0cf

Quickly convert your BTC

0cf was built by JKR Labs, and is a solution that allows bitcoin owners to immediately initiate a transaction of their BTC on Ethereum.

The key feature of the 0cf protocol is its proxy wallet.

This is a wallet of smart contracts created for each 0 confirm transaction and allows the user to use pre-shifted BTC (renBTC) on defi platforms until their BTC swap is fully confirmed.

Once this happens, the resources are forwarded to the user's address and the proxy wallet is destroyed.

0CF SWAP

0cf swap is the first application created using the 0cf protocol. It is a simple app to exchange BTC in its native form with DAI using renVM and uniswap.

Complete the bitcoin transaction when it is still in the mempool. This is possible through a short-term loan of the duration of 6 confirmations.

HOW DOES 0CF SWAP WORK?

-> A user creates a Uniswap transaction to sell renBTC for DAI.

-> Sign a message containing the liquidity request for the renBTC amount to be exchanged and a Uniswap transaction.

-> They are asked for a BTC address (generated via renVM) to deposit.

-> When the Keeper sees the transaction, BTC publishes a security obligation.
It procures renBTC liquidity from the 0cf liquidity pool, and executes the swap, then sends DAI to a dynamic collateral deposit (loan proxy).

-> Once the BTC transaction clears the funds, the funds are automatically forwarded to the user's address.

WARNING

0cf swap is still a new software and therefore also risky and so it is better not to use more" than you can afford to lose.

KEEPER

Keeper is the entity that monitors the transactions associated with liquidity requests.

Monitor the target chain for liquidity requests and monitor the source chain for transactions associated with liquidity requests.

Evaluate the risk of the transaction created.

Enable the creation of the proxy wallet.

Send borrowed renBTC.
Pay gas for Ethereum's transactions.

If the BTC transaction fails or is delayed, liquidate the proxy wallet to repay the liquidity pool.

If the BTC transaction is successful, forward the resources to the destination account.

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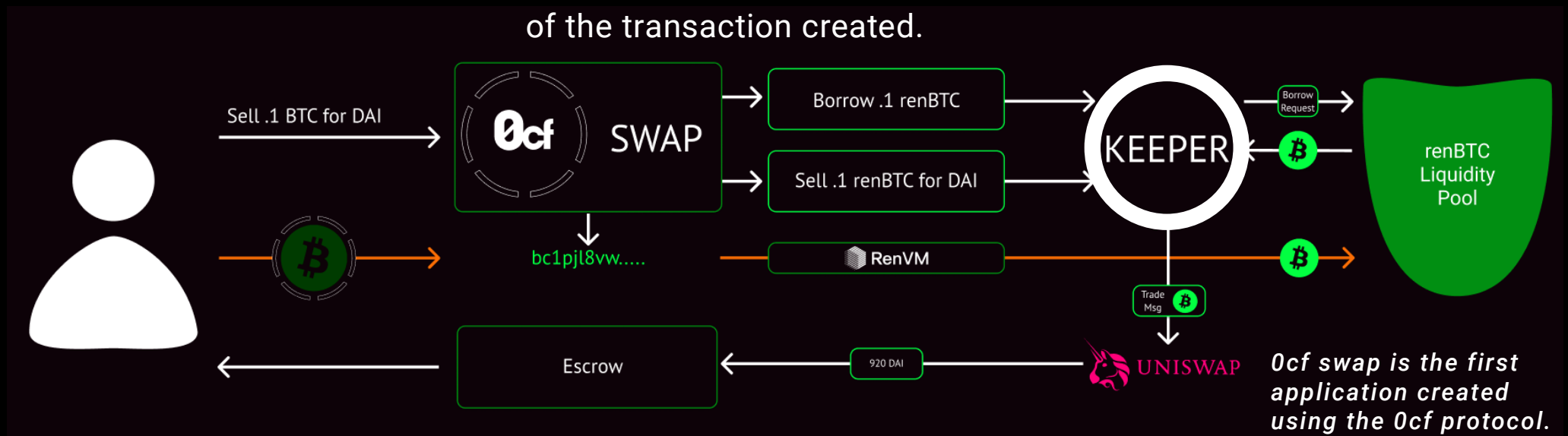
TERMINOLOGY

->RenVM uses an open group of hundreds or thousands of connected nodes that perform secure multipart calculations to generate and store private keys and sign messages across built-in chains. This allows him to act as a decentralized custodian.
And thanks to all this he can convert BTC safely.

Using any RenVM -> integration application a user can deposit BTC and receive an equal amount of RenBTC.

To convert RenBTC back to BTC -> the user simply deposits RenBTC to the generated Ethereum address and initially deposited BTC is sent to a Bitcoin address provided by the user.

->Origin Chain is the basic chain for the resource being moved.

->Target chain is the chain on which the asset is minted.

->Shift is any mint of the resource on a base chain other than your own using renVM.

->Proxy wallet is a smart contract that is generated when a 0 confirmation round is accepted and limited in the tasks it can perform.

TAXES WHY?

For taking this risk, they are rewarded with commissions. Commissions will be monitored by the DAO in the near future.

TAXES

Keeper -> 0,1%

0cf DAO labs -> 0%

Liquidity pool -> 0,1%

Eth Gas -> N/A

(Thanks Gas as a Service)

DISTRIBUTION OF THE QUOTE

Keeper -> 45%

ZeroDAO -> 10%

Liquidity pool -> 45%

The keeper and depositors of the liquidity pool shall assume the risk between the running Uniswap transaction and the timeout interval of the BTC transaction. The period during which the price of the asset acquired could be drastically reduced compared to BTC and thus not liquidated for the full value.

GAS AS A SERVICE

The *Gas as a Service* protocol used by 0cf allows users to exchange their bitcoins using Uniswap without ever having ETH.

Every time a transaction is posted on the network, a keeper takes it out and uses its ETH to pay for the gas.

The protocol estimates the amount that should be paid and calculates the value in terms of BTC. The Keeper receives this amount from the renBTC moved.

POOL OF LIQUIDITY

Anyone with renBTC will be able to contribute to a 0cf liquidity pool. RenBTC will be loaned to those who transfer BTC to ethereum.

All contributors to the pool will receive an erc20 zeroBTC token which represents the proportional ownership in the liquidity pool and as commissions are earned from borrowing, they are added to the pool, increasing the value of the pool token.

Holders of liquidity tokens can redeem their tokens for renBTC any time.

THREATS

There are two ways in which the 0confirm system can be *adversely affected*:

-> An original transaction never reaches 6 confirmations and during the period prior to liquidation the price of the assets held as collateral changes more than the value of the security to the keeper.

-> A source transaction that had reached one or two confirmations and asset was forwarded to the user's address never reaches 6 confirmations.
This leads to a total loss to the system.

SOLU-TIONS

As *solution* to these problems, the 0cf team implemented some protocol-level parameters managed by ZeroDAO.

In order to reduce the losses that keeper and liquidity pool participants might incur due to the slippage of securities, only assets with large liquidity have been included in the eligible modules.

Mini size of the loan: 0.26 BTC
-> We have a minimum transaction size because the app already has "Gas as a Service" and total commissions can become a very high % of the amount if the user is not careful.

Maximum size of the loan: 1 BTC
-> We have chosen to have a maximum transaction size to limit the possibility of a user losing their funds in a swap.

We believe this new product can be a valuable revenue stream for portfolios, decentralized exchanges and other DeFi apps.

Also we recently launched 0cf Labs DAO and the doors are open to anyone who wants to enter.

We welcome all developers and non-developers who would like to get some familiarity with the protocol and contribute new features and applications.

Meanwhile, we are working tirelessly to build a more robust set of tools for cross-chain interactions and use the new tools to create new and productive infrastructures.

We see great potential in our project and there is still a lot to build.

Thanks for the attention team ZeroDAO-0cf.

Website: https://0confirmation.com/
GitHub: https://github.com/0confirmation/
Email: jon@0confirmation.com
Twitter: https://twitter.com/0Confirmation
Medium: https://medium.com/0confirmation