

MXX Whitepaper

Version 1.0

Edited 28/07/20

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1.EXECUTIVE SUMMARY

1.1 Genesis

Multiplier crypto lender began in 2019 with regulated financial licenses obtained (SRO Switzerland VQF 10075 and Hong Kong Money Lenders License 1702/2019), and formed strong collaborations with reputable industry leaders such as Coinbase Custody and JUMIO KYC/AML.

Decentralised finance (DeFi) is one of the fastest growing sectors in the cryptocurrency industry, with Weiss Ratings stating that Defi is revolutionary and that it's still in its infancy. It is an alternative to traditional financial systems and allows you to earn interest on your crypto and take loans, among many other advanced financial activities.

Defi used with decentralised governance, enables the underlying protocol to be permanent and upgradable by the community, allowing it to work at scale.

Multiplier has been developing DeFi protocols with user feedback from its centralised crypto lending entity since 2019, and launches a governance token which gives the community voting rights, that can only be distributed through minting.

1.2 Mission & Vision

Mission

Multiply and leverage digital assets for the masses

Vision

Advancing and simplifying legacy financial systems

Multiplier, a regulated crypto lender, believes in having the relevant licenses to adhere to regulations and operating within the legal framework of jurisdictions. We continue to establish strong relationships, between regulatory authorities, communities and leading institutions around the globe.

Merging the scale and familiarity of traditional finance, into a secured, advance and simplified global financial blockchain system.

2. MXX TOKEN

2.1 MXX Utility

The MXX token represents ownership of crypto assets and will be aggregated algorithmically according to liquidity contributed to the Multiplier platform, an application that facilitates the collateralisation and loans of crypto assets.

The MXX protocol aims to be decentralised, open-sourced and publicly available. This will allow anyone to examine and verify the protocol at any given time.

MXX tokens are designed to balance liquidity between depositors and lenders through algorithmic derived interest rates and yield, based on the collateralisation and loans conducted on the platform.

MXX tokens are not pre-mined, and only minted through transactions that contribute to liquidity on the platform. Potential MXX holders are incentivised to mint MXX through transactions, and will have voting rights towards the governance of the network.

For a start, 18,000,000 MXX tokens are minted daily. Users will mint in proportion to their liquidity contributed to the platform on that day, through earning, lending and referrals.

Illustration

John performs the following transactions on the day:

Transactions	Quantity (BTC)	BTC Interest Earned	BTC Interest Paid
Earn	1	0.00005479	-
Borrow	0.5	-	0.00009589
Earn	0.5	0.00000274	-
Total Contributions		0.00015342 BTC	

Mary performs the following transactions on the same day:

Transactions	Quantity (BTC)	BTC Interest Earned	BTC Interest Paid
Earn	2	0.00010959	-
Total Contributions		0.00010959 BTC	

Tom performs the following transactions on the same day:

Transactions	Quantity (BTC)	BTC Interest Earned	BTC Interest Paid
Earn	1	0.00005479	-
Borrow	0.5	-	0.00009589
Total Contributions		0.00015068 BTC	

Assuming no one else performs any transactions,

18,000,000 daily MXX tokens will be distributed as follows:

Users	Total Contributions	Share (%)	MXX Tokens
John	0.00015342 BTC	37.0857	6,675,433
Mary	0.00010959 BTC	26.4908	4,768,353
Tom	0.00015068 BTC	36.4234	6,556,214
	0.00041369 BTC	100	18,000,000

2.2 Earning Interest

When a user deposits crypto-assets on the Multiplier platform, his total supplied value (TSV) is aggregated and can be used as collateral to obtain a loan. Assets deposited or collateralised will earn interest and mint MXX tokens. Interest rates will increase and decrease as a function of demand and supply; interest will be accrued on a daily basis based on the aggregated assets.

$$TSV_a = \sum(Aggregated\ Assets * Price)$$

$$Interest\ Rate_a = Risk\ Premium + \max(0, Demand_d - Supply_s)$$

$$TSV_{a,n} = TSV_{a,(n-1)} \left(1 + \frac{\left(\frac{Interest\ Rate}{100} \right)}{365} \right)$$

*Underlying protocol formulas are not fixed and might be subject to changes.

Illustration

User deposits 1 BTC at market price of 10,000 USD per BTC and 1,000 USDC at market price of 1.00 USD per USDC as collaterals.

LEGEND	
TSV	Total Supply Value
Aggregated Assets	Collateral Deposited
Price	Market Price of Asset
Interest Rate	Interest Rate user earns on his Total Supply Value

$$TSV_a = \sum(Aggregated\ Assets * Price)$$

$$11,000\ USD = (1\ BTC * 10,000\ USD) + (1,000\ USDC * 1.00\ USD)$$

$$TSV_{a,n} = TSV_{a,(n-1)} \left(1 + \frac{\left(\frac{Interest\ Rate}{100} \right)}{365} \right)$$

$$11,000.90\ USD = 10,000\ USD \left(1 + \frac{\left(\frac{3}{100} \right)}{365} \right)$$

After 1 Day, User will earn 0.90 USD equivalent interest which will be added to his Total Supply Value.

*Underlying protocol formulas are not fixed and might be subject to changes.

2.3 Borrowing Assets

When a user deposits crypto-assets on the Multiplier platform, he is able to borrow based on his aggregated assets. Crypto assets that are deposited will have collateral factors.

The collateral factor determines the borrowing capability of the aggregated assets (total supplied value). Stablecoins (USDT and USDC) which are less volatile will have higher collateral factors, while other more volatile crypto assets (Bitcoin) will have a lower collateral factor.

The sum of collateral, multiplied by collateral factors of total borrowed value, determines the borrowing capacity. Higher collateral factors translate to higher borrowing capacity, which allows for more transactions. Users are allowed to borrow up to, but not exceeding their borrowing capacity.

Loans will accrue interest in the same manner as balance interest is calculated. MXX tokens will also be minted during the process.

$$CF\ (effective) = \sum \frac{(Aggregated\ Assets * Price * CF)}{(Aggregated\ Assets * Price)}$$

$$Interest\ Rate_b = Risk\ Premium + \max(0, Demand_d - Supply_s)$$

$$TBV_{a,n} = TBV_{a,(n-1)} \left(1 + \frac{\left(\frac{Interest\ Rate}{100} \right)}{365} \right)$$

$$Borrowing\ Capacity = \sum \left((Aggregated\ Asset * Price) * CF\ (effective) - TBV_{a,n} \right)$$

If a user's total borrowed value which includes a Liquidation Buffer (10%), exceeds their borrowing capacity due to the fall in the value of the underlying total supplied value, a liquidation function will be triggered.

$$Liquidation \Leftrightarrow (TBV_{a,n} * (1 + Liquidation\ Buffer)) \geq TSV_{a,n}$$

*Underlying protocol formulas are not fixed and might be subject to changes.

Illustration

User borrows 5,000 USDC at market price of 1.00 USD per USDC using his existing collaterals of 1 BTC and 1,000 USDC.

LEGEND	
TBV	Total Borrowed Value
Aggregated Assets	Collateral Deposited
Price	Market Price of Asset
Borrowing Capacity	Amount user can borrow
Interest Rate	Interest Rate user pays on his Total Borrowed Value

With the following assumptions:

Collateral Factor BTC	65%
Collateral Factor USDC	80%
Interest Rate	8%

$$TBV_{a,n} = TBV_{a,(n-1)} \left(1 + \frac{\left(\frac{Interest\ Rate}{100} \right)}{365} \right)$$

$$5,001.10\ USD = 5,000\ USD \left(1 + \frac{\left(\frac{8}{100} \right)}{365} \right)$$

$$Borrowing\ Capacity = \sum \left((Aggregated\ Asset * Price) * CF\ (effective) - TBV_{a,n} \right)$$

$$2,298.90\ USD = (((1\ BTC * 10,000\ USD) * 65\%) + ((1,000\ USDC * 1.00\ USD) * 80\%) - 5,001.10\ USD)$$

After 1 Day, User will pay 1.10 USD equivalent interest which will be added to his Total Borrowed Value.

If the Market Value of his Total Supply Value falls to 5,500 USD which is lesser than 5,501.21 USD, a liquidation event will be triggered.

$$Liquidation \Leftrightarrow ((5,001.10 \text{ USD} * (1 + 10\%)) = 5,501.21 \text{ USD}) \geq 5,500 \text{ USD}$$

*Underlying protocol formulas are not fixed and might be subject to changes.

2.4 System Architecture

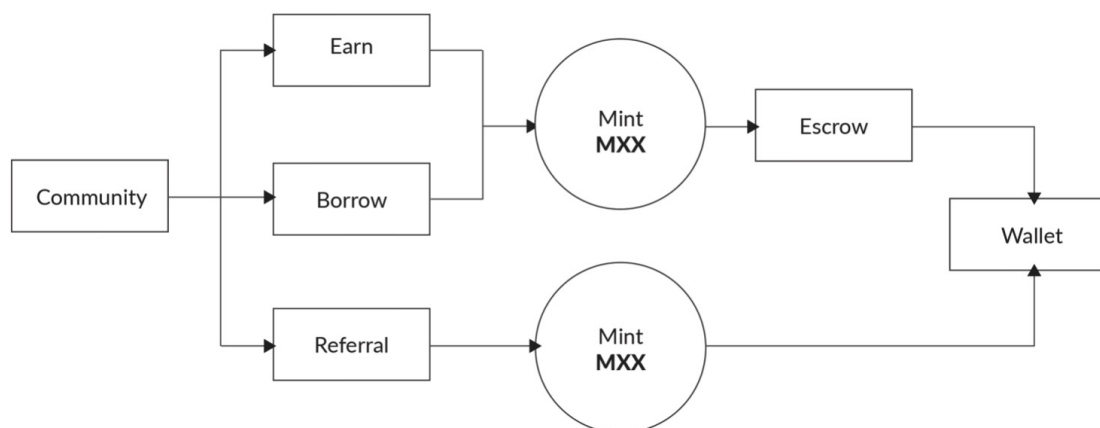
The MXX protocol is built towards full decentralisation in mind.

Based on market conditions such as demand and supply, the MXX protocol will algorithmically balance the interest rates and MXX yield for the platform participants.

Every financial transaction conducted on the Multiplier platform; supplying collateral, borrowing assets, and referrals, will mint MXX tokens. MXX tokens once minted, will be held in escrow for a vested period of one year.

The protocol will be publicly available, open-source, and free to use.

To build a successful DeFi blockchain protocol, we believe it requires a mixture of game theory, incentivisation, technological development and governance, it has to be open enough to enable continuous improvisation and innovation.



2.5 Governance

MXX tokens will carry voting rights for the governance of the network and will allow the protocol to gradually transit towards being entirely governed by the community.

MXX holders are directly affected by protocol changes in the blockchain, and the governance token will give the community a voice as they can use their voting rights to make decisions on protocol developments. They will be able to present proposals to improve programs and other MXX holders with voting rights may choose to support them.

The number of votes is proportional to their amount of MXX tokens. The move towards a decentralised governance process will protect investor interests, reduce systemic risk and increase long term utility of the protocol.

We believe in (what we call) the **Multiplier Effect**, that decisions made by a large collective is better than decisions made by a single entity.

3. TOKEN ECONOMICS

Token issuance entity: Multiplier

Token name: Multiplier Token

Token ticker: MXX

Token distribution mechanisms: No pre-mined, No pre-sale, and no ICO. Only through Minting

Total token supply: 9,000,000,000 MXX

Current daily tokens issued: 18,000,000 MXX

Token mint rate: After every 3 billion tokens minted, daily minting rewards will be reduced by half.

Tokens Minted (MXX)	Daily Tokens Issued (MXX)
First 3,000,000,000	18,000,000
Next 3,000,000,000	9,000,000
Last 3,000,000,000	4,500,000

4. ROADMAP

The proposed roadmap with previous milestones is shown below:

Q4 2020	<ul style="list-style-type: none">• Community governance platform live.
Q4 2020	<ul style="list-style-type: none">• Fully decentralised financial system and open-sourced.
Q3 2020	<ul style="list-style-type: none">• Launches DeFi Testnet. Codes are reviewed by external auditors.
Q3 2020	<ul style="list-style-type: none">• Opens Multiplier platform for MXX token minting.• Lists MXX token on major exchange platforms.
Q2 2020	<ul style="list-style-type: none">• Rebranding and development of Multiplier platform.
Q2 2020	<ul style="list-style-type: none">• Obtains Switzerland Self-Regulatory Organisation (SRO) VQF License Nr 10075 by FINMA.
Q1 2020	<ul style="list-style-type: none">• Rolls out crypto lending platform.
Q4 2019	<ul style="list-style-type: none">• Obtains Hong Kong SAR China NR. 1702/2019 Money Lenders License.

5. NETWORK DECENTRALISATION

We believe that the future of finance belongs to decentralisation. Some benefits of DeFi include increased global access, better cross-border rates, improved privacy and security, and censorship-resistant transactions. The possibilities are still too far-reaching to be accurately determined.

Cryptocurrencies are experiencing a quantum leap in what is possible when it comes to the functionality of currency. We believe that the DeFi system and decentralised governance can work at scale, which will bring financial assets to the blockchain and foster growth and utility.

In the coming years, Multiplier aims to efficiently bridge the gap between DeFi and legacy banking processes, providing the tools necessary for the community to govern and revolutionise the modern financial system.

6. DISCLAIMERS

Whitepaper

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No guarantees are provided for any prospective participants who wish to participate in Multiplier's token issuance, as laws and regulations relating to cryptocurrency are highly restrictive and relatively undeveloped. They are likely to be subject to regular changes and reviews by competent government authorities. Also, such laws and regulations are likely to vary significantly among various jurisdictions and are subject to significant uncertainty.

Therefore, your ability to access marketplaces on which to trade MXX Tokens may be subject to new or changing laws and regulations or interpretations of existing laws and regulations and may adversely impact the liquidity and market price of MXX Tokens. The ability of a holder to access, use, transfer and exchange MXX Tokens may be affected by changes to legislation, regulatory guidance or actions, and judicial decisions. As such, there can be no assurance that any new or continuing regulatory scrutiny or initiatives will not have an adverse impact on the utility or value of MXX Tokens or otherwise impede the Issuer's activities.

Not a Sale of Security Tokens

This whitepaper does not constitute a prospectus or financial service offering document and is not an offer to sell or solicitation of an offer to buy any security, investment products, regulated products or financial instruments in any jurisdiction. MXX tokens are not being structured or sold as securities.

Legal Risks

There is little or no precedent on how existing law might treat the issuance, fungibility, settlement finality, transfer, collateralisation, sequestration, loan, hypothecation, redemption or other disposition of MXX Tokens. There is also little or no precedent on how existing law might treat the rights and obligations between and among the Issuer and the MXX Token purchasers or holders. The occurrence of any related issue or dispute could have a material adverse effect on the Multiplier Platform or the MXX Tokens. New developments in the law and regulations may also adversely affect the legal or regulatory treatment of the MXX Tokens or the Multiplier Platform and/or the Issuer's businesses.

Market Risks

The market price and the value of cryptocurrencies and digital tokens can be extremely volatile. There can be no assurance that MXX Token holders will be able to receive a return of their capital or any returns or benefits. Purchasers and holders of MXX Tokens should assume the possibility of losing their entire investment or holdings in the MXX Tokens.

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Graphics

All graphics included in this whitepaper are for illustrative purpose only. In particular, graphics with price reference do not translate into actual pricing information.

Risk Statements

Purchasing MXX tokens involves substantial risk and may lead to a loss of a substantial or entire amount of the money involved. Prior to purchasing MXX tokens, you should carefully assess and take into account the risks, including those listed in any other documentation. A purchaser should not purchase MXX tokens for speculative or investment purposes. Purchasers should only purchase MXX tokens if they fully understand the nature of the MXX tokens and accept the risks inherent to the MXX tokens.

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