DogeSwap Whitepaper

A Decentralized Exchange Based on HECO

Keeping the spirit of Dogecoin community

Dogecoin soared by 80-fold! Elon Musk's recent purchase of Dogecoin grabbed people's attention. His action triggered the surge in its price and the enthusiasm of participation from the community. Dogecoin was created in 2013, seemingly as a joke to pay homage to Bitcoin. It received only lukewarm support at the beginning and mostly forgotten until early 2021, its popularity growing suddenly when business and crypto community leaders started to promote Dogecoin.

The Dogecoin community is basically made up of Dogecoin holders and its die-hard fans. They comprised of talented people from different industries, such as exchanges, projects, communities, mass media, wallets, developers, etc. The community is open, energetic and expandable.

Here comes DogeSwap after Dogecoin, a decentralized exchange based on HECO. DogeSwap keeps the spirits of Dogecoin community to rebel against tycoons and for the love of crypto community. DogeSwap aims to create a fair and free DEX. It takes Dogecoin community forward and develop within the industry. It will bring in more high-quality projects to the community, helping the DeFi ecology to grow.

DogeSwap Ecosystem and Future Development

DogeSwap is the first exchange to support HECO. It is a new generation of DEX based on automatic market maker (AMM), combining incentives system. It aims at integrating HECO and DeFi ecologies to provide an efficient and free trading market. Meanwhile, more users would get to know more about the flexibility and efficiency of HECO by enjoying DeFi market incentives through the mining ecology.

DogeSwap is a DEX based on HECO. It is the first platform to hold many major global projects, with the mission to explore high-quality projects on the market. Liquidity Pool (LP) and New Assets are major ecologies of DEX. Users are going to gain new experience and more benefits from the liquidity of DogeSwap. The platform will create mining ecology based on the rules to fulfill the needs of both users and projects.

The advantage of DogeSwap over Uniswap/SushiSwap: Higher rewards from LP

If you put your project on DogeSwap, you would enjoy flexible trading, and join the mining ecology by abiding certain rules. For one thing, the project would earn higher rewards from mining; for another, platform users and the project could play their strengths to create liquidity pools together, helping the growth of the project. Not only that the project can earn rewards to itself, it can bring the incentives to the users. It is a win-win situation for both sides to develop and gain together.

1. DogeSwap 1.0

DogeSwap development is divided into two phases: During the phase 1.0 DEX listing, users can create a liquidity pool corresponding to any mainstream assets (below) in the trading area, and enjoy the airdrop rewards on DogeSwap platform during the launch period.

1.1 The Establishment of DEX

During phase 1.0, users are allowed to create any trending tokens listed below at the trading area and begin to enjoy airdrop rewards on DogeSwap.

The list of assets eligible for token withdrawal on HECO:
HBTC, HUSD, HETH, HLTC, HDOT, HFIL, AAVE, LINK, UNI, SUSHI, YFI, USDT, HT, CNNS, ARPA, BAL, DAI, GOF, HBC, LAMB, LRC, PAX, SKM, SNX, TOPC, USDC, BAGS, BAG, HBO, MDEX, CAN, FILDA, IHB, SLNV2, EDC, SWFTC, etc.
LPs with other assets will still receive airdrop rewards.
Users with the Top 10 personal value of each trading pair will get 150% airdrop rewards (personal value = amount of funds * time)

1.2 Airdrop Rewards

DogeSwap is airdropping its platform tokens to the existing participants. 80% of the airdrop rewards are allocated to LP providers and 20% to trading users. Airdrop regulations are as followed:

   LP providers: The airdrop rewards will be evaluated according to the duration of stake and total staking assets.
   Trading users: The airdrop rewards will be evaluated according to the trading volume.

Airdrop formula:
Airdrop quantity per address = personal value / total value * airdrop quantity
Personal value = X * (time of X-Y) + Y * (time of next change) [User's initial deposit of LP is X, and the intermediate change is Y]

According to the airdrop regulations, the larger the contribution, the higher the reward. Please note the announcement on our platform for the specific airdrop time and other details.

2. DogeSwap 2.0

DogeSwap 2.0 provides a whole new HECO experience with the official release of liquidity mining online: 1. Liquidity pool (LP) mining zone; 2. Solo mining zone. Two mining zones are there for major players or individual players to enjoy high returns according to their needs.

2.1. Platform Token Issuance Protocol

DOG is the only credential governance token with a total issuance of 1 billion DOG tokens. When the platform is launched, DOG airdrop will be carried out according to the transaction fee. Please note the announcement on our platform for the specific airdrop time and other details.

2.2 Buyback and Burn Protocol

The transaction fee in DogeSwap is 0.3%. During phase 2.0, 10% of the transaction fee will be used for maintenance and the 70% will join buyback DOGE and distributes to the board users; the rest of 10% will buyback and burn platform tokens, DOG.

2.3 Mining Protocol

2.3.1 LP Mining Zone

Rules on pool creation: Users are eligible to create liquidity pool (LP) at the trading area. When the total asset in a pool reached 100,000 USDT and above with the transaction fee at 100 USDT and above for three consecutive days, the project corresponding to the LP will be listed on LP zone within 48 hours and the mining will begin.

For example, when the total asset of ABC and HUSD in ABC-HUSD (LP) reached 100,000 USDT and above with the transaction fee at 100 USDT and above for three consecutive days, the LP will be listed on mining zone within 48 hours and DOG mining will begin.

Rules on token issuance: The amount of token issued on LP mining zone is 95% of the total issued amount. The token issuance ratio of each pool depends on the transaction fee of the pool the day before. The details are shown below:

HETH-HUSD (LP) Mining Pool	HDAI-HUSD (LP) Mining Pool
Transaction fee of the previous day: 2,000 USDT	Transaction fee of the previous day: 1,000 USDT

LP Mining Zone

As indicated above, the transaction fee of HETH-HUSD (LP) Mining Pool is twice the

transaction fee of HDAI-HUSD (LP) Mining Pool. Hence, the token issued on HETH-HUSD (LP) Mining Pool will also twice the token issued on HDAI-HUSD (LP) Mining Pool.

Individual token issuance = Individual staking asset / Total staking asset in the pool * Amount of token issued on the day

Unlisted rules: When the daily transaction fee of a liquidity pool went below 100 USDT for several days consecutively, it will be unlisted on the LP mining zone.

Incentive rules: On the first week of a new project listing, it will be given 2-3 times the mining coefficient as incentives.
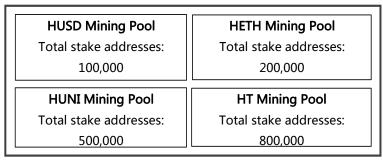
2.3.2 Solo Mining Zone

What is the solo mining zone? It is the mining zone that requires only one token type to be staked. Users stake only one token type in solo mining zone to join DOG mining.

At the beginning phase, the solo mining zone will list Top 15 high quality projects based on their overall performance on HECO, such as activity, number of holders' addresses and market popularity.

The formula for each pool outcome in solo mining zone is:
Mining distribution ratio in a pool = number of stake addresses in the pool ÷ total stake addresses of all pools in solo mining zone × 100%

The figure below represents the entire solo mining zone with four token pools: HUSD, HETH, HUNI and HT. The numbers of stake addresses for each pool are shown with a total of 1.6 million stake addresses.

HUSD Mining Pool	HETH Mining Pool
Total stake addresses: 100,000	Total stake addresses: 200,000
HUNI Mining Pool	HT Mining Pool
Total stake addresses: 500,000	Total stake addresses: 800,000

Solo Mining Zone

Mining distribution ratio in the HUSD mining pool: 100,000 ÷ 1.6 million × 100% ≈ 6.25%
In other words, when 10 DOG tokens are generated in solo mining zone, HUSD pool will get 0.625 DOG token.

2.4 Cross-chain Trading

Digital assets are the foundation of DeFi. The mutual transfer between two assets or the two-way interaction is the only way for DeFi development. However, due to the independency of each blockchain, many great challenges are present to achieve data communication, value transfer, and so on. Besides, DeFi development is not limited to just ETH, HECO, or certain public chain. Therefore, during phase 2.0, DogeSwap proposes the cross-chain trading ecology. It aims to achieve the free flow of assets and data among different public chains, so that all encrypted assets can be traded safely and quickly.

As technology progresses, cross-chain trading will provide great integration and development to DeFi market. It will help to delayer the big market, making it more decentralized. Hence, the cross-chain trading technology is not only to cause the rise of DogeSwap, but also to set a heat wave to the whole DeFi market.

3. Community Governance

During the preliminary stage, DogeSwap team will deeply involve growing the project to both domestic and international market. When the project starts to mature, it will gradually transition into DAO governance, and finally into community governance. The token joining in the governance is the platform token, DOG. It is responsible for the community governance to ensure the sustainability of the ecology. DOG token holders have the following rights, they are including but not limited to:

a.   Governance proposal and voting right
b.   Be rewarded to join the governance
c.   Gain part of the profits from contracts
d.   More rights will be given through the community
e.   More to come…

DOG tokens are closely related to the growth of DogeSwap and it focuses on the governance. The duration of holding DOG tokens and the number of tokens users have represent the binding depth between them and the development of DogeSwap platform. Therefore, to a certain extent, users holding DOG tokens are equivalent to holding the "token right" of DogeSwap platform.

The Appendix: In-depth Reasoning of DOG's Economic Model

1. A fully open ecology

DogeSwap's policy of opening to all projects. Any project can create liquidity pool on the trading zone. When a liquidity pool fulfills the requirement of the platform, it can start mining

DOG. Not only the project can earn higher rewards from mining, platform users and project could play their strengths to create liquidity pools together. They can reflect the real value and foster a better development for the project ecology.

2. Fairness and justice

The mining coefficient of all LP pools is completely determined by the contribution of the commission, not determined by the board of directors, and 100% decentralization has been completed, which in a true sense has achieved "fairness and justice", allowing more users to participate and profit.

3. The underlying logic of platform token

DogeSwap proposes a new ecological framework. It buybacks DOGE and DOG with the transaction fees, then burns those DOG.

Mining liquidity pool (LP) with high revenue: 1. Large mining amount in LP zone; 2. When the transaction fees are used continuously to buyback and burn DOG, the revenue of token holders will increase. For instance, when half of the users who joined mining decided to sell their platform tokens, the revenue for the remaining users will increase. At the same time, the situation will encourage DOG token holders to join mining.

HECO is a public chain with DeFi as its core. It is more efficient, cheaper, and user-friendly. It also has a large community from HECO with large user group and huge popularity. DogeSwap will soon be the shining star of the DeFi market!