**Introduction:**

The purpose of this service, currently named “CurrencySpot”, is to allow anyone to protect themselves from adverse FX rate swings when they purchase goods and services from a vendor in a foreign country. This service is particularly useful in the following use cases:

* Alice plans to travel to a foreign country for two weeks. Two months prior to this travel, she has reserved and paid for her plane tickets, but has only made reservations for her accommodations. She has also accounted for extra in her budget for buying food, gifts, and other services while abroad. However, in the time between her planning and her travel, the exchange rate moves against her, and she must now pay more than she originally anticipated.
* Charlie runs an e-commerce site and needs some revisions and updates done. To this end, he contracts Dopesh, and the two agree on an incremental payment schedule over a period of three months, covering design, creation, testing, and deployment. Charlie and Dopesh live in different countries, and Charlie has agreed to pay Dopesh in the latter’s home currency. During the period of the contract, fluctuations in the exchange rate may put either Charlie or Dopesh at risk of paying more than initially anticipated.

These are examples that cover relatively small transaction amounts. However, any company or consumer that buys or sells goods internationally must deal with fluctuating exchange rates. Currently, their only option is to go through a bank or broker, which will then use FX forward contracts. These contracts are a form of insurance, and contract terms are more or less standardized, which makes trading relatively easy.

Our proposal, then, is to move this market to the blockchain, and decentralize the ledger that maintains a record of FX forward contracts. This whitepaper will set out our thoughts on how to accomplish this vision.

**Outline:**

1. Executive summary
2. History of FX forward contracts
   1. Why FX forward contracts were created
   2. How FX forward contracts work
   3. Key features, terms, and conditions of FX forward contracts
   4. How FX forward contracts are priced and settled
3. History of FX forward contract markets
   1. Origins of FX forward markets and key innovations / changes over time
   2. Illustration and description of key participants in modern markets
4. Introduction to and examination of a decentralized FX forward exchange
   1. Illustration and description of key participants in a decentralized market
   2. Description of behaviors and relationships between participants
   3. Key challenges and how they can be resolved
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