the innovators who are closest to the market, supported by appropriate incentive mechanisms.

### **5.5 Low Cost & High Efficiency**

Achieved through the decentralized operational support infrastructure.

Operational tasks include merchant onboarding, merchant IT support integration, merchant customization, dispute resolution, clearing and settlements, customer service, risk management, anti-fraud, and more.

In all of these areas, there are massive opportunities for scalable efficiency through the application of smart contracts within CryptoPool's decentralized operational support infrastructure.

## 6. Product Flow

### OnRamping Solution

This is product flow for Onramping part, where we help users to convert their FIAT currencies to cryptocurrencies. This is the starting point for any user to enter the crypto world since all crypto services requires cryptos access from the user's own wallet.

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### OffRamping Solution

Following is the product flow for OffRamping part. Here we help users to pay in cryptocurrencies to the merchants and for ease of acceptance, in the backend we will be providing merchant with different ways to be able to accept/settle this money, they can settle for cryptocurrencies/fiat or both.



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## 7. Product Features

The core concept is to integrate fiat and crypto payments in whatever settlement system merchants use. The integrated product records data and statistics so that merchants and users can view historical transactions and critical information about those transactions.

### 7.1 Smart POS for Cryptocurrency

- Cryptocurrency and Fiat Currency Acceptance
- Lightning Network Express Payments
- PushPay / PullPay
- NFC Lightning Network Payments
- Cryptocurrency Prepaid Card

### 7.2 Cryptocurrency Payment Gateway

- Online and Offline Access Schemes including SDK/Plugin/API/Gateway
- Supporting Lightning Network Express Payments
- With PullPay + PushPay lightning network, PullPay supports preauthorization

### 7.3 In-APP Payment SDK

Providing partners with a Lightning Network-based in-app payment SDK.

## 8. The CryptoPool Token(CPT)

- **8.1 CPT Token overview**

CryptoPool Token (CPT) is a utility token based on the Polygon blockchain which will be issued by CryptoPool Inc.

CryptoPool's CPT is the supply-capped, smart contractible ERC-20 utility token that sits at the heart of the world's first hybrid crypto-fiat payment infrastructure. Transaction time for CPT is extremely low.

We chose the Polygon blockchain because we believe it is the most suitable blockchain for payments, due to its low cost-per-transaction, high transaction throughput and native compliance framework.

- **8.2 Token Utility**

Our native CryptoPool token is designed to benefit our growing B2C and B2B user communities and to help our customers save on exorbitant fees if they maintain the required balance of CPT tokens.

- **Discount on Fees**

Every user will be entitled to up to a 100% discount on CryptoPool fees (the percentage depends on the amount of CPT held by a customer), including:

- Exchange fees
- CryptoPool Pro fees
- Bank transfer fees
- Top-up via credit or debit card
- Blockchain transfer fees

- **Collecting Rewards**

CryptoPool Token (CPT) will be used as a universal reward token for the following.

CryptoPool reward programmes:

- CryptoCashBack – from 0.5% to 1.5% on every in-store purchase paid in CPT
- Merchant Offers – discount/cashback provided by merchant networks, paid in CPT.
- Travel Offers – up to 1% for eligible foreign transactions paid in CPT.
- CryptoPool Business Rewards – business incentives for using CryptoPool coin, paid in CPT.

- **CPT Reward structure**

	Fee Discount	Enhanced CryptoCashBack
500,000 CPT	100%	1.5%
100,000 CPT	50%	1.0%
50,000 CPT	25%	0.75%
25,000 CPT	10%	0.5%

- **8.3 Exclusive owner benefits**

CryptoPool Token (CPT) holders will have access to an exclusive CryptoPool Card and

CryptoPool Business features:

**CryptoPool Card (retail)**

- Discount on fees
- Higher CryptoCashBack
- Bespoke merchant offers discounts
- Dedicated support line
- Concierge service
- Airport lounge access
- Early access to new features

**CryptoPool Business Card (corporate)**

- Discount on fees
- Dedicated account manager
- No transaction limits
- Enhanced CryptoPool Business Rewards
- Unlimited users per organisation
- Bespoke merchant offers discounts for businesses

- **8.4 Token specification**

A Polygon-based utility token to be widely used on the CryptoPool platform. It will allow users to unlock benefits and utilise our features as efficiently as possible.

- **8.5 Token sale process**

## Token sale process

<u>Aa</u> Token Symbol : CPT	 Stage	 Supply	 Price	 Raise	 Discount	 Vesting Schedule	 TGE Unlock %
<u>Untitled</u>	Pre-Seed Round	200,000,000	\$0.00	\$150,000	80%	1% on TGE + 3 Month cliff + 9 Months linear	1%
<u>Token type :</u> <u>ERC - 20 ( Polygon ).</u>	Seed Round	266,666,666	\$0.00	\$250,000	75%	1% on TGE + 3 Month cliff + 9 Months linear	1%
<u>Total Token Supply : 3 Billion</u>	Private Sale	80,000,000	\$0.00	\$1,000,000	66%	2.50% at TGE + 3 Month cliff + 6 Months linear	2.5%
<u>Total Sale Percentage : 19.1%</u>	IDO	26,666,667	\$0.00	\$100,000	0%	20% at TGE + 1 Month cliff + 2 months linear unlocking	20%
<u>Initial Circulating Supply : \$51,000</u>			\$0.00		0%		0%
<u>Total Raise</u>		573,333,333	\$0.00	1,500,000	0%		0%

- **8.6 Token distribution**

- **Public Sale:** up to 0.88% of the entire supply is to be sold during the IEO (Initial Exchange Offering) and on different exchanges.
- **Seed/Private Round:** 8.9% a bulk pre-sale of CryptoPool (CPT) tokens to a group of institutional investors and CryptoPool verified users at the nominal value of \$0.01 per CPT. Discounts will apply as mentioned in the tables above. Lockup periods will apply as outlined in the tables above.
- **Platform Reserve:** at least 17% of the entire supply will be retained by the Platform Reserve to protect the CryptoPool token (CPT) from speculative trading and to maintain the flexibility during the early stages of the evolution of the CryptoPool ecosystem.
- **Team:** 12% of the supply will be reserved for the management and development teams with 20-36 months lockup periods. This team supply will be used to incentivise existing members and attract new talent to the CryptoPool global team.
- **Partnerships:** 6% of the supply will be used to incentivise merchants and partners to integrate/use CPT on their platforms.
- **R&D :**8% of tokens will be used for infrastructure, integrations and Enterprise services for corporate clients and partners.
- **Token Sell Mechanism:** CryptoPool will burn up to 10% of the CPT tokens held in The Platform Reserves over a 10-year period
- **Ecosystem and Rewards:** 15% of the tokens will be reserved to be able to provide users and merchants with benefits for using the CryptoPool Platform


## CPT Token Sale

There is a lockup structure designed to ensure that no more than 2-3% of new tokens can be added to circulation in any given month during a 36-month period.

- **8.7 Use of funds**

Funds received from this CPT token sale will help CryptoPool to scale its operations globally.

**Funds Utilization 1.5 Million**

<u>Aa</u> Amount in 1000s of Dollar ( 1k USD )	 Requirement
<u>600</u>	To facilitate free transactions initially
<u>100</u>	Initial Infrastructure setup and running costs ( servers and required services included )
<u>300</u>	Employee Cost
<u>200</u>	Legal and Compliance
<u>350</u>	Marketing/Branding through targeted advertisements, influencers
<u>1500</u>	Total

R&D investment of \$150,000 is required to design and develop a best in-class platform for merchants, to enable them to seamlessly accept blockchain based payments with instant settlements worldwide.

A marketing investment of \$350,000 is required to support our global expansion. It will cover paid channels, PR activity and affiliate programmes. The rest of these funds will be added to our liquidity reserves in order to maintain regulatory capital, daily balances with exchanges, and deposits with banking partners, Visa / MasterCard and other networks.

## 9. Roadmap

### Potential Use Cases

#### **Payments**

The CryptoPool Network/Ecosystem will provide an interface for payment APIs, users, and SDKs for DApps, users and merchants to instantly accept or pay in crypto assets (e.g., ERC20 tokens, Ethers, ERC721 tokens).

#### **Liquidity providers**

Third parties can use the CryptoPool Network to exchange any tokens for other tokens by leveraging the liquidity pool or other liquidity providers while transferring crypto assets. In the case of fiat, the CryptoPool Development Team is planning to collaborate with fiat liquidity providers in currencies of major countries.

#### **Decentralized Exchange (DEX) and Marketplace support**

The CryptoPool Network is expected to have all characteristics which an exchange platform should have—faster and cheaper trades. The CryptoPool



Network/Ecosystem is capable of supporting the decentralized exchanges and enabling trust-less, reliable and easy crypto trades. These decentralized exchanges are the future for digital assets and provides better security and solvency than the centralized exchanges.

### **Games**

We are expecting games to be a big part of the CryptoPool Ecosystem. In-game assets represented as NFTs are expected to be traded, bought and sold in huge numbers using CPT.

### **Infrastructure**

The CryptoPool Development Team will follow a simple mantra: keep things simple and frictionless. For that purpose, the team will create new infrastructure centred on the CryptoPool Network, such as user-friendly wallets for individual users and merchants, payroll dashboards, payment SDKs, and other open-source tools.