WHITE PAPER

TIED TOKENS PROJECT

Yet another project for the issue of synthetic tokens

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1. Introduction

A synthetic token is a digital asset that is designed to mimic the price and behavior of another asset, such as a commodity, currency, or stock. These tokens are created using smart contracts on a blockchain network, and their value is derived from the underlying asset they are designed to track. The purpose of synthetic tokens is to provide investors with exposure to different assets without having to physically own them, allowing for greater flexibility and diversification in investment portfolios. Synthetic tokens can also be used for trading, hedging, and other financial transactions.

The goal of the project is to create an ecosystem of synthetic tokens for the use of which a standard infrastructure is sufficient - wallets and DeFi services. No special web interface or applications are required to issue/burn synthetic tokens. Thanks to this, the product becomes truly decentralized, it does not depend on developers even in terms of the user interface.

Recent tectonic shifts in the field of fiat finance, caused not so much by economic as by political problems, demonstrate the absolute advantage of cryptocurrencies and computer protocols over fiat currencies and instruments (https://blogs.gartner.com/avivah-litan/2022/03/03/what-are-the-impacts-of-the-russia-ukraine-war-on-cryptocurrency-networks/). In this regard, we predict a significant increase in demand for synthetic assets that allow combining the advantages of both crypto assets and traditional assets such as stocks, bonds and ETFs in one portfolio. The use of DeFi protocols makes these advantages available to all market participants without intermediaries and restrictions.

The mission of Tied Tokens Project is to promote equality of opportunity and reduce inequality of outcomes by providing access to the profitability of developed financial markets to all interested persons, regardless of their age, gender, disability, race, ethnicity, origin, religion and economic or other status.

In this project, we directly contribute to the implementation of the UN Sustainable Development Goals (https://sdgs.un.org/goals) in terms of reducing inequality within and between countries, including:

- gradually achieve and maintain income growth of the least affluent 40 percent of the population at a level higher than the national average;
- encourage the active participation of all people in social, economic and political life, regardless of their age, gender, disability, race, ethnicity, origin, religion and economic or other status;
- ensure equality of opportunity and reduce inequality of outcomes.

2. Technical details

2.1. Underlying assets

We use only reliable underlying assets in accordance with the following conditions:

1. **Verification and transparency** of underlying assets: We check and ensure transparency of the underlying assets on which the tokens are based. This includes verifying the authenticity of assets and ownership of them, as well as ensuring their accurate representation in the token.
2. **Diversification** of underlying assets: In order to reduce risk, we aim to diversify the underlying assets of our tokens. This can help mitigate the effects of any potential losses or fluctuations in the value of an individual asset.
3. **Regular updates** of the underlying assets: We regularly update the performance and status of the underlying assets to ensure transparency and allow users to make informed decisions.
4. **Compliance** with legislation: We use only those underlying assets that comply with all relevant laws and regulations, including securities laws.
5. **Liquidity** of underlying assets: We use only those underlying assets that have sufficient liquidity to maintain trading volume.

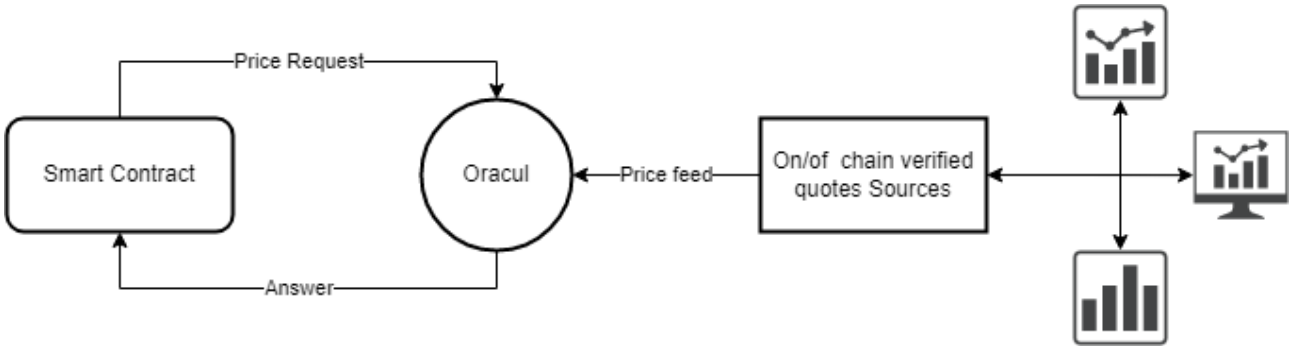
The project provides for the release of various synthetic tokens tied to carefully selected crypto assets, fiat assets, indexes and portfolios.

2.2. Pricing

Pricing of synthetic tokens is based on compliance with the following principles:

1. **Fair pricing**: We guarantee that the price of synthetic tokens reflects the value of the underlying assets and is not subject to manipulation or artificial overstatement.
2. **Market pricing**: We use market pricing mechanisms, such as automated market makers and price oracles, to ensure fair and accurate pricing.
3. **Transparency** of pricing mechanisms: The pricing mechanisms we use are completely transparent, do not contain any hidden fees, commissions, spreads, etc.
4. **Price stability** mechanisms: We use collateral/reserve funds as a price stability mechanism.
5. **Market Monitoring**: We use the price oracle mechanism to regularly monitor the market of our tokens and underlying assets to identify any potential problems or risks that may affect pricing

We use the well-proven oracle Chainlink (https://chain.link/):



2.3. Technology

The security and traceability of transactions with synthetic assets is ensured through the use of blockchain technology.

We use the **BNB Smart Chain** blockchain (https://www.bnbchain.org/).

> *Binance Smart Chain (BSC) (since 2020 BNB Smart Chain) is an Ethereum—compatible blockchain that offers the same smart contract capabilities at much lower transaction fees. Advantages of Binance Smart Chain:*
>
> - *Intuitive user interface*
> - *High performance*
> - *Low transaction fees (only 1 cent)*
> - *The ability to create DApp applications*
> - *A network of millions of users*
> - *DeFi Internetwork mechanisms*
> - *Ease of use due to similarity with ETH (Meta mask, etc.)*
> - *Integration with Trust Wallet*

Reliable execution of transactions in DeFi is guaranteed by the objective nature of the smart contracts used for this, which are automated, self-executing programs that cannot be changed.

The reliability of minted synthetic assets is ensured by using collateral and linking their price to the price of the underlying asset through the oracle mechanism.

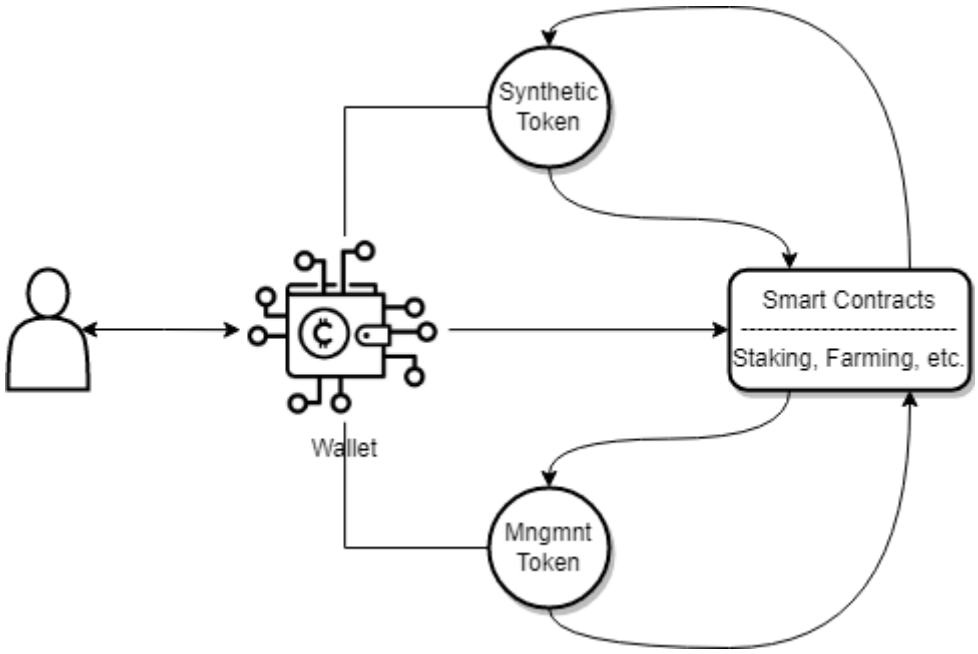
2.4. Interacting

True decentralization is possible only if there is no centralized entity between the user and his assets, whether it is a centralized exchange or even a user interface hosted on a individual server.

In fact, in order to interact with DeFi services and their own decentralized assets, the user does not even need intermediaries such as web interfaces, which can be turned off by the decision of the authorities in whose jurisdiction the server is located.

For any actions with decentralized assets, the user only needs his wallet and the addresses of contracts that perform the necessary

functions - staking, farming, exchange, etc.



2.5. Tokens and smart contracts

The project provides for the issue of tokens of two categories - the Project token (Management token) and Synthetic tokens tied to the price of the underlying assets.

- The Project token (Management token, symbol: **TTP**) is used as collateral for the minting of synthetic tokens and the payment of rewards for providing liquidity. The price of the project token is set at $1, but may vary depending on the demand for it from users.
- Any number of varieties of synthetic tokens can be issued, limited only by the number of possible underlying assets.

Addresses of smart contracts of tokens are published on the project website https://tiedtokenproject.github.io/Page/.

In addition to smart token contracts, we provide service smart contracts for minting/burning synthetic tokens, staking, and exchange. In the future, it is planned to create a complete ecosystem of smart contracts that covers any user needs in DeFi operations.

Addresses of service smart contracts published on the project website https://tiedtokenproject.github.io/Page/.

Important note:

One of the synthetic tokens has a special role in the ecosystem of the Tied Tokens project. This is a **synthetic USDT (USDT)**, the price of which is tied to the price of Theter USDT and which can be used as a collateral when minting other synthetic tokens along with TTP tokens. Therefore, users have the opportunity to issue more stable synthetic assets, the collateral of which is more stable than the more volatile TTP tokens.

3. Security measures and protocols

The following security measures and protocols are used to protect synthetic tokens in the project:

1. **Smart Contract security**: We are extremely attentive to the security of our synthetic tokens and other smart contracts, and provide audit to prevent any vulnerabilities or potential hacks.
2. **Cold storage**: To protect against potential hacking or theft, we recommend storing some or all of your tokens offline in cold storage.
3. **Regular Audits**: We have scheduled regular audits of the synthetic token platform in order to identify any potential vulnerabilities or problems in a timely manner and eliminate them before they become a problem.
4. **Transparency and Accountability**: We ensure transparency regarding our security measures and protocols and are responsible for any violations or losses that may occur.

4. Synthetic token creation

The creation of synthetic tokens involves providing cryptocurrency (TTP or synthetic USDT (USDT) tokens), which are used to maintain the value of the synthetic token. This process is carried out with the help of smart contracts, which ensure the automatic and transparent execution of the security process.

Once the provisioning process is completed, synthetic tokens are minted and made available for distribution. The number of synthetic tokens created is usually proportional to the value of the TTP or synthetic USDT (USDT) tokens deposited as collateral.

Synthetic tokens can be created by any user who has access to the necessary smart contracts and collateral (has the required number of TTP tokens or our synthetic USDT (USDT) tokens.

- In order to mint a synthetic token, the user should transfer the collateral in TTP or USDT (USDT) tokens to the corresponding smart contract. Synthetic tokens are returned to the user's wallet in an amount proportional to the amount of the transferred collateral.
- In order to burn synthetic tokens and return the collateral, the user must transfer synthetic tokens to a smart contract. The user's wallet will receive the corresponding amount of TTP or USDT (USDT).

In addition to minting tokens, we provide additional smart contracts that allow you to manage liquidity, receive additional profitability and rewards, etc.

5. Distribution and circulation

Synthetic tokens in the Tied Tokens Project are created by providing TTP tokens and linking to the price of the underlying asset

using the oracle pricing mechanism.

After creation, the synthetic tokens of the Tied Tokens Project can be distributed through the following channels:

- decentralized exchanges (DEXs - PancakeSwap (https://pancakeswap.finance), BiSwap (https://biswap.org));
- directly from the issuer.

Then these tokens can be traded on the market, and their value is determined by the underlying assets, to the price of which they are linked.

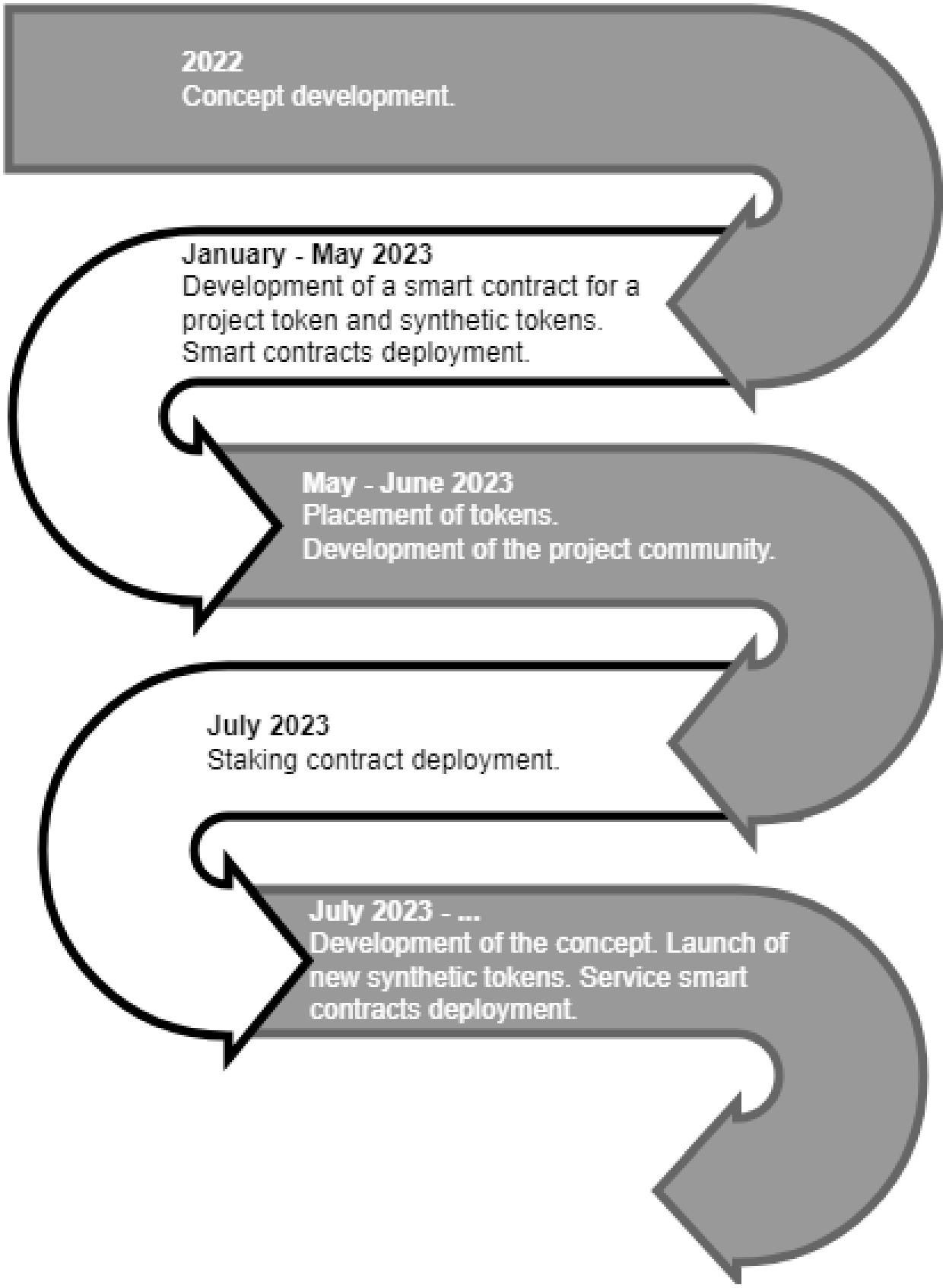
As synthetic tokens are traded on the market (DEXs), their circulation increases, and their price may fluctuate depending on market supply and demand. Price stability mechanisms and Market pricing Mechanisms (AMM) are used to ensure fair and accurate pricing and maintain stability.

6. Use cases for synthetic tokens

There can be a wide variety of ways for users to use synthetic tokens, but the most common ones include the following:

1. **Diversification**: Synthetic tokens allow users to diversify their portfolios by gaining exposure to assets that may be difficult to access or too expensive to buy physically.
2. **Hedging**: Synthetic tokens can be used to hedge against price fluctuations in the underlying asset, reducing the risk of losses.
3. **Trading**: Synthetic tokens can be traded on various platforms, allowing users to speculate on the price movements of the underlying asset.
4. **Leveraged trading**: Synthetic tokens can be used to trade with leverage, allowing users to amplify their gains or losses.
5. **Arbitrage opportunities**: Synthetic tokens can create arbitrage opportunities for traders who can exploit price differences between the synthetic token and the underlying asset.
6. **Decentralized finance (DeFi)**: Synthetic tokens are a key component of DeFi protocols, enabling users to access a wide range of financial instruments and services without intermediaries.
7. **Stablecoins**: Some synthetic tokens are designed to track the price of a stable asset, such as a fiat currency or gold, providing a stable store of value in volatile markets.

7. Roadmap


2022
Concept development.
January - May 2023
Development of a smart contract for a project token and synthetic tokens.
Smart contracts deployment.
May - June 2023
Placement of tokens.
Development of the project community.
July 2023
Staking contract deployment.
July 2023 - ...
Development of the concept. Launch of new synthetic tokens. Service smart contracts deployment.

8. Legal and regulatory considerations

The project is being developed and developed in accordance with the following legal and regulatory regulations:

1. **Securities laws**: Depending on the characteristics of the synthetic token, it may be considered a security and subject to securities laws and regulations.
2. **Anti-money laundering (AML) and know-your-customer (KYC)** requirements: Synthetic token issuers may be required to comply with AML and KYC regulations to prevent money laundering and terrorist financing.
3. **Taxation**: The taxation of synthetic tokens may vary depending on the jurisdiction, and users should be aware of the tax implications of investing in synthetic tokens.
4. **Consumer protection**: Synthetic token issuers should ensure that users are adequately informed about the risks associated with investing in synthetic tokens and that they have appropriate safeguards in place to protect users.
5. **Intellectual property**: Synthetic token issuers should ensure that they have the necessary licenses and permissions to use any intellectual property associated with the underlying asset.
6. **International regulations**: Synthetic token issuers should be aware of the different regulatory frameworks in different jurisdictions and ensure that they comply with relevant regulations when operating in those jurisdictions.

9. Comparison to other synthetic token projects in the market

Project:	**Synthetix**	**Mirror Protocol**	**Tied Tokens**
TVL USD:	1 050 000 000,00	601 990 000,00	100 000 000,00
Underlying Assets:	Forex Crypto Index DEFI	Crypto Shares ETF	Crypto Forex Shares Indexes ETF Portfolios
Number of instruments	14	35	no limits
UI:	web	web	smart contract

The analysis of competitors shows that the advantage of our project is the choice of the underlying asset - not just a synthetic "double" of a real asset, but carefully selected various assets, indexes and portfolios, including both fiat and crypto assets.

The main advantage of the Tied Tokens Project is its real decentralization - users do not need any centralized elements to communicate with their assets, even a user web interface.

10. Team

Our international team consists of 8 professionals from Israel, Azerbaijan and Cyprus:

Deep knowledge in finance and programming, MBA/PhD.

More than 5 years of experience in the crypto market.

More than 20 years of experience in the stock market.

Main team members:

- Jacob Friedman (Israel) - CEO (chief executive officer);
- Adir Barthelemy (Israel) - CSA (chief systems architect);
- Zaur Aliev (Azerbaijan) - CIO (chief information officer);
- Andreas Charalambous (Cyprus) - CTO (chief technical officer).

Also in our team are Software Developers, Web Designer and of course Marketing Manager.

Any of our team members is ready to answer questions sent to our email address: tiedtokenproject@proton.me