Official Whitepaper

November 2020

V1

xXx Finance

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Introduction

When deflationary farming meets exponential growth…

Decentralized finance is one of the most remarkable elements in the blockchain. Indeed, a user can now carry out a contract in an independent and direct way which will allow him to earn rewards or make his investments grow. Many applications have appeared in DeFi. One of the concepts that has taken on the most importance in this area is farming (or yeld farming). Farming protocols arose in early summer 2020, anyone can now put their assets to work independently and directly by adding them to liquidity protocols. This helps generate passive income. Farming became huge with the entry of Compound, which made it possible to carry out loans and borrowings while benefiting from interest for the added liquidity.

Since then, farming (or liquidity mining) has been one of the most popular ways to attract investors. Many platforms have emerged with various functions, including Sushi or Yearn.Finance. In just a few months, the total value locked in farming protocols increased by 1 000%, totalling $ 10 billion.

However, most platforms do not deliver long-term value and often have no added value. We have seen that with a famous project launched on Uniswap, which raised $ 500 million and whose token lost 95% of its value two weeks after its launch. We can also observe that most of these platforms are not scalable, which means that they cannot connect other liquidity features together and are often just copies of others. In fact, the evolution of farming seems to be slowing down. The projects become repetitive and present no significant difference.

It is therefore in this perspective that we wanted to create xXx, a sustainable, strong and original farming protocol, supported by a powerful ecosystem and implementing the very first arbitrage options in its own liquidity system. It also offers new features to be connected together, so that long-term development can take place.

Background

xXx is a deflationary farming protocol implementing liquidity and price arbitrages features in its own ecosystem delivering the first exponential growth to the ecosystem.

xXx allows users to farm while the protocol arbitrates in price and liquidity for the ecosystem to grow.

Tokenomic:

Name: $xXxXxXxXx$

Symbol: xXx

Total Supply: 200,000

Supply Listed on Uniswap: 170,000

Rewards Supply: 20,000

xXx token

xXx is an ERC20 token, fully developed by the team. The contract is therefore unique. xXx is a farming protocol implementing liquidity and price arbitrages features in its own ecosystem thanks to new concepts such as Proof of Volume.xXx allows users to farm while the protocol arbitrates in price and liquidity for the ecosystem to grow making it not only a deflationary farming platform but also delivering an exponential growth to the ecosystem.

It is therefore a farming token which also benefits from its own farming platform, whose contract has also been fully developed. The ecosystem supports the basic concepts of farming as well as new ideas, in particular the implementation of proof of volume and contracts in certain wallets for an automatic purchase when the xXx price falls below the convergence price.

Liquidity arbitrage

In microeconomic theory, we say that an agent is in a situation of arbitrage when he must make a choice, for example between several investment projects or between several baskets of goods, to maximize his profit or his utility.

Our protocol will rely on this definition when buying xXx. If the price is undervalued, the protocol will make purchases, thus performing an arbitrage. The undervaluation of a price is considered correct by the protocol when the current xXx price is below than the average xXx price. This average price is based on the volume carried out by xXx and the average price over a certain period (see the section "Proof of" to know more).

Liquidity mining(farming)

Liquidity mining is the main feature at xXx. A user can automatically receive rewards in the form of xXx if he adds liquidity to the ecosystem. Adding liquidity involves lending one's assets to a certain exchange pool, which represents a certain pair (eg USDT – ETH), so that more people can buy or sell smoothly. The more liquid an exchange pool, the more stable the price will be. Loaned assets can be withdrawn at any time.

There are three pairs in the xXx ecosystem :
xXx Governance Pool (Stake xXx to earn xXx)

xXx– ETH pool

This pool will be the first to be launched at xXx. People will be able to add their assets to this pair through Uniswap, the platform in which xXx will be trading.

xXx – DAI pool

This pool will open when it is judged that the xXx ecosystem has developed well. We will announce it a week in advance. This allows interoperability between xXx and DAI. With this pair, we hope to strengthen this connection in an intense way, this pool will also attract many DAI investors, which will strengthen the development of both platforms. We will launch this pair to improve the global ecosystem but also to allow large DAI investors to support xXx by paying a tax on their liquidity provided.

Reward system for farmers

We wanted to implement the best farming rewards system. For this we have seen the qualities and defaults of each known project and we have made what we think is the ideal farming system. The rewards are distributed in such a way that we can deliver growth because of the limited supply and the arbitrage features, which will increase the scarcity of xXx.

Reward quantity

A total of 20000 xXx will be distributed to liquidity providers, in proportion to the quantity provided by the user in the pool and defined by the time an user has staked his liquidity tokens. The greater your contribution to the larger liquidity pool is, the greater your share of the reward that is allocated to each pair per time period will be.

The APY (annual percentage yield) will vary according to the number of xXx tokens put into circulation.

The total of 20000 xXx will be divided equally between the three pairs available for farming :
xXx Governance Pool : total of 6 666 xXx distributed in 6 months
xXx – ETH : total of 6 666 xXx distributed in 6 months
xXx – DAI : total of 6 666 xXx distributed in 6 months

This 6-month period was chosen because farming is only the first step in the usefulness of the xXx token. The advantages of owning xXx in the future will be important such as : participation in the governance of the ecosystem, benefiting from the transaction fees and thus recovering passive interests, etc.

Proof of Volume (PoV)

Proof of volume is a unique and new concept in the world of DeFi, implemented for the first time inxXx . It implements arbitrage functions in the xXx protocol, therefore constantly increasing its value.

Each time a user buys or sell xXx, 3% is withdrawn in the form of xXx and put back into two wallets (2% and 1%) that arbitrages automatically thanks to a code. These funds help to support the xXx ecosystem in particular through the addition of liquidity as explained below. Several steps are present in the process:

1. Accumulation

2% of buy and sell transactions (in xXx) go to a wallet operating automatically through a code. It will automatically sell the accumulated xXxagainst ETH when it has collected at least 5 xXx.

2. Expansion

This wallet is used to accumulate purchasing power by using a formula to calculate when would be the ideal time to perform the action: buy bellow the convergence price. This formula is based on the historical price of the token as well as its volume on Uniswap. This allows for increased liquidity at xXx and a certain intrinsic value.

When the price is below the convergence price, half of the funds collected by the portfolio are used to buyxXx and then puts it automatically in liquidity with the other half of the remaining ETH in the wallet. This allows the price and liquidity to grow sustainably.

The expansion starts by buying xXx if the current price is below the convergence price and if the wallet holds at least 3 ETH. The test that must satisfy these two conditions is performed automatically every 4 hours. If both conditions are not satisfied, the purchase of xXx is not triggered and the accumulation continues until the next test 4 hours later.

Convergence price

The convergence price is a weighted average price between the average daily price and the tied volume. If a spike in the daily price occurred with a large volume, this will matter more in the weighted average than a daily price which has experienced little volume. The formula to calculate the convergence price is as follows:

$$C_p = \frac{\sum_{i=0}^{n} P_i \cdot V_i}{\sum_{i=0}^{n} V_i}$$

With : C_p = Convergence price [$]
P_i = Price every 4 hours [$]
V_i = Volume every 4 hours [$]

Governance

Governance is one of the most important aspects when talking about decentralization. You cannot have a completely decentralized project if people cannot vote democratically on the developments and the changes to be made. Therefore xXx also serve as a governance token for its ecosystem. xXx holders are able to vote on new contract changes. No one can change the contract if the majority has not approved it. So governance is 100% decentralized.

How does governance work ?

Anyone who owns at least 100 xXx can propose a vote to change the original xXxcontract. This will be done directly on the platform provided in the future where the person will be able to choose whether they wish to change the fee percentage for $xXx$and then make a proposal for a new percentage. The vote is then published and lasts 3 days.

In order to choose an option (yes : I accept the change, no : I refuse the change), the person must block his available tokens (i.e. not already blocked in the liquidity) until the end of the vote. He can cancel his vote and unblock his tokens at any time. No token will be lost in the process. The weight of each vote is proportional to the number of xXxtokens blocked by the voter.

At the end of the vote, the option with the highest number of blocked tokens will win. If the « yes » option is chosen the change is made automatically in the contract and if the proposal is rejected, everything continues as before the vote.

After the vote, the tokens will be released and returned to all those who voted. No tokens will be lost during the process.

Security

The question of security is a central issue for any project, especially in the crypto-currency environment. The investors deserve to have all the guarantees regarding the security of a project, which is the case with xXx and whose various points are developed below.

Audit

In order to protect against security loopholes, the token contract and the farming contract will be audited by a renowned external company. The company chosen for this audit is Blockchain Consilium, which has already audited 47 projects for a total of $ 640 million in security, including a major exchange with a daily transaction volume of more than $ 1.5 billion.

Limited supply

The total number of xXx tokens is limited to 200,000 xXx. This number of tokens will never be increased because the contract does not offer the possibility to change this value.

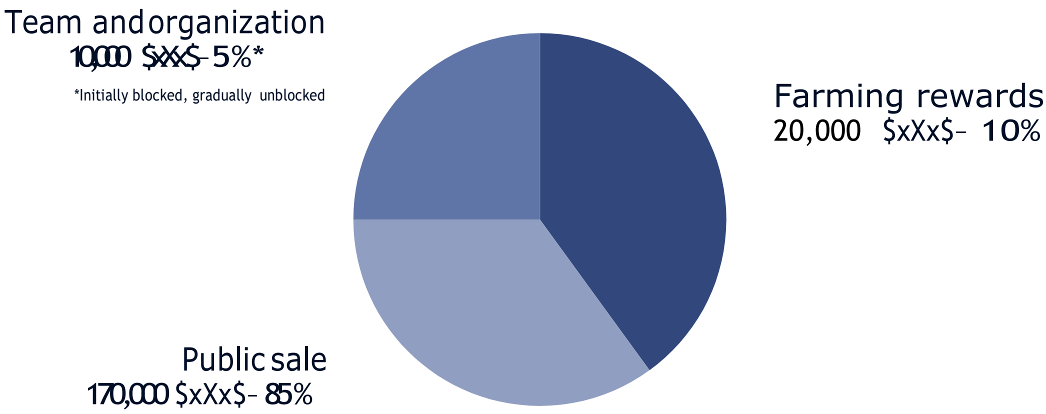
Dilution

The question of dilution is fully resolved as the token is not available in presale at a lower price than the introductory price on Uniswap and noxXx will be distributed other than the rewards distributed during farming.

Tokens owned by the team

Tokens owned by the team are initially locked in a wallet that releases and distributes them at regular intervals to team members.

Tokenomics



Total supply : 200,000 xXx

Roadmap

Q4 2020

Launch of xXx on Uniswap
Early stage marketing development
Technical development and improvements
Launch of new concepts such as Social farming
Launch farming xXx – ETH
Launch farming xXx – DAI

Q1 2021

First applications of governance
Development of the decentralized xXx swap platform
Marketing plan developed: influential people in the cryptosphere

Q2 2021

Implementations of new features
Focus on decentralization
Listing on well-known platforms
Partnerships with influential companies
Partnerships with external investment funds

Q3 2021

Creation of the new roadmap

Objectives and future developments

xXx is an ecosystem that will be able to link various financial applications together. This is why new developments are planned and will be announced, and new ideas specific to xXx will also emerge. Here are just a few :

NFT farming

NFT (Non-Fungible Token) farming is a way to bring in liquidity that has become popular in recent times. Users block or lend some of their assets and are assigned cards or collectables depending on the duration borrowed. These collectables can then be sold in an open market. We think this is a good idea to democratize the digital art through blockchain. Art is a powerful market across the world that interests many individuals and institutions. The art of digital is actually booming. It is therefore a very big advantage to have an NFT platform.

Social farming

We cannot reveal much about this aspect, which we hope to be implemented in xXx soon. This is a feature that has never been used anywhere else and was therefore invented by the xXx team. This option will help to attract a very large audience to xXx and develop a loyal and committed community.

Liquidity loan

This concept is not yet developed and is only in its initial stages. It is also entirely invented by the xXx team. This would allow users to borrow liquidity from xXx while allowing users to suffer possible losses, unlike flash loans. To do this, users would have to risk some of their assets, which would decrease on the amount of block transactions made. This may allow DeFi to experience the first leverage effects in liquidity.