Fanatical YFI Whitepaper

——Decentralized exchange Uniswap

1. Blockchain Technology

Bitcoin, as a peer-to-peer e-cash system, has been recognized by the public since it was born in January 2009 because of its wealth effect, decentralization, anonymity and other technical characteristics brought by the price index rise. It brings the blockchain technology into people's lives and makes us rethink the existing business model In this paper, the use of blockchain technology to achieve business model remodeling and value transfer. As the representative of blockchain 2.0, Ethereum's smart contract function allows people to build a decentralized application platform. Its simple, universal and modular technical conditions greatly promote the application of blockchain technology. At present, most projects use Ethereum technology as its development platform, including decentralized exchange, decentralized investment platform, stable currency, games and other landing applications. Blockchain technologies such as bitcoin and Ethereum have achieved explosive growth in price due to their low cost, high efficiency, unforgeability, security and transparency. People pay more and

more attention to the decentralized and autonomous governance system represented by blockchain technology. At the end of 2013, there were only 66 kinds of encrypted assets in the world, while by the end of 2018, there were more than 2500 kinds of cryptocurrencies in the world, and the total value of assets exceeded 100 billion US dollars. With the expansion of user requirements and encrypted digital assets, the related service requirements naturally become more urgent and insufficient. In the past few years, although the blockchain technology and the scale of cryptocurrency have made great progress in the past few years, the blockchain is still in its early stage, far from achieving large-scale application.

2. Introduction to defi and ecology

Defi is one of the most important applications in blockchain system. To understand defi, let's start with modern finance:

First of all, we must understand that modern finance is based on trust, and trust is the basic blood of modern finance. One of the most common traditional financial models is that we deposit money in banks. However, the complexity of traditional financial products is getting higher and higher, which led to the financial crisis in 2008 —— the 2008 subprime debt credit default swap option. Due to the complexity of such financial products, there are four kinds of intermediaries between depositors and borrowers: banks, external credit enhancement (rating agencies), securities companies and insurance companies.

With the increasing complexity of modern financial products, more intermediaries are needed.

Large and complex financial institutions mean one thing, extremely high service fees and intermediary fees. At the same time, you have to trust these institutions and people. Because once the trust is lost, the whole system and architecture will not work at all. Are you willing to be controlled and manipulated by such a large and complicated financial institution?

Therefore, defi came into being. Compared with centralized institutions, defi is developing in the opposite direction. Decentralize, cancel trust structure, trust code, trust technology. But at the same time, defi brings us extremely low cost, extremely low transaction threshold and almost infinite scalability. These are not brought about by centralized financial institutions.

Back to defi, decentralized finance, it's called decentralized finance or distributed finance. Decentralized finance refers to the application of various financial fields developed in the open decentralized network. The goal is to establish a multi-level financial system, and recreate and improve the existing financial system based on blockchain technology and cryptocurrency. Many different applications exist in financial centers, such as the following:

1. Payment – decentralized financial applications of payment type generally have their own digital currencies, which users can use for transactions and also provide wallet addresses for users to hold these digital currencies.

2. Lending – decentralizing lending is a core application of trying to decentralize the economy. Unlike now, people have to go to the bank to get a mortgage, and the goal of decentralized lending is to allow people to get loans from more lenders, democratizing the entire lending process.

3. Stable currency – a stable currency is an asset with price stability characteristics and is therefore suitable for functions such as transaction media, unit of account, and value storage. Compared with other digital assets such as bitcoin, Ethereum and other volatile digital assets, stable currency has attracted more and more attention because of its stable price.

4. Decentralized exchanges – decentralized exchanges allow users to trade digital assets such as bitcoin and Ethereum. Decentralized exchange is to solve the problem of centralized exchange. In centralized exchange, users do not have their own private key, so they can not control their own property.

5. Liquidity mining – an incentive to provide liquidity to the trading process of defi. It is also the most popular concept at present. Its core is to provide transaction depth and reward in the process of decentralized transaction.

Many in the industry are excited about the future of defi. But at the same time, the current situation in the early stage of development is that most users have low awareness of it, and the number of users is also very small.On the one hand, the development of defi is subject to the performance of the underlying public chain. The current defi project is mainly built on the Ethereum network. At present, the performance bottleneck of Ethereum is relatively prominent, and there is still a long way to go to break through the bottleneck. Under such a situation, those projects with higher performance requirements will be in an awkward situation.

3. Revenue aggregator and decentralized generalized matrix

In the concept of defi, a hot concept is liquidity mining. In short, mining can be carried out by depositing some token assets. The reason why it is called mining is that bitcoin mining is also used in the industry. For example, in order to obtain the reward of comp governance token, liquidity mining is carried out on the head of the DFI product compute, mainly by depositing or lending tokens. The comp token represents the governance right of compound protocol. Comp holders can vote to determine the direction of the compound agreement. If the compound business has value, then comp will have natural governance value, thus further supporting the market value of comp.

The revenue aggregator is a smart contract that automatically allocates the best mining revenue of the market with one click deposit. Users only need to deposit

the corresponding currency into the revenue aggregator to obtain the highest mining revenue from the market, such as mining in compound protocol, without any contract operation. It supports the free integration of wallet and exchange.

Decentralized generalized matrix mechanism is the most successful fund allocation project forsage in eth. As of September 2020, fosage's fund allocation matrix has more than 900000 participants and allocated more than 700000 eth. Enough to witness the popularity of such models. However, it is a pity that although such a promotion matrix has gathered a lot of popularity and funds, it has not carried out the next step of planning and planning.

4. Original smart contract

Contracts were the first concept proposed by cryptographer Nick Szabo in 1994, almost the same age as the Internet. According to Nick Szabo's definition: When a pre–programmed condition is triggered, the smart contract executes the corresponding contract terms. Blockchain technology has brought us a decentralized, non–tamperable, and highly reliable system. In this environment, smart contracts are very useful.

The Features of YFIF Contract

*Certainty

*High performance *Expandability

The Types of Contract

*Verify contract *Function contract *Application contract

From a performance point of view, YFIF uses a lightweight UVM (Ulam Virtual Machine) as its smart contract execution environment. Its startup speed is very fast, and it takes up very little resources, making it suitable for short programs like smart contracts. The static compilation and caching of hotspot smart contracts through JIT (just-in-time compiler) technology can be significantly improved.

The virtual machine's instruction set provides a series of cryptographic instructions to optimize the execution efficiency of cryptographic algorithms in smart contracts. In addition, data manipulation instructions directly support arrays and complex data structures. These will improve the performance of YFIF smart contracts.

The method of YFIF smart contract to achieve scalability is through the form of high concurrency and dynamic zone, combined with its low coupling design. The low coupling contract program is executed in a virtual machine (YFIF virtual machine) and communicates with the outside through the interactive service layer. Therefore, most upgrades to smart contract functions can be achieved by adding API in the interactive service layer.

5. YFIF -- Mining

YFIF has developed rapidly in the market with its powerful autonomous operating ecosystem, creating extremely optimistic wealth value for all participants. YFIF has a very clever financial closed-loop design. Through the energy-gathering model, it can increase the amount of currency held by participants while reducing the total circulation of YFIF, thereby maximizing the increase in the value of YFIF.

In the future, through decentralized exchanges' currency-holding mining and promotion of airdrops, believers will be able to carry out mining output and redistribute under the standard of comprehensive contribution, and reasonably control the overall trading volume of the market. In the not-too-distant future, YFIF will carry millions of accounts for high-frequency trading, forming an ecologically balanced development in the process of continuously consuming YFIF, and realizing the development of all resources and traffic to be shared by global developers , The good wishes of global developers to give back to the YFIF ecosystem.

The YFIF automatic operation ecosystem breaks through the traditional block chain financial system, and taps the shallow commercial value of the block chain through the strongest underlying technology, allowing wealth to flow again.

6.YFIF —— DEX

Yfifswap As an anonymous decentralized peer-to-peer remote sensing technology, YFIF can become a public account book for a large number of devices, and they will no longer need a centralized route to center traffic between them. Without the central control system to verify, the devices will be able to transfer anonymously between them, manage software updates, errors, and perform energy management.