



Best Crypto Exchange

By BEM Foundation

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## **Abstract**

A form of blockchain fundraising called an Initial Coin Offering (ICO) has come into existence since July 2013. As an example of vast opportunity available to fundraising through ICOs, from July 2017 to November 2019, ICOs raised for the cryptocurrency industry amounted to 14.8 Billion USD and each year these numbers are growing exponentially.

BEM foundation uses a blend of best practices in blockchain and Multilayer Network Marketing (MLM) to invest in entrepreneurial projects. With MLM the awareness will be increased about investment opportunities in BEM foundation projects, and through blockchain every investor will easily get a certificate (as token) of investment, which also will be tradable.

In this paper we present BCN token ICO as mean to invest in BEMEX – a market changing cryptocurrency exchange service. BEMEX will have inclusive policies toward cryptocurrencies and would give user possibility to trade and invest in most of dominant and also minor cryptocurrencies.

BEMEX aspires to become one of top ten cryptocurrency exchanges by 2024.

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## **Company vision and commitment**

BEM foundation's greatest asset is its investors and its experts in Blockchain and Network Marketing.

The identity people involved with BEM foundation projects will remain hidden as privacy and ownerships are secured through Blockchain.

BEM foundation will raise funds needed for projects through initial offerings (i.e. ICOs), and each major project will have its own dedicated token.

BEM foundation's vision is to ever expand entrepreneurial projects with assistance and usage of Blockchain and Network Marketing, so the investor would have peace of mind and the ability to participate at any time or place.

BEM foundation after the successful introduction of BEMT 'Token' aims to reach the following goals in 2022:

- Creating a Decentralized Exchange
- Introducing a dedicated wallet
- Creating a dedicated Blockchain and upgrading BEMT token to BEMC coin

## **Blockchain Technology**

For the first time in history, an immutable, decentralized ledger exists on a global scale, eliminating the need for middlemen, complex auditing systems, and long settlement times. Open (permissionless) protocols mean settlements no longer depend on connecting fragmented legacy systems. Additionally, because the ledger is append-only (existing records are immutable), it provides a high degree of accountability, with blockchain timestamping built-in. The most commonly used methods for ensuring consensus on a blockchain are Proof of Work and Proof of Stake. They ensure truthful consensus by making the costs of

manipulating the network greater than the profit to be made from such deceitful transactions. For example, on the Bitcoin blockchain, the cost of censoring new transactions at the time of this writing would be billions of dollars<sup>7</sup>. Few entities have the capability to pull off such an attack, and as the network grows, the cost of attacks increases, making them increasingly improbable.

The most popular blockchains are decentralized. Transactions are algorithmic and thousands of independent nodes maintain the security of the network. Blockchain systems eliminate the need to trust the operators of a centralized system. Without a single source of truth to lobby, blackmail, or bribe, the decentralized model greatly reduces the chance of regulatory capture.

Blockchain technology opens the possibility of more transparent markets that are less susceptible to the control of financial oligopolies operating within a regulatory environment they have helped create.

## **Smart Contracts**

Over the past few years, Turing-complete programming languages have been implemented into decentralized blockchains. These systems use “smart contracts” (software programs stored on-chain), to add and modify data algorithmically.

This data extends well beyond simple account balances, and may include metadata, account restrictions, transfer rules, as well as any other calculations a regular computer can perform.

The most widely used Turing-complete blockchain, Ethereum, grew out of a frustration with trying to implement complex logic on top of Bitcoin<sup>8</sup>. Ethereum simplifies the task of implementing complex financial logic on a blockchain. With only a few lines of code, smart contracts can transfer assets or establish escrow conditions to be executed algorithmically, with all the benefits of blockchains as described earlier.

## **Initial Coin Offerings**

Recently, smart contracts have been used for Initial Coin Offerings (ICOs) or token sales. These tokens usually conform to a standard (e.g. ERC20/ERC223/TRC20), which allows them to be offered for sale and trade on a number of online platforms.

The global adoption of ICO fundraising structures has led to an explosion of new capital formation that has outpaced both the seed and venture capital investment markets. ICOs have raised US \$2.3 billion to date. In 2017 alone, ICO funding surpassed US \$1.2 billion<sup>†</sup> and year 2017 to 2019 about US 14.8\$ were raised with ICOs<sup>Δ</sup> which shows the exponential growth of the market.

There are, in effect, two basic kinds of tokens sold in an ICO: utility tokens and security tokens. Utility tokens are used to access services or assets, which are themselves often based on smart contract technology. The purchase of a utility token is akin to purchasing the rights to use a software or a product. These tokens are like in-game currencies or pay-per-use SaaS offerings. And, Securities tokens represent an equity stake in an organization, or a claim to the wealth generated by its activities (i.e. an investment contract).

In contrast to traditional Securities offerings, the general public still does not have a good grasp on the products and technology underlying ICOs.

## **The Roots of the ICO Boom**

The ICO boom is driven by creation of this new form of fundraising, by the many investors excited by the technology, and by pent up demand induced by the current regulatory regime. The cost, complexity and delay associated with many types of existing financing options can be a significant barrier to a successful financing. Even for those who can afford the time and money to overcome those barriers and, for example, access the largest potential investor base through public

offerings (IPO and follow-on offerings) may find that the ongoing reporting requirements and costs linked to this approach may not be worth the benefits.

One of the major benefits of a public offering, broad investor base aside, is the exit opportunity it provides shareholders of a company. However, due in part to the ever-growing costs associated with going public, even large private companies are often opting for alternative financing methods or growth strategies (e.g. Uber and Airbnb).

While many companies would love to be “unicorns” (private companies with valuations above US \$1 billion) and obtain high levels of venture capital financing, the reality is that raising funds can be very difficult. Smaller companies are often restricted in the size of their accessible investor base, which severely limits fundraising upside and minimizes the chances of achieving a liquidity event like an IPO. This trend can cause problems for a company’s employees, founders and investors. Employees’ stock options are reduced in value as the chance of a profitable exit diminishes. Company owners lose out on opportunities to raise revenue in order to expand or increase their runway. And retail investors are prevented from investing in early stage, high-growth companies.

## **Cryptocurrencies Exchanges models**

Cryptocurrency exchanges are platforms that facilitate the trading of cryptocurrencies for other assets, including digital and fiat currencies. In effect, cryptocurrency exchanges act as an intermediary between a buyer and a seller and make money through commissions and transaction fees.

### **Centralized Exchange**

A centralized exchange is platform that facilitates transactions between cryptocurrencies and maybe fiat currencies. Transactions between the exchange’s customers are recorded in the exchange’s internal ledger. Transactions are typically not recorded on a blockchain or on any outside ledger. There is no transparency and neither the account balance nor the

transaction history can be viewed. The majority of existing crypto exchanges are centralized exchanges.

## **Decentralized Exchange**

A decentralized exchange is a marketplace that matches buyers and sellers on its platform and facilitates their transaction on a decentralized ledger or blockchain. Trade occur directly between users (peer to peer) through an automated process facilitated by the exchange. This system can be achieved, among other solutions that are currently being developed, by creating proxy tokens (crypto assets that represent a certain fiat or crypto currency) or assets (that can represent shares in a company for example) or through a decentralized multi-signatures escrows system.

Fully decentralized exchanges have existed since 2013 with MasterCoin<sup>®</sup> and counterparty<sup>Y</sup>. Aside from latency issues, one substantial limitation with these existing system and those being developed is that transactions cannot occur between different blockchains. As of now, pairs like ETH/BTC, LTC/BTC or BTC/USD are not tradable on a fully decentralized system.

Finally, decentralized exchange projects currently being developed don't focus on fiat deposit. It can be considered that fiat deposit and withdrawal are important functionalities that must not be overlooked when trying to capture market shares. According to CoinMarketCap<sup>^</sup>, the volume of intra-chain trading represents less than 2% of all transactions per day.

## **Hybrid Exchange**

There is spectrum of hybrid exchanges between centralized and decentralized exchanges, but they are not yet mature enough to resolve all the weakness existing among those two, in near future it is expected to see more of hybrid approaches.

Just to have a general view of how a hybrid exchange it can be mentioned that even though decentralized ledgers makes it possible to



bring many true features of blockchain to life, but it yet has its weaknesses like decentralized computing wastes of energy which can be replaced by centralized computing combined with decentralized ordered hash storage. Centralization, for its part, isn't intrinsically bad and offers some irreplaceable features for real life applications, namely privacy, speed, simplicity and authority. So hybrid approaches can bring the best of centralized and decentralized exchanges, but they more time and trial and error for practical implementation.

## **BEMEX (BEM Exchange)**

BEMEX is one of BEM foundation ICO projects. The name of BEMEX is derived from letter "B" of BEM foundation and the word "exchange" together (formerly called Bexchange).

At the starting point BEMEX will be a centralized exchange system but in future if the tech is mature enough it is possible to migrate to decentralized or hybrid models.

BEMEX will have an inclusive model toward all coins and tokens, so all the cryptocurrencies which are verified through reference analytic websites or are tradable on other top cryptocurrency exchanges would all be available to trade on BEMEX.

In order to initiate BEMEX, BEM foundation will raise money by offering BCN token. There are overall 500 Million BCN tokens which will be released and sold in bemchain.io exponential monetization project.

BEMEX will in addition to trade platforms support, also have monetization plan which commission will be paid for referring new user and their transaction. The multilayer monetization plan will most likely have tremendous effect gaining new user and turnover.

## **Bemchain.io**

The Bemchain.io project is responsible for ICO and selling BCN token to finance the BEMEX. BCN token will be sold with network marketing plans and interesting perk and features are assigned for bemchain.io users (for more information with bemchain.io website).

Use case promotion and increasing financial turnover for BEMT token is one of bemchain.io main goals. Participation in bemchain.io projects and buying BCN token is only possible with BEMT token.

During active days of BEMEX project and till finishing the sale of BCN and releasing the token to the market, BCN token will be more and more known to the public. Right after the release of BCN token, BEM foundation next project will be initiate and the funding will only be possible with BCN token.

BCN tokens in individual wallets are frozen and these token will be release gradually for the holders, so there will be no sell pressure on the token. Also new individual who want to invest in BEM foundation will have to buy BCN to invest in foundation's new tokens, so the demand for BCN token will remain high as it earn value with commission fees it gets through trades.

## **BCN Token**

BCN is of the BEM foundation's tokens which aims to raise fund for BEM Exchange with ICO. BCN is a utility token that will be used in BEMEX project. The money raised with sale of BCN tokens will be used to build a decentralized exchange on BEM blockchain. BCN tokens will be used on BEMEX to discount and some other services related to the exchange (e.g. transaction fee, etc)

BCN token will be released and distributed based on BEMChain smart contract.

## **BCN token technical specifications**

BCN name stand for the project BEMChain and it is based on TRON blockchain TRC20 smart contract.

Name: BEM Chain token

Symbol: BCN

Accuracy: 6

Total supply: 500/000/000

Wallet: tron link pro

Platform: Tron (TRC20)

Distribution policy: Freeze 2 years

Explorer: tronscan.org

Contract address: TAoA331n3iKDkR62kAZ4H2n3vNL7y3d8x9

Issuing Time: 2021-07-06 19:25:47 (UTC)

Official Website: [www.bcninfo.io](http://www.bcninfo.io)

Sales website: [www.bemchain.io](http://www.bemchain.io)

## **ICO method**

BCN token ICO will be take place by using the BEM Chain smart contract. To buy BCN tokens investors should visit bemchain.io website and follow the steps explained in the ICO page.

It only possible to buy BCN token with BEMT token. Investors will for each 1 BEMT token get 10 unit of BCN tokens. BCN tokens are first shown in individual user account and then can be deposited from their account to personal wallet.

Minimum amount of investment in BCN is 2000 units which equal to paying 200 BEMT tokens. It is possible buy more BCN in multiples of 2000 (e.g. 2000, 4000, 6000, etc.). And maximum amount of purchase is 500/000 units for each user.

## **BCN token freeze and unlock time**

BCN token, after deposition from user account to personal wallet will be frozen for 2 years. The 2 years is the maximum amount of freeze time for tokens; If BCN

tokens are sold out earlier than said 2 years, the unlock time will be shortened the same amount.

Example: if all BCN tokens are sold out in 18 months, the freeze time will be reduced to the same duration and each individuals token will be frozen only for 18 month in their wallet after their purchase and deposition to their wallets.

But if it takes longer than 2 year to sell all the BCN tokens, the unlock procedure will be done in that exact 2 years period and not more, and each individual tokens will be unlocked 2 years after their purchase and deposition to their wallets.

Each individual can visit his/her own virtual work office in BEM Chain system and from the BCN token section can view and withdraw the tokens. After clicking on withdraw option the mining command will be send to BEM Chain smart contract and the token will be deposited to your wallet. The unlock time of token will be initiated right after this deposition of BCN into your wallet.

## **Token Burning**

Right after the final unlocking and initiation of the BCN usage in BEM chain and BEMEX, there will be monthly token burn for BCN, equal to one percent of project's net profit. This will be done to prompt the price increase of BCN.

The specifics of token burning may vary due to the long time that unlocking of all BCN would take, so BEM foundation may take the best strategy for the future of BCN token.

## **BCN token use cases**

The three major use cases of BCN token will be usage in bemchain.io project and as exchange token in BEMEX website.

### **BCN as Product**

One the main goals of BemChain smart contract is to facilitate job creation and entrepreneurial investments. The BCN token acts as a product in BemChain

system. The purchaser will pay for BCN and the profit made from it will be used in BEM Exchange and BemChain founding.

### **BCN in bemchain.io**

After finishing the sale of BCN tokens and as soon as the freeze time of token is done, the next token project will be initiated. So new investors who join the bemchain.io project would buy the new token. And the new token can only be purchased with BCN token. Individuals will get the new token by paying BCN tokens.

It is important to note that, all individual who had bought BCN token before initiation of the next token project who are now participant of bemchain.io project, should buy the new token after their BCN token are unlocked, so their user account would remain active.

### **BCN in BEMEX**

After the launch of BEM Exchange, the BCN token will be used as main exchange coin on BEMEX, so if individuals have BCN token on the wallet connected to the exchange, the commission fee for transfer will be reduced. And also the commission and transaction cost is reduced if BCN is one end of the currency pair.

In the referral program, for inviting new users to the exchange, multilayer commission will be paid with BCN token.

It is possible that Liquidity, Staking and similar features will be added to BEMEX, and all these related projects will use BCN token.

# Roadmap

The development of BEMEX is segmented into four phases.

## **Phase.1 when 25% of BCN tokens are sold**

Support and R&D teams are established and working.

## **Phase.2 when 50% of BCN tokens are sold**

The operational phase of BEMEX project is initiated.

## **Phase.3 when 75% of BCN tokens are sold**

The BEMEX Project will be unveiled publicly.

## **Phase.4 when 100% of BCN tokens are sold**

The BEMEX will be operational.

## FAQ

Q:What is minimum BCN purchase to begin investment in bemchain.io project?

A: 2000 BCN tokens should be purchased.

Q:Which wallets you recommend to receive BCN tokens?

A: currently there are two options – Tron link pro and Token Pocket

# References

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<sup>1</sup> <https://beminfo.io/files/whitepaper.pdf>

<sup>2</sup> <https://gobitcoin.io/tools/cost-51-attack/>

<sup>3</sup> <https://blog.ethereum.org/2014/11/13/scalability-part-3-metacoin-history-multichain/>

<sup>4</sup> <https://www.forbes.com/sites/chancebarnett/2017/09/23/inside-the-meteoric-rise-of-icos/>

<sup>5</sup> <https://www.statista.com/statistics/804748/worldwide-amount-cryptocurrency-ico-projects/>

<sup>6</sup> <https://www.coindesk.com/crypto/mastercoin>

<sup>7</sup> <https://counterparty.io/docs/trade/>

<sup>8</sup> <https://coinmarketcap.com>