

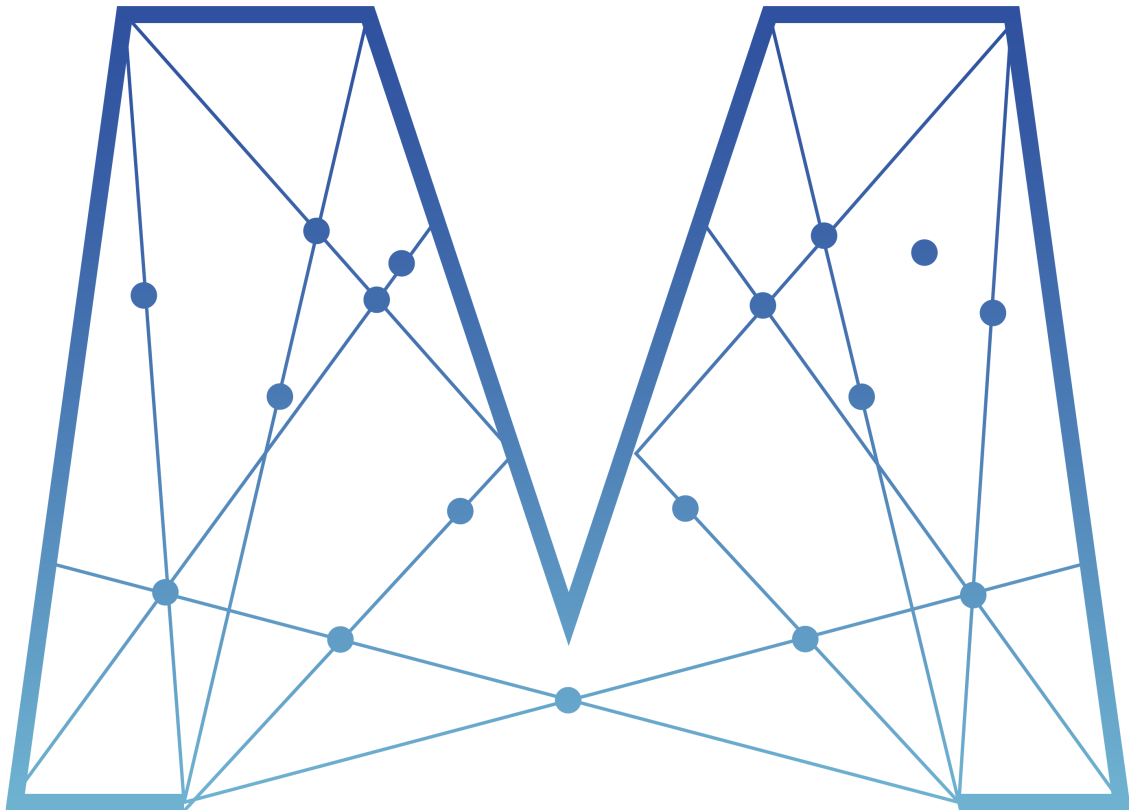
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# Mensa Protocol

**A Next Generation Decentralised Governance Architecture**

from Mensa Team

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# MENSA PROTOCOL

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## Mensa Introduction

In 2009, Satoshi Nakamoto mined the first-ever Bitcoin by a laptop in Helsinki, Netherlands. In 2014, Ethereum, which supports smart contracts, was launched. Since then, the blockchain technology has gradually matured and the blockchain ecology has also gradually developed and grown. Various public chains have emerged, with their own advantages, but at the same time, there are many problems, such as efficiency, stability and security. As the basis of technical trust, blockchain is very easy to serve as the foundation of the financial industry. So, as the ecology grew, many DeFi took root and had their own business model. However, due to the weakness of the public chains, DeFi is also subject to great limitations, such as impermanent loss of Uniswap, and the difficulty in switching between chains of different values, etc., which is the original intention of Mensa, and to solve these problems comprehensively.

The original intention of Mensa Protocol is to develop a package of open financial and currency protocols based on blockchain technology, build a more secure and efficient Protocol matrix, and provide a unified open financial foundation to provide services for the network. Mensa Protocol includes but is not limited to MensaSwap (liquidity provider), Protocol MensaEarn (decentralised quantitative trading protocol), and MenStable(stable currency protocol), etc. In the future vision, Mensa Protocol will also support the value swap between different public chains and provide a value flow channel between chains, so as to support the development of DeFi, which is more comprehensive and secure.

As of June 2020, the number of open protocol lockups on the Ethereum had reached an all-time high of \$1.6 billion, a more than 30-times increase from the beginning of 2018. Chain liquidity flows through different decentralised financial protocols, including but not limited to lending protocols, liquidity support protocols, financial derivatives protocols, and so on. DeFi's recent spurt in growth is no coincidence, but it is also due to the fact that the Ethereum's ecology has grown and grown in recent years. Over the past few years, Ethereum has taken root like a young tree, deepening its ecological roots, growing its users and expanding its influence. And when the foundation developed to a certain extent, infrastructure reached enough to support the upper height, then the application will usher in a spurt of development. We now see DeFi, is a case in point, and we think it's only just started, there will be more in the future of ecological products, and we are one of them.

In an open financial system, assets always belong to the user and control in the hands of the user, which greatly improves security and openness. Different from traditional finance, open finance greatly reduces the malpractice of centralised institutions. It is believed that in the future, open finance will provide more convenient, safe and efficient products and services to billions of people around the world. It is my honour that Mensa can stand among them.

In the current open financial system, there are mainly asset protocols, such as stable currency products such as USDT, liquidity protocols, such as Uniswap and Bancor, a lending protocol, Compound and Aave. Mensa Protocol provides corresponding service protocols in the above categories, and these service protocols can be linked together to finally achieve more secure and stable open financial services.

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MensaSwap is an automatic token exchange protocol. It is designed to be more secure and easier to use. Instead of an Order book system, it will use the AMM model, with prices automatically adjusted according to what people buy and sell in the exchange. The traditional AMM model has the problem of impermanent loss, that is, users provide liquidity to the platform and there is a risk of loss, which is called impermanent loss. Due to the design mechanism of automated market makers (AMM), it is possible that the AMM platform will not automatically change prices without arbitrageurs when external prices change. In this case, the external arbitrageurs will profit from the price difference between the platform and the external exchanges. At the same time, the users who provided the platform with liquidity suffered. Once this happens, users have no incentive to participate because they would have expected a profit to participate, but have lost money because of the spread. As a result, they have lost money by providing liquidity on automated marketmakers' platforms where they could have made bigger profits through centralised exchanges. Therefore, MensaSwap optimises the algorithm based on traditional AMM, adjusts the price curve, and reduces the volatile losses of market makers, which is very friendly to liquidity providers. Meanwhile, MensaSwap will also have higher gas rates, making transactions more favourable. In future releases, we will implement the flow of value between different chains.

MensaEarn is an open financial quantitative system. MensaEarn will automatically divide the existing funds into profitable contracts with higher returns. You can understand it as quantitative stock trading, but the overall is decentralised, and the use of MensaEarn reward will be gained by the user, including but not limited to COMP, SYN. Part of raised fund will be placed in MensaEarn ecological continues to generate profits, all this will be to interact with other open financial protocols. At the same time, MensaEarn will also provide more usage scenarios for the MST in later versions, we will explain shortly.

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## **Mensa Team**

Mensa Protocol has a global top-level computer software development and algorithm team. Three core developers from Oracle and other companies, participated in the early development of Ethereum network. Two core algorithmic researchers from MIT and Lund University, and both are members of the Bitcoin Talk community. Other team members, consultants and research teams cover areas such as finance, cryptography, computer software development and general computing.

### **Economics Consultant**

#### **Francois Morello**

Francois Morello is an American economist and academic administrator. He is a professor at McMaster University and Georgia Institute of Technology. He is also a guest adviser to the Journal of Economics Perspectives, Review of Economic Studies and other journals.

Francois is a member of the Global Policy Advisory Council and a fellow of the Canadian Academy of Social Sciences. He has published a number of papers on Internet value communication and encrypted cash.

### **Technology Consultant**

#### **Julien Evis**

Julien is a respected academic and computer science authority. He is a professor at Eindhoven University of Technology.

He was a senior consultant in DeepMind project (acquired by Google). In terms of academic research, Julien began to devote himself to the research of cryptography in the 1990s and put forward the concept of value transfer based on the World Wide Web.