# ChangeX.io *Whitepaper v0.1*

## 1. Background & Executive Summary

A crypto veteran team with a track record of 3 successful projects (HYDRA, LockTrip, Bitcoin Gold), undertakes the development of a new generation product that enables a seamless experience for unlocking crypto's most powerful DeFI, Trading, Staking and CeFI features in combination with a Crypto Visa Card & EUR SEPA Banking.

There has been a transformational growth for blockchain throughout the last decade, with 2017 being an inflection point in terms of recognition and trust. The previous popular questions of "Will crypto survive another year?" have become "Will there be another new ETF for Bitcoin or Ethereum?".

The paradigm shift has enabled crypto to penetrate a much broader audience with exponential growth. Through DeFi, the initial "store of value" utility has transcended into a global and ultra-liquid ecosystem that empowers a plethora of investment tools for anyone to take advantage in a fair and permissionless way.

Among the broad set of assets and tools, on protocol level, Proof-of-Stake assets have marked the dawn of a new phase of Blockchain. Enjoying higher TPS, lower block time and much higher energy efficiency, POS assets have without a doubt claimed a central spot in the future of blockchain.

With a unique ability to offer economic security through staking, POS assets are eliminating the physical boundary of mining rigs which previously made it impossible for average Joe users to effectively mine BTC.

ChangeX.io offers a one-stop for trading, staking, DeFI lending and fiat-to-crypto trading. Allowing inexperienced users to benefit from a safe, easy to use and mobile-friendly experience. Storing, preserving and growing wealth with their mobile device.

The Future of money is here, and ChangeX.io is tapping on this opportunity by leveraging the collective wisdom and experience of a team that has gone through thick and thin in the world of crypto for over a decade.

**2. Philosophy of the project - Connecting mainstream with cutting-edge technology**

The world of crypto has been evolving at a rapid pace over the past years, with the variety of on-chain applications skyrocketing.

When we look back at the short history of blockchain, it all started with a basic decentralized ledger called Bitcoin, which emerged in 2009. Bitcoin opened up a completely new branch in the human technology tree, by allowing people around the world to exchange money in a fully decentralized and permissionless manner. This innovation meant that the internet was no longer only a tool for freedom of speech and data accessibility, but to a certain extent also a gateway for financial freedom.

As much of a breakthrough this was, the pace of innovation has only accelerated since then. Quickly we saw Bitcoin branching out into a number of forks, each coming with differences in the code base and their own features. As more and more people discovered blockchain, different views and visions emerged as to what "digital money" should be. These were early signs of creativity meeting financial freedom. Or in other words: The competition of currencies had begun.

While the mainstream population is still trying to get used to the idea of decentralized money, the number of use cases and smart applications experienced a "Cambrian explosion". The simple exchange of money is now nothing more than the tip of the iceberg, as the emergence of smart contracts (programs that can be deployed on the blockchain) resulted in countless new innovations and opportunities.

If you ask the average person on the street, they will likely have heard about Bitcoin and the blockchain, but will they know about decentralized exchanges, liquidity mining, the concept of staking or automated market makers?

The gap between the mainstream user and the ever accelerating pace of innovation is widening every day. This gap acts as a technological entry barrier, even for the majority of crypto holders (or interested audiences). ChangeX.io realizes that the step from "*fiat banking*" to "*crypto ownership*" is only half the journey and that the hurdles from "*crypto ownership*" to "*DeFi participation*" are equally significant.

Therefore the philosophy of ChangeX is to act as a bridge between the blockchain and the end user by removing the barriers and offering a simple user experience.

In order to achieve this, ChangeX is developing a mobile-first experience app with a sound philosophy. The design allows users to access and take advantage of various DeFi and CeFi products with a single click.

**You want to stake your coins on the chain, but don't want to go through the trouble of deploying a node?**
→ Stake with a single click from inside the ChangeX mobile app. Hybrid decentralized flexible staking pools as well as true decentralized staking where possible.

**You want to participate in liquidity mining, but don't know how it works?**
→ ChangeX has you covered. Add your assets to your preferred liquidity pool with a single click from inside your app.

**You want to leverage your positions to achieve a higher APR?**
→ ChangeX is the first app that allows for leveraged positions on staking and liquidity mining products. Simply select your leverage from inside the ChangeX app and enjoy your boosted APR!

**You want to lend your assets to earn interest?**
→ Make your assets accessible to the decentralized lending markets with a single click. ChangeX will broadcast your wish through the blockchain and take care of the tracking on your behalf!

All of the above act as a bridge for regular "*crypto holders*" to turn into "*DeFi participants*" - thus removing the entry barriers towards more sophisticated products built directly on the chain.

Complementing this, ChangeX.io will also be acting as a bridge between the fiat and crypto worlds. Thus making it easier for "*traditional bank customers*" to turn into "*crypto holders*".

As a core product philosophy, ChangeX will be using centralized finance elements to act as a simple and uncomplicated fiat gateway.

**You want to convert Fiat into HYDRA?**
→ Pay with your credit card and end up with the corresponding HYDRA amount as per current market rates, directly from inside the mobile app

**You want to use your crypto assets to pay for your restaurant bill?**
→ Simply use your ChangeX card to spend assets from within your app balance

**Summary of the ChangeX Philosophy & Vision:**
- Removing the entry barriers from *"traditional bank customer"* → *"crypto holder"*
- Removing the entry barriers from *"crypto holder"* —> *"DeFi participant"*
- Seamless interface on a mobile-first experience

**3. Product Vision**

**a) Staking Pool & Leveraged Staking** -> An innovative feature that enables margin positions for long-term staking.

The blockchain space has become a global market of 1.8 Trillion USD and growing, with Proof-of-Stake assets making up the fastest growing piece of the pie.

ChangeX.io is the first project to design a technology that allows for leveraged staking and makes it accessible to the mainstream user base. A margin position specially designed to leverage the base asset that is used as **collateral, while keeping it staked uninterruptedly.** Thus unlocking a credit limit for the stake-able asset and harnessing an additional stream of APR.

Creating a bridge between stablecoin lenders, stakers and the protocol block rewards. An intricate economic dance that enables a network effect between the parties involved and boosting potential income through staking.

The team will be working on two models for achieving this. One is entirely through DeFI (to the extent possible).

A sample diagram seen below.
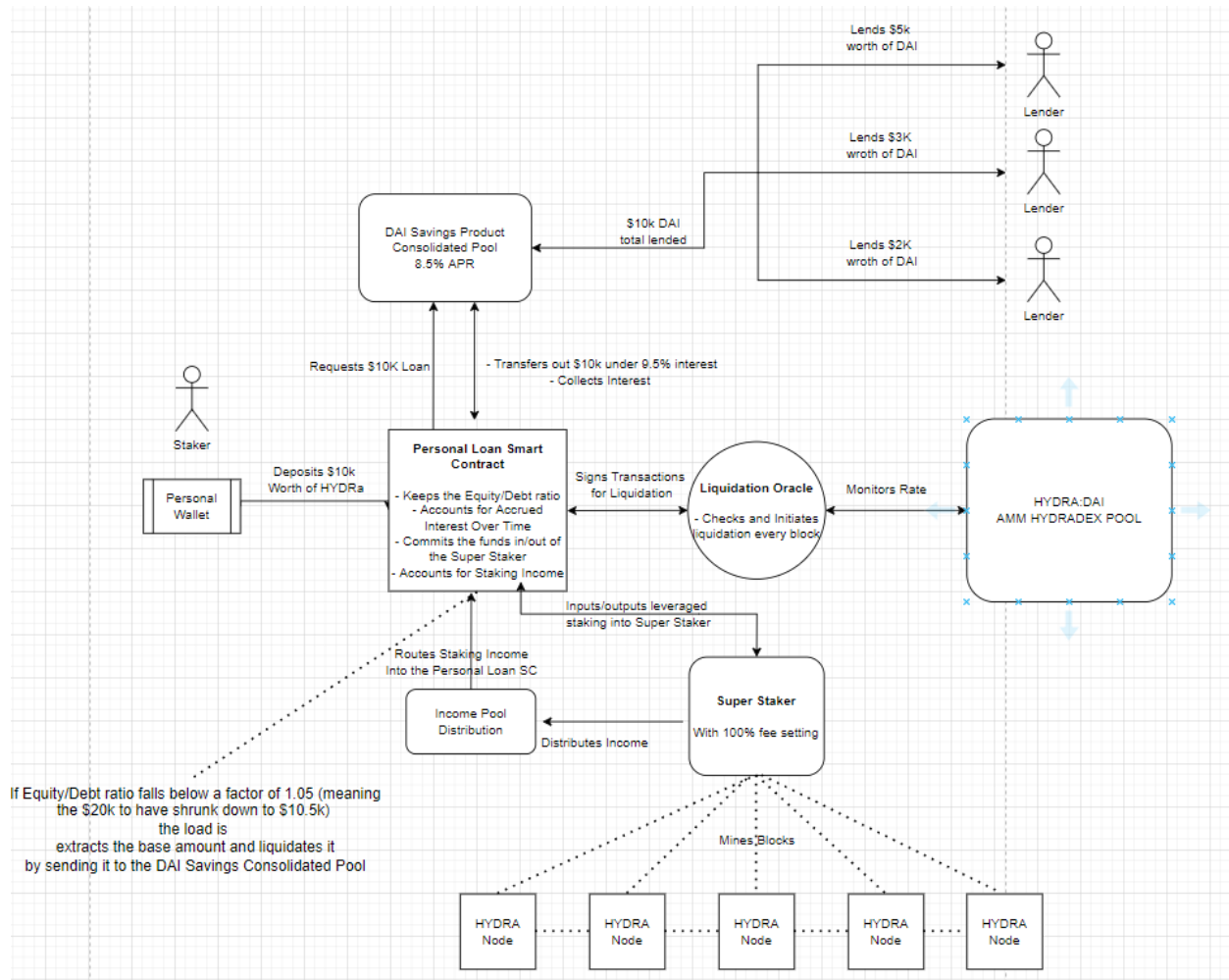
The second option is through a hybrid DeFi/CeFI model, where collateralized positions are positioned into flexible pools.

**An example for a leveraged staking user experience for HYDRA could be as follows:**

1. *Lenders* lend USDT at an interest rate of 8.5%
2. *Staker* borrows $10k USDT for 9.5% and uses his own $10k HYDRA base amount as collateral, which is positioned into a special staking collateral pool.
3. The borrowed USDT is then used for acquiring HYDRA through high liquidity DEX pools
4. The borrowed HYDRA is placed into a leveraged staking pool earning the standard on-chain APR of ~45%
5. 9.5% interest is repaid and any excess is benefited as income. Depending on the price deviation, the income could vary. In a scenario where HYDRA price remains relatively

*similar to the one during which it had been borrowed, the profit would amount to 35.5% on the borrowed amount*

6. *The final APR on the leveraged staking would amount to 45% + 35.5% = 80.5%. Liquidation risk would arise only if the borrowed amount would exceed the price of the locked leveraged staking + all of its generated income. One could undertake a more safe strategy, where borrowed staking is only 50% of the base, and still be capable of boosting the APR from 45% to 62.75% with a very high tolerance for price drops without the risk of being liquidated.*

*And the best thing about ChangeX's leveraged staking product is that it is universally applicable with any interest-bearing token economy.*

**b) Fiat-to-Crypto conversion** -> A product focused on simplifying the conversion experience for first time users.

An easy to use fiat-to-crypto conversion, enabling EUR and USD transfers for direct purchases on virtual pairs that would be created through the use of DeFI liquidity pools.

For instance a **HYDRA:EUR** pair would be available by the utilization of a **two-hop conversion:**

**1st hop: EUR-to-USDT** via high liquidity exchanges such as Kraken
**2nd hop: USDT-to-HYDRA** via existing liquidity (Kucoin, Gate.io or Hydra Dex)

The users taking advantage of the fiat conversion product would be short circuiting the painstaking need to know how to open exchange accounts and deal with order books and cross-exchange withdrawals/transfers. The user will also be automatically taking advantage of the highest liquidity on the market, as the exchange product will be optimized to utilize the lowest possible slippage.

**c) Crypto-to-Crypto Conversions** -> Utilizing the power of DeFi Liquidity Pools

Direct buying and selling will be supported for all major crypto assets based on current best quote without any hidden costs.

**d) Savings Product** -> Harnessing a basket of highly liquid assets

Ability to deposit idle stablecoin assets into an "Earn" feature for a fixed interest rate. A product that would distribute the funds into DeFi products offering appealing liquidity mining and inflationary mechanisms for stimulating growth.

**e) Open Lending Market** -> Offering a "bridge" between Stablecoins and POS assets.

Margin accounts used for Leveraged Staking would require borrowing and would in their place result in an attractive APR for lenders of stablecoins.

The Leveraged Staking product being one-of-a-kind, would technically come as a bridge between stablecoins and the inflationary economy of POS assets. In a successful scenario, if demand for leveraged staking is high, that on its end would drive the demand for sustainable lending.

**f) ChangeX Crypto Visa Card** -> Dynamic spending on staked assets without impairing APR and without the need for cumbersome transfers in and out of multiple exchanges.

Offering the ability to hold and stake assets while maintaining immediate access to them for day-to-day spending.

You could stake HYDRA securely and be able to spend ad-hoc and wherever you need to. A Visa payment would micro transact the matching amount that is required for settlement and would liquidate it through the best possible liquidity sources.

**g) SEPA Banking** -> ChangeX's extensive experience in running a fiat-to-crypto exchange and all relevant compliance and licensing frameworks will be used as a fundament for obtaining an Electronic Money Institution (EMI) license and bundling SEPA EUR bank accounts to all qualified users. End goal is to have an IBAN as well as a wallet that you can trust on.

**e) NFT Wallet** -> You can store safely your acquired ERC721 and ERC1155 standard NFTs inside ChangeX.

**4. Market Potential**

**Global Market Overview:** The Leveraged staking product makes ChangeX an attractive partner for any POS chain. ChangeX will utilize the appeal of its product to grow the number and significance of partnerships and to onboard communities and capital under its hood.

The launchpad for the project will be HYDRA (~55% APR) and CAKE (~45%APR). With additional POS integrations taking place subsequently and according to the optimum risk/reward opportunity.

**a) HYDRA Community** -> Synergy with HYDRA arises from the involvement of the HYDRA founding team into the project. As of this moment, there is strong demand for competitive flexible pools and staking options for HYDRA and the HYDRA blockchain is a perfect launchpad for ChangeX.

HYDRA's plan for integrating delegated staking into their protocol allows for on-chain staking to be executed in a decentralized way, which would reduce custodial and security risk.

**b) CAKE Community** -> CAKE and BSC offer a wider audience while still matching a high inflation on the tokenomics side. Integration of CAKE will happen immediately after HYDRA is completed and leveraged staking to all CAKE users will be available under competitive terms.

**c) Bancor Community** > BNT has a high inflation tokenomy (~40%) due to the continuous liquidity mining on the flagman BNT pairs in the Bancor Decentralized Exchange.

## 5. Tentative 12-Month Road-map

The goal is to utilize the open-source and battle-tested TrustWallet as a fundament for the deposit and user wallet management. Afterward all additional features will be added on top as the team progresses.

| Milestones | Business & Strategy |
| --- | --- |
| 1 | Establish Bulgarian Entity with Seed Investment |
| 2 | Establish Sub-Entity in Lithuania |
| 3 | Obtain Crypto Exchange License in Lithuania |
| 4 | Sign agreement for AML services with a Tier 1 Partner |
| 5 | Banking Setup & Electronic Money Institution (EMI) Application |
| 6 | Sign agreement with acquirer (e.g. EMP) |
| 7 | Sign Agreement For Banking-as-a-Service License Provider |
| 8 | Open account with CurrencyCloud or another FX provider |
| 9 | Account Setup with Additional Payment gateways |

| Milestones | Technical Road-Map |
| --- | --- |
| 1 | Non-custodial mobile wallet (MW) MVP with at least 5 cryptos |
| 2 | Landing page + marketing materials |
| 3 | Prepare backend infrastructure for rapid development |
| 4 | Integrate Hydra to trust wallet SDK |
| 5 | Wallet v1 with basic wallet functionality (including exchanging) |
| 6 | Hydra staking MVP and preparation for production |
| 7 | Release Hydra staking in the wallet + optionally other staking capabilities |
| 8 | Enable DeFi options for at least 10 of the major cryptos |

| | |
|---|---|
| 9 | MVP for fiat gateway |
| 10 | Release of fiat gateways |
| 11 | MVP for crypto prepaid card |
| 12 | Release for crypto prepaid card |
| 13 | MVP for leveraged staking |
| 14 | Release for leveraged staking |

**Additional Ongoing Tasks**

- Enable staking for more cryptos
- Enable DeFi options like lending, artificial staking, LP
- Complete Firebase analytics in the application
- Push notifications for price changes and transactions
- Wallet Connect integration

**6. CHANGE Token**

a) **Deflationary token, harnessing the inflationary economy of all integrated staking assets** -> distribution of flexible pool income to the CHANGE token holders. Combining the best of both worlds: fixed supply with steady harness of staking pool income.

b) **Trading Fees Stimulate Deflation** -> 30% of Crypto Conversion Fees used for a buy and burn mechanism

c) **Staking** -> Pool of 20M CHANGE tokens reserved for the first 9 months, to stimulate liquidity and act as a bridge until the flexible pools come into play

d) **Governance** -> Voting for new listings and the integration of new leveraged staking assets

## 7. Token Economics

- **Low Token Price: $0.016**
- **Public Sale: 150M Tokens @ $0.016 fixed price each**
- **Extremely Low Hard Cap: $2.4M**
- **Projected Cap at Launch: ~$2.4M**
- **Institutional Cap: $0.8M (vested for 1 year)**
- **Healthy Company Treasury of: 97.5M tokens (26% of supply)**
- **Founders Team Pool: 22.5M tokens (5.3% of supply, vested for 2 years)**
- **Strong Liquidity Pool of 30M tokens (8% of supply) with a matching $0.48M stablecoin budget from the raised funds, dedicated for the DEX Launch**

With a total **Hard Cap equivalent to just $2.4M and a projected Market Cap of ~$2.4M at launch**, the CHANGE token aims at offering an extremely attractive public launch which is asymmetric to the product potential, pool of expertise and reputation of the team involved.
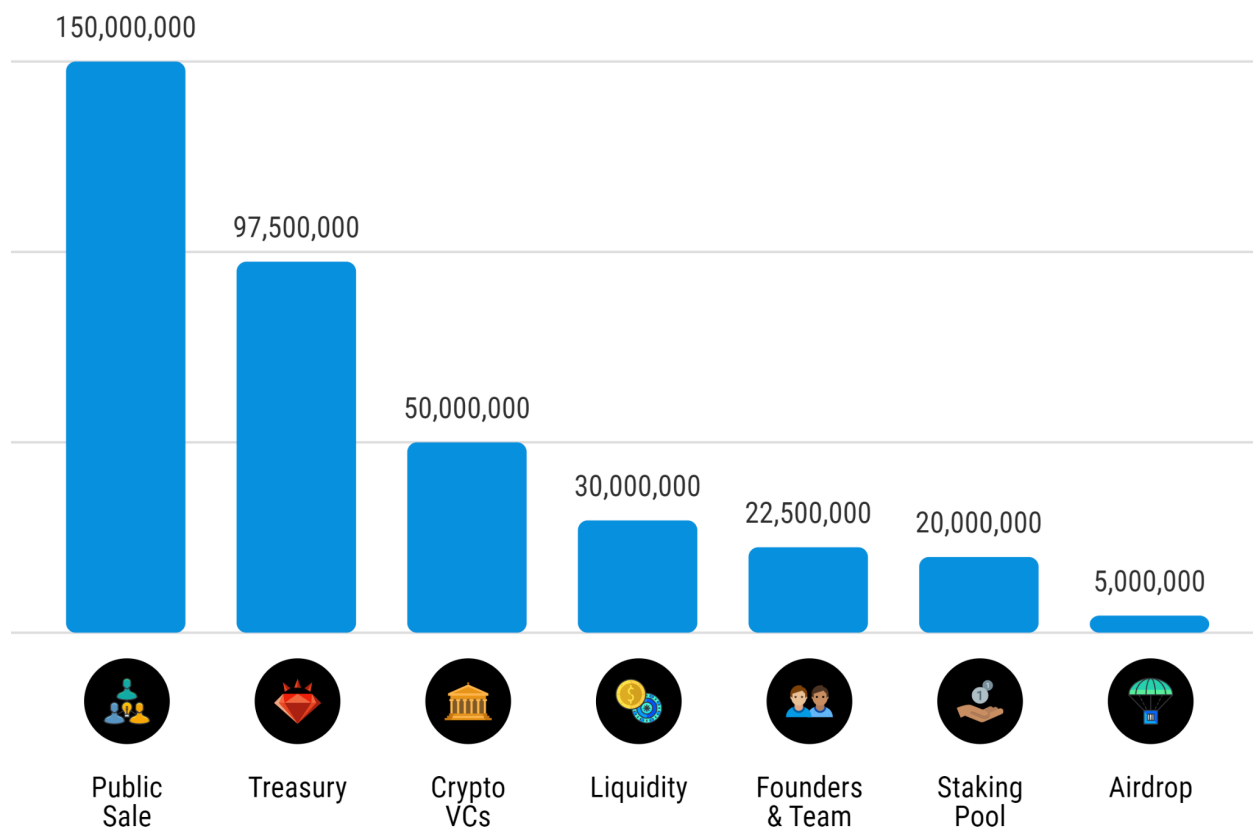


The entire spotlight is on the token economics and not so much on the raised

amount.
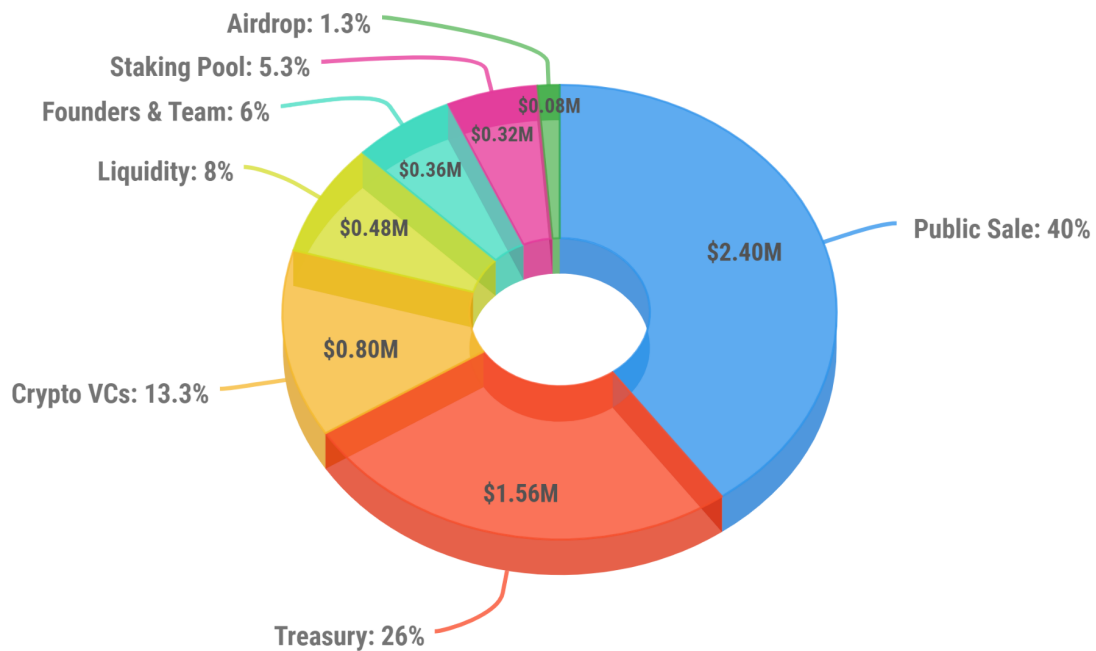


The philosophy of the team members lies in the fair approach of not over-raising and instead seeking product validation from the community without unreasonable risk exposure.

A small chunk of the supply will be allocated for strategic institutional investors who have built a reputation for themselves and who could contribute to the probability for an optimum outcome.

**8. Strategy for other POS Assets**

High APR inflationary assets pose a major opportunity due to the lack of competition among other leveraged staking products.

Upon successful launch and after HYDRA, CAKE and BNT staking are enabled, the team will continuously look into the potential partners that would offer an optimum mutual benefit.

| # | Asset | Price | 24h | Reward | Staked Value | Market Cap | Total Staked |
|---|-------|-------|-----|--------|--------------|------------|--------------|
| 36 | Olympus OHM | $87.11 | -21.35% | 6,052.62% | $479,238,760 | $769,394,655 | 59.99% |
| 202 | LooksRare LOOKS | $4.53 | -25.62% | 1,100% | unknown | $718,150,251 | N/A |
| 172 | Slavicoin SLV | $0.2 | 0% | 120% | $2,485,844 | $0 | 4.14% |
| 173 | SuperBid SUPERBID | $0.51 | -20.43% | 100% | unknown | $4,071,036 | N/A |
| 53 | Decimal DEL | $0.24 | -4.18% | 93.3% | $219,815,810 | $261,295,887.94 | 84% |
| 22 | Axie Infinity AXS | $63.75 | -9.93% | 89.45% | $1,326,735,887 | $4,550,793,798 | 29.03% |
| 111 | ChainX PCX | $1.52 | -17.84% | 82.09% | $9,178,740 | $68,530,128 | 76.67% |
| 153 | Feyorra FEY | $0 | -12.67% | 76.39% | $278,304 | $219,713.9 | 105.28% |
| 79 | Hydra HYDRA | $7.69 | -11% | 71.76% | $51,696,638 | $77,180,119 | 27.87% |
| 30 | Osmosis OSMO | $9.08 | -8.65% | 70% | $773,077,061 | $2,519,105,708 | 18.38% |
| 91 | DODO DODO | $0.61 | -11.93% | 61.9% | $30,117,440 | $166,251,528 | 44.3% |

## 9. Tokensale Plan

**a) Tokensale Structure**

A three-month public campaign broken down into three steps for an optimum risk/reward for all participants.

- A disproportionately small market cap of $2.4M relative to the project upside and team background
- $100K cap per user/enrollment
- All sold tokens will be released 3 **months after** the conclusion of the event
- Any amounts that were enrolled for, but ended up unpurchased, will be offered with a small second round which would be executed on a first-come/first-serve basis

The entire campaign will be broken down into:

**Part 1: Enrollment & Deposit** -> Each participant will enroll the amount he wishes to purchase and will place a small deposit of 3% of the amount enrolled. Upon enrollment, each participant will receive a simple agreement for token transfer (SAFT).

**Part 2: Subscription calculation** -> At a given deadline, all subscribed enrollments will be accounted for and in case an oversubscription is present, the quota will be adjusted proportionately for all participants. For instance if the total enrolled amount is equivalent to $4.8M, then this would translate to a 200% subscription rate (based on the $2.4M hard cap). As a result, the quota for all participants will be halved.

Someone who enrolled for $10,000 worth of tokens will therefore only be able to buy $5,000 worth of tokens.

**Part 3:  Funds Commitment**-> After the calculation phase is complete, all participants will have a deadline to commit the remaining part of the investment. In case someone fails to commit, he will lose his quota and the 3% deposit that was made at the time of enrollment

**b) Liquidity Event**

The second phase consists of a DEX offering, scheduled to take place 24 hours after the conclusion of the token sale, which should give fair terms for all participants to top-up in case they weren't able to buy their desired amount due to a quota adjustment (oversubscription). Since the event will happen on a DEX, it will be open to everyone and operate on a first-come first-serve basis.

**c) CHANGE token Staking**

The third phase will be initiated together with the liquidity event and **3 months prior to the release** of the tokensale supply. A total of **20M CHANGE** will be allocated as a fixed pool to serve as a mid-term staking system. Once the flexible pools are launched, income generated from staking revenue through the integrated POS assets will take over.

## 7. Team Behind The Project

**Nikifor Iliev**
Nick is a self-driven entrepreneur, co-founder of xChange.bg, and leading engineer for various IT projects. Nick is highly driven and motivated from the breakthrough in blockchain technologies. He has a unique background in both IT and Finance. He holds an MSc in Finance and MCSE/CCNP licenses.

**Gary Gerassimov**
Gary is a serial entrepreneur with 15 years of management and business development experience. He is a blockchain enthusiast and visionary with a passion for Fintech products. Gary is a trader and holds a BA in International Business/Management degree. He is a co-founder of xChange.bg - the leading Bitcoin trading platform in Bulgaria.

**Petya Nankova** - COO
Petya is a finance professional with experience in Venture Capital, M&A, and Forex. She has developed a keen interest and enthusiasm in the blockchain start-up scene. Petya oversaw, managed and was instrumental in the growth of xChange.bg to make it the go-to Bitcoin trading platform in Bulgaria. She holds an MSc in Finance & Investments.

**Martin Kuvanzhiev** - CTO
Martin is a core developer at Bitcoin Gold, a blockchain speaker/advocate and an entrepreneur with vast experience in Startups and Fintech. Currently Martin is the CEO of two companies – GoStartups and Assetify and leads more than 50 professionals on 6 different continents. Since 2018 he has been traveling around the globe educating people about the application of cryptocurrencies in their daily life. In 2015 at the age of 21 Martin's team won NASA's SpaceApps Challenge.

**Petko Krastev** - CCO
Petko is an audit and compliance professional with experience in managing compliance risk in the private banking, wealth management and cryptocurrency industries. He has a passion for fighting financial crime, fraud and money laundering. He holds an MSc in International Business Economics.

**Nikola Alexandrov** - Strategy, Tokenomics & Crowdfunding Architecture Design
Ideator and Co-founder of Hydrachain.org (HYDRA) and CEO of LockTrip.com - a leading blockchain travel project with 2.1M integrated hotels in 190+ countries. Seven years of experience with high-frequency algorithmic trading systems and designing of custom technical trading indicators. Co-founder of the Bitcoin7 exchange back in 2011 and CEO of theSEO.bg agency. Holds BA in Business Administration of Portsmouth University.

**Hristo Tenchev** - Crowdfunding Operations
Co-founder of LockTrip.com and Bitcoin7. Founder of xs-software.com, one of the most successful gaming companies in Europe with more than 50M registered players worldwide. Co-founder at Softuni.bg - an innovative IT education center with more than 100,000 software engineering students for its three years history, also pioneering blockchain education in Bulgaria.

**Florian Pfeiffer** - Crowdfunding Design & Operations
CCO and Partner at LockTrip.com. Advisor to GoMeat.io, a speciality meat delivery service with a blockchain-based certification system.
Florian gathered four years of experience in building and managing communities. Taking advantage of his engineering background, he designs tools for automating operations and works towards creative solutions. His passion for data, finance and innovation led him into the world of crypto.

## 8. Institutional Backing

ChangeX.io is backed with a $100,000 seed investment by HYDRA team through the LockTrip Ltd entity which is a member of the ASX traded Webjet Limited Group. In return, LockTrip will own a 25% minority-stake in equity.