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Bitnan - A digital currency trading platform with profit sharing

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Whitepaper

<b>1. INDUSTRY STATUS.....</b>	<b>3</b>
<b>2. INDUSTRY PAIN POINT.....</b>	<b>3</b>
2.1 HIGH TRANSACTION FEES.....	3
2.2 SINGLE INVESTMENT TOOL.....	4
2.3 THE THRESHOLD OF API .....	4
2.4 LACK OF QUANTITATIVE TRADING STRATEGY BASED ON THE DIGITAL CURRENCY.....	4
2.5 COMPLICATED REGISTRATION AND CERTIFICATION PROCESS .....	4
2.6 USE LEGAL TENDER AS THE SETTLEMENT UNIT .....	5
<b>3. INTRODUCTION OF BITNAN DIGITAL CURRENCY TRADING PLATFORM .....</b>	<b>5</b>
3.1 BUSINESS TRAIT OF BITNAN.....	6
3.2 BASIC TRANSACTION PROCESS OF BITNAN .....	7
3.3 WAYS TO GAIN PROFIT .....	8
3.4 PROFIT SHARING .....	9
3.5 DEVELOPMENT PLAN OF BITNAN.....	10
<b>4. DEVELOPMENT ROADMAP OF BITNAN .....</b>	<b>11</b>
<b>5. INTRODUCTION OF BITNAN ICO .....</b>	<b>11</b>
5.1 RULES OF SUBSCRIPTION .....	11
5.2 CAPITAL USE .....	12
<b>6. ABOUT OUR TEAM .....</b>	<b>12</b>
<b>7. DISCLAIMERS AND RISK WARNINGS.....</b>	<b>13</b>
<b>8. CONTACT INFORMATION .....</b>	<b>13</b>

## **1. Industry Status**

In recent years, with the rapid growth of digital currency represented by bitcoin, the concept of digital encrypted currency has been gradually recognized and accepted by the public. At the same time, along with the capital injection and practice of geeks, competing coins such as Litecoin, ETH and Ripple began to pour into the market. Because of the rich application scenarios and the technology innovation based on block chain, the trading volume of competing coin has been rising in a short period of time, and the market value has increased substantially.

More and more investors are turning their attention to the digital currency market with great potential. This spawned all kinds of digital currency trading platforms, they provide a wide range of services for digital currency investors, including real-time quotes, place orders, order matching and many other services for digital currency investors. They optimize the transaction process, reduce the investment threshold, enrich the investment means. At the same time, the market liquidity of digital money has been increased, exchanges have promoted the development of digital currency to some extent.

## **2. Industry pain point**

Digital currency trading platform provides a convenient investment channel for investors. Different prices between trading platforms also offer arbitrage opportunities. However, for domestic and foreign investors, there are still some widely criticized issues:

### **2.1 High transaction fees**

Many digital currency trading platforms have a commission, which is always high. The general commission of each transaction is 0.2%, The commission of withdrawal

is 0.5%. This not only shrinks the investors' profit, but also limits the high-frequency trading behavior.

## 2.2 Single investment tool

Some trading platforms only support spot trading of digital currencies. Being lack of diverse investment tools is unable to meet the needs of investment users with different risk preferences.

## 2.3 The threshold of API

Generally, trading platform provides real-time quotes, place orders, order inquiries and a series of API for users to use. However, the use of API relies on the programming. For ordinary users, the cost of learning is higher and it is difficult to use.

## 2.4 Lack of quantitative trading strategy based on the digital currency

Quantitative trading refers to the mathematical model instead of subjective judgment of human. By using computer technology, a variety of "big probability" events that can generate excess returns are selected from the historical data of the trading platform to formulate strategies. Use computers to implement strategies automatically.

The API provided by the trading platform can be used for information display. But the more suitable application scenarios should be quantitative trading based on the digital currency. But with high commissions, API barriers, obscure API documents and poor response speed, there are very few profitable trading strategies.

## 2.5 Complicated registration and certification process

For the implementation of national digital currency regulation, digital currency trading platform often needs to set up strict and complicated process of real name authentication, which makes foreign users' participation extremely difficult, they have to use their mobile phone number, passport number, address and a series of data to complete the registration certification.

## 2.6 Use legal tender as the settlement unit

Because of economic policies and attitudes towards the digital currency is different in countries, using legal tender as the settlement is strongly affected by policy constraints and not conducive to the long-term stable development of trading platforms.

## 3. Introduction of bitnan digital currency trading platform

Based on the existing market pain point. The project team has surveyed and used dozens of trading platforms worldwide, such as Bitmex, Poloniex, Liqui.io, OKEx, Zaif and Coinbase. Standing in the investors' perspective, we evaluate each platform from a variety of aspects, such as user experience, operation process, investment tools, API response speed and so on, analyze the advantages and disadvantages of each platform. Combined with the project team's existing business resources and years of Internet financial development and operation experience, figure out the business characteristics and transaction flow of the bitnan, and complete the technology selection and development of core modules. We aim to create the world's best digital currency trading platform.

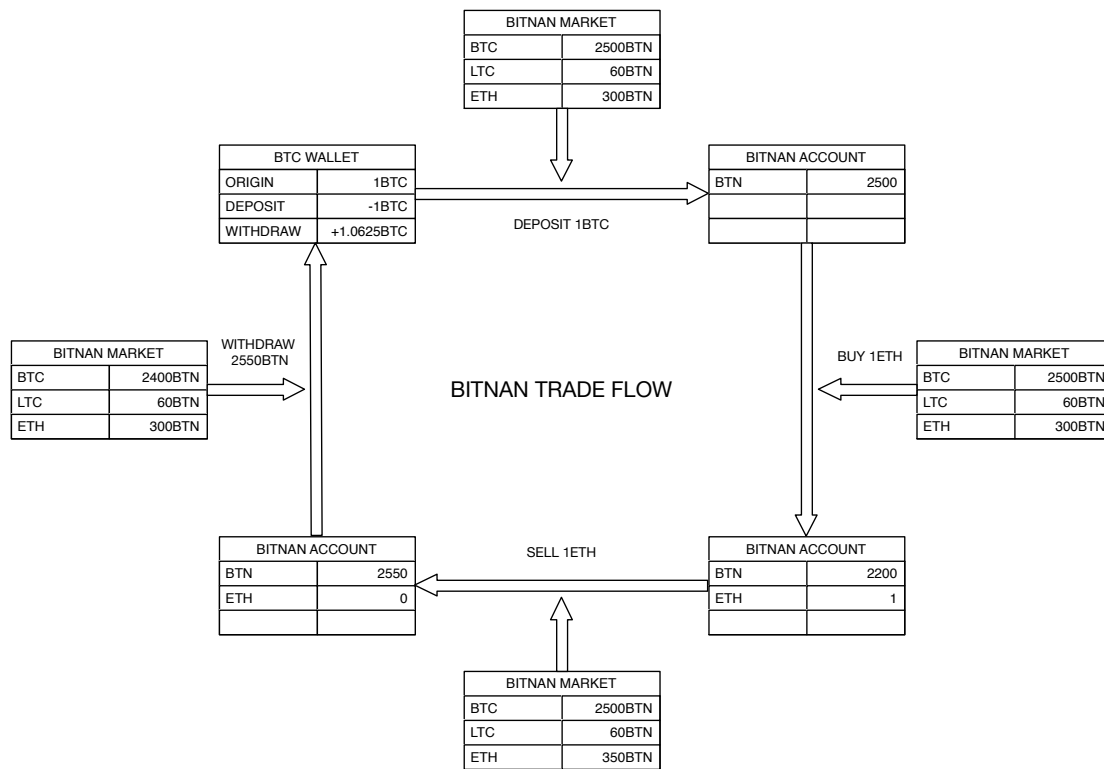
### 3.1 Business trait of bitnan

- 1) Spot transaction is free of charge to maximize investment returns and eliminate the restrictions on high-frequency transactions.
- 2) Bitnan will provide a variety of investment tools including spot transaction, margin trading and financing trading. Detailed Chinese and English documents guide investors to operate correctly, prevent loss of funds due to misuse.
- 3) With graphical programming tools, users can generate their own trading strategy buy simple drag-drop and input basic parameters, without the concern of API calls.
- 4) Provide quantitative transaction module, users only need to set simple indexes to generate their own trading strategies automatically, quantitative trading strategies can be optimized with platform historical data, and can also be automatically executed by the platform, breaking through barriers that ordinary users can not use API to do quantitative transactions.
- 5) On the premise of guarantee the security of users' funds, bitnan optimize the registration process to the maximum extent. Users don't need to carry out complex real name authentication and identity check, only need to enter the pre-set security password in the risk operation.
- 6) Using the platform token BTN (transaction settlement token, different from BRT) as a trading settlement token, to circumvent the regulatory risk of policies in countries. 1BTN's settlement value is \$1.

- 7) Bitnan use the distributed architecture to make efficient and stable RESTful API. Provide demos in different languages. Supply developer-friendly API documents. This is suitable for investors with programming experience.
- 8) Provide investment assistance APP. By using large data analysis, improve the user's portrait gradually. Supply investment advice and value-added services with pertinence.

### 3.2 Basic transaction process of bitnan

- 1) Users deposit bitcoins to bitnan. And then, bitnan convert bitcoins received to the BTN (refer to the current market price of bitcoin) as the user's initial account balance.
- 2) The price of digital assets on the bitnan is marked with BTN, and users can use various investment tools provided by the platform to trade as they like.
- 3) When the user withdrawals, the platform converts the amount of the BTN into equivalent bitcoin and send them to the user's withdraw address.



Bitnan transaction process

### 3.3 Ways to gain profit

- 1) Commissions for futures and other investment tools (other than spot transactions).
- 2) By using quantitative trading module, users can generate their own trading strategies, which can be deployed to the platform automatically. The platform charges hosting fees by the hosting time.
- 3) By providing financing services, the bitnan charges by financing amount and duration.
- 4) With the investment assistance APP, bitnan will analyse risk tolerance and financial management level of different users to provide differentiated



investment advice and value-added services. Bitnan will receive subscription / service costs.

### 3.4 Profit sharing

Profit sharing is one of the advantages of bitnan, bitnan issued BRT (Bitnan Reward Token) tokens which will serve as profit sharing proof of the bitnan platform. Each BRT holders will have the opportunity to participate in the bitnan platform construction and share the profit of bitnan. Specifically, after bitnan formally release, the bitnan platform will calculate the profit at the end of each quarter. In the premise of ensuring the operation, bitnan and BRT holders will share the residual profit at the ratio of 1:1. Profit sharing is done automatically by bitnan, the distribution process is as follows:

- 1) BRT holders need to log in to bitnan and deposit BRTs to the platform account.
- 2) After quarterly profit liquidation, bitnan creates an account snapshot for each user.
- 3) Bitnan automatically sends a certain amount of ETH to the user's bitnan account, and the number of ETH sent is proportional to the amount of BRT held by the user when the snapshot is created, the more BRT you hold, the more ETH you will receive.
- 4) The whole process does not require any consumptions of ETH and BRT.

AFTER CALCULATE PROFIT	BITNAN					
	PROFIT	\$100,000				
	USER'S BRT	1,000,000				
	SNAPSHOT					
	BITNAN USER A ACCOUNT		BITNAN USER B ACCOUNT		BITNAN USER C ACCOUNT	
	BRT	10,000	BRT	20,000	BRT	30,000
	ETH	0	ETH	0	ETH	0
<div>⌵</div>						
AFTER SHARE PROFIT	BITNAN					
	PROFIT	\$100,000				
	USER'S BRT	1,000,000				
	BITNAN USER A ACCOUNT		BITNAN USER B ACCOUNT		BITNAN USER C ACCOUNT	
	BRT	10,000	BRT	20,000	BRT	30,000
	ETH	5	ETH	10	ETH	15

Bitnan profit distribution process

### 3.5 Development plan of bitnan

- 1) Continuously improve technical skills of the team, achieve technical accumulation, raise technical barriers. Cooperate with industry companies to provide technical support and technical output.
- 2) Through diverse investment tools, smooth user experience and effective ways of operation and promotion, we will gradually establish brand image and enhance market share.
- 3) In the process of product iteration and optimization, bring the blockchain technology into the real economy. Cooperate with companies and institutions in various industries. Create more practical scenarios of the blockchain technology, involving finance, supply chain, trademark anti-counterfeiting, copyright protection, traceability of food and drug, iot technology and many other fields.

## 4. Development roadmap of bitnan

03/2017:	Bitnan concept formation
04/2017-08/2017:	Investigate digital currency trading platforms around the world. Figure out business flow and technology selection, develop core modules.
09/2017:	bitnan ICO
2017/10-2018/03:	Bitnan development and infrastructure construction
2018/04-2018/06:	Internal testing and marketing
2018/07:	Bitnan formally launched operations

## 5. Introduction of bitnan ICO

Bitnan ICO issues token BRT via Ethereum smart contract. On the one hand, BRT can be traded in the parallel market to achieve liquidity premium. On the other hand, the BRT holders can share the profit of bitnan, which ensures the BRT's intrinsic value.

Meanwhile, the platform will aperiodicity buy back BRT at the issue price of 3000BRT/ETH as an internal reserve to protect the interests of participants

### 5.1 Rules of subscription

Support digital currency: ETH

Maximum target: 6000ETH

Minimum target: 3000ETH

Subscription time: BRT subscription will start from 20:00 September 1, 2017, to the end of the 19:59 September 30th, the actual start and end times may vary slightly due to Ethereum smart contract use of block heights as a unit of time calculation (about 5082 blocks / day).

Start block height: 4256540

End block height: 4409000

## 5.2 Capital use

- 1) 40% of the funds are used for the early construction, development and pre operation of the bitnan platform, including the expansion team, recruitment of development engineers and so on.
- 2) 15% of the funds are used for the infrastructure construction of bitnan, including the purchase of necessary hardware equipment, IDC trusteeship and so on.
- 3) 15% of the funds are used for bitnan operation promotion and brand building, to ensure rapid growth of the bitnan platform.
- 4) 10% of the funds provide market liquidity support for the bitnan.
- 5) 20% of the funds are bitnan reserve emergency funds, used to deal with unexpected situations.

## 6. About our team

Team leading members have over ten years of Internet work experience, half of whom have worked in the same large foreign company, and have many years of experience in overseas project development and learning. Under the influence of meticulous culture in foreign invested enterprises, our attitude to working is rigorous and conscientious.

The team has developed a domestic Internet financial platform, a large Japanese securities trading system, a famous Japanese cosmetics company electric business website, a large Japanese bank application project independently, has accumulated rich experience in the financial industry and the development of good business resources.

## **7. Disclaimers and risk warnings**

This white paper does not represent any investment advice. This ICO aims to sell bitnan digital currency trading platform token BRT, not any form of investment and currency.

## **8. Contact information**

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