KuBitcoin (kubtc)

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Abstract

We want to build a Bitcoin on Kucoin Community Chain (KCC). The purpose is to improve certain aspects of bitcoin with the use of the latest mainnet release of the KCC. We believe that KCC will gain some domainance in the crypto community, due to its extremely high transaction speed and the lowest ever transaction fees.

1 KuBitcoin explained

Bitcoin (btc) has been proposed [1, 2] by Satoshi Nakamoto more than one decade ago as a purely peer-to-peer version of electronic cash. Up to today, it has recorded 67 millions holders. However, it has several drawbacks. First, bitcoin mining requires high energy consumption. In fact it requires an exponential increase of energy consumption as more and more bitcoins are mined. This poses a potential threat to the global energy. Bitcoin transaction also incurs high transaction fees. The peer-to-peer transactions are also extremely slow. We want to utilize the Kucoin Community Chain to build a faster, cheaper, and greener Bitcoin. Therefore we initiate the project of KuBitcoin (kubtc).

2 Kucoin Community Chain (KCC)

We believe that KCC has an overall advantage compared to Binance and Ethereum. For example, it has the lowest transaction fees and highest transaction speed. Kucoin Community Chain (KCC) also originates from Kucoin Exchange, which is more widely accepted in many countries compared to Binance Exchange. Read, e.g. this report.

Figure 1: Logo of kubtc.

3 KuBitcoin vs Bitcoin

Same as bitcoin, the supply of KuBitcoin (kubtc) is limited to 21 millions. Our goal is to make 1 kubtc equivalent to 1 btc. Up to today kubtc has 10 million circulating supply.

However, different from btc, kubtc does not require or attract miners. Instead of bitcoin mining, the remaining kubtc supply will be airdropped. kubtc consumes 0 mining energy. Therefore it is the greener bitcoin. We plan to airdrop kubtc to all users *1 million kubtc per 100 days*, in proportion to their holdings.

Based on our experiment dated July 6th, 2021 (in peer-to-peer transfer of 1 kubtc vs 1 btc), we obtained the following data:

- kubtc is 20000x faster in transaction speed than btc. Transferring 1 kubtc takes just 0.3 seconds, while transferring 1 btc takes almost 2 hour. Therefore, kubtc is 24000x Faster in transaction speed than btc. However, taking into the number of users (since kubtc is very new) and time fluctuation into account, we conservatively reduce the multipler from 24000 to 20000.

- kubtc is 10000x cheaper in transaction fee than btc. In fact, transferring 1 kubtc takes almost zero cost, i.e. less than 0.005 USD in our experiment, which is one of the user friendly features of KCC.

4 Deflationary and an exponentially shrinking supply

Although KuBitcoin (kubtc) starts with 21 million supply, the supply will actually exponentially decrease (Fig. 2). The supply mechanism is detailed as follows.

Different from Bitcoin, KuBitcoin is deflationary. We plan to do kubtc buyback where the total kubtc supply exponentially decays with a half-life of *1 year* or *365 days*. All kubtc buyback will be burnt and destroyed. We will send all the bought-back kubtc to a dead inaccessible KCC address. The first buyback is scheduled on July 29th 2021 with an amount of 1000000 (1 million) kubtc. The exponential Buyback and Burn (exp-BaB) transaction will be posted immediately on the website after the event. To prevent huge fluctuations in price, we do not disclose the exact time on the buyback date.
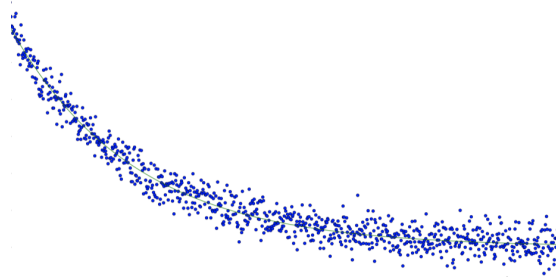

Figure 2: Exponential decay of kubtc supply.

4.1 Detailed mechanism of Exponential Buyback and Burn (exp-BaB) schedule

Currently we set the half life of kubtc total supply to be set to be 1 year = 365 days. We set day 0 to be the birth date of kubtc, which is July 4th. The buyback schedule dates are calculated according to the equation:

$$A(t) = A_0 e^{kt}, k = \frac{\ln 0.5}{365 \text{days}} \tag{1}$$

where $A_0 = 21$ millions.

The Buyback and Burn (BaB) schedule is detailed in Table 4.1.

Days	Date	Buyback (kubtc)	Remaining Supply (kubtc)
0	2021-07-04	0	21000000
25	2021-07-29	1000000	20000000
52	2021-08-25	1000000	19000000
81	2021-09-23	1000000	18000000
111	2021-10-23	1000000	17000000
143	2021-11-24	1000000	16000000
177	2021-12-28	1000000	15000000
213	2022-02-02	1000000	14000000
252	2022-03-13	1000000	13000000
294	2022-04-24	1000000	12000000
340	2022-06-09	1000000	11000000
390	2022-07-29	1000000	10000000
446	2022-09-23	1000000	9000000
508	2022-11-24	1000000	8000000
578	2023-02-02	1000000	7000000
659	2023-04-24	1000000	6000000
755	2023-07-29	1000000	5000000
873	2023-11-24	1000000	4000000
1024	2024-04-23	1000000	3000000
1238	2024-11-23	1000000	2000000
1603	2025-11-23	1000000	1000000
20 years anniversary of btc	2029-01-03	999999	1

Table 1: The exponential Buyback and Burn (exp-BaB) schedule with half-life of 1 year.
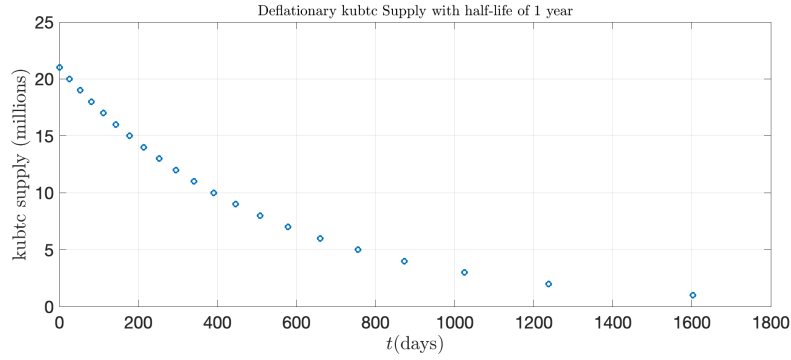
The exact kubtc supply is plotted in Fig. 3.

Figure 3: Exact kubtc supply, calculated from the buyback schedule in Table 4.1.

5   Conclusion

KuBitcoin (kubtc) is the Bitcoin on Kucoin Community Chain. All in all, KuBitcoin is the faster, cheaper and greener Bitcoin. We refer to it as the People's Bitcoin. Our goal is to make 1 kubtc equivalent to 1 btc, same as all the variants of stable coins.

References

[1] Nakamoto, Satoshi. "Bitcoin: A peer-to-peer electronic cash system." Decentralized Business Review (2008): 21260.

[2] Nakamoto, Satoshi. "Re: Bitcoin P2P e-cash paper." The Cryptography Mailing List (2008).