RecycleSWAP Project | RCX TOKEN

https://recycleswap.net

About this document

This document and any other document in association aims to outline envisions of the business concept and platform design for the RecycleSWAP project, a new decentralized recycling platform combined by Recycling, BlockChain technologies, and Decentralized Ecosystem philosophies.

The business proposal set out in this document is based on the prospect of the evolving digital era we envisage, as well as certain assumptions and information currently available and deemed reliable to us, subject to possible updates from time to time. Due to the nascent nature of DeFi, the views stated in this document are representative of the business ideas of our team solely, and do not constitute any investment suggestion to any digital asset, or explanation of the policies or opinions of any government or authority. References to certain specific industry terms, company names, or platforms trademarks, are for illustrative purposes only, and do not imply any affiliation with, or endorsement of any of those parties and projects.

Executive Summary

In this paper, we propose RecycleSWAP, a new decentralized recycle and exchange protocol, to empower the compensate and investment infrastructure for the cryptocurrency community. RecycleSWAP offers portfolio based on recycling and revaluing solution; launches reform and rehabilitate value functions with RCX mining programs to create sustainable returns for the participants; and provide coverage for cross-chain DeFi[1] projects to benefit the whole ecosystem.

1. Decentralized Finance (DeFi) aims to offer financial services by leveraging the decentralized technologies, mainly public blockchain networks, in an open and transparent manner with universal accessibility. It has been at the forefront of innovations in the blockchain and crypto currency space since 2019, and exploded in 2020 with various projects blossomed. The total value locked (TVL) in DeFi has boomed in the past few monthly, which, as of March 2022, has surpassed US$75.65B, and the number has reported that it has passed the 10 million mark of monthly active users, up from just over 500,000 a by end of 2021. Source: https://www.defipulse.com/

Significance

Why do we recycle for sustainability?

Recycling is far more important that most people are inclined to believe. Everything is connected and this is a basic principle of quantum physics. Sustainability also is inescapably about economics, because the economy is the means by which we, as individuals, relate to our natural and social environments. Nature, society, and economy are all integral parts of the same interconnected whole. Sustainability ultimately is about energy because everything that sustains human life on earth is about energy.

According to the first law of thermodynamics, energy can be used and reused but can never be created or destroyed, although it changes in form each time it is used. However, according to the second law of thermodynamics, the law of entropy, each time energy is used and reused, some of its usefulness is lost. Whenever energy is used, it is always transformed from more concentrated, organized forms to more dispersed, less concentrated forms, as when we burn fuel in an automobile or

fuel our bodies with food. In fact, the usefulness of energy arises from its natural tendency to disperse. Even though no energy is lost through use, it must be collected, reorganized, re-concentrated, and re-stored before it can be reused. All of this requires energy, which is no longer available to do anything else.

The question is how can these be related to blockchain technology, crypto-currencies and the ecosystem trying to be built?

Today's economies inevitably disperse, disorganize, and deplete both physical and social energy in the process of producing things of use to people. However, such economies do nothing to re-concentrate, reorganize, and regenerate the energy they extract from natural and society. The diminishing time-value of economic benefits is clearly reflected in market rates of interest, which heavily discount the value of future events. For example, expected economic benefits accrue in a decade in which fifty cents today would be worth less than each dollar expected later.

Regardless of blockchain technology resolving today’s problems of information and currency transfers, there are still other challenges that must resolve to sustain a great and healthy economical turnout. In fact, recycling has the potential to be an important strategy for long run sustainability, if we are willing to look beyond short-run economics.

Although often overlooked or under-appreciated, recycling can also strengthen communities, thus helping to ensure social sustainability. Recycling for sustainability invariably brings likeminded people together for a common purpose. Recycling for purely economic reasons takes place within private business organizations and typically is not even referred to as recycling but as resource utilization. So when we speak of recycling, we typically are referring to group efforts to encourage recycling for reasons that are not purely economic. Economic benefits may be involved, but whenever expected economic benefits fall short of economic costs, the community, invariable bears some part of the costs, or recycling simply doesn't happen.

When the economic costs of recycling activities exceed the economic benefits, the credit for pursuing such activities should be credited to society, not to the economy. Without the support of the community, such economic activities would not have occurred. Thus, it's a bit misleading to contribute such benefits of recycling to the economy.

Finally, recycling can also strengthen the economy, but not necessarily in ways that most recyclers assume. Again, recycling for purely economic reasons requires no community effort to support it, it's profitable, we don't even call it recycling. Admittedly, all recycled materials and services that are bought or sold contribute to economic activity, which is a common measure of economic strength.

Market Demand

As of March 2022, 18,465 cryptocurrencies have been introduced to the market. However, not all of these cryptocurrencies are active or valuable, and discounting many “dead” or/and "failed" coins and tokens, only around 10,363 active cryptocurrencies are live.

There are upwards of 300 million cryptocurrency users across the globe. And approximately 18,000 businesses now accept a form of crypto as payment. Sources: CoinMarketCap, investing.com

This fact brings many challenges for cryptocurrency markets, as well as for holders whose money is locked in a network that doesn't allow them to transact, or hold coins or tokens that are not tradable.

Moreover, the amount of worthless and unusable coins and tokens can damage the market value and resources due to poor reputation.

Core Value Creations

RecycleSWAP do not consider itself as the competitor, but more of a healthy and necessary complementary role to the immense and expensive cryptocurrency world.

With the recycle-based product design as a fundamental approach of recovery diversification, the pricing for the meliorate tokens will be reduced by its nature.

RecycleSWAP has also developed unique pricing models to optimize the cover cost leveraging. Furthermore, the investment utilities on RCX Token will complement the cover cost to offer ultra-low offering, which is close to zero.

Business models

As a recycling protocol, RecycleSWAP will provide two function arms similar as the traditional companies, i.e., the recycle arm and the investment arm. The free capital in the recycle capital pool can be placed into the investment pool to gain higher yield, while the recycle arm will provide protection to the investment activities.

Meanwhile, the yield at the investment side will in turn complement the action at the recycle side, and further reduce the cover cost for next recyclers. These two parts will operate in a synergetic manner to provide value of assets as well as considerable investment return, forming a sustainable business model.

In this model, RecycleSWAP as a platform, will generate revenues from the recycling protocol as well as the investment returns. Those revenues will be used in areas such as operation / development costs, community incentives, ecosystem collaborations and etc.

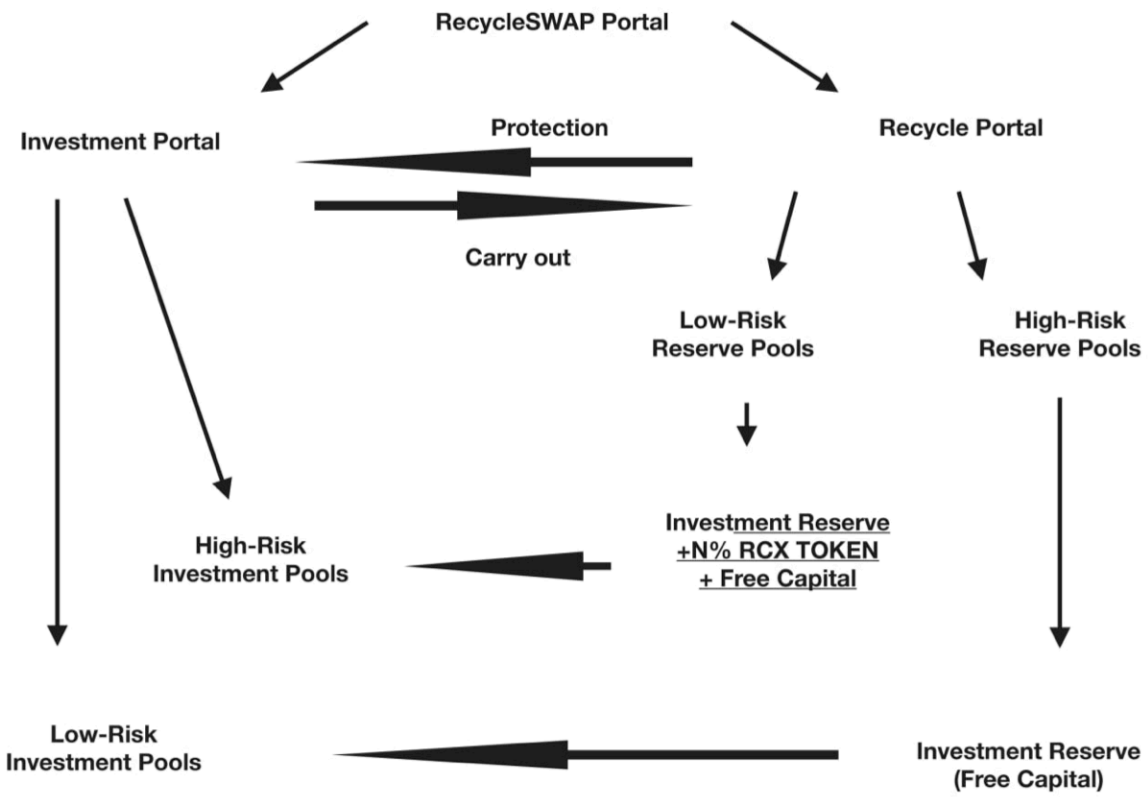


Fig. 1 - Business Model

Recycling Model

(1) Investor

Investor, invests asset via investment portal by choosing the investment portfolio with different risk and return appetite. Either this investment will be held as a RCX Token, or it will be add up to liquidity pool.

(2) Recycler

As a recycler of the dead coins/tokens, recycler stakes assets into the mutual recycling pool, gains RCX token as incentives according to the RCX minting and investment returns.

(3) Recycled Holders

As a recycled coin/token holder, holder accesses through the RecycleSWAP portal to swap dead coin/token, get RCX tokens as incentives and request for claims when the policy is triggered. Or making deal with recycler to exchange the dead assets and get live RCX tokens in the market.

(4) Synergy between the two Arms

Investors, recyclers and recycled holders will all benefit from the interactions between the investment and recycle arms at the platform level.

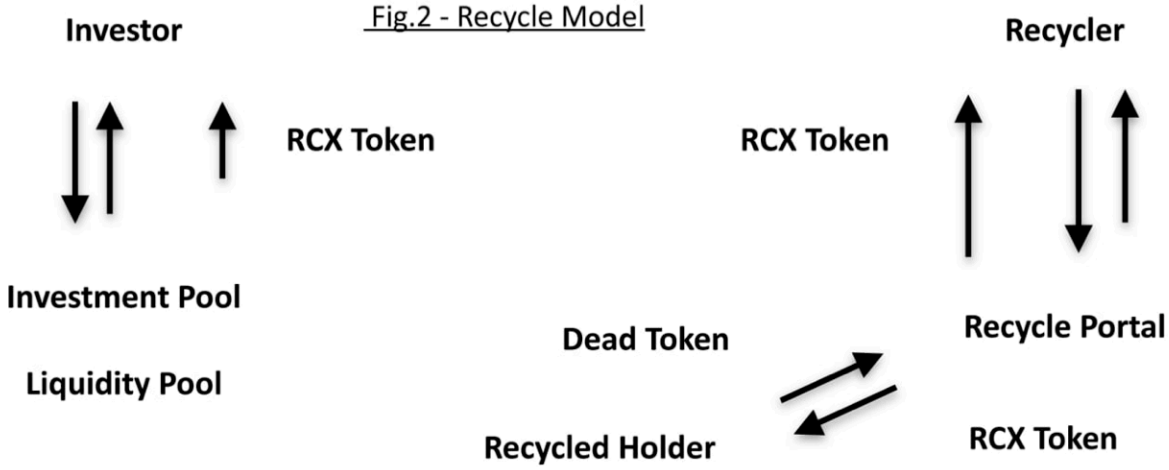
• The recycle arm eliminate the dead asset and pass the value to the investment arm;

• The free capital in the liquidity pool will be used for investment managed by

the investment arm;

• The investment yield will be returned to the recycle side to incentivize the recyclers and recycled holders.

Fig.2 - Recycle Model



Architecture Design

The platform will consist of four layers, including:

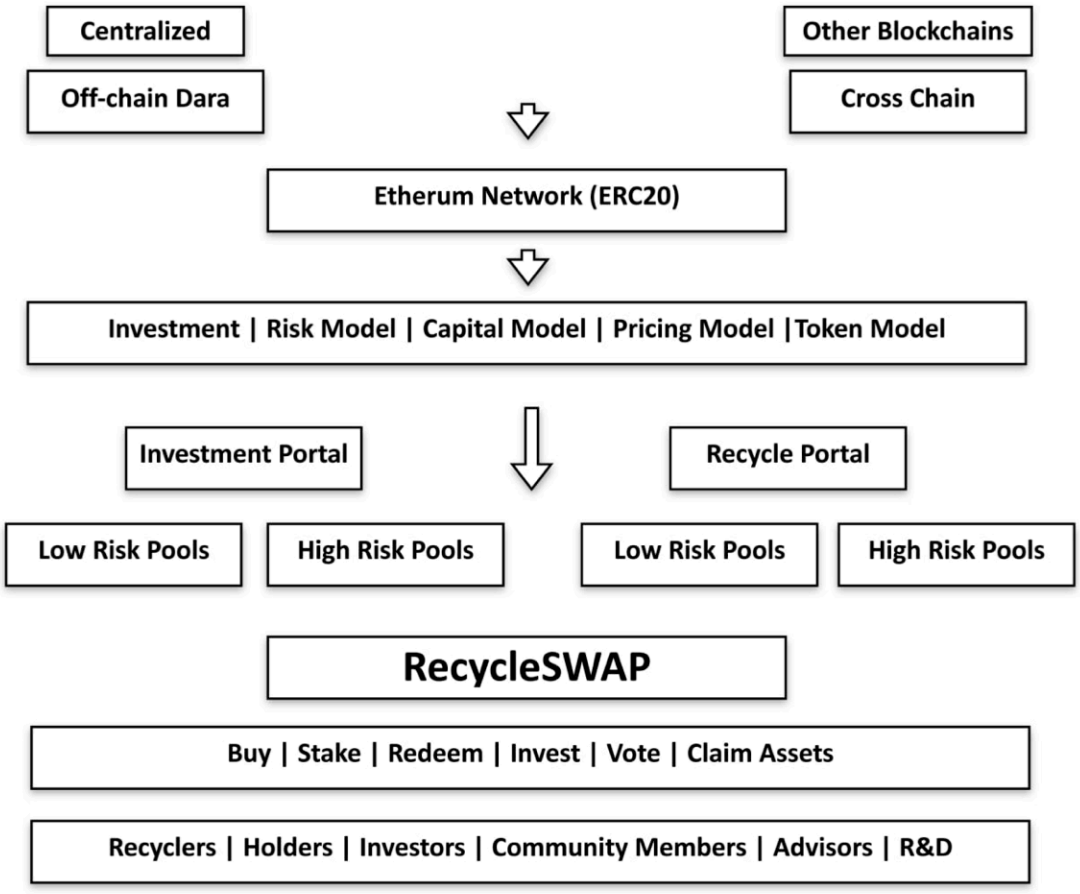
• Node Layer, to provide the node access functions for platform nodes such as cover buyers, investors, risk assessors and etc.;

• RecycleSWAP Layer, to cover the various nodes or business operation scenarios interacting with core solution functions;

• Solution Layer, to build the core functions of the platform, such as solution offering, liquidity pool, investment, pricing models, community governance, etc.;

• Core Layer, to set up the interactions with Ethereum network as a base, and maintain interoperability with external and cross chain utilities.

Fig.3 - Platform Architecture Design



Capital Model

The business model of the recycle industry, including recycle, salvage, and reprocess (convert into something), is about taking risks, metalizing risks, managing risks while remaining solvent, and profitable, in which capital model defines the capital required to cover the risks associated with such purposes.

The capital model adopted by RecycleSWAP is referred to the recycle philosophy. It sets out requirements applicable to recycle companies with the aim to revaluate the dead or disvalued assets, that will be reusable in the other form by holders and beneficiaries.

At the core of the new regulatory framework of recycle business is an economic risk-based approach, which should enable the assessment of the use and reuse of assets through quantitative and qualitative measures. Under requirements for the undertakings are determined on the basis of their risk profiles and on the way in which such risks are managed, therefore providing the right incentives for sound risk management practices and securing enhanced transparency.

Pricing

RecycleSWAP will adopt new formula-based pricing models to fairly assess the expected loss of dead assets, and thereby reduce the cost and enhance the capability.

The loss assessment is conducted on the portfolio level, which will consolidate portfolio level formula pricing and constituents' risk scores for each individual protocol involved in the portfolio.

The main inputs for the modeling are

P0: Current price of the dead TOKEN in the Market / ETH
R: number of dead tokens needs to be SWAP to RecyleSWAP TOKEN
T: Number of days token does not have any activity. (Days Token

has been dead)
N: Number of RCX Token holder get.

Governance

RecycleSWAP will adopt the DAO governance mechanism commonly deployed in RecycleSWAP projects as the governance token for voting and incentive purposes.

Cross-Chain Recovery

With the expansion of cryptocurrency ecosystem, all projects built on other public blockchain such as Ethereum, TRON, BNB, Solano, EOS are also booming. RecycleSWAP will firstly recover those Ethereum tokens and DeFi projects, for the whole Ethereum community. Along the way, RecycleSWAP will also explore technical integrations with other public blockchains to grow with the whole ecosystem.

Ecosystem

Regarding to the conceptual description of recycling and its multifunction methodologies, it is clear that the main reason of this project is economics, considering the technical requirements it's supposed to fulfill. The RecycleSWAP is going to perform an economic task that no other asset could carry out since the birth of Bitcoin.

RecycleSWAP tokens have potential to restore a portion of the value from other currencies that were reduced because of lack of the demand, or lost by a rug pull from its developers or large holders.

RecycleSWAP will collaborate with the DeFi projects that are success to build an ecosystem where RecycleSWAP clients or RCX Token holders will enjoy the benefits of those platforms.

For example, RecycleSwap holders will be granted special incentives on investing, lending, DEX, and other protocols in collaboration with RecycleSWAP.

Token Economy

The RecycleSWAP platform will issue standard ERC20 token, RCX, as the governance and utility token to incentivize the participants in the ecosystem in a retroactively manner.

The RCX tokens can be used in below scenarios:

• Mining incentives for capital provisions to the recycling pool and investment products;

• Used in community governance scenarios such claim assets, proposal voting and etc.;

• Community incentives;

10% First stage ICO

30% Liquidity

25% Development

30% Reserve in contract (Control value of coin)

5% Reserve for the future partners and exchangers

Transparency

As a mutual based recycle platform, it bears in its nature to disclose the necessary information to participants, partners and other interested parties. Given the traceability and immutability of blockchain technology, all transaction data can be retrieved from

the public distributed ledger, making the platform operations transparent. Meanwhile, we will disclose information and data on our website in a timely manner, including but not limited to:

- Transaction data of recycle assets;
- Key metrics of the capital model, staking pool size, etc.;
- Parameters of the pricing models;
- Investment plans, executions and P/L;
- Platform operational cost and income;
- Claim process and executions;
- Community proposals and governance;
- Liquidity mining operation details;
- Token issuances, consumptions and distributions.

With these information publicized on the website, we aim to maintain a transparent and sustainable ecosystem where the platform can provide insurance covers to the whole crypto space. In the event when any inaccuracy or misinformation occurs, the RecycleSWAP platform will respond timely to ensure the transparency of the whole community.

RecycleSWAP Roadmap and Future Development Plans

RecycleSWAP foresees the development of RecycleSWAP platform is a systematic project that requires persistent efforts and continuous improvements, which will be rolled out according to plans below for the 1st year.

1. ICO (Centralized)
2. First stage dead coin SWAP (centralized)

3. Create Liquidity pool in other decentralized exchangers (UNISWAP, SushiSWAP, DodoSWAP)

4. List with Coinmarketcap and Coingecko

5. Second stage dead coin SWAP (Centralized)

6. List with Centralized Exchanger

7. Publish beta version of RecycleSWAP App

8. Third stage self SWAP by App

9. Publish Alpha version of the decentralized application

Conclusion

With the above designs and value propositions, RecycleSWAP committed to build the RecycleSWAP platform as an infrastructure for the whole Cryptocurrency community, and provide easy access, cost efficient, as well as fine governed Decentralized investment, financing and compensation services to the millions of users in the digital era. Additionally, social energy as well as physical energy is required. All human resources labor, management, innovation are products of social relationships. No person can be born, reach maturity, and become a productive worker or citizen without the help of other people, including their families, communities, and societies. All organizations businesses, communities, economies depend on the ability of people to work together for a common purpose, which depends upon the civility of the society in which they were raised. It takes social energy to maintain a productive human society, and this energy is not available for any other use. This is the essence of social entropy and it also is inevitable.