ILIA

Inclusive Lending,
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1. Disclaimer

This document has been prepared in accordance with the conventional standards for whitepapers in the blockchain and DeFi sectors. Its structure is transparent, detailed, and designed to cover all key aspects of a Decentralized Finance (DeFi) project, including:

- Problem and Solution
- Tokenomics and Fundraising Structure
- Technical Architecture and Business Model
- Risk Management and Future Roadmap

Our approach is aligned with ethical principles. The focus of this whitepaper is on the broader global market, and it has been designed to be attractive to all people, regardless of their circumstances, race, or region of residence. (Efforts have been made to design it in such a way that Muslims, who are prohibited from dealing with interest (Riba) in their religious principles, can also use the services of this project, marking a step towards global and equitable financial services for all.)

This document is provided for informational purposes only and does not constitute any legal guarantee regarding investment returns, guaranteed profits, or an increase in token price. Every investment decision requires personal due diligence and risk assessment.

Furthermore, all readers are advised that the buying, selling, and holding of digital currencies can involve significant and irreversible risks. Be sure to complete your own research and acquire sufficient knowledge before taking any action in this or similar markets. The risk and loss resulting from your actions are your own responsibility, and ILIA or any other platform bears no liability.

We also kindly request that you be aware of the laws and regulations concerning cryptocurrencies in your region of residence. Unfortunately, some countries have imposed unjust restrictions on cryptocurrencies, and some have criminalized them.

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2. Brief Introduction to the ILIA Project

ILIA is a decentralized lending protocol that provides users with interest-free (Riba-free) loans. Users can lock their digital assets (cryptocurrencies) as collateral with ILIA and, in return, receive a loan equivalent to a dollar value but in the form of stablecoins (e.g., USDT, DAI, etc.).

Distinctive Features:

- Completely Riba-Free: There is no interest or floating interest rate. Only specific and transparent fees are charged to cover costs, which are primarily network and infrastructure fees.
- Decentralized: Project governance is conducted through community (DAO) and institutional voting. The founding team (the institution) has specific executive powers but cannot act without a positive vote from the DAO.
- Smart Contract Transparency: All interactions are recorded on the blockchain, and a record of collateral, debt, and settlement is available via Representative Tokens. Efforts have also been made in various service areas, especially insurance, to use smart contracts instead of a DAO.
- Investor Profits are Non-Guaranteed and Dependent on Real Market Performance: This eliminates the conflict with Riba (interest) and replaces it with true participation. (Profit forecasts exist based on past trends, and the principal capital is insured, especially in the Participation Bonds model.)

3. Market Size and Global Demand Outlook

In recent years, the total market size for lending in the DeFi sector has reached between $60 to $80 billion (Total Value Locked across all lending protocols). Furthermore, according to various reports (e.g., DeFi Llama, 2023), the Total Value Locked (TVL) in lending platforms is projected to surpass the $100 billion mark by the end of 2025. These figures do not account for the specific demand from users who are against interest, as all current platforms charge interest to their customers.

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Our Service Adoption Forecast:

- The adoption rate of DeFi protocols has been growing at an average of 50% annually.
- The demand for low-interest or interest-free loans is increasing in developing countries.
- We project that by 2028, at least $2 to $3 billion of the global TVL will be allocated to the ILIA platform (approximately 2-3% of the current DeFi Lending market).

4. ILIA Project Tokenomics

Macro Token Structure

- **Token Name:** ILIT
- **Token Type:** Utility + Governance (Used for voting, fee discounts, access to special loans).
- **Total Supply:** 4 Billion
- **Deflationary Mechanism:** A portion of tokens from revenue and fees will be burned annually (one phase per year), coupled with a hard-capped supply.

Initial Token Distribution

Category	Amount	% of Total	Lock-up / Release Status
Founding Team (Institutional)	800 Million	20%	Locked for 3 years
Pre-Sale	250 Million	6.25%	Price $0.04, for initial infrastructure
ICO	2.1 Billion	52.5%	Auction with a base price of $0.06, immediate release
DEX Liquidity Pool	400 Million	10%	Along with $24 million, locked for 3 years
Airdrop	400 Million	10%	Non-linear point-based model, gradual distribution
Market Maker	50 Million	1.25%	For market-making based on KPIs

Note: *Up to 50 million tokens may be allocated to market makers, depending on agreements and their performance. *The above amounts may change slightly based on market conditions, but the total cap of 4 billion tokens will remain fixed.

4.1 Pre-Sale Mechanism

- **Execution Time:** By the end of April 2026
- **Tokens for Sale:** 250 Million
- **Fixed Price:** $0.04
- **Minimum Purchase:** 100,000 tokens
- **Fundraising Goal:** $10 million, primarily for project infrastructure, security testing, audits, and human resources.

4.2 ICO Mechanism

- **Execution Time:** End of June 2026
- **Mechanism:** Auction with a base price of $0.06
- **Maximum Tokens for Sale:** 2.1 Billion
- **Pricing Method:**
    - Phase 1 starts with a base price of $0.06.
    - The price increases based on the highest price previously paid.
    - If more than the expected $100 million is raised, the "1-1-0.2" model is activated: for each token sold, another token is sent to the liquidity fund, and 0.2 tokens are added to the airdrop budget. (In effect, proceeds exceeding the target will be used to develop the token's liquidity pools to strengthen its market position).
- **Unsold Token Burn Policy:** If any tokens remain after the ICO and have not been transferred to the liquidity or airdrop funds, they will be burned.

5. The Need for Funding and Use of Proceeds

To begin offering interest-free lending services, establish itself as a reputable financial institution, and avoid being perceived as a scam, the ILIA project requires sufficient capital. This capital will, on one hand, back the loans and, on the other, fund the development of its technical and security infrastructure.

You might wonder why all lending capital isn't raised through Participation Bonds. Since we are pursuing a system without direct interest, we cannot promise investors a fixed profit. Many may be unwilling to commit their capital for a specific period under these terms. To ensure the constant availability of our lending system, we must have a dedicated, independent budget to avoid dependency and prevent system disruptions.

Reasons for Funding:

- **Initial Lending Capital:** To fund the first wave of loans.
- **Creating Liquidity Pools:** $24 million will be locked alongside 400 million ILIT tokens (these ratios may change based on the final ICO price) to enable user trading and prevent severe price volatility, especially in the first year of listing on DEXs.
- **Technical and Security Development:** Funding for specialized audits, distributed cloud servers, the security team, and DAO infrastructure.
- **Marketing and User Acquisition:** Advertising, airdrop campaigns, influencer marketing, content creation, etc.
- **Operational Costs:** Human resources, legal/compliance costs, and fees for negotiation and listing on CEXs.

Use of Raised Funds

	Expense Category	Annual Estimate
1	Cloud and Blockchain Infrastructure	$500k USD
2	Security Audits and Asset Insurance	$1M USD
3	Marketing and Advertising	$2M USD
4	Community Rewards and Airdrop	$1.5M USD
5	Legal Council	$250k USD
6	DAO Infrastructure and Tools	$250k USD
7	Technical & Customer Support Staff	$1.5M USD
8	Core Development & Staff Bonuses	$1M USD
9	Office Building and Administrative Facilities	$2M USD

An estimated **$10 million** is budgeted for the initial growth and launch phase. The majority of the capital will be used for lending (over **$100 million**), with at least **$24 million** also locked in liquidity pools.

6. Project Revenue Model

Primary Revenue Streams:

- **Operational Fees:** For every $1000 loaned, a total of $10 in fees is collected (for collateralization and lending). This fee is distributed: part at the time of the loan, part upon collateral retrieval, and part across installments.
- **Collateral Investment:** Received collateral can be placed in liquidity pools or staking (according to risk protocols), with the resulting profit going to the project. If an individual only invests without taking a loan, the profit is shared between the project and the investor.

- **ILIA Token Market:** As the use of services and DAO voting increases, demand for the token grows. A portion of the surplus profit is collected in the DAO Treasury.
- **Participation Bonds and Staking Fees:** Long-term investment contracts or blockchain-based participation bonds have commission fees that go to the project.
- **Revenue from Token Price Support and Trading.**
- **Profit Margin from Impermanent Loss Insurance Services.**
- **Special Services:** Custom services for institutions or NGOs (e.g., designing a fundraising campaign) will have separate fees.

7. Project Costs

Annual costs in the initial years (until the maturity phase) could reach **$4.5 million**:

- Infrastructure and Blockchain: ~$500k
- Security and Audits: ~$1,000k
- Marketing and Advertising: ~$1,000k
- Airdrop and Community Rewards: ~$500k
- Legal: ~$120k
- DAO and Management Tools: ~$120k
- Customer and Technical Support: ~$600k
- Core Human Resources: ~$660k

Initial Funding Source: Token sales in the Pre-Sale and ICO, plus a portion of revenue from lending and investment operations. In subsequent years, these costs will be covered by the project's assets and income. (The stated costs are maximum estimates and may be lower).

8. Liquidity and Lending Risk Management

Liquidity Risk Management

- **Multiple Liquidity Pools:** Liquidity pools with various pairs (e.g., ILIA/USDT, ILIA/ETH) will be established on multiple DEXs (such as PancakeSwap, etc.).
- **Buyback and Support Policy:** In the event of a sharp price drop, the DAO can use a portion of the budget set aside for this purpose to perform staggered purchases (dollar-cost averaging) of the token. If necessary, it can also utilize funds from the Buy & Burn and Airdrop budgets.

Lending Risk Management

- **Mandatory Collateralization:** Users must lock sufficient digital assets (corresponding to the determined Loan-to-Value or LTV) as collateral.
- **Real-Time Collateral Valuation:** Valuations are performed continuously with the help of a reputable oracle (e.g., Chainlink).
- **Smart Liquidation Mechanism:** If the value of the collateral falls below a certain threshold (110% of the outstanding debt), the protocol automatically sells the collateral (at a 3% discount from the spot price) to settle the debt.
- **Withdrawal Scheduling (Run Risk Mitigation):** If a large number of simultaneous withdrawal requests are submitted, the system will process them in stages to prevent a liquidity shock.

9. AHP Model for Final LTV Determination

To calculate the Loan-to-Value (LTV) ratio, a combination of the **Analytic Hierarchy Process (AHP)** algorithm is used:

1. **Collateral Value:** Based on 19 factors (including volatility, liquidity, market cap, and ownership concentration), each asset receives a score, and a base LTV is determined.
2. **User-Selected Conditions:** The number of installments, installment frequency, repayment period, and holding ILIA tokens in the wallet will result in positive or negative adjustments to the base LTV.
3. **Market Crisis Conditions:** During a general market crash, the protocol will lower all LTVs by 15%.

General Formula: `Final LTV = Base LTV × (1 + Σ Adjusters)`

Example: If the base LTV is 70% and the sum of negative condition adjustments is -10.5%, the final LTV will be 62.65%.

10. Detailed Technical Architecture

- **Selected Blockchain Layer:** The core will be built on Ethereum, with bridges to other networks.
- **Core Smart Contracts:**
  - `ILIA_Lending.sol`: Manages loans and repayments.
  - `ILIA_Collateral.sol`: Manages collateralization and LTV valuation.
  - `ILIA_DAO.sol`: Manages proposals and voting.
  - `ILIA_Airdrop.sol`: The airdrop system with an anti-whale scoring mechanism.
  - `ILIA_Token.sol`: The utility token contract.
- **Oracle Module (Chainlink or alternative):** For continuous valuation of collateral assets.

- **Representative Tokens System:**
  - `Debt-RT` (Non-transferable)
  - `Collateral-RT` (Cannot be sold or altered until the debt is settled)
  - `Investment-RT` (Represents user deposits or stakes)
- **DAO Infrastructure:** We will use Snapshot for off-chain voting and an on-chain module with TimeLock + Multi-sign capabilities to execute decisions.
- **Stablecoin Integration System:** Loans are disbursed in the form of reputable stablecoins like USDT or DAI, but all calculations are based on the US dollar.
- **User Dashboard:** A simple UI featuring visual and video guides for non-technical users.
- **Backend & Subgraph:** For analyzing on-chain data, calculating user scores, and managing withdrawal and repayment requests.

11. Staking vs. Participation Bonds Investment Models

11.1 Staking

- **Time-based Contracts:** Ranging from 7 days to 12 months.
- **Provisional Profit:** A pro-rata profit share based on the project's overall realized profit during that period.
- **Profit Share:** The longer the lock-up period, the greater the investor's share of the realized profit (ranging from 10% to 80%).
- **Principal Insurance:** The principal capital is insured by the project.

11.2 ILIA Participation Bonds)

- **Minimum Term:** 12 months.
- **Capital Basis:** Capital is calculated in US dollars and deposited in the form of USDT/DAI.
- **Use of Funds:** The project uses this capital to develop its services, lending infrastructure, and for some ancillary activities (e.g., asset trading). This model can be extended in the future to fund capital-seeking projects like charities or startups.
- **Principal Guarantee:** The principal capital is guaranteed in this model, as it is invested in secure instruments. In the event of any loss to the principal, it will be compensated by ILIA.
- **Repayment:** At the end of the term, the principal, plus a percentage of the net profit (which is non-guaranteed), is repaid according to the following formula:
  - `Investor's Share = Total Profit × 70%`
  - `Project's Share = Total Profit × 30%`

    (Note: The 30% share may be subject to change by a DAO vote).

Main Difference

- **Staking:** Focuses on users who lock ILIA tokens or other cryptocurrencies. Their profit is a function of their participation in pools and the lock-up duration.
- **Participation Bonds:** A one-year (or longer) contract based on dollar value, which the project uses to develop its lending infrastructure.

12. The Loan Acquisition Process

Step 1: Investment (Optional) A user can first deposit a digital asset (e.g., ETH or BNB) into the system and stake it. In addition to earning profit, they can later convert this same asset into collateral.

Step 2: Converting Capital to Collateral The user accesses the dashboard and submits a loan request in a specific dollar amount. The system then runs the AHP model to calculate the base LTV plus any adjustments. For instance, if the final LTV is 65% and the user requests a $1,000 loan, they must lock at least $1,538 in collateral ($1,000 / 0.65). The collateral appears in the user's wallet as a locked `Collateral-RT`.

Step 3: Loan Disbursement 30 hours after a successful collateralization, the requested amount (e.g., $1,000) is disbursed to the user's wallet address in the form of a stablecoin (like USDT). A `Debt-RT` is also sent to the user's wallet to represent the loan's status.

Step 4 & 5: Repayment and Collateral Release The user can repay the installments on their chosen schedule (e.g., monthly). Early repayments may be eligible for a tiered discount. After the debt is fully paid and the `Debt-RT` is burned, the user converts the `Collateral-RT` back into an `Investment-RT` and can freely withdraw their assets.

Note on Liquidation: If the collateral's value drops below 110% of the outstanding debt, the system can liquidate it (at 3% below market price). The proceeds can be held as new collateral or used to settle the debt, with any remainder returned to the user. (If an early withdrawal penalty applies to the investment, it will also be deducted).

13. Principal Guarantee and Non-Guaranteed Profit Mechanism

- **Lender's Principal:** The project voluntarily commits to compensating the principal from its contingency accounts or other internal resources in the event of an unintentional loss, such as from a hack or a smart contract flaw.
- **Investor's Profit:** Profit is entirely dependent on the project's actual performance and revenue. There is no guarantee of a fixed profit. This mechanism is aligned with ethical finance models and the elimination of Riba.

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14. Impermanent Loss Insurance

With this service, individuals can insure their assets in liquidity pools across all DEX platforms against impermanent loss, thereby increasing their investment returns. Through a powerful and unique simulation with over (2^10) * (10^6) * 5 iterations, we have determined the mathematical expectation of this risk over 1, 3, 6, 9, and 12-month periods. Based on this risk assessment, we have set insurance premiums and are proud to offer this service for the first time across all coins and platforms. This feature will initially launch in a beta version to ensure its proper functionality.

15. Payments in Crypto (USDT/DAI), Calculations in USD

To ensure stability and transparency in loan amounts and collateral valuation, we use the US dollar as our unit of account. The actual disbursement is done in reputable stablecoins (like USDT or DAI) that are pegged to the dollar. The spot rate of these stablecoins is used at the time of repayment. Because even stablecoins can experience severe volatility, they are not used as the direct basis for calculation.

16. Risk Management for Distributing Staked Tokens in Pools

- **Multi-layered Model:** First, stablecoins are locked in high-yield pools with a gross APR above 6%. If there are surplus ILIA tokens, they are paired against strong coins like BTC/ETH.
- **Smart Capping:** For each asset, an acceptance cap is determined based on 3-month data to prevent risks from the sudden exit of multiple investors (e.g., up to 120% of actual need for short-term contracts; up to 105% for long-term contracts).
- **Prioritizing Collateral:** Users' collateralized assets are more profitable and are invested first to cover the platform's operational costs from their yields.
- **Pool Exit Mechanism:** If a sudden market crash occurs, the project will quickly convert a portion of the liquidity into stablecoins to prevent severe Impermanent Loss or a price collapse.

17. Representative Tokens

The ILIA protocol defines three types of Representative Tokens (RTs):

- **Investment-RT:** Represents the amount and type of a user's investment (staking or participation).
- **Collateral-RT:** Represents a user's collateral for a loan. It is only released or converted to an `Investment-RT` after the debt is fully settled.
- **Debt-RT:** Represents a user's debt. It is non-transferable and is only burned upon settlement or liquidation.

Features:

- `Debt-RT` and `Collateral-RT` are non-transferable.
- `Investment-RT` is tradable (similar to an ERC-721 NFT or ERC-1155).
- This model has similarities to aTokens in Aave, but separating collateral (`Collateral-RT`) and debt (`Debt-RT`) allows for better risk management and data transparency.

18. Community Governance and Founding Team Powers

18.1 The Voting Process

- **Community Proposals:** Anyone can submit a proposal.
- **Community Voting:** Conducted off-chain via Snapshot, with no gas fees, based on token balances at a specific block.
- **Quorum:** Generally, a majority of 50% + 1 of the votes cast is required for a proposal to pass.

18.2 Scope of the Founding Team's Powers

- **Technical Implementation:** Implementing smart contract updates following approval from both the DAO and an institutional vote.
- **Proposal Review:** Reviewing submitted proposals for technical and operational feasibility, either after an initial community poll or at their discretion without one.
- **HR and Marketing Management:** Making day-to-day operational decisions that do not require a vote for each instance.
- **Declaring an Emergency Pause:** In the event of a hack or critical bug, the team can temporarily halt certain functions, but this action must also be confirmed via a multi-sign transaction.
- **B2B Agreements:** Negotiating and finalizing contracts with B2B service applicants.
- **Development Budget Allocation:** Deciding on the use of the development budget (though the overall budget allocation percentages require a DAO vote). In all other matters, a DAO vote is required.

18.3 Scope of Community Voting Powers

- **Changing Macro Parameters:** Such as the models for allocating staked capital, the LTV calculation system, etc.
- **Altering Tokenomics Policy:** Including token burns, increasing the total supply, and other key economic decisions.
- The items listed above and other similar strategic matters require a community vote, and the founding team cannot unilaterally implement them.

18.4 Community and Team Interaction

The founding team or community members can announce proposals in discussion forums (e.g., Discord/Forum). The community can freely discuss, amend, or critique them, followed by an initial poll. If the proposal passes, it is given to the core team for technical and ethical review. The team then prepares a final, formal proposal for a vote. The team may reject a proposal for feasibility reasons but must transparently state its reasoning, and the DAO has the right to remain unconvinced. Ultimately, the formal Snapshot vote will determine the implementation of the proposal.

19. Roadmap with Timeline

- **MVP Development + Testnet Launch:** By end of December 2025.
  - *Launching the initial MVP including Lending, Collateral, and basic Staking modules, along with feedback from a limited community.*
- **Receive Technical Audit Confirmation:** By end of March 2026.
  - *Security audit by a reputable firm like CertiK or PeckShield.*
- **Marketing Campaigns:** By end of May 2026.
  - *Hosting social media campaigns, AMAs with influencers, and expanding the user base.*
- **Conduct ICO:** End of June 2026.
  - *Public offering of 2.1 billion tokens with a base price of $0.06 via a dedicated smart contract. Price may increase based on demand. Unallocated tokens will be burned.*
- **Full System Launch and Mass Lending:** By end of August 2026.
  - *Official launch of the Mainnet with live lending capabilities and activation of insurance and liquidation mechanisms.*
- **List on at least 4 DEXs:** By end of August 2026.
  - *(This will be pursued in parallel with previous steps). Minimum targets: Uniswap V3, PancakeSwap, Curve, and SushiSwap. Allocation of necessary liquidity from the treasury.*

Long-Term Goals

- Becoming a global, decentralized, ethics-driven bank.
- Offering expanded financial services (e.g., payment services, a native stablecoin).
- Implementing uncollateralized lending based on Web3 credit scores.

20. Future Vision and Aspirations of ILIA

Ultimate Vision: To create a financial system that covers all aspects of ethical banking, including:

- International participation bonds (Sukuk) on the blockchain.
- Micropayment systems without interest or heavy fees.
- Integration with real-world projects, such as financing for housing, clean energy, and public health initiatives.
- Expanding the KYC-free model to help migrants and disenfranchised populations globally.

On this path, ILIA will gradually expand its services and respond to community proposals through its DAO structure.

21. Conclusion and Resources

Conclusion: By offering interest-free loans, the ILIA project aims to fill a significant gap in the DeFi market. Its tokenomics model is transparent, featuring a two-stage sale (Pre-Sale and ICO). The technical architecture and DAO governance are adapted from reputable models (Aave, Compound) but with custom modifications. Risk management in liquidity, collateral, and insurance has been designed from the outset. Estimates of the global DeFi market size indicate a multi-billion dollar demand for interest-free loans, even without focusing solely on one community.

Suggested Resources for Further Reading:

- World Bank Global Findex 2021 (Global financial inclusion statistics)
- Dune Analytics (Data analysis of Aave, Compound)
- DeFi Llama (Lending TVL data)
- Sharia Compliance Documents: IIFA, ISRA, Al-Azhar (Islamic banking Fatawa)

In Closing: ILIA is ready to take a major step on the path to fair and transparent finance. We hope this whitepaper has thoroughly answered the key questions of investors, experts, and users. By adapting the best practices of DeFi and integrating principles of ethical finance, we have opened a new path that can be attractive to the global community—without oppression, without centralization, and with maximum transparency.