

HFS – HolderLimit protocol

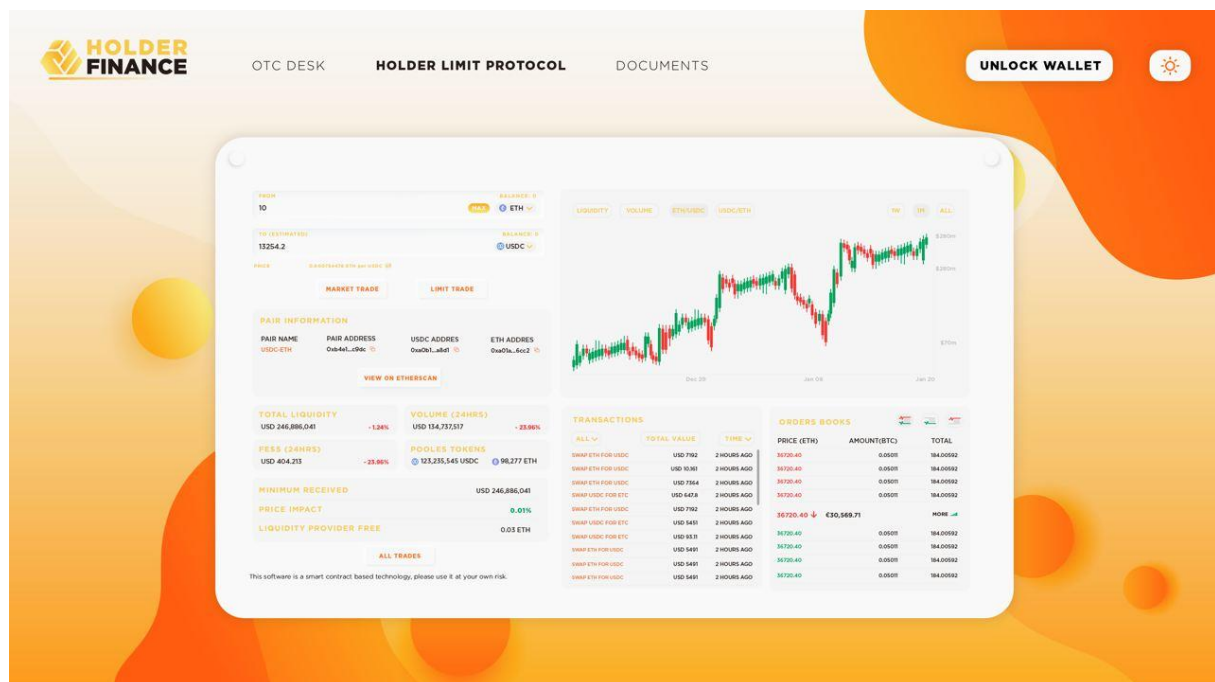
What is the HolderLimit protocol?

The HolderLimit protocol is a plugin platform to main DEXs which represents a limit order that is placed in the order book with a specific limit price. The limit price is determined by the person who places the trade (trade owner). When a limit order is placed, the trade will only be executed if the market price reaches the submitted limit price. An addition to this, the HolderLimit protocol takes into account the following conditions:

- For sell orders; the minimum limit price
- For buy orders; the maximum limit price

Therefore, you may use limit orders to buy at a lower price or to sell at a higher price than the current market price. Unlike swaps, where trades are executed instantly at the current market price, limit orders are placed in the order book and are not executed immediately but only when the set sell/buy price is reached and trade is executed on HolderSwap's interface. This feature permits traders on HolderSwap to set their own trading strategy without the need of constantly following the price action on charts.

This is the new designed Dapp as it will be at launching with charting and new UI/UX simple and efficient interface.



Why a decentralized limit order protocol?

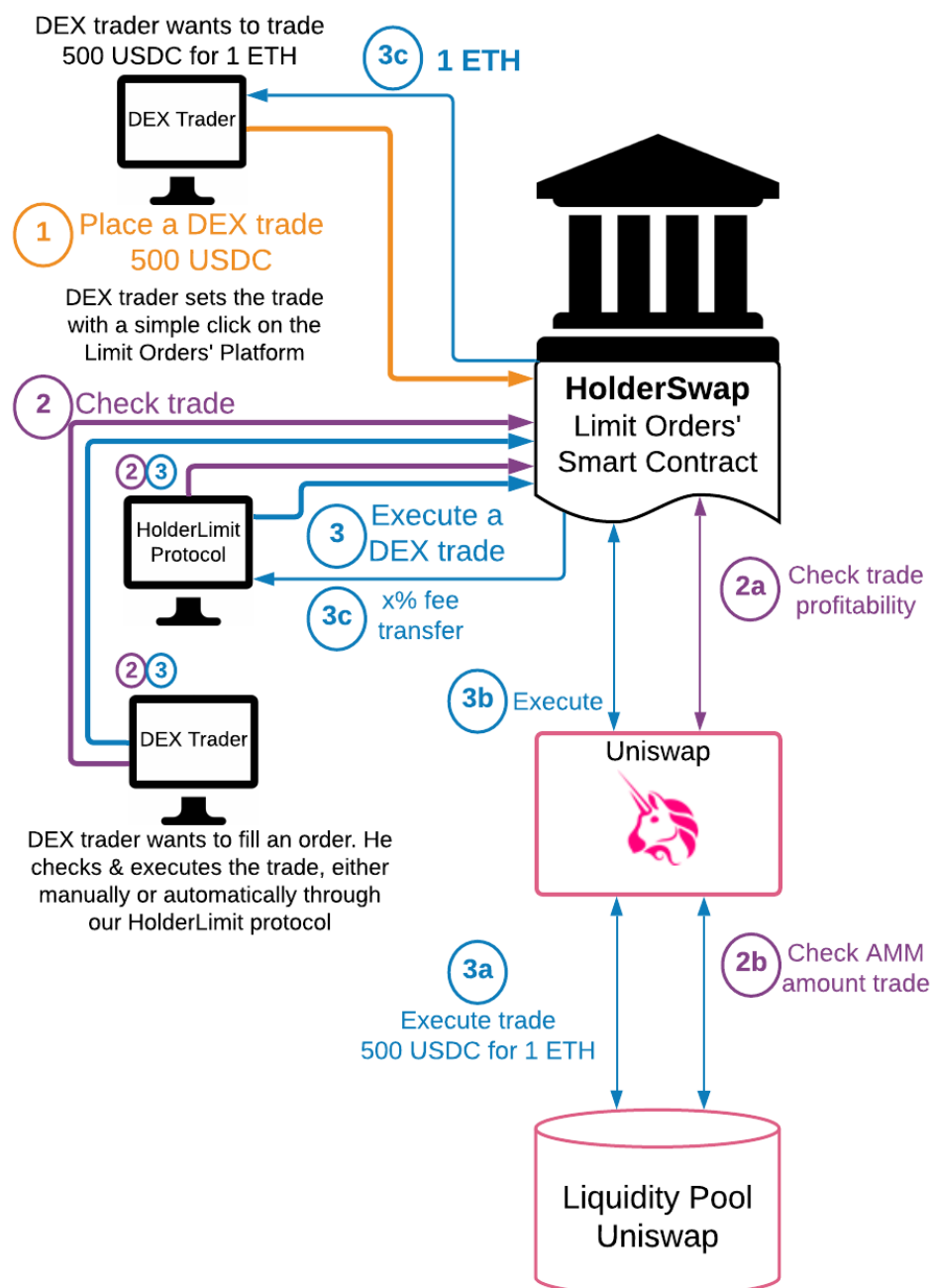
The current issue with many DEXs is that traders must constantly follow the charts to be able to push their trades with precise timing. Inspired by the CEX orders book system, HolderSwap is building HolderLimit protocol to provide the possibility for traders to place their trade orders into a book by plugin our platform to any major DEX. The trades are automatically checked in the smart contract, once the trade is profitable, any user in HolderSwap platform can execute the trade in the name of the trade owner and earn fees (each executor users can set his own execution fee %).

The main issue and required feature in the current decentralized trading is to get a well-designed simple and efficient platform to place order limit trades and stop loss orders on exchanges. There is currently no such platform on the market.

At Holder Finance we have been dedicated since early October 2020 in developing such a platform.

HolderLimit protocol in details:

- A **secured and decentralized** solution already available on our beta product. The code has been certified and audited by CTDsec, our security audit partner firm.
- The **official HolderLimit** Dapp will be launch in mid-March with charting and a simple and efficient UI.
- In March 2021, we will implement a **metadata infrastructure** which will benefit both Trade owners as well as Trade executors. This will simply be done by removing the gas fees for the Trade owner and permitting batched transactions signing to Trade executors. Resulting in significantly lowering gas fees and providing a more profitable execution reward fee.
- In April 2021 we will implement **Automated Arbitrage Trading** solutions among several DEXes such as SushiSwap, Balancer, Mooniswap, etc...



What are the innovations of the HolderLimit protocol?

1. A complete and simple UI for traders

The official version which will be released around mid-March will contain **tokens charting, order books** for all the available trading pairs on our platform. In a simple action any user is able to place or execute a trade without to take care of the price fluctuation of the asset(s) traded.

2. The Metadata Structure to tackle high gas fees

Whenever the gas fees on the Ethereum network are ridiculously high, “Whales” rather than retail investors are the ones still able to make profits when transacting. As Ethereum 2.0 seems far away to be ready we have been working around the clock creating low cost transacting for all traders on the Ethereum network. The development and implementation of a metadata structure in our protocol will have substantially reduced the gas fees.

- The Trade Owner will be able to place limit orders on our platform **FREE of gas**.
- The Trade Executor will be able to gather several limit orders in a **batched signature execution**. This way, the trade executor benefits for several orders executions while **paying a lower gas fee**.

3. Automated Arbitrage Trading

Any DEXs’ users/bots can use our HolderLimit protocol on Uniswap. This is called an **asynchronous approach** to a swap. Our protocol continuously checks the Uniswap’s smart contract using the webpage and displays if there is any profitable trade to be executed. By adding interactions between our HolderLimit Protocol and other DEXes like SushiSwap, Balancer, Mooniswap, etc we will provide **Automated Arbitrage Trading** opportunities to our users.

The difference with the arbitrage trading on CEXs (Centralized exchanges) is that the arbitrageur doesn’t need to transfer their funds into different wallets as they manage their Metamask account and can place limit orders on HolderLimit. They will save the transfer fee associated and will increase their profits while our protocol will display the best trade opportunity either on Uniswap, SushiSwap or Balancer for the token the trade owner has requested.



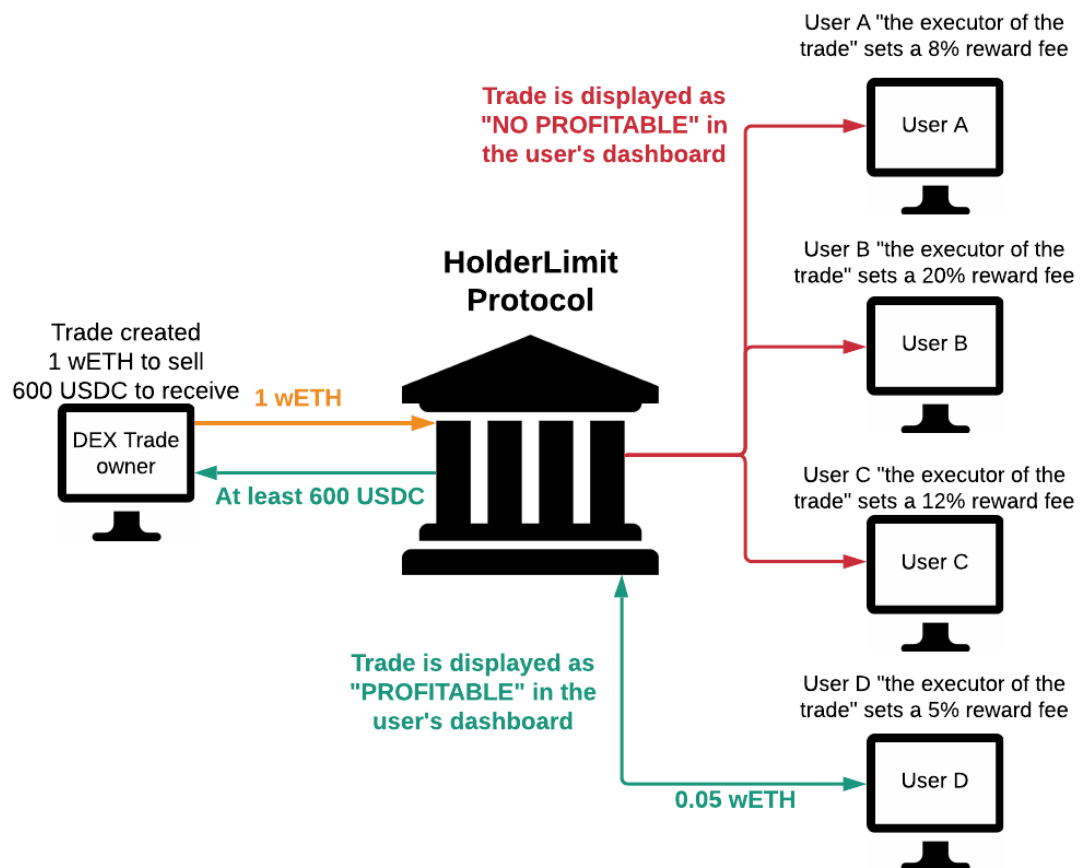
4. The Dynamic Trade Executor fee: Supply vs Demand

Once executed, the HolderLimit's smart contract generates the variable % fee selected by the Trade Executor which is sent to his wallet when the trade is executed in the blockchain.

This fee is set by the Trade Executor to a maximum capped at 25%. This fee doesn't impact the token received by the Trade Owner as it is deducted from the token amount the Trade Owner is selling.

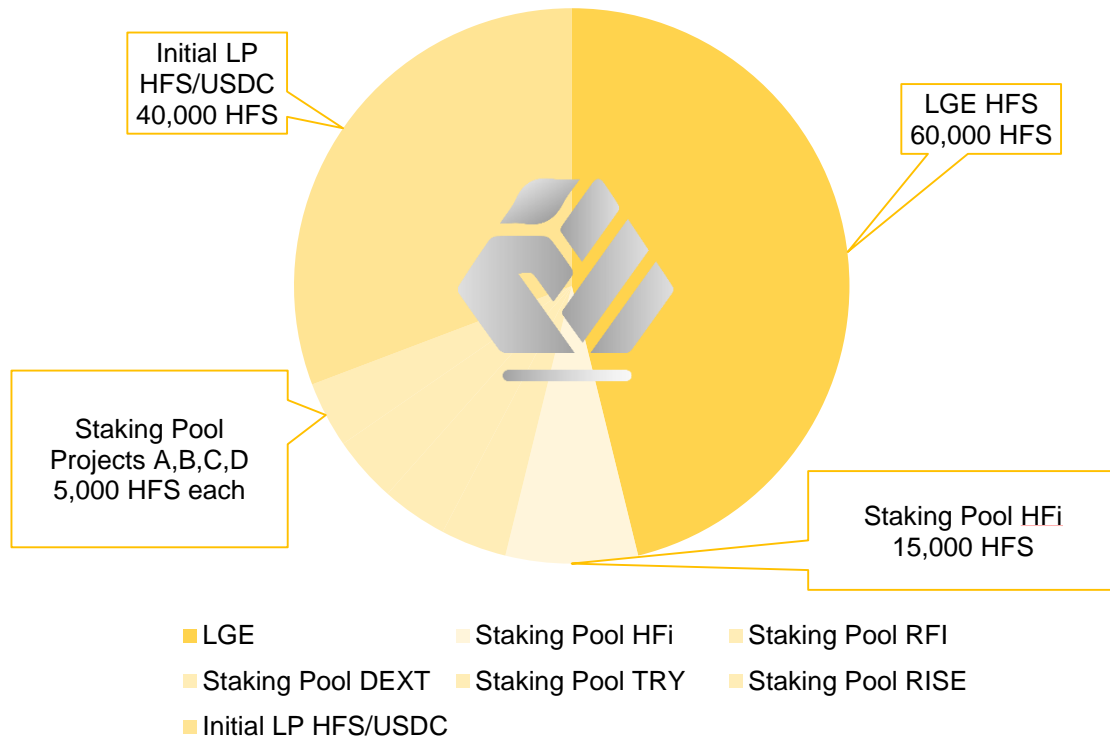
This creates a natural mechanism of supply vs demand as the users connected into HolderSwap platform compete to get rewarded by the trade fee by executing the trade. Our HolderLimit protocol displays the trade when it is profitable so logically, if the user A sets a trade fee at 20% and the user B sets a trade fee to 10%, the trade appears to be profitable to the user B before the user A. Thus, the user B is able to execute the fee and is rewarded while the Trade Owner receives, at least the amount of the token he traded for. This way we are creating a positive competition among our users and the supply vs demand market sets the perfect trade fee on every trade.

As the trader who executes the trade will pay the gas fee of the transaction he has to control that the earning fee from the trade will, at least, cover the gas fee.



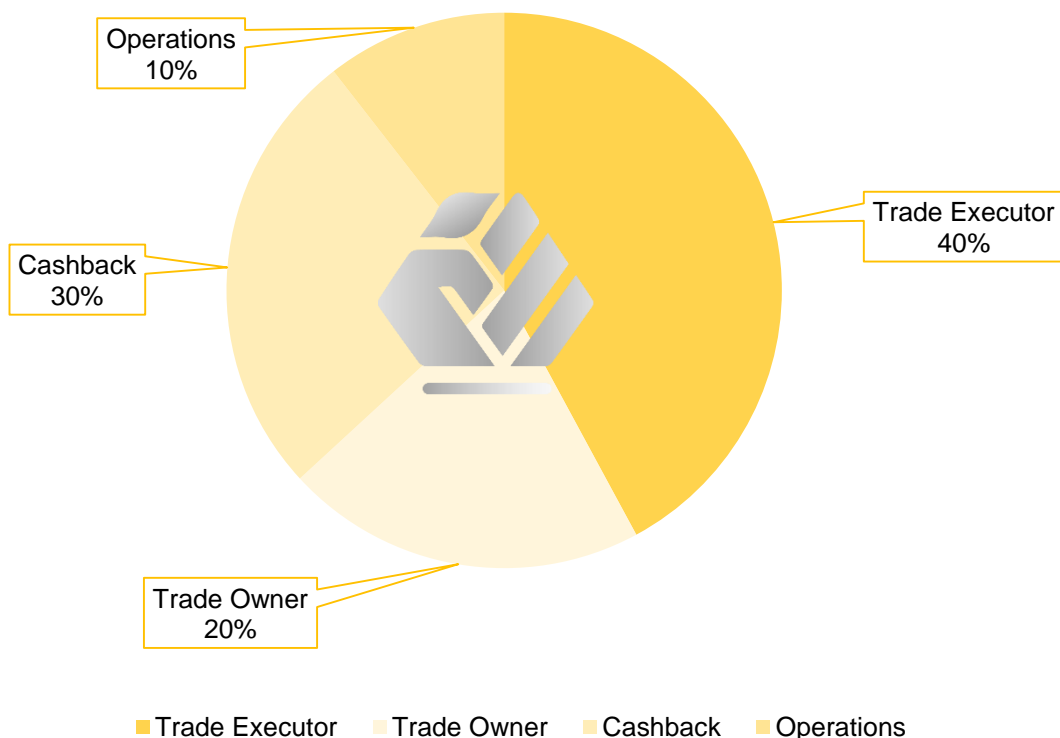
What is the HolderLimit's Tokenomics?

Holder.Finance is creating the initial supply of the HFS token (Utility token of the platform) via a LGE (Liquidity Generation Event) as well as staking pools with our partners. The supply is elastic. There are no team tokens the whole amount of raised funds during the LGE are used to create the initial LP on Uniswap. The LP smart contract will be locked 2 months.



How new HFS tokens will be collected & minted?

For every trade/swap, on HolderLimit order or OTC trade/deal, HFS tokens will be collected. All traders and liquidity providers collect HFS tokens through their trades, or, for liquidity providers, according to their volume in each pool. One entire HFS token is minted at a \$200 worth per trade and \$2,000 worth per liquidity daily volume as starting minting rate. All HFS tokens collected will be eligible for a claim.



As the circulating supply of HFS token is elastic, it means that we should develop mechanisms to protect the token value as well as limits the circulating supply expansion.

Our algorithm includes an increase of the minting difficulty to limit the circulating supply expansion and protect the token price. Indeed, to avoid the circulating supply to inflate too fast the minting difficulty will be increased according to price action. Has the price gone up 10% in the last 24H, then the algorithm will be adjusted to increase the minting difficulty with the 10% matching increment. Let's illustrate this with the following example figures;

On day A the minting rate is 1 HFS minted for \$200 worth of trading volume and \$2,000 worth of funds held in the liquidity pool in question.

During day A the HFS value goes up from \$2 per token to \$2.20, then the minting difficulty for day B will be increased with 10%.

This means that in day B, the minting rate will be worth \$220 ($\$200 + (10\% * \$200)$). The trading volume would be \$2,200 worth of funds held in the liquidity pool in question. These will then be the adjusted figures to collect 1 HFS.

In opposite, when the circulating supply will double compared to the initial one (200,000 HFS tokens) due to the inflation, we will implement a burning mechanism of 5%. As long as the circulating supply will be above 200,000 HFS, every sell order of HFS will be taxed at 5%. Those tokens will be automatically burned.

What is the claim mechanism?

Each time traders are using the HolderLimit platform to place or execute a trade, when their trades are executed, they will collect HFS tokens. The HFS tokens created are stored into an escrow wallet and available for a claim by each user. Our interface will display the claimable amount for each user in real time.

On the total HFS tokens to be claimed through the cashback mechanism: 70% can be claimed and dispatched among the HFi holders while 30% can be claimed by HFS holders. To be eligible, the users have to hold either HFi or HFS tokens into their wallet when they decide to claim and the amount claimed is proportional to their holdings in HFi and/or HFS tokens.

As an example please take a look to the graph below:

