



PayFair

The Decentralised Escrow and P2P Crypto-exchange on the Ethereum blockchain

White paper



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ABSTRACT

Every one of us has faced a problem when you needed a third party to secure a transaction. Perhaps you have been one of the many that has endured the hardship of fraud or heard the horror stories that are prevalent within the cryptocurrency world. The most common of these tend to involve one of the parties not meeting all of the requirements or perhaps had vanished without a trace. The invention of blockchain technology has offered the world an opportunity to remove this widespread issue. Our team has decided to solve this by creating a convenient, easy-to-use, decentralised, transparent and independent escrow platform to make safe transactions.

WHAT IS ESCROW SERVICE ?

Escrow is a financial agreement in which a third party regulates all the processes between two exchanging parties. It provides a safer transaction as money is held on a secure account and the deposit is only released when all of the requirements have been satisfied. In this instance, using an escrow service is useful, especially if large amounts are involved, as it cannot be released until these requirements are met. For example, A client has instructed an individual to produce a website. The client, naturally, would like to verify the quality of the website before purchasing, and a designer doesn't want to share his or her work without any guarantee that he or she receives payment.



THE PAYFAIR PLATFORM

PayFair is a decentralized Escrow platform which ensures the paramount security of all cryptocurrency transactions made between two parties. These transactions include cryptocurrency, FIAT, services and digital and physical goods.

This service is enabled by the PayFair token (PFR), which is an ERC-20 token based on the Ethereum blockchain. These PFR tokens create a network of “Nodes” that create a decentralized environment.

The cost of using this service is extremely low. We will also provide a highly competitive service that completes all transactions in a safe, private and decentralized environment resulting in a trust-less experience.

PayFair is not only designed to provide a safer environment but also save time. As no third parties are involved when making a transaction; we are able to avoid the time consuming bureaucracy.



THE PAYFAIR TOKEN

(Ethereum ERC-20 token standard)

PFR tokens are an essential part of the ecosystem and are designed to fulfill several roles:

1. Create nodes of trust in the platform
2. Create escrow nodes that will resolve disputes
3. Enable token holders to receive a commission on fees

PAYFAIR GOALS

1. Create trust-less guarantees between contractors, sellers and buyers.
2. Ensure mutually beneficial relationships between all participants within the platform.
3. Create an independent system without outside or developer interference.
4. Raise the social interest in cryptocurrencies and provide an easier to use platform for new investors



WHAT THE PLATFORM SOLVES

- Eliminate the lack of trust between contractors, buyers and sellers
- Regulate trade conflicts through the help of a decentralized, rating driven escrow service
- Decrease the exorbitant fees that plague the escrow market
- Eliminate the potential for opportunistic and orchestrated fraud.

INNOVATIONS

- Escrow independence is achieved through anonymity, thus does not depend on contractors
- Decentralized escrow meaning those who run the nodes are not linked to any third party but are engaged independently
- An escrow rating system will ensure a high level of customer service and reliance when disputes occur
- A buyer, seller and contractor rating system to ensure those who provide a reliable and/or smooth transaction are highlighted
- Full open-source API
- The most popular cryptocurrencies will be offered as a means of payment between contractors with more crypto offerings added as the wider market matures
- Self-learning neural system for automatic transaction processing



BLOCKCHAIN AND ESCROW MARKETS ANALYSIS



(Picture - Google.Trends when searching «blockchain»)

It has been almost 10 years since Bitcoin was introduced and over the years has built an unarguable following resulting in the emerging market we see today. This achievement is a testament to blockchain technologies of which grow evermore complex with each improvement we see solve more real world problems through the use of blockchain technologies.

CRYPTOCURRENCY MARKET CAPITALIZATION



(Picture - Total Market Capitalization by Global Charts
<https://coinmarketcap.com/charts/>)



(Picture - Analysis of «escrow» search)

The rise of total cryptocurrency capitalization is close to 6000% since 2013. Meaning there is a clear growing global interest. New investors who see the clear potential of blockchain technologies are entering the market at an exponential rate.

Whereas «escrow» search has been stable for over 5 years; meaning a stable demand.

POTENTIAL MARKET SHARE

- Trust Nodes that utilise smart contracts resulting in trading without human interaction
- Decentralised anonymous escrow nodes with no driver to defraud the system
- Cryptocurrency to:
 - Fiat exchange service
 - Domains and websites
 - Freelance and online services
 - Physical and digital goods (video games etc.)



PLATFORM FUNDAMENTALS

Ecosystem is a platform for completing transactions and deals.

Fee (commission) is a payment for the transaction made by the buyer and seller (or contractor).

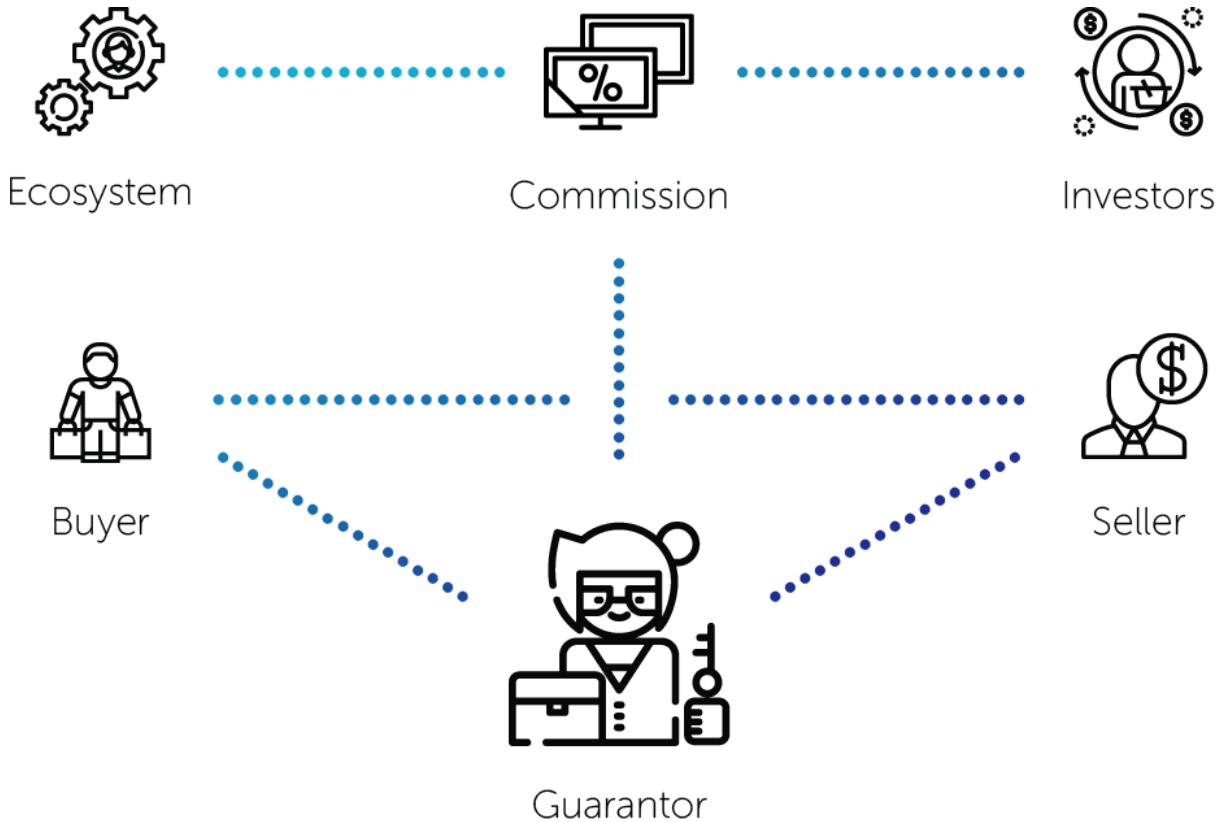
Buyer — a party interested in transaction safety.

Seller — a party selling items, goods or services.

Trust node — PFR token holders.

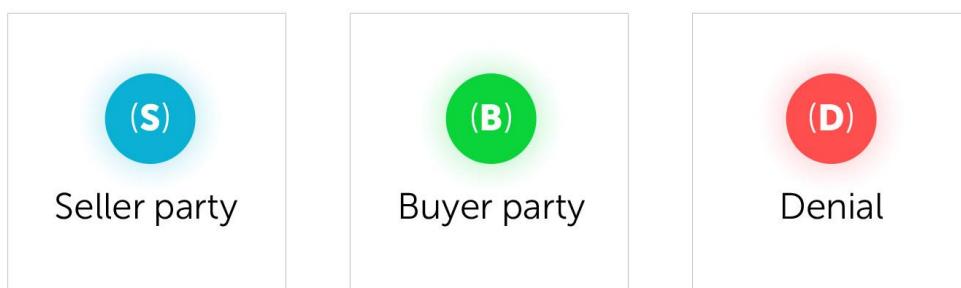
Escrow — an independent and anonymous chain of escrow-nodes. Escrow settle the differences.

Escrow-node — PFR token holders in status escrow.





CONDITIONS OF **SUCCESSFUL ESCROW DEAL**



Escrow approves **buyer** party;
3 consecutive decisions for buyer



Escrow approves **seller** party;
3 consecutive decisions for seller

* Every escrow-participant is anonymous to each other
as well as to contractors



COMPLETING AN ESCROW TRADE

1. The party(s) deposit cryptocurrency into the decentralised escrow account.
2. Buyer and seller confirm the terms of the deal have been met (not relevant if crypto to crypto transaction)
3. 3 Consecutive “successful” decisions from the escrow-nodes
4. Payment is released from the escrow account

Person A and Person B are trading. Both ask Person C (Escrow node) to hold the fund within a decentralized escrow account. Both Person A and Person B are happy with their goods/payment/service and the funds are released.

However if either of the parties are unhappy, the transaction is held in escrow during the dispute process. It will be held there until a resolution has been determined. The escrow accounts will be able to request additional evidence to support the transaction to further ensure a successful outcome.



RATING SYSTEM

Rating of escrow-nodes

- The rating system will create a self-regulating ecosystem with reliable participants of an escrow-chain
- Improves competency, confidence of trades between parties and open-mindedness
- Fair fee distribution between the participants

Rating of buyers, sellers and contractors

- Improves mutual confidence between the parties even without the use of escrow-nodes
- When using the platform for escrow service multiple times, rating helps to lower the fees for transactions therefore encouraging clients to use the platform more and more

TOKEN HOLDER INCENTIVES

Trust-nodes are awarded for their **passive** participation in the system. They receive a commission for **every** successful trade on the platform of which is paid out in the currency that each trade was completed in.

Escrow-nodes are awarded for their **active** participation in the system. They receive a commission for **each** successful trade they have participated in of which is paid out in the currency that the trade was completed in.

Payments are automated and enabled by smart contracts



TRUST NODES - FURTHER INFORMATION

The trust node is a critical element within the network and performs the important job of maintaining, updating, and securing the PayFair ecosystem. Trust Nodes support the price of the token, they make it stable and resistant to dramatic changes.

To setup a trust node you will need 10,000 PFR minimum. Trust nodes are weighted meaning additional PFR over 10,000 will multiply the playout value. For example: 17,000 PFR = 1.7x pay out

The advantage of Trust Nodes over other master nodes is that there are **no hardware requirements or 24/7 online time**. You simply use the signing feature within myetherwallet to link your PFR wallet with the PayFair platform, then sit back and enjoy your passive income.

ESCROW NODES - FURTHER INFORMATION

Escrow-nodes ensure the integrity of a trade between parties (buyer and seller). Escrow (or Guarantor) nodes are secured by PFR tokens, meaning every decision in the ecosystem is ensured by value and is performed by a real person. When this is combined with an Escrow rating system it further supports its ability to rid the platform of bad actors.



Current masternode systems do not allow participants to connect in any meaningful human-to-human way. PayFair's "Smart Wallet" technology will allow Escrow node holders to easily connect and communicate with other Escrow node holders (unless they wish to stay anonymous.) This new type of networking gives the PFR token a clear advantage over similar coins, because Escrow node holders can more easily organize themselves because they know who each other are.

Escrow Nodes are an immutable \$250 **worth of PFR**, operating an Escrow node will require active participation and is not passive like the Trust Node, though this activity is rewarded.

PLATFORM TRADE FEE

Every fee on PAYFAIR platform will be distributed:

Non-escrow deal

(1% fee, without taking into account contractor rating)

Trust-node — 80%

Marketing, supporting ecosystem — 20%

Escrow deal

(3% fee, without taking into account contractor rating)

Trust-node — 40%

Marketing, supporting ecosystem — 10%

Escrow-node who made the decision — 50%



CROWDFUNDING

The total amount of tokens in circulation is 100,000,000 and are premised. The following is the breakdown of the 100,000,000 distribution:

Pre-ICO	30 000 000
ICO	56 000 000
Reserved for PAYFAIR team*	11 000 000
Bounty campaign	3 000 000

* *frozen for 12 months*

PRE-ICO STAGE WILL USED FOR FURTHER MARKETING

- PRE-ICO period will be held for 30 days
- The minimal target is 40000\$

After reaching this amount and finishing pre-ico campaign, tokens will be transferred to your ethereum wallet.

Pre-ICO goals:

- Identify the social interest in the project
- Creating a strategy for promoting the ICO platform



ICO CAMPAIGN WILL BE HELD FOR 30 DAYS

Funding will be processed through Ethereum smart-contract

<https://github.com/payfairio/smartcontracts>

ICO goals:

- Determining base token value
- Creating a financial base for further development according to the roadmap; marketing and promoting
- Fair distribution among trust-nodes

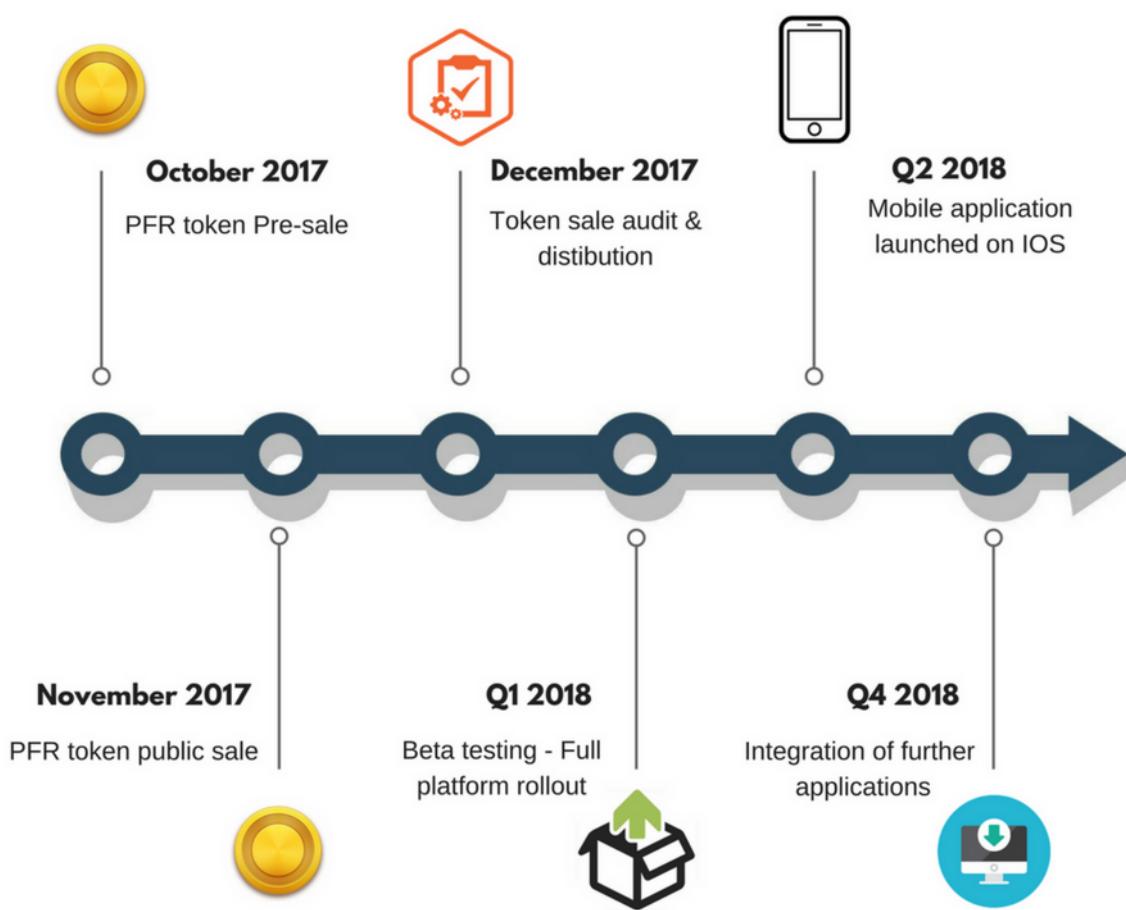
ICO BONUSES

To encourage early investors we offer early stage bonuses:

1 day — 20%
2-5 days — 15%
6-10 days — 10%
11-20 days — 5%
21-30 days — 0%



ROADMAP

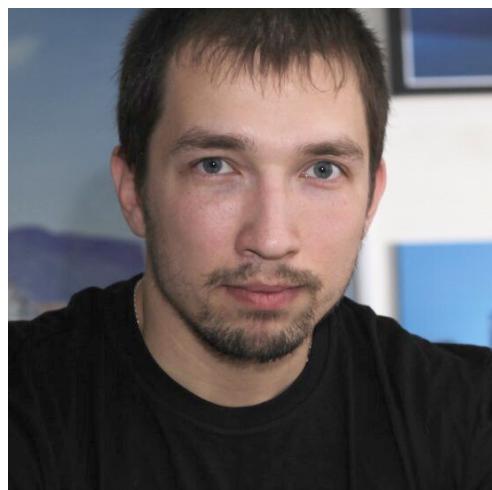




THE TEAM

Our team doesn't include influential people or leaders of opinions. We feel that this it's the most important thing to create a successful business. We instead opted to unite high-class specialists and create a driven and passionate team. Our motivation is to see the platform grow into a world class alternative to central crypto to fiat exchanges.

Denis Salangin (Founder)



Denis is an entrepreneur and a start-up founder with experience in marketing and commercial projects. He has vast experience in project management and wonderful understanding of principles of decentralized systems based on blockchain.

<https://www.linkedin.com/in/denis-salangin-21041114a/>
<https://vk.com/id62975354>



Evgeniy Pomelov (Community manager)



Evgeniy is a specialist in communication with over 5 years of experience in PR and social media. He is managing our communities on Telegram, Facebook, Twitter and other social media. Evgeniy knows how to speak the same language with all the people.

<https://t.me/JohnPomelov>

<https://www.linkedin.com/in/john-pomelov-94a41014a/>

<https://www.facebook.com/john.pomelov>

Dmitriy Plishkin (Digital Marketing)



Dmitriy has been working as a PR and marketing manager for 4 years. He specializes in contextual and media promotion, online PR. His expertise spans all aspects of digital marketing – with an emphasis on comprehensive Internet presence management.

<https://t.me/Dplishkin>



Aleksey Suvorov (Lead developer)



Alexey has more than 6 years of experience in project development and management. He is especially skilled in building advanced systems and developing solutions for business automation. Alexey is proficient at Javascript, Php and Python.

<https://t.me/Navlis23>

Vyacheslav Butorin (Fullstack developer)



Vyacheslav has over 5 years of experience in web programming. He is especially skilled at developing solutions for e-commerce and advertising companies. He specializes in full-stack development using modern tools and frameworks.

<https://t.me/Sloker>



Roman Lihachev (Backend developer)



Roman has been creating stable and scalable projects with our team for 2 years. He is especially skilled in backend services and distributed systems. Roman has great experience in SQL, non-SQL and in-memory database systems.

<https://t.me/RomanLikhachev>

Kristina Zayakina (Frontend developer)



Kristina has over 3 years of experience in design and front-end development. She is skilled in HTML, JS/CSS frameworks, and websites speed optimization. Kristina uses her knowledge of coding and design to make a website look amazing to the end user.

<https://t.me/Nuxe5>



Michael Nikitin (Frontend developer)



Michael has 2 years of experience in creating easy-to-use sites and web applications. He has delivered front-end solutions for a lot of local start-ups. Michael is proficient at HTML5, CSS3, JavaScript and Semantic UI.

<https://t.me/MikeGood>

CONTACTS

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Twitter: <https://twitter.com/payfairio>

GitHub: [https://github.com/payfairio/](https://github.com/payfairio)

Reddit: <https://www.reddit.com/r/payfair>

Bitcointalk: <https://bitcointalk.org/index.php?topic=2127946>