



EXCHANGE UNION

CONNECTING DIGITAL ASSET EXCHANGES

WHITEPAPER



v1.0.4

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1. Ecosystem of digital asset exchanges

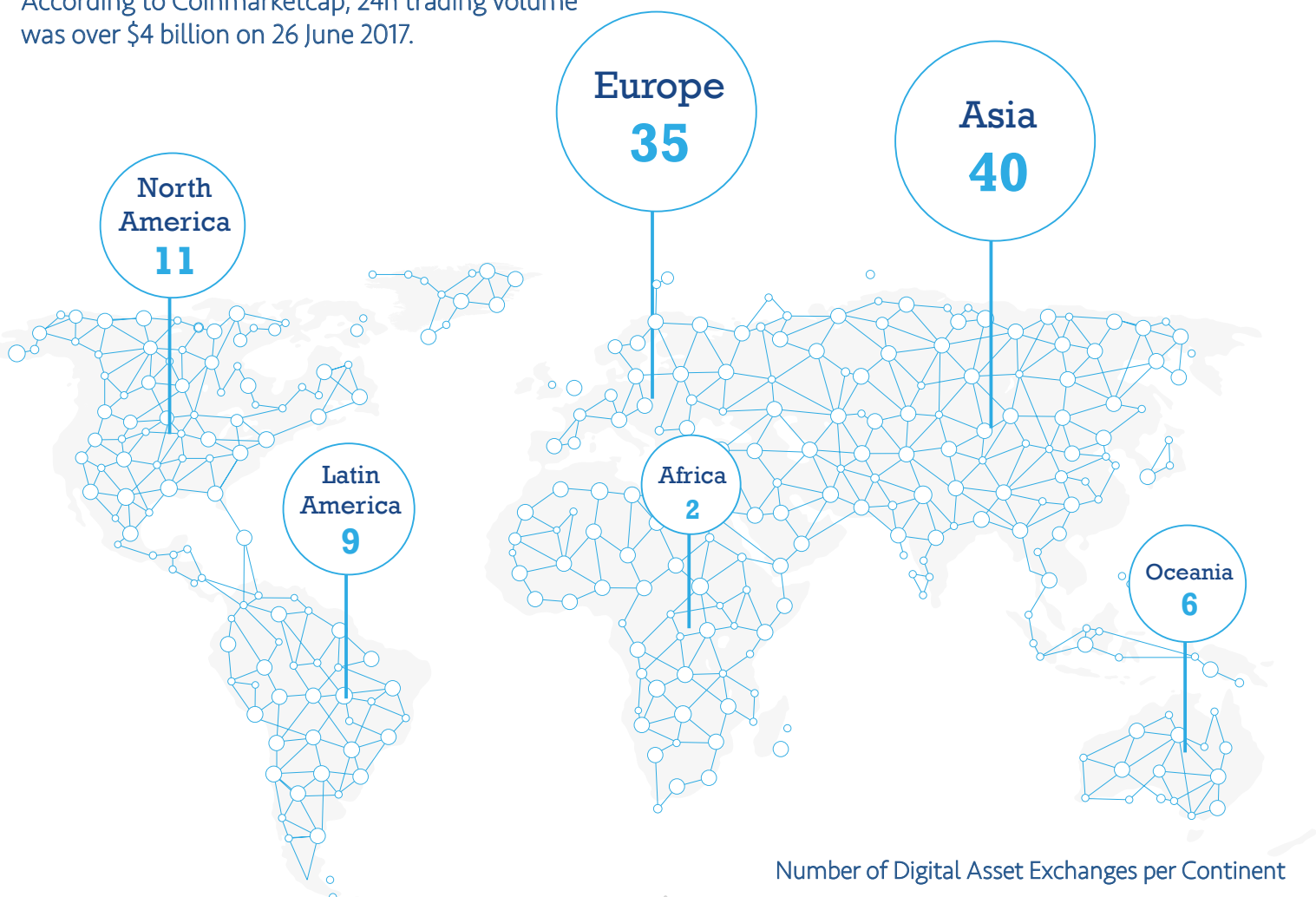
1.1 Overview of digital assets and exchanges

By 26 June 2017, 941 kinds of digital assets were recorded on Coinmarketcap and the total market capitalization exceeded \$100 billion, which is 50 times larger than 5 years ago. Since 2017, growth rates of market capitalization and volume traded for the top 20 cryptocurrencies has been 383% and 985% respectively.

The secondary market has witnessed the growth in value of digital assets. There are more than 100 digital currency exchanges and tens of millions of active investors worldwide.

According to Coinmarketcap, 24h trading volume was over \$4 billion on 26 June 2017.

Currently, East Asia, North America and Europe are the biggest markets of cryptocurrencies. The percentage of trading volume for the three markets is about 63%, 25% and 11% respectively. The price of coins differs among these markets. In East Asia, Bitcoin and Ethereum are often sold at a premium of 3-5%. Early in July, Ethereum in South Korea was nearly 10% more expensive than the global average. By contrast, the prices of Bitcoin and Ethereum in Europe and North America are lower than the global average.



Number of Digital Asset Exchanges per Continent

1.2 Industry pain point: the isolation of exchanges

For regional reasons, fiat currency, language and the investment environment, digital asset exchanges tend to be localized and isolated. Not all digital assets are available to customers in every region and the prices vary quite substantially. In addition, services provided by exchanges differ and not all trading information can be found on the open market. This becomes an obstacle to cross-country or cross-region trading, transfers, deposits and withdrawals - a major inconvenience for investors.

Furthermore, this affects global digital asset liquidity, market-oriented distribution and best price discovery, limiting the nature and advantage of digital assets.

2. Overview of Exchange Union

2.1 Vision and mission

To connect digital asset exchanges around the world and realize investors' cross-exchange trading, cross-exchange transfers, deposits and withdrawals among different currencies and assets.

Improve trading efficiency and performance of exchanges and realize the market-oriented distribution of a digital assets' liquidity and enable best price offers.

Connect exchanges in terms of trading, deposits, withdrawals and transfers through agreements among exchanges mechanism and asset rules of interconnection and inter-work. The Exchange Union Chain realizes the full interconnection among digital currency exchanges through blockchain technology. Meanwhile, we will sustain the ecosystem and branding of Exchange Union. As the mandatory, we will support the Exchange Union Chain; assets and team for the holders of XUC.





Exchange C System

2.2.2 Use case

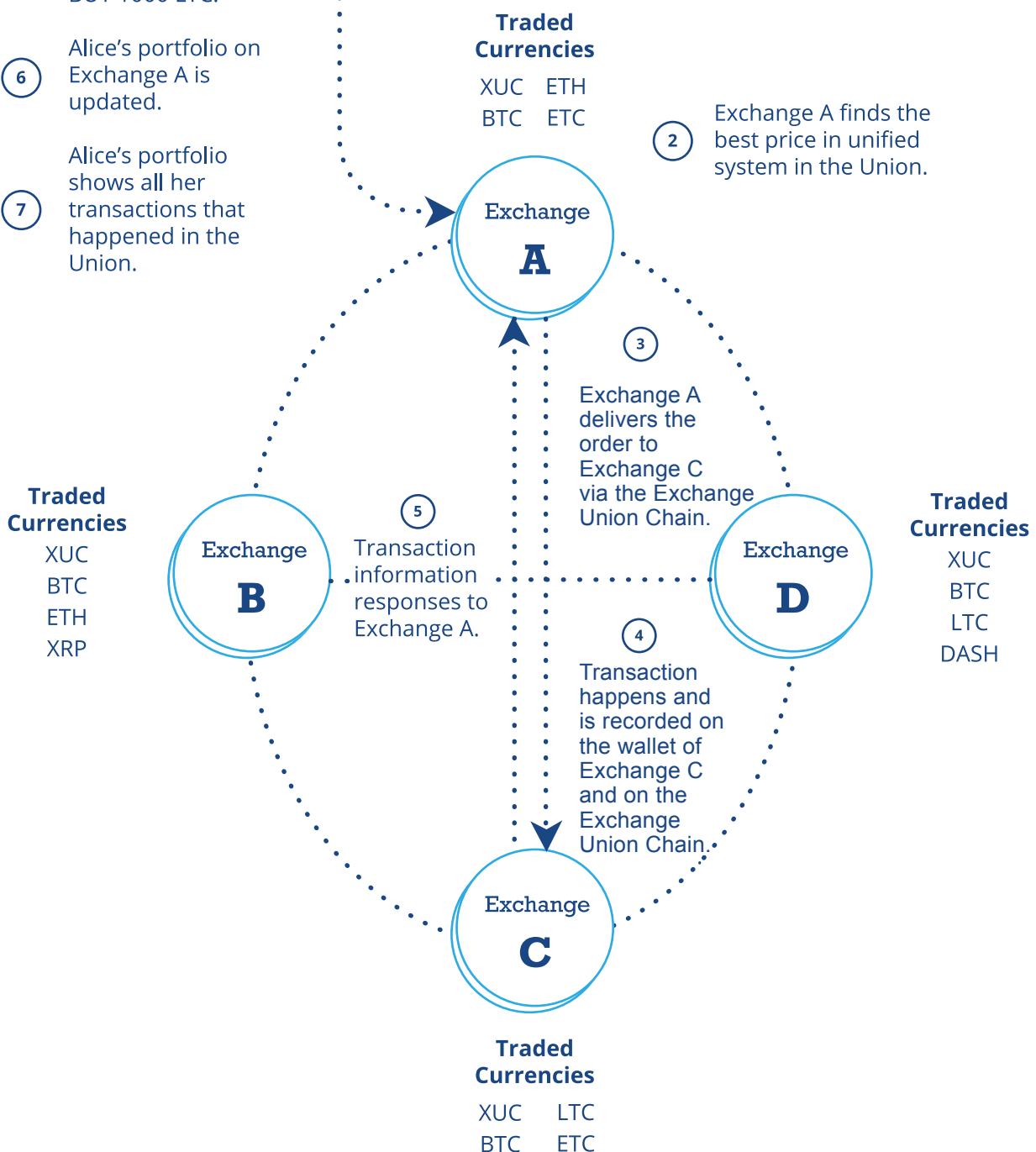


Alice

Portfolio	
BTC	...
LTC	1000
XRP	...

Alice is registered in Exchange A only, but wants to buy LTC.

- 1 Alice inputs order BUY 1000 LTC.
- 6 Alice's portfolio on Exchange A is updated.
- 7 Alice's portfolio shows all her transactions that happened in the Union.




2.2.3 Technical process

i. Invest in digital asset exchanges around the world


We will make strategic investments in digital asset exchanges in order to build the Union.

ii. Synergies will be developed amongst members of the Union.

 XUC will be traded on exchanges in the Union.

 Exchanges within the Union are running Exchange Union nodes, which build the decentralized backbone of the Exchange Union Chain. All trades and fee exchanges settle securely and instantly.

Transaction and other meta data is cryptographically kept confidential between the exchanges.

 Use Case scenario: Alice will pay the trading fees with a cross-exchange transaction by XUC. The trading fees will be shared between Exchange A & Exchange C according to the rules and agreements within the Union and will settle in real time .

iii. Why XUC ?

As any other and decentralized system, Exchange Union needs to implement fees to avoid spam.

XUC solves a major pain point of volatile fees with a volatile underlying asset by decoupling the denomination of the fee from the transferred asset. Fueling each asset transfer in a trade, XUC builds the base for cheap, fast and secure transfers.

Also, XUC will be used for incentivizing functionaries within the union.

iv. The Union will build the Exchange Union Chain and set its own consensus algorithm. To be considered valid, transactions will need to be approved by at least 80% of the Union.

Benefits of the Exchange Union Chain



Faster

Quick transaction confirmation on Exchange Union Chain.



More secure

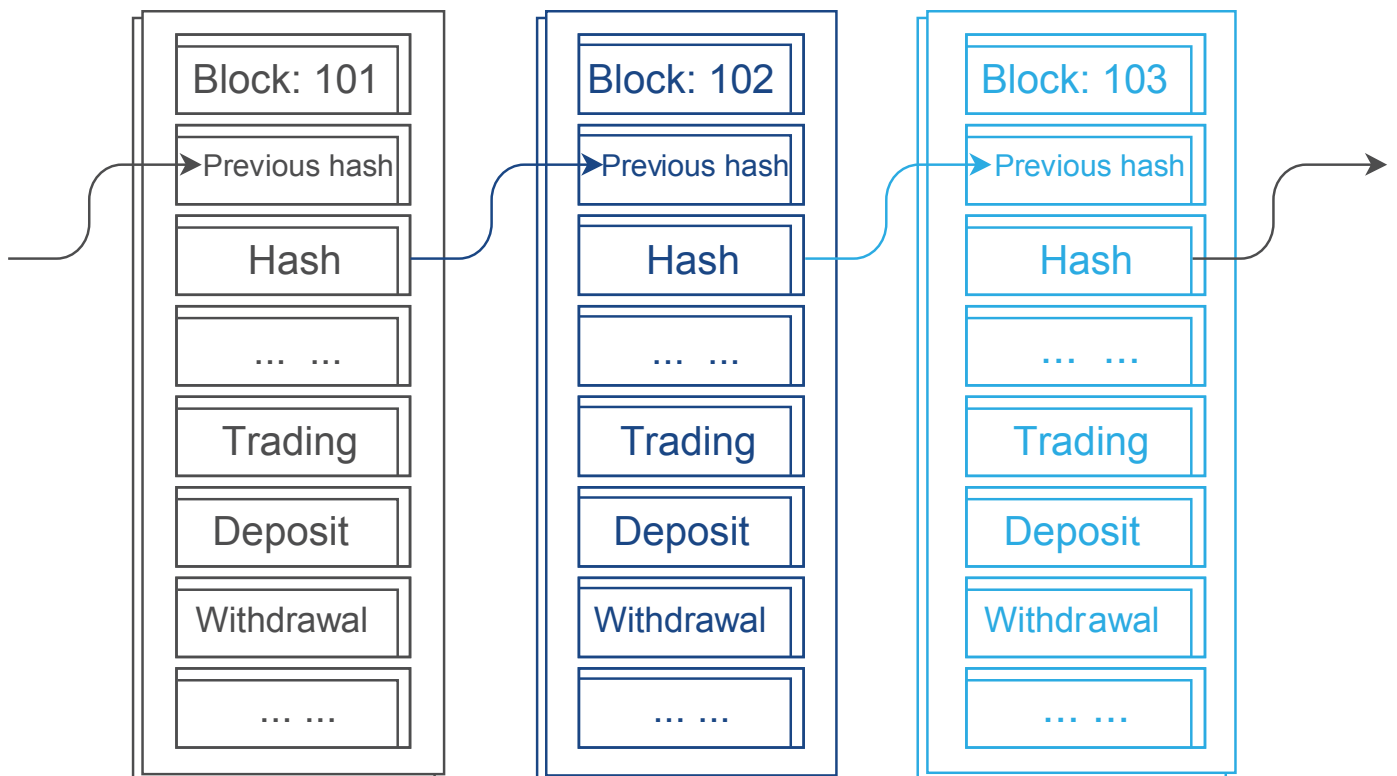
Built by leading digital currency exchanges, consensus algorithm is secure and credible.



Cheaper

Lower transaction fees on the Exchange Union Chain with XUC.

ii. More information is recorded on Exchange Union Chain block to increase its credibility and reputation.



2.3 About us

2.3.1 Core members



James Wo:

Founder & Chairman of Board of Digital Finance Group, the world's leading blockchain-focused business group. Board member of Purse and Ripio.



Mikael Wang:

Former CTO of BTCC. Former chief solutions architect of Ericsson.



Terry Culver:

Vice Dean for Development, Columbia University School of International and Public Affairs.



William Hou:

Former vice president of AJ Securities, one of the earliest financial institutions in China.

2.3.2 Advisors



Brendan Eich:

Father of the JavaScript. Founder & CEO of Brave. Former CEO & CTO of Mozilla.



Kevin Zhou:

Co-founder of Galois Capital, a crypto trading fund. Former head of trading and advisor of Kraken.



Paul Chou:

Co-founder & CEO of LedgerX, the fully regulated institutional trading and clearing platform in US.



Gabriel Kurman:

Co-founder of RSK Labs, one of the best solutions for Bitcoin scaling debate.



Sathvik Vishwanath:

Co-founder & CEO of Unocoin, the largest bitcoin exchange in India.



Igor Telyatnikov:

President & COO of AlphaPoint, the leading financial technology company that provides asset digitalization with ADLP.



Sunny Ray:

Co-founder & President of Unocoin.



Shenghong Wang:

Emeritus principal of Fudan University. Renowned educationalist and scientist.



Sebastian Serrano:

Co-Founder & CEO of Ripio, the leading Bitcoin exchange and payment company in Latin America.



Yonghong Fan:

Co-founder, former general manager & vice chairman of China Asset Management. Chief Investment Officer of China Life.



Andrew Lee:

CEO of Purse, the world's largest marketplace for Bitcoin.



Star Xu:

Co-founder & CEO of OKCoin, Former CTO of Docin.



Ryan X. Charles:

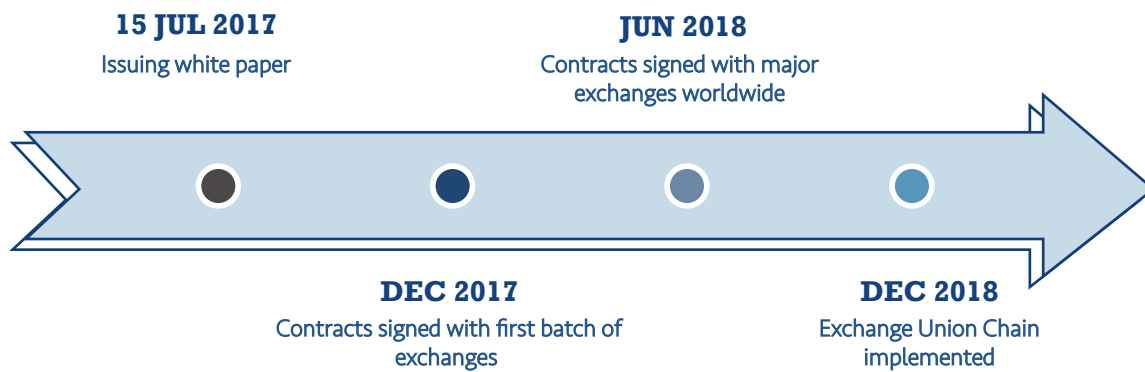
Co-founder & CEO of Yours. Former crypto currency engineer at Reddit.

2.3.3 Global Partners

Digital Finance Group :

Renowned blockchain focused business group. It has \$80 million in funds for the first stage and over 20 portfolio companies around the world, including digital asset exchanges, blockchain use cases and infrastructure. The majority of the investments have shown great performance. For example, the returns on investment were 5-10x for Brave, Bitso and Unocoin. Digital Finance Group has done comprehensive research on global digital asset exchanges. It owns equity shares of digital asset exchanges such as LedgerX, Ripio, Bitso, Unocoin and has established connections with major digital asset exchanges globally. Exchange Union will have all-round cooperation with Digital Finance Group within digital asset exchange investments and will create synergy among them.

3. Roadmap of Exchange Union



4. Overview of Exchange Union Coin

4.1 XUC supply

XUC: an ERC 20 token
XUC supply : 3,000,000,000

4.2 The value of XUC



Cheap & Secure transfers



Powers each trade within the union



Incentivize functionaries in the union



5. XUC Token Allocation

- XUC Token Allocation:
- Total supply: 3,000,000,000 XUC
- 2% initial circulation: 60,000,000 XUC, for presale and private placement;
- 33% for rewarding exchanges: 990,000,000 XUC to reward exchanges registering with Exchange Union; reserved for fee usage;
- 15% for R&D: 450,000,000 XUC for operation, R&D and testing, to enhance user experience, security, and broaden the application range; to be released within 10 years with 45,000,000 XUC or less per year;
- 10% for the team: 300,000,000 XUC allocated for Exchange Union team members; the first 24 months will form a lock-up period, afterwards max. 60,000,000 XUC per year;
- 3% for promotion and bug bounties: 90,000,000 XUC for media promotion, community members and bug bounties;
- 2% for special contributors: 60,000,000 XUC for rewarding special contributions;
- 5% as incentive reserve: 150,000,000 XUC for various incentive programs; available after a 24-month lock-up period;
- 30% as market reserve: 900,000,000 XUC available for burning; max. 60,000,000 XUC per year;