



DEXFIN

Digital Asset Exchange



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Abstract

DEXFIN is building an exchange platform that provides access to digital currencies as well as tokenized assets to people around the world in a secure and easy manner. Through utilizing Blockchain Technology, DEXFIN plans to democratize and decentralize access to global digital wealth. Unlike nearly all conventional cryptocurrency exchanges, DEXFIN implements an extensive variety of trading tools and will provide an additional feature allowing individuals to invest in tokenized company assets in the form of security tokens. These features will expand DEXFIN's outreach and enrich user experience on the platform. In addition, DEXFIN will provide consultancy and facilitate the issuing of tokens to all traditional businesses interested in tokenizing their own assets.

This white paper provides readers with the necessary information concerning DEXFIN's platform and the services it has to offer.

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1. Introduction and Problem Statement

Over the past decade, blockchain technology has redefined the concept of “store of value” and ways to transfer funds. Ever since the introduction of Bitcoin, the world has witnessed an upsurge of blockchain-based projects powered by dedicated digital tokens and cryptocurrencies. A great number of these businesses are cryptocurrency exchanges; online platforms which allow their users to buy, hold or sell digital assets.

DEXFIN represents one of these exchange platforms, with the only difference being that it has a considerable edge over its direct competitors. DEXFIN was founded by a team of tech-entrepreneurs and crypto enthusiasts committed to providing a unique and advanced multi-crypto exchange platform with innovative features for traders and investors across the world. Private investors and traders are not the only ones seeking to benefit from the consistently expanding and evolving cryptocurrency market. There has been a wave of institutional investors, including big brands such as Microsoft and IBM, who have shown interest in cryptocurrencies and blockchain-based projects [1].

Despite incredible returns and the increasing popularity of blockchain and cryptocurrencies, profitable trading is limited to only a few. DEXFIN was designed to address this issue specifically. Due to the complexities of today's exchange infrastructures which often lack advanced features, it is incredibly difficult for the average investor or trader to benefit from the opportunities that blockchain has to offer. These complexities include studying markets, understanding user requirements and exploring both technical and fundamental analysis.

2. Design Approach

While traditional cryptocurrency exchanges offer limited functionalities often restricted to the exchange, trade and transfer of cryptocurrencies, DEXFIN is offering much more than the mere facilitation of basic trading. By enhancing the concept of traditional cryptocurrency exchanges, DEXFIN's financial framework has become ahead of its time.

This digital asset exchange platform offers advanced features such as the possibility of following preferred traders and mirroring their trades. Additionally the platform is equipped with an advanced AI-based matchmaking tool allowing investors to find the best opportunity based on their specific requirements and portfolio size. DEXFIN users also gain access to a unique portfolio management program that allows them to manage and track multiple split investments using their laptop, PC or smartphone. DEXFIN will allow new tokens to be listed and help blockchain-based as well as non-blockchain-based projects issue their own tokens through its additional tokenization platform. Another valuable feature of this exchange is the fact that it allows all types of investors to participate in new Security Token Offerings (STOs). In addition, facilitating the tokenization of businesses will create a transparent and more secure funding and transfer mechanism. These features provide momentum for new startups as well as

existing businesses interested in creating their own digital tokens. The tokenization of illiquid and investable assets opens trillions of dollars in liquidity to the market [2].

It is important to note that we are aware of the challenges and pitfalls that come with the creation of such a crypto exchange. For that reason, DEXFIN has a strict policy regarding the listing of tokens and STOs which includes extensive vetting and due diligence. These measures generate a more secure and high-quality investment platform as it eliminates the risk of cooperating with trivial projects.

3. Addressing the Challenges

3.1. Exchange and Trading

While the current infrastructure of popular cryptocurrency exchanges provides the right environment for individuals looking to invest in cryptocurrencies, there are still many distinct challenges that come with an exchange.

Lack of Investment Tools

Newbies and even experienced traditional investors encounter platform challenges because of a lack of updated and easy-to-use tools that help users make seamless investments in their preferred projects and cryptocurrencies.

For both seasoned and new investors, DEXFIN makes cryptocurrency investments more attractive through its advanced tools and innovative features. Accredited users can make multiple split investments and manage/track all their investments through DEXFIN's portfolio management options. They will be able to track trends, analyze it's potential and map their investment trails made through the DEXFIN platform. In addition, users will have complete flexibility through advanced AI-based matchmaking. This matchmaking system recommends to users the best possible investment opportunity depending on their requirements and investment portfolio. This is done by scanning trends and other investment metrics with the help of a dedicated AI-based neural network.

Complex Whitelisting and KYC (Know Your Customer) Process

Getting whitelisted on cryptocurrency exchanges involves a complex procedure which includes a KYC process that often takes over a week. Especially on popular centralized exchanges, users must wait days before they can start trading or gain full access to their newly created account. It is important to note that during the big crypto boom in late 2017, a lot of popular exchanges experienced immense backlogs, and consequently, new users could not sign up. This resulted in users having to wait several weeks, or in some cases months, before they could start investing [3].

DEXFIN will enable users to easily and seamlessly complete the KYC process with the aid of an E-KYC system. This innovative system assists users with registration and starting the process of investing and trading just by filling a simple online form. No physical paperwork is involved, and the application will be processed within two business days, in

most cases. Through our system, user sensitive data is held completely offline using air-gapped remote access technology.

Slower Transaction Processing Speeds

Cryptocurrency trading is highly opportunistic and time-based as prices fluctuate within seconds. Therefore, it is very important that traders don't miss their trading opportunities due to slower transaction processing speeds. Traders often face sluggish transaction processing speeds and failed transactions, and consequently, they miss out on the best and most awaited opportunities as even the most popular exchanges fail to deliver the required processing speeds during congestion and high demand.

DEXFIN has focused on creating an exchange platform that guarantees very fast transaction processing speeds, even at times of high traffic. Equipped with the latest technology and dedicated servers, DEXFIN guarantees top transaction processing speeds and is also planning to eventually implement Lightning Network technology.

Listing of Non-Reliable or Fake Currencies

With an increase in the popularity of cryptocurrencies, there has been an upsurge of trivial projects, scams and even exchanges created just to promote fake currencies. In fact, over \$4 billion have been lost to scams and frauds in 2019 alone [4]. For the average investor, it is very difficult to identify such exchanges or coins due to most traders and investors relying on the exchange for their due diligence. Also, exchanges lack a robust vetting mechanism when listing new currencies which in turn makes traders and investors vulnerable.

DEXFIN has designed a robust and detailed coin listing process which includes thorough vetting and advanced due diligence. All coins listed on the platform will go through this rigorous process, and investors will not have to do their own due diligence. Instead, DEXFIN will partner with Baserank, a crypto research platform that audits blockchain-based projects, to have external reports on the projects listed on the platform.

Security of Tokens Stored on Exchange Wallets

Most cryptocurrency exchanges offer a unique user wallet for investors and traders to store their acquired tokens. Nonetheless, the security of these stored tokens is a major concern. Many investors have already lost their valuable crypto assets by keeping them in an exchange wallet. Not only small, but also big and popular cryptocurrency exchanges like MT GOX, Poloniex, Bitstamp, and Bitfinex have been compromised in the past. In August 2016, hackers got away with 120,000 BTC, worth \$72 million, which were stored on the Bitfinex exchange [5].

To avoid these issues, DEXFIN has partnered with the best in the tech-industry to offer institutional-grade security for all services. DEXFIN is working closely with Bitgo, Trezor, Hacken.io and other security auditors to ensure that user funds are safe and secure. All users will get access to exclusive and highly secure DEXFIN user wallets that are backed by air-gapped, multi-signature wallets. DEXFIN wallets are secured by Goldilock's

technology. This system leverages biometrics, remote physical disconnection of data from the internet, multi-factor authentication, regressive non-IP technology triggers and cryptography to keep your sensitive digital assets/data physically segregated from network access. To ensure the safety of funds stored on the exchange wallets, DEXFIN features an advanced elastic user wallet where over 95% of the funds are stored offline. This minimizes the risk of a cyber-attack. Also, users can use their hardware keys like Yubikey or Trezor with Webauthn for multi-factor authentication (2FA) to sign and confirm withdrawals from their wallets.

3.2 Tokenization and Crowdfunding

With more and more startups and new projects integrating blockchain technology into their business model, fundraising for ICOs has become riskier. Gaining liquidity through tokenization to successfully develop a new project to its fullest potential is not easy. Blockchain-based projects now need to make significant investments in marketing and promoting their newly minted coins. These factors make fundraising an ICO a costly affair. While cryptocurrency exchanges can help ICOs with their liquidity issues, there are two major problems:

High Exchange Listing Fees

Getting a new coin listed on an exchange is a major issue that ICO/STOs still face as it involves exorbitantly high fees, usually beyond the budget of an average startup. Creating a dedicated token sale and exchange mechanism is not an easy task for start-ups, hence, many blockchain-based projects rely entirely on the infrastructure of an exchange to list their newly minted coins and gain liquidity to further develop their projects. For genuine projects, high listing fees on exchanges restrict their fundraising abilities, often resulting in a liquidity crisis.

Reaching a Global Community Investors

Reaching a global community of cryptocurrency users and investors is a challenge for new projects as the acquisition costs are high. Moreover, disproportionate marketing costs can put the entire project at stake which ICOs want to avoid at any cost. With cryptocurrency exchanges having a dedicated industry-specific user base, it can prove helpful for genuine ICOs with promising ideas to launch and reach a larger network of crypto enthusiasts with minimum marketing expenses.

DEXFIN will offer access to its platform to promising projects and will assist in launching their newly minted token at an affordable price. DEXFIN allows ICO/STOs to reach a community of global investors. This, in turn, helps projects gain a quick and seamless source of liquidity with shared connectivity. These new projects can list their tokens and seek investments from existing traders and investors on the platform. However, DEXFIN has a strict vetting policy, and all listings are approved only after a project qualifies and passes the vetting process.

4. DEXFIN's Revenue Model

DEXFIN is developing a self-sufficient, profit-generating platform with a well-defined revenue model. DEXFIN's aim is to create a financially scalable platform with a consistent flow of revenue.

- **Trading Commissions:** A certain percentage will be charged for all transactions from traders that include cryptocurrency, security tokens or OTC.
- **Investment Platform Commissions:** This pertains to all blockchain-based projects and newly minted coins that register with DEXFIN for enhanced liquidity and fundraising.
- **ICO/STO Exchange Listing Fees:** A reasonable, one-time exchange listing fee will be charged to all new coins seeking to be listed on the DEXFIN Exchange.
- **Technology Fees for Providing Liquidity to Outside Exchanges:** A separate fee will be levied on outside exchanges seeking liquidity.
- **Interest Charges from Margin Trading and Lending:** A certain percentage will be charged to traders benefitting from the margin trading and lending feature on the platform.

This revenue model is scalable and sustainable in the long run because it is independent from any third-party. Moreover, as revenue grows proportionally with the increase in number of users and transactions on the platform, the revenue model is bolstered. Multiple revenue streams make DEXFIN's revenue model flexible due to no dependent reliance on a single revenue stream. Also, as the platform is self-evolving, there is a feature of cyclically introducing new, premium features. xxxxxxx

5. Business Model

DEXFIN employs a business-to-consumer (B2C) model for trading and digital asset custody. The company also operates on a business-to-business (B2B) model that provides compliance-based services in respect to security token issuing, tokenization consulting, platform onboarding and marketing services. The DEXFIN platform allows any business in search of capital to generate a security token and initiate an STO. Through this process, the issuer gains access to a direct-to-investor model and the potential for global distribution.

STO Express Services

DEXFIN provides a fast and standardized product for small companies, startups, etc. By using an STO express service, an issuer can generate security tokens legally and fully compliant.

STO Complete Services

If a business is looking for a more customized solution, STO complete services are also available. The client will receive security tokens and access to our platform for fundraising.

Investors Relations and Management Services

Already tokenized projects can get direct-to-investor access for an average fee of €5 (per investor). All investors are KYC/AML compliant. The issuer will be able to differentiate investors by qualified/unqualified ranking, geography, investment preferences and average investment size.

Admission to CAP Table Management Services

Each issuer will have the ability to immediately access information about their capitalization as well as the ability to promptly contact their token holders. DEXFIN offers these services for an annual fee of €5 per investor.

Affiliate Vendors

DEXFIN intends to provide its client-issuers with access to legal, marketing, and other services they may require to complete their capital formation process. These services will be provided by trusted partners specializing in the blockchain and security token sector, while DEXFIN provides a marketplace for these vendors. DEXFIN will benefit from a marginal percentage of each service agreement for trading and brokerage revenue as well as additional licenses. Additional revenue comes from commissions on the secondary trading of digital assets and securities.

NFC Ring

DEXFIN has developed a unique solution in the form of an NFC enabled ring for crypto payments and the storage of digital assets. Two additional functions will be added to the ring for automated access control and for digital ID in the foreseeable future.

The main KPIs include the number of issuers, number of KYC investors and net value of digital securities listed on the platform.

6. DEXFIN Utility Token (DXF)

6.1 Token Parameters

DXF is an Ethereum ERC20 security token that allows token transfers only if they are approved by a blockchain regulatory service. The regulator service is configured to comply with applicable securities regulations, Know Your Client (KYC), Anti-Money Laundering (AML), Tax Law and more.

By implementing the right configurations, the DXF token standard enables compatible transmissions on stock exchanges and between individuals, STO and secondary stores,

and even in different jurisdictions. DXF allows the use of ERC-20 tokens for regulated securities. In addition, DXF will be further migrated to the Bitcoin network as soon as we are fully confident that smart-bitcoin contracts are ready for real use. We are currently testing two more scripting languages that are being used to write smart contracts on top of the bitcoin network.

As a holder of DXF, individuals obtain the following:

- Possibility to pay platform fees using DXF.
- Possibility to buy/sell via crypto ATMs.
- Discount vouchers – receive discounts on products from our partners.
- Share on Airdrops if the user locks at least 10,000 DXF on the platform.
- Earn DXF for tasks (micro tasking) such as articles, graphics, Youtube reviews, build trading bots and apps through our API.
- Hold DXF tokens in Trezor (hardware wallet).
- Use DXF tokens on the upcoming decentralized exchange and sidechain.

Investors gain the opportunity to hold tokenized shares on their hardware wallets along with their other crypto assets. Furthermore, investors gain the chance to vote on events associated with the further development of the DEXFIN platform. They can also obtain airdrop tokens from projects that will be listed on the platform if they hold a minimum required number of DXF tokens on their exchange wallets.

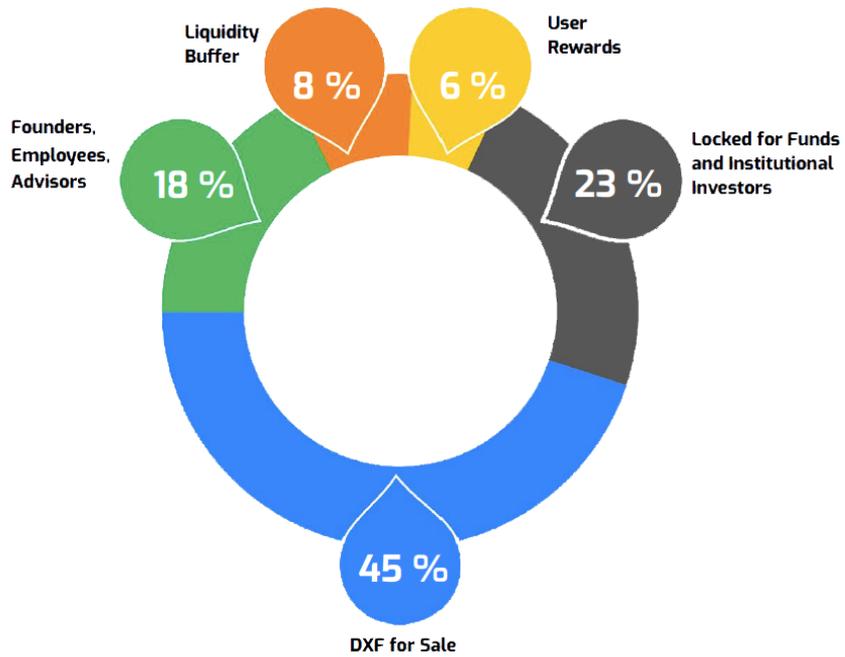
Table 1: DXF Token Parameters

Symbol	DXF
Main-sale Target	4,680,000 EUR
DXF Pre-sale Allocation	525,600,000
Type of Token	ERC-20
Main Sale Start	6/6/2020
Total DXF Supply	1,168,000,000

6.2 Distribution

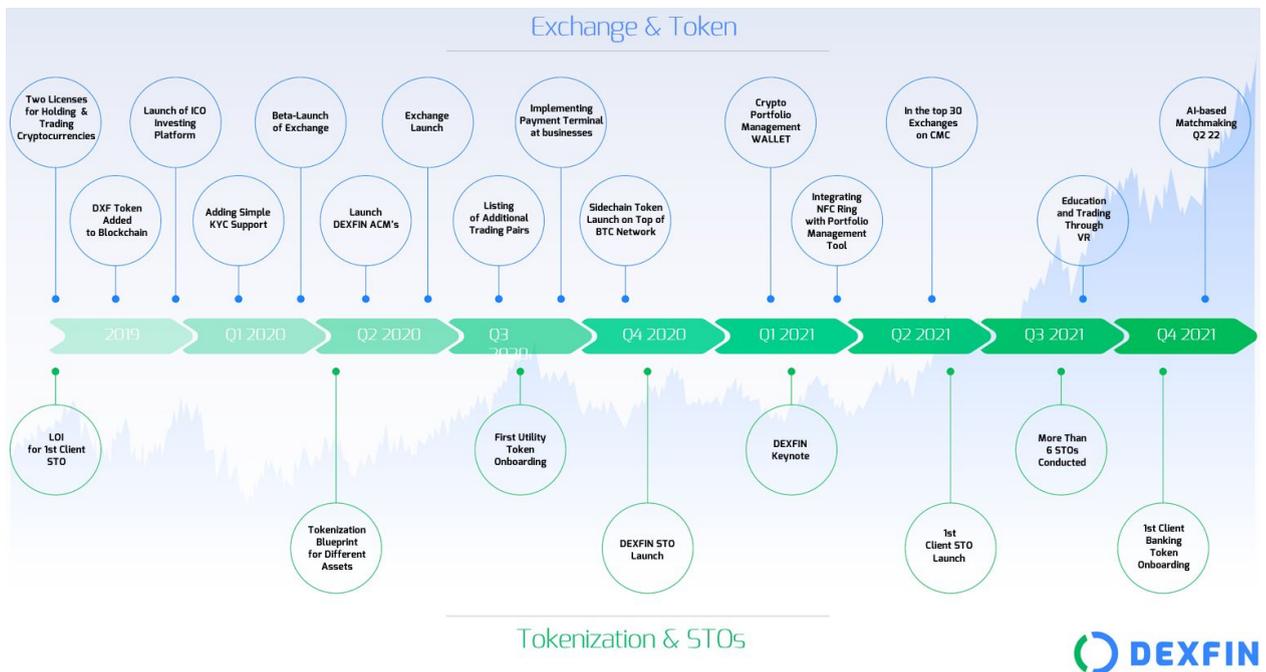
A total of 1,168,000,000 DXF tokens will be issued, of which 45% will be available during the token sale. Tokens unsold during this period will be burnt. 23% will remain locked for the further development of the platform or be sold to funds and institutional investors, while 18% will be kept for founders and employees. The remaining 14% will be kept as a liquidity buffer and for user rewards.

Figure 1: DXF Token Distribution



7. Roadmap

Figure 2: Roadmap (2019-2022)



8. Leadership



Kamil has been in crypto since 2011 and can be considered a real cryptocurrency guru. As an ex-member of the renowned SatoshiLabs team, he contributed to a lot of significant additions to the crypto space such as the popular Trezor hardware wallet and Coinmap. Being a real crypto-tech pioneer, Kamil brings the necessary experience and know-how related to blockchain technology and cryptocurrencies that other blockchain startups lack to ensure a safe and secure environment, making him a key figure for DEXFIN's success.



Robert combines people management, strategy, and communication skills through his extensive experience as an investment mentor. He bases his people-oriented approach on Feng Shui and manages to inspire everyone through his vision and purpose. As he has been managing Asian investment portfolios and guiding investors for over a decade, Robert knows the ins and outs of financial-market trading and is familiar with the roadblocks connected to global exchange platforms. These reasons encapsulate why he is the driving force behind DEXFIN's strategy.

References

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