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Xion MiCAR White Paper

Date of Notification: 13-02-2025

> This crypto-asset white paper has not been approved by any competent authority in any Member State of the European Union. The offeror of the crypto-asset is solely responsible for the content of this crypto-asset white paper.
>
> This crypto-asset white paper complies with Title II of Regulation (EU) 2023/1114 and, to the best of the knowledge of the management body, the information presented in the crypto-asset white paper is fair, clear and not misleading and the crypto-asset white paper makes no omission likely to affect its import.

Summary

> This summary should be read as an introduction to the crypto-asset white paper. The prospective holder should base any decision to purchase this crypto-asset on the content of the crypto-asset white paper as a whole and not on the summary alone. The offer to the public of this crypto-asset does not constitute an offer or solicitation to purchase financial instruments and any

> such offer or solicitation can be made only by means of a prospectus or other offer documents pursuant to the applicable national law. This crypto-asset white paper does not constitute a prospectus as referred to in Regulation (EU) 2017/1129 of the European Parliament and of the Council (36) or any other offer document pursuant to Union or national law.

Characteristics of the Crypto-Asset XION is a crypto asset, available on the XION blockchain network. Acquiring XION tokens grants holders access to the XION blockchain's functionality, allowing them to utilize the tokens for transaction fees, to participate in the network's decentralized governance through voting, and to contribute to network security by staking their XION tokens. Purchasers are obligated to adhere to applicable laws and regulations, including those concerning anti-money laundering and consumer protection, and must also comply with the terms and conditions stipulated by the trading platforms facilitating the trading of the tokens. Rights and obligations of the token holders may be modified through decentralized protocol governance proposals and consensus.

Key Information About the Admission to Trading The admission to trading of the XION token is designed to broaden access to the XION blockchain ecosystem, driving wider adoption by increasing awareness and attracting more developers and users. Details regarding payment methods for the XION token, transfer of purchased tokens, and purchaser technical requirements will be determined by the specific exchange platforms listing the token. The trading platforms where admission to trading of the XION token will be initially sought are Bitvavo, Kraken, Crypto.com, and WhiteBIT, with potential for future additions.

Regulatory Disclosures

Statement in accordance with Article 6(5), points (a), (b), (c):

> The crypto-asset referred to in this white paper may lose its value in part or in full, may not always be transferable and may not be liquid.

Statement in accordance with Article 6(5), points (e) and (f):

> The crypto-asset referred to in this white paper is not covered by the investor compensation schemes under Directive 97/9/EC of the European Parliament and of the Council. The crypto-asset referred to in this white paper is not covered by the deposit guarantee schemes under Directive 2014/49/EU of the European Parliament and of the Council.

Table of Contents

1. Information about the Person Seeking Admission to Trading

Name: Wandilla Holdings Limited

Legal Form: LEI: 254900VUJZADND4ASW88

Registered Address: Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin

Islands

Head office: Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands

Registration Date: 2021-04-08

Legal Entity Identifier: 254900VUJZADND4ASW88

Additional National Identifier: N/A

Contact Phone: +345-749-9601

Email: admin@wandillaholdings.com

Response Time: 3 days

Parent Company: Xion Foundation, a Cayman Islands foundation company that wholly owns Wandilla Holdings Limited

Management Body Members:

Name	Business Function	Business Address
Glenn Kennedy	Director	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, BVI
Oliver Bell	Director	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, BVI
Petri Basson	Director	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, BVI

Business Activity: Wandilla Holdings Limited is an entity aiding in the development of open source blockchain software, specifically the XION blockchain. Wandilla Holdings Limited is also the issuer of the XION token.

Parent Company Business Activity: The Xion Foundation has the principal activity of advancing the development of the open source blockchain software, specifically the XION blockchain. The principal markets being a globally accessible blockchain network.

Newly Established: true

Financial Condition: Wandilla Holdings Limited was formed in 2021, and has retained limited size and complexity, with no current employees. It has relied entirely on external funding for its operations over the past three years.

2. Information about the Crypto-Asset Project

Project Name: XION

Crypto-asset Name: XION

Abbreviation: XION

Project Description: The XION blockchain is a Layer-1 network designed to simplify and drive mainstream adoption of Web3 by addressing barriers such as onboarding, complex key management, gas fee management, and fragmented ecosystems. Powered by the XION token, the project aims to enable seamless access, decentralized governance, and staking while abstracting complexities like gas fees and wallets. Using innovative features, XION aims to provide an intuitive, user-friendly blockchain experience for developers and consumers alike.

Project Implementation Team:

Name	Function	Address
Xion Foundation	Foundation	Silverside Management Ltd. Whitehall Chambers 2nd Floor, Whitehall House 238 North Church Street George Town KY1-1206 Cayman Islands
Wandilla Holdings Limited	Asset Issuer	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, BVI

Utility Token Classification: false

Key Features: The XION blockchain is a Layer-1 blockchain built on a Proof-of-Stake (PoS) consensus mechanism, designed to ensure network security, decentralization, and energy efficiency. Validators maintain the integrity of the network by staking tokens and processing transactions with high throughput and low latency, making XION capable of supporting fast and scalable decentralized applications. The blockchain features robust smart contract functionality, enabling developers to build and deploy decentralized apps efficiently. Utilizing protocol-level implementations related to abstracted accounts, signatures, fees, interoperability, and more, XION empowers developers to build secure, intuitive, and seamless user experiences. The XION token is integral to the network, serving as the medium for transaction fees, network security through staking, and participation in decentralized governance.

Project Plans and Milestones: The XION token powers the Proof-of-Stake XION blockchain mainnet and was launched on December 5, 2024, achieving a major milestone. The XION token serves as the native token of the XION blockchain, enabling its core functionalities: transaction fees, decentralized governance, and staking for network security. The XION blockchain aims to abstract away complexities of interacting with blockchain-based applications, with plans of attempting to drive mainstream adoption of Web3.

Resource Allocation: Substantial resources have been allocated to the development of the XION blockchain and XION token, including resources to fund development, infrastructure, and ecosystem expansion. The project benefits from a skilled team of blockchain developers, cryptographers, and advisors with expertise in decentralized technologies. Infrastructure investments have been made to support a robust network of validator nodes, staking mechanisms, and ecosystem of application builders. Additionally, grants and other programs are in place to encourage developer participation and innovation within the ecosystem.

Use of Funds: Not applicable.

3. Information about the Admission to Trading

Public Offering or Admission to trading: ATTR

Reasons for Admission to trading: The admission to trading of the XION token is intended to drive adoption of the XION blockchain by diversifying the number of holders of the XION token and enabling broader access to the XION blockchain. This initiative aims to increase participation from developers and users, and ensure the long-term security of the XION blockchain by having a large and diverse group of XION token holders participate in governance and in securing the network.

Total Number of Traded Crypto-Assets: 200,000,000 total token supply at inception on 2024.12.05.

Targeted Holders: ALL

Holder restrictions: There are no specific restrictions on holders of the XION token, aside from compliance with applicable laws and regulations in jurisdictions where the token is offered or traded.

Payment Methods: These are to be determined by the exchange platform where the crypto-asset is made available for purchase.

Transfer of Purchased Crypto-Assets: These are to be determined by the exchange platform where the crypto-asset is made available for purchase.

Purchaser's Technical Requirements: These are to be determined by the exchange platform where the crypto-asset is made available for purchase.

Trading Platforms name: Potential trading platforms include Bitvavo, Kraken, Crypto.com, WhiteBIT, and other potential future platforms

Trading Platforms Market Identifier Code (MIC): N/A

Trading Platforms Access: This is determined by the exchange platform where the crypto-asset is made available for purchase.

Involved costs: This is determined by the exchange platform where the crypto-asset is made available for purchase.

Conflicts of Interest: No conflicts of interest have been identified as of today in relation to the issuance of XION tokens and the project may enter into arrangements with service providers including third party market makers in order to satisfy liquidity requirements of the trading platforms.

4. Information About the Crypto-Asset

Type of Crypto-Asset: The XION token serves as the native token of the XION blockchain, enabling its core functionalities: transaction fees, decentralized governance, and staking for network security. The XION token is not pegged to any fiat currency or asset and does not purport to maintain a stable value. Instead, it provides access to services and utilities on the XION blockchain while enabling its decentralized operation.

Functionality: The XION token is the native token that powers the XION blockchain and facilitates transaction fee payments, decentralized governance, and network security through staking.

Planned Application of Functionalities: The functionalities of the XION mainnet were made available immediately upon the launch of the XION token, on December 5th, 2024.

Type of white paper OTHR

Type of Submission: NEWT

Crypto-Asset Characteristics: The XION token is a fungible crypto-asset. It serves as the native token of the XION blockchain, enabling its core functionalities: transaction fees, decentralized governance, and staking for network security. Users may participate in the governance of the network by creating on-chain governance proposals and staking tokens to its active validators in order to vote on governance proposals. The token is not pegged to fiat currencies or other assets, and does not purport to maintain a stable value. Its functionalities are fully operational as of the XION mainnet launch.

Website: xion.burnt.com

Start Date of Public Offering: 2025-03-17

White Paper Publication Date: 2025-03-13

Additional Services: N/A

Trading Platform MIC: N/A

White Paper Language: EN

Digital Token Identifier: W87LBV98Z

Functionally Fungible Group Digital Token Identifier, where available: n/a

Voluntary Data Flag: true

Personal Data Flag: false

LEI Eligibility: true

Home Member State: NL

Host Member States: IE, MT, IT

5. Rights and Obligations

Purchaser Rights and Obligations: Acquiring XION tokens grants holders access to the XION blockchain's functionality, allowing them to utilize the tokens for transaction fees, to participate in the network's decentralized governance through voting, and to contribute to network security by staking their XION tokens. Purchasers are obligated to adhere to applicable laws and regulations, including those concerning anti-money laundering and consumer protection, and must also comply with the terms and conditions stipulated by the trading platforms facilitating the trading of the tokens.

Exercise of Rights and Obligations: There are no specific restrictions on holders of the XION token, aside from compliance with applicable laws and regulations in jurisdictions where the token is available or traded.

Conditions for Modifications of Rights and Obligations: The modification of rights and obligations of token holders can only be modified through decentralized protocol governance proposals and consensus.

Future Public Offers: None are currently contemplated or planned.

Issuer Retained Crypto-Assets: 174,440,667 tokens retained at launch on 2024.12.05

Utility Token Classification: false

Key Features of Goods/Services of Utility Tokens: n/a

Utility Tokens Redemption: n/a

Non-Trading Request: true

Crypto-Assets purchase or sale modalities: n/a

Crypto-Assets Transfer Restrictions: 25,559,333 XION tokens were unlocked at launch, and the other 174,440,667 is subject to transfer restrictions according to a public 48 month unlock schedule.

Supply Adjustment Protocols: true

Supply Adjustment Mechanisms: The Proof-of-Stake XION blockchain incorporates a mint module designed to regulate the issuance and burning of XION tokens within each block. The parameters governing token inflation, including the rate and conditions for minting or burning, are established and adjusted through decisions made by the network's decentralized governance mechanism. An upper and lower inflation bound are set through decentralized governance consensus. If over 67% of the total supply of tokens are staked, the inflation tends towards the lower bound, and if less than 67% of the total supply of tokens are staked, the inflation tends towards the upper bound. These parameters are codified within the protocol and are subject to approval by token holders in accordance with the governance framework of the XION blockchain.

Token Value Protection Schemes: false

Compensation Schemes: false

Applicable Law: BVI

Competent Court: BVI

6. Information on the Underlying Technology

Protocols and Technical Standards: The XION blockchain leverages the Cosmos SDK as its foundational framework, enabling modular and scalable development of its Proof-of-Stake (PoS) consensus protocol. This ensures energy-efficient transaction validation and robust network security. The blockchain employs cryptographic standards, including elliptic curve cryptography (ECC), for secure key management and transaction signing. Smart contracts are developed using standardized frameworks, ensuring reliability and compatibility with decentralized applications (dApps).

Technology Used: The blockchain utilizes cryptographic methods such as elliptic curve cryptography (ECC) to secure private keys and transaction data. To protect against potential risks, distributed ledger technology (DLT) ensures transparency and immutability, with transactions recorded and validated across the network. Advanced security measures, such as hardware wallets and secure enclave technologies, provide further safeguards for holding and storing assets, minimizing exposure to threats.

Consensus Mechanism: The XION blockchain utilizes CometBFT (formerly Tendermint), a **Proof-of-Stake (PoS)** consensus mechanism.

Incentive Mechanisms and Applicable Fees: The XION blockchain employs a Proof-of-Stake (PoS) consensus mechanism, where validators stake XION tokens to secure the network and earn staking rewards. Transaction fees, denominated in XION tokens, are utilized to submit transactions to the decentralized ledger.

Use of Distributed Ledger Technology: false

Audit Status: true

Audit Outcome: The smart contracts underlying the XION blockchain have undergone multiple successful security audits performed by Oak Security and accessible publicly online. Any identified issues during these audits are reviewed, validated, assessed, and remediated according to their severity prior to launch or upgrade.

7. Information on Risks

Admisson to Trading-Related Risks: The admission to trading of the XION token entails risks related to market volatility, regulatory compliance, and liquidity. As observed in other crypto-asset offerings, market conditions can result in significant fluctuations in token value, potentially impacting investors' ability to liquidate holdings. Regulatory changes or jurisdictional restrictions may affect the legality or accessibility of the token, and the availability of secondary trading platforms may be limited, further affecting liquidity.

Crypto-Assets-Related Risks: Crypto-assets, including the XION token, are subject to inherent risks such as price volatility, custodial risks, and reputational challenges. Market sentiment, regulatory developments, and technological issues can lead to extreme price fluctuations. Custodial risks, including the potential loss of private keys or cyberattacks on wallets or exchanges, may result in irreversible losses. Furthermore, association with illicit activities or perceived security flaws may harm the token's reputation, reducing trust and adoption.

Project Implementation-Related Risks: Project implementation risks include delays in development, failure to achieve milestones, or inadequate funding. Unforeseen technical, legal, or operational challenges can compromise timelines and the overall success of the project. Dependency on third-party providers, key personnel, or partnerships can further introduce vulnerabilities, while adverse legal or market developments could disrupt implementation plans.

Technology-Related Risks: The XION blockchain, like other decentralized systems, faces risks related to technology failures, such as software bugs, network attacks, or consensus breakdowns. Vulnerabilities in smart contracts or the Proof-of-Stake protocol may be exploited, potentially leading to loss of assets or network disruption. Dependency on the underlying distributed ledger technology also exposes the project to risks of obsolescence or incompatibility with emerging standards, as well as risks associated with scaling and interoperability.

Mitigation Measures: To address technology-related risks, the XION blockchain employs rigorous code audits, continuous monitoring, and updates based on security best practices, as seen in other successful projects. Smart contracts undergo independent third-party audits to identify and resolve vulnerabilities before deployment. Redundancies and fail-safes are integrated to protect against consensus failures or unexpected network behavior. In addition, the system uses advanced cryptographic standards to ensure the security of private keys and transactions, alongside an active bug bounty program to incentivize the identification of potential risks. Governance mechanisms are in place to enable timely protocol updates and adaptations to emerging threats or requirements.

8. Information on sustainability indicators

Entity Name: Wandilla Holdings Limited

Legal Entity Identifier: 254900VUJZADND4ASW88

Crypto-Asset Name: XION

Consensus Mechanism: The XION blockchain utilizes CometBFT (formerly Tendermint), a **Proof-of-Stake (PoS)** consensus mechanism.

Incentive Mechanisms and Fees: The XION blockchain employs a Proof-of-Stake (PoS) consensus mechanism, where validators stake XION tokens to secure the network and earn staking rewards. Transaction fees, denominated in XION tokens, are utilized to submit transactions to the decentralized ledger.

Reporting Period Start: 2024-12-05

Reporting Period End: 2024-12-31

Annual Energy Consumption: 61,320 kWh

Energy Consumption Methodology: The calculation of annual kilowatt-hour (kWh) consumption for Cosmos-based Proof-of-Stake (PoS) networks involves estimating the energy usage of validator nodes, which are the primary contributors to network power consumption. This is determined by measuring the average power usage of standard server hardware. For a validator node with similar specifications as the following: CPU: 8-core, RAM: 32GB, Storage: 256GB, Network Throughput: ~120 Mbps. The estimated average power consumption is in the range of 150W to 250W per node under typical operational load. This is then multiplied by the number of active validators, which is currently 35 active validators at the time of submission. The total is then scaled for 24-hour operation over 365 days. References for these calculations include empirical data from validator node specifications, industry benchmarks, and general server power consumption data. The methodology of annual energy consumption estimation follows the formula: annual kWh = (power usage per validator in kW) × (number of validators) × 24 × 365.