BondAppetit
Concept

March, 2021

We have created a decentralized protocol that connects real-world debt instruments with the Ethereum ecosystem. BondAppetit provides an extra layer of stability and connection with fiat cash-flows – something no other DeFi protocol can offer.

Overview

Ultimately, BondAppetit aims to create a borrowing platform that will operate directly with issuers of fixed-income debt instruments, providing access to traditional financial instruments in a fully decentralized manner.

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Unique features:

- Real-world collateral (debt instruments)

- The infrastructure that connects decentralized finance and traditional debt instruments, with the participation of regulated securities and cryptocurrency broker/ dealers

- Use of real-world debt obligations (and corresponding interest payments) within the protocol to provide real fiat cash-flow to governance token liquidity pools

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Best DeFi features:

- Ethereum-based smart contracts Balanced stablecoin tied to assets of the protocol

- Community-owned Governance token – value of which grows along with the profit of the protocol and its development

- Incentivization mechanisms for the community, including the distribution of protocol profits and support of liquidity providers

Infrastructure

The secret of our cuisine is simple – bring the best ingredients of
on-chain and off-chain infrastructure and mix them into a perfect dish!

On-chain

- Use of open-source components from Compound Governance Protocol, Compound Open Price Feed, Synthetix and MakerDAO

- Price, Security and Asset Oracles

- Listing on DeFi exchanges and use of liquidity pools, such as Uniswap, 1inch, Curve, SushiSwap, Balancer

Off-chain

- Use of traditional securities accounting systems for collateral locking

- Use of bank and brokerage accounts for fiat and securities settlements

- Connection to Bloomberg terminal and other securities pricing sources

Flows and Participants

On-chain

Off-chain
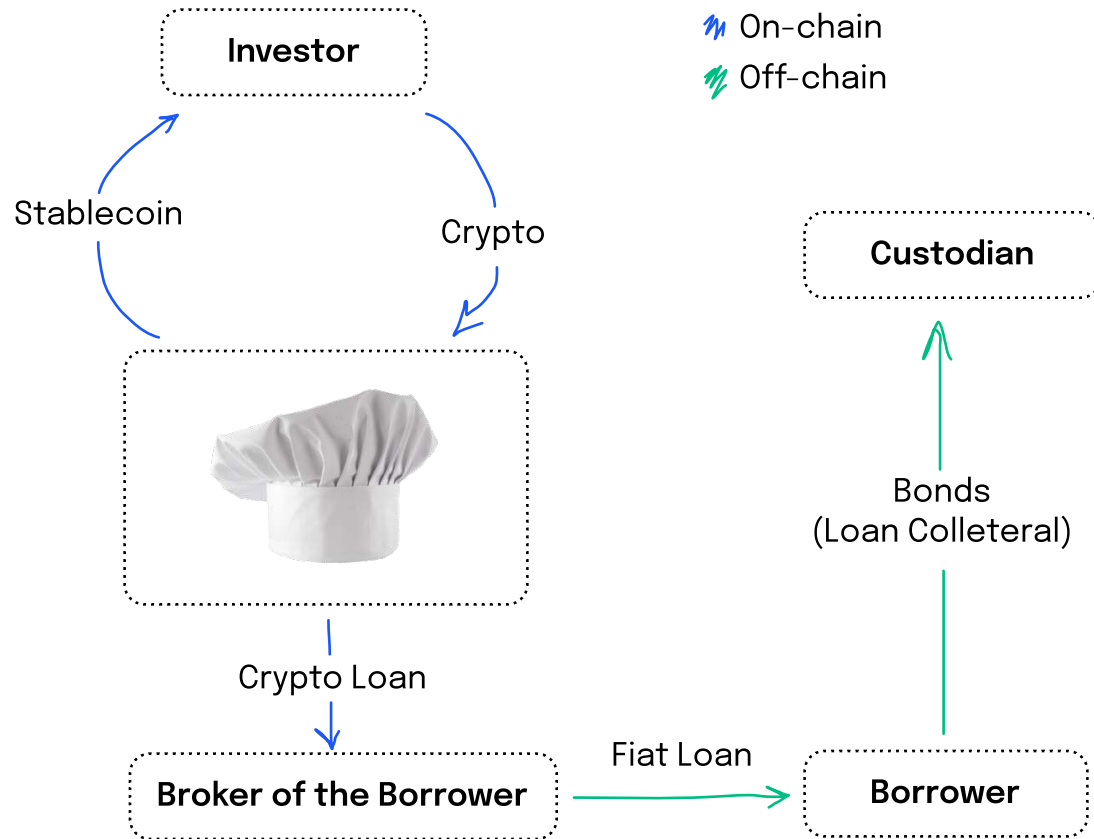
Investor
Purchases a stablecoin from the protocol; receives income in the form of distributed governance tokens; buys and sells tokens on the market.

Borrower
Borrows cryptocurrency from the protocol. Pays interest to protocol under established rate.

Broker of the Borrower (licensed entity)
Acts as an intermediary between the protocol and the borrower: borrows cryptocurrency from the protocol, then transfers it under a separate loan agreement to the borrower. Has the right to collect collateral (Bonds) under the loan agreement in case of default of the borrower, and to sell the collateral in order to repay its loan to the protocol.

Custodian (securities markets licensed entity)
Acts as a custodian of collateral under the loan agreement between the borrower and the broker. Provides a guarantee that the collateral will be locked during the loan term and provides information to the protocol about the amount of collateral held

Stablecoin

Stability

The key mean of payment inside the protocol's ecosystem is the stablecoin.

The price of the stablecoin equals $1 at all times. The price is balanced automatically based on a basket of real-world debt obligations which form part of protocol's assets.

Information about the protocol's assets is provided by oracles connected to custody accounts where the collateral is held.

Interest Income

Owners of the stablecoin earn fixed periodical income in the form of governance tokens, which represent the main incentive for the investors.

The use of real-world debt obligations within the protocol allows to provide real fiat cash-flow to governance token liquidity pools – a unique feature not provided by any other DeFi protocol.
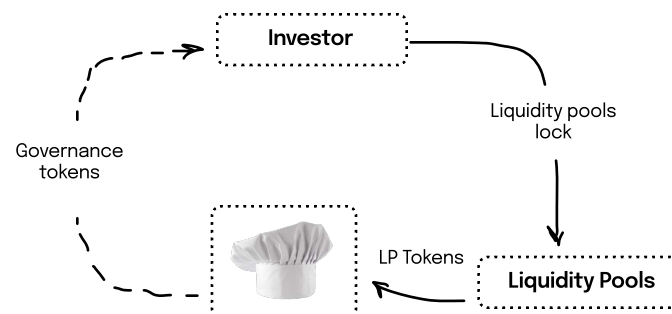
Diversification

In order to ensure the stability of the protocol, the price of the stablecoin is based on a basket of several debt obligations of stable companies with different terms, interest rates and redemption dates.

Governance Token

The Governance Token is the main tool for decision-making in the protocol, as well as the main reward and incentive tool for participants of the protocol and the community.

Initial issue and CAP

The initial issue of the Governance Token equals to 100,000,000 tokens

– 65% (65,000,000) reserved for protocol usage and future governance participation incentives

– 20% (20,000,000) to BondAppetit team members, subject to 4-year vesting

– 14% (14,000,000) to BondAppetit founders, subject to 18 month moratorium on sale

– 1% (1,000,000) to pre-launch investor

Use of Governance Token

1. Decision-making related to key elements of protocol's functioning such as interest rates, adding new collateral, additional capitalization

2. Incentivisation mechanism for the participants who locked their stablecoins in protocol's smart contracts or provide funds to the liquidity pools (and, potentially in the future, to the borrowers who provide their bonds as collateral)

3. Voting on protocol's proposal and emergency changes

Acquisition of Governance Token

1. Governance tokens can be acquired on the market (Uniswap or other exchanges) at market price

2. Governance token is distributed by the protocol to those users who decide to lock their stablecoins in the protocol's smart contract (similar to DAI saving rate)

3. Governance token is distributed to those users who decided to lock their stablecoins into liquidity pools and provide the protocol with liquidity pool tokens (similar to SushiSwap)

Roadmap

Period	Phase 1: Initialization of protocol First two years after launch			Phase 2: Automated borrowing Third year and further	
	Launch	Year 1	Year 2	Year 3	Year 4
Value of issued stablecoins (USD)	1 000 000	25 000 000	100 000 000	450 000 000	1 300 000 000
Coupon profits (USD)	0	186 421,88	891 764,60	3 842 389,89	12 809 096,47
Governance Token Price (USD)	5	8.32	12.59	15.01	20.86

The expected price of Governance Tokens is an estimate price for example purposes only which was calculated based on the following assumptions. If any of these assumptions are not met, the price may differ drastically:

1. Amount of issued stablecoins is increasing each quarter

2. The share of Governance Tokens held in protocol's reserve is decreasing until the end of distribution (staking) in 1st quarter of year 3

3. Community interest is increasing due to expectation of growth of accumulated profits from coupon payments, the share in which is procured by holding Governance Tokens, and periodical reduction of the amount of governance tokens in protocol's reserve (Phase 2)

Milestones

Milestones to enter Phase 2:

1. Value of issued stablecoins more than 100 000 000 USD

2. Daily exchange volume for stable coin not less than 100 000 000 USD

3. Two or more custodians

4. Stablecoin to fiat conversion under low fees and spread

5. At least 51% of Governance Tokens held by the community
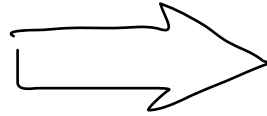
Phase 2 features:

1. Direct borrowing from the protocol without intermediaries

2. High liquidity in stablecoin markets without need of any additional incentivization from the protocol

3. New type of income earned by the protocol: fees charged to the borrower to access protocol's funds

4. Higher level of decentralization compared with Phase 1

Team

Artem Tolkachev
Founder, CEO

For over six years, Artem has been a key opinion leader in the CIS region in blockchain and tokenization. Since 2011, he has been a lawyer by trade and entrepreneur and the ex-Director of the Blockchain Lab for Deloitte.

Sergey Stopnevich
Co-Founder

In 2016 Mr Stopnevich founded Wise Wolves Group Ltd, which combines a group of companies providing Financial, Brokerage, Corporate and Fiduciary services to medium-sized, large businesses and banks using the latest IT developments and an individual approach to each client.

Vlad Komissarov
CTO

Vlad has over 17 years of experience in web development and for over 8 years, he has developed and managed major ICT products and services on CIS market.

Advisors

Mr Amedeo Cristofaro
ex BNY Mellon
Head of EMEA Payment

Mr Roger Ohan
Ariadne Capital
Board Director Designate

Alexander Ivanov
Waves
CEO