



exchange union

EXCHANGE UNION

CONNECTING DIGITAL ASSET EXCHANGES

WHITEPAPER



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1. Ecosystem of Digital Asset Exchanges

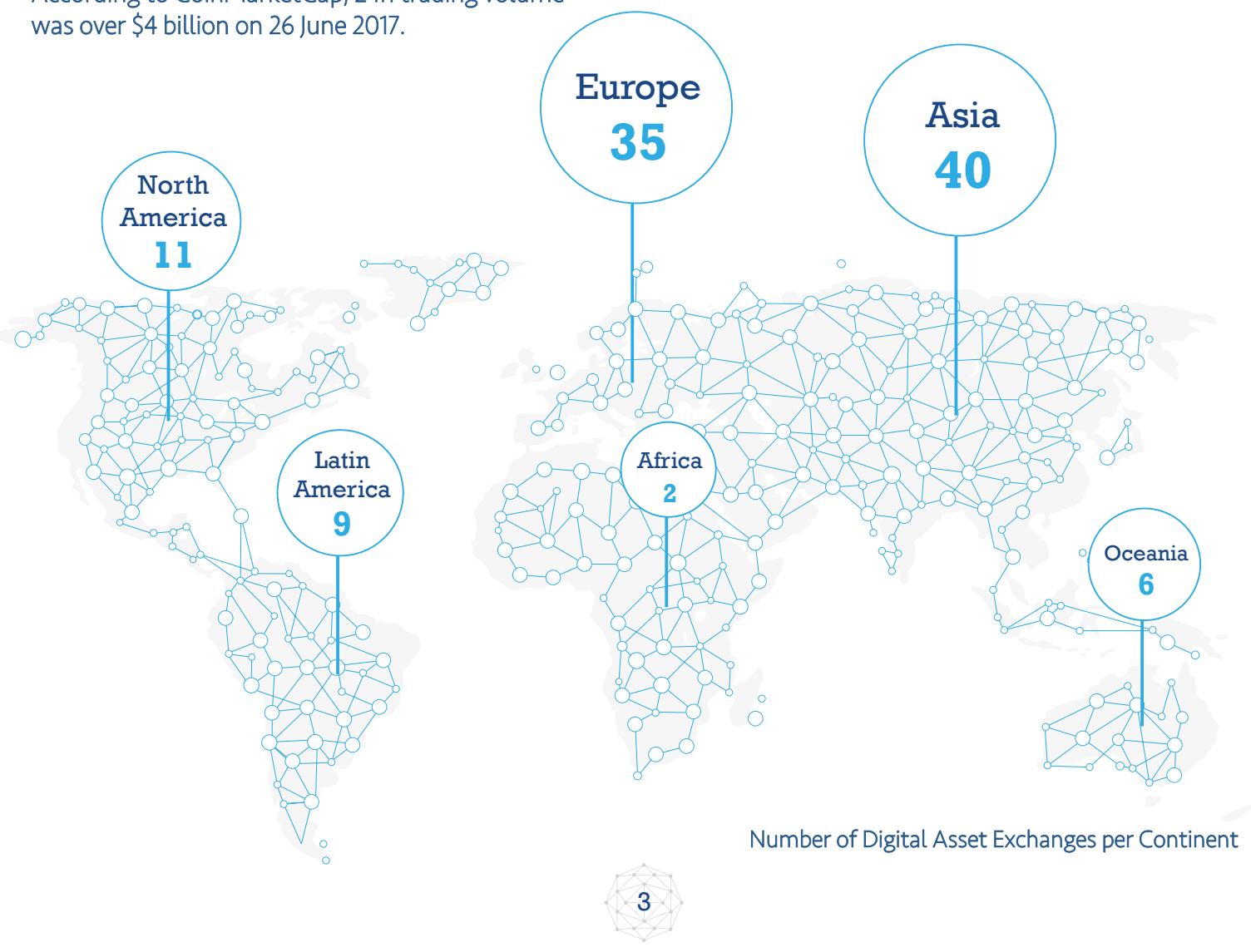
1.1 Overview of digital assets and exchanges

By 26 June 2017, 941 kinds of digital assets were recorded on CoinMarketCap and the total market capitalization exceeded \$100 billion, which is 50 times larger than 5 years ago. Since 2017, growth rates of market capitalization and volume traded for the top 20 cryptocurrencies has been 383% and 985% respectively.

The secondary market has witnessed the growth in value of digital assets . There are more than 100 digital currency exchanges and tens of millions of active investors worldwide.

According to CoinMarketCap, 24h trading volume was over \$4 billion on 26 June 2017.

Currently East Asia, North America and Europe are the biggest markets of cryptocurrencies. The percentage of trading volume for the three markets is about 63%, 25% and 11% respectively. The price of coins differs among these markets. In East Asia, Bitcoin and Ethereum are often sold at a premium of 3-5%. For example, in South Korea Ethereum was trading at nearly 10% above the global average in early July. By contrast, the prices of Bitcoin and Ethereum in Europe and North America are lower than the global average.



1.2 Industry pain point: the isolation of exchanges

For regional reasons, fiat currency, language and the investment environment, digital asset exchanges tend to be localized and isolated. Not all digital assets are available to customers in every region and the prices vary quite substantially. In addition, services provided by exchanges differ and not all trading information can be found on the open market. This becomes an obstacle to cross-country or cross-region trading, transfers, deposits and withdrawals - a major inconvenience for investors.

Furthermore, this affects global digital asset liquidity, market-oriented distribution and best price discovery, limiting the nature and advantage of digital assets.

2. Overview of Exchange Union

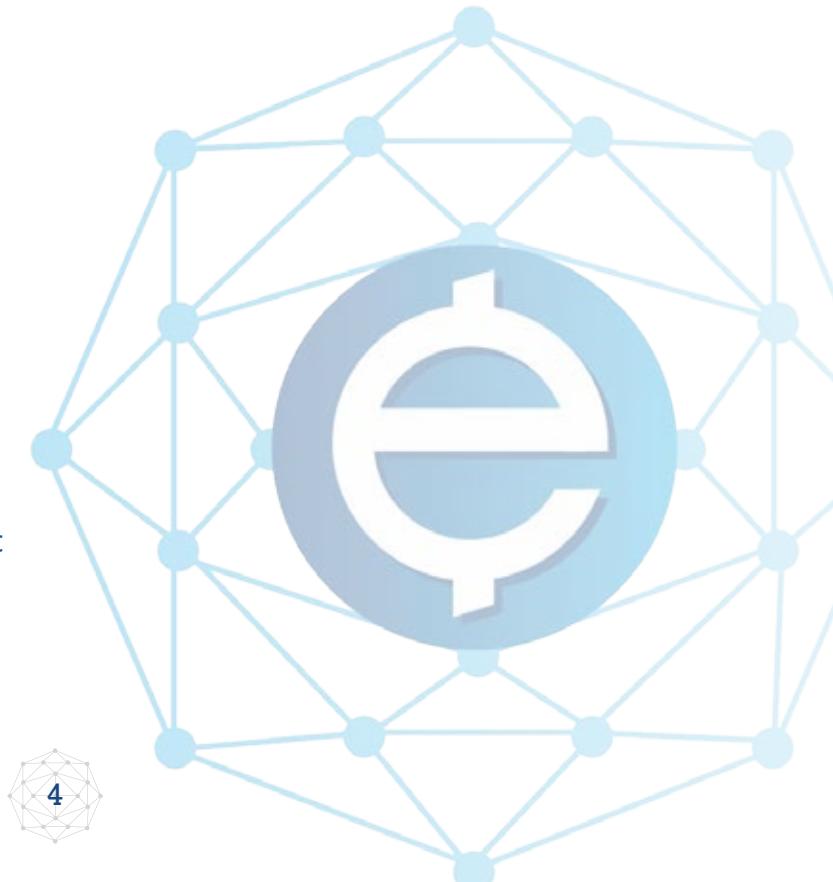
2.1 Vision and mission

Exchange Union connects digital asset exchanges around the world by forming a decentralized meta-exchange, which enables instant and trustless trades between digital asset exchanges.

Exchanges benefit from access to a larger user base, increased earnings and a robust decentralized trading infrastructure.

Users benefit from increased liquidity through combined orderbooks, access to the best price and virtually all trading pairs; all through the same familiar exchange platform.

We will support building the ecosystem, the branding of Exchange Union and support the development of Exchange Union's technology. Exchange Union will continue to provide support for its network, team and XUC holders.



2.2 Technical mechanism

2.2.1 Use case



Alice

Portfolio		
	Before	After
BTC	2	2
LTC	0	10
ETC	100	80

Alice is only registered in Exchange A, but wants to buy LTC.

- 1 Alice inputs order BUY 10 LTC using ETC.

- 2 System will find the best price through Exchange Union:
Bob's order on Exchange C.

- 3 Exchange A instantly and securely transfers 20 ETC to Exchange C to fill Bob's order via the Exchange Union Network.

Traded Currencies
 • BTC
 • ETC
 • XUC



- 4 The Exchange Union Network simultaneously transfers 10 LTC from Exchange C to Exchange A to fill Alice's order.

- 5 Transaction was successfully executed and is recorded on Exchange C and on Exchange A.

Traded Currencies
 • LTC
 • ZEC
 • XMR



Traded Currencies
 • BTC
 • ETH
 • ETC

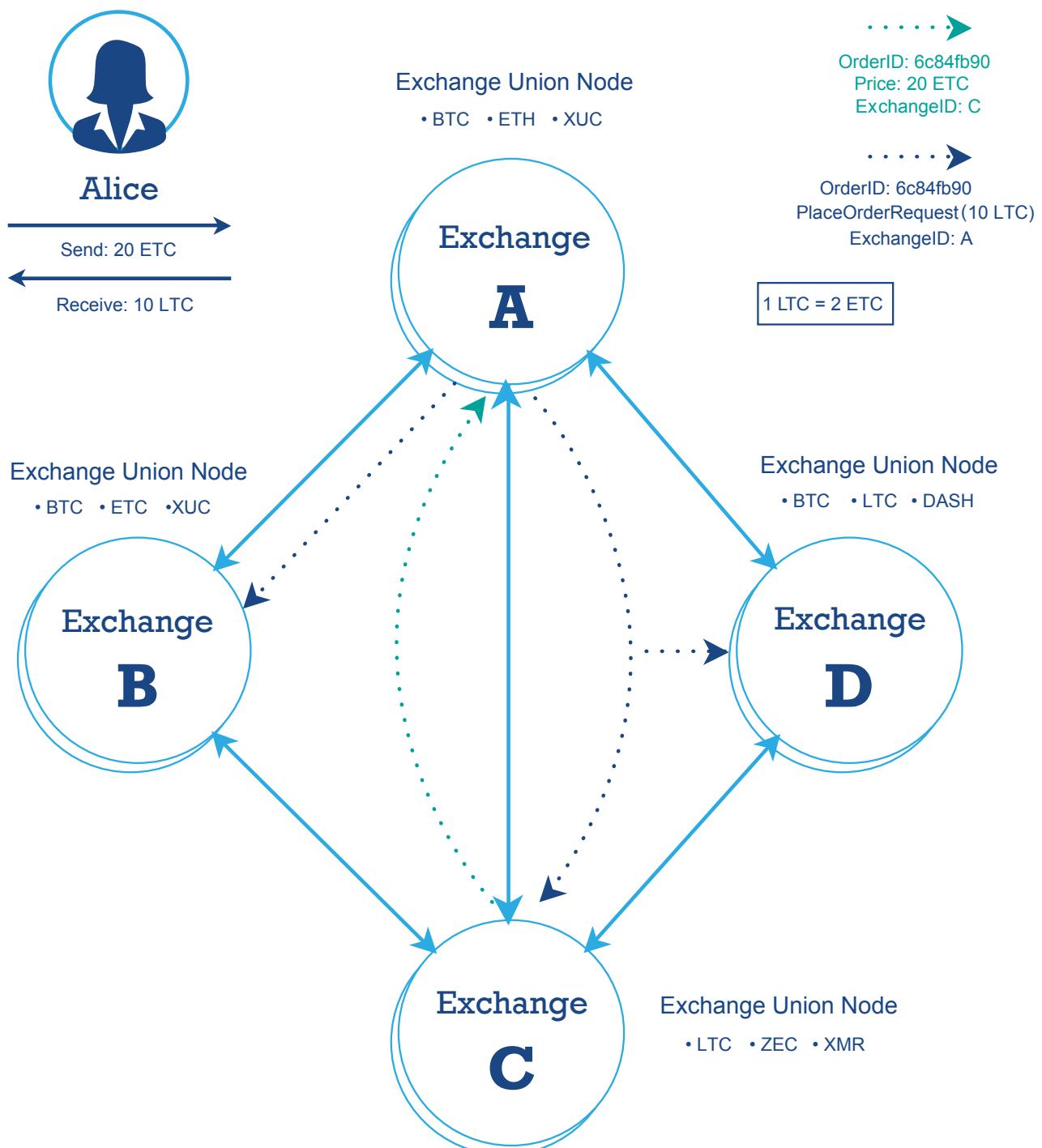
Traded Currencies
 • BTC
 • LTC
 • DASH

1 LTC = 2 ETC

- 6 Alice's portfolio on Exchange A is updated.

- 7 Alice's trade history shows all her transactions that happened in the Union.

2.2.2 Architectural diagram



Exchange A and C System

2.2.3 Technical concept

i. Build relationships

We will build a developer community and strategic relationships with digital asset exchanges.

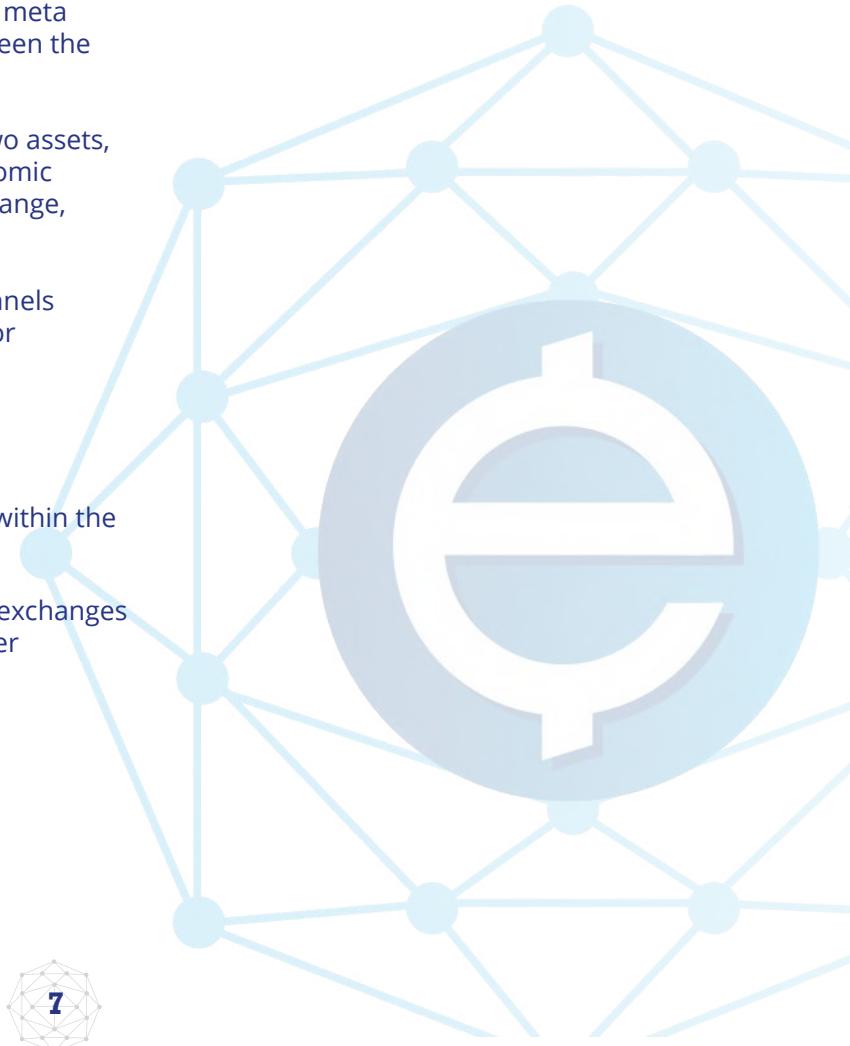
ii. Synergies will be developed amongst members of the Union.

-  Exchange Union connects digital asset exchanges by forming a decentralized exchange, which enables instant and trustless trades between exchanges. This is realized via a novel technology combining 'payment channels' and 'atomic swaps'.
-  The decentralized exchange is formed by exchanges running nodes, which build the decentralized backbone of the Exchange Union Network. All trades and fees settle securely and instantly.
-  Payment channels, are a new technology which are build on top of public blockchains, like bitcoin, and enable instant transfers. Transaction and other meta data is cryptographically kept confidential between the exchanges involved in one trade.
-  Atomic swaps enable a trustless exchange of two assets, for example between bitcoin and ethereum. Atomic swaps guarantee the atomicity of an asset exchange, either it happens completely or not at all.
-  The Exchange Union node opens payment channels on each chain an exchange wants to support, for instance bitcoin, ethereum, litecoin and others.

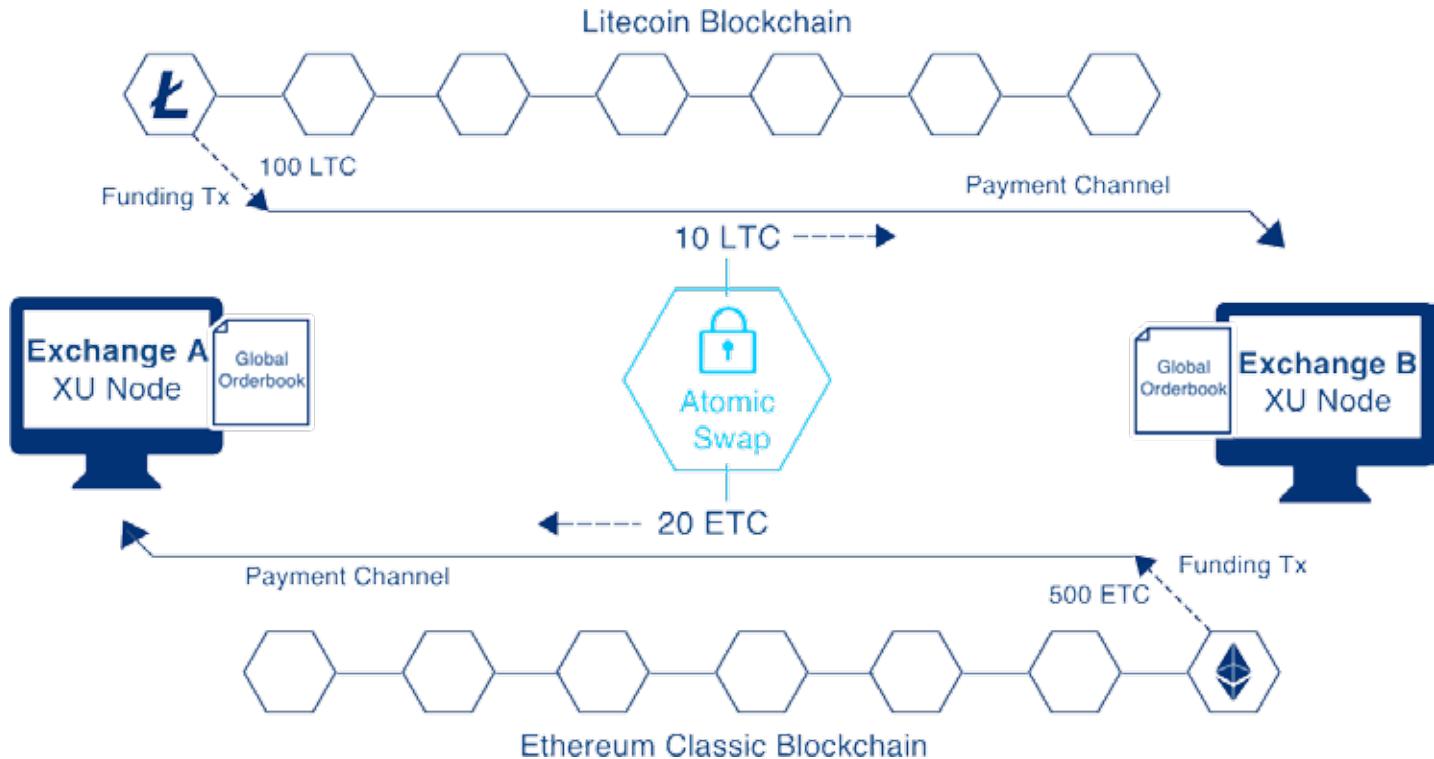
iii. Why XUC ?

XUC will be used for incentivizing functionaries within the union.

This especially includes customers, developers, exchanges and functionaries which provide services to other members of the union.



Built on top of public blockchains, like Bitcoin, Exchange Union inherits battle-tested security



Benefits of the Exchange Union Network



Faster

Real-time transaction finality on the Exchange Union Network.



More secure

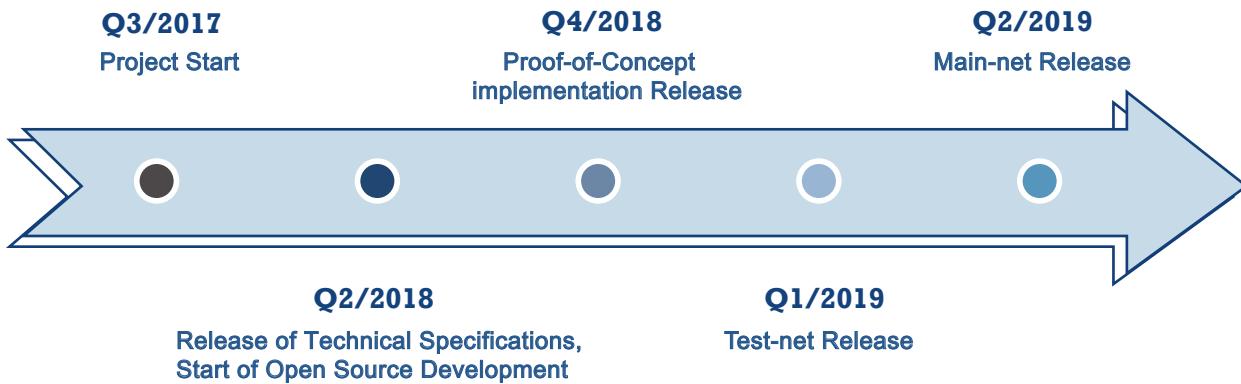
Backed by battle-tested public blockchains, like Bitcoin and Ethereum, the Exchange Union Network is trustless & secure.



Cheaper

Lower transaction fees on the Exchange Union Network.

3. Roadmap of Exchange Union



4. XUC Overview

4.1 XUC supply

XUC: an ERC 20 token
XUC supply : 3,000,000,000

4.2 XUC value



Cheap & Secure transfers



Powers each trade within the union



Incentivize customers and functionaries within Exchange Union



5. XUC Token Allocation

Usage	Lock-up Period	Max. Annual Release Amount	Percentage	XUC Amount
Presale & Private Placement	–	–	2%	60,000,000
Rewards*	–	–	33%	990,000,000
R&D	–	45,000,000 (10 yrs)	15%	450,000,000
Team Members	2yrs	60,000,000 (5 yrs)	10%	300,000,000
Promotion & Bug Bounties	–	–	3%	90,000,000
Special Contributors	–	–	2%	60,000,000
Incentive Reserve	2yrs	–	5%	150,000,000
Excess supply to be burned*	–	–	30%	900,000,000
Total Supply				3,000,000,000

*63% of XUC tokens will be burned or are reserved for rewards.

 ERC20 token, no ICO, not classified as security.