DeFi Coin (DEFC) Whitepaper

This whitepaper will outline the fundamentals of the DeFi Coin protocol and its underlying concept of meeting three core pillars - Static Rewards, Automatic Liquidity Pools, and a Manual Burning Strategy.

Executive Overview

DeFiCoins.io and its DeFi Coin protocol will allow users to trade digital currencies in a decentralized manner. This means that buyers and sellers will exchange value with other market participants - so there is no requirement to go through a centralized third party.

The DeFi Coin protocol actively promotes three functions:

- Static Rewards
- Automatic Liquidity Pools
- Manual Burning Strategy

In order to achieve its decentralized goals, the protocol is supported by a native digital token - DeFi Coin (DEFC). This token operates on the Binance Smart Chain and can be exchanged between users on a wallet-to-wallet basis.

Users are encouraged to hold their DeFi Coin tokens on a long-term basis. This is because transactions are taxed at a rate of 10%. As a result, this discourages day trading - which has the undesired effect of causing increased volatility levels and wild pricing swings.

Perhaps most importantly, 5% of this figure is distributed to existing DeFi Coin token holders, which in itself, is not too dissimilar to conventional dividend payments. The other 5% is utilized to provide liquidity to decentralized exchange services.

DeFi Coin Static Rewards

A major benefit of holding DeFi Coin tokens is that users have the opportunity to earn reward via a static reward system. Before getting to the specifics of how this works, it is important to note the issues that static rewards solve.

In the vast majority of cases, early backers of a newly launched digital currency will look to sell their holdings as soon as the asset hits an exchange. Naturally, this results in downward pressure being put onto the cryptocurrency in question. At the other end of the scale, you have digital currencies like DeFi Coin that promote and reward long-term buy and hold strategies.

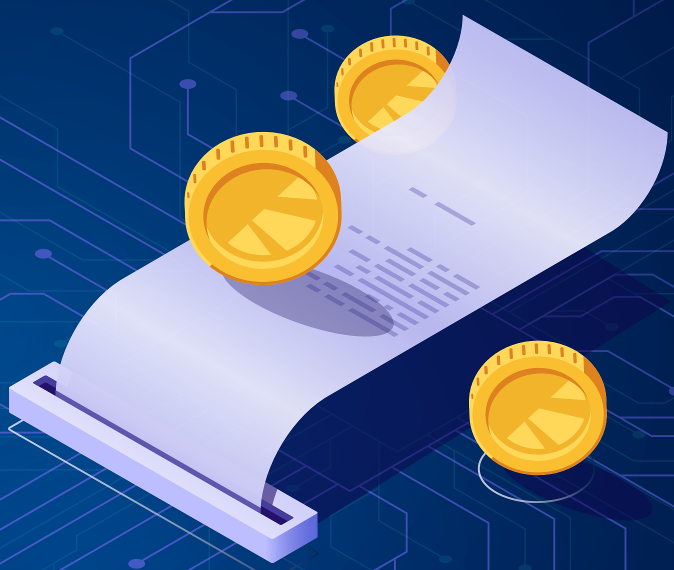
That is to say, by selling or exchanging DeFi Coin for another cryptocurrency, the user will incur a 10% tax. 5% of this tax will then be distributed proportionately between existing token holders.

See below for a simplistic example of how static rewards work when holding DeFi Coin tokens:

- Let's suppose that the number of DeFi Coins you are holding is the equivalent of 1% of the total supply
- Somebody sells 40,000 DeFi Coin tokens in the open marketplace
- 10% of this is taxed - so that amounts to 4,000 DeFi Coin tokens
- 50% of this - or 2,000 tokens, is then distributed for the purpose of exchange liquidity
- The remaining 50% - or 2,000 tokens, is distributed across all Defo Coin holders on a proportionate basis
- As you hold 1% of the total supply, this means that you receive 20 DeFi Coin tokens

It goes without saying that the above example highlights that static rewards operate much the same as a conventional dividend payment. This is because you have the potential to continuously grow the number of DeFi Coin tokens that you have in your possession.

Crucially, this 5% reward distribution will take place each and every time somebody elects to buy or sell their DeFi Coin tokens.



Token Burning to Reduce the Circulating Supply

A further concept that is important to the team at DeFi Coin is an ongoing burning program. For those unaware, when a cryptocurrency token is burned, this operates much in the same way as a share buyback program.

This is because by burning tokens, the overall supply is reduced. More specifically, when there are fewer tokens in circulation, this has the desired impact of increasing the market value of the respective digital currency.

See below for a simplistic example of how token burning can impact the value of a cryptocurrency:

- Let's suppose that a cryptocurrency project has 10 million tokens in circulation
- Each token has a market price of $1
- In turn, this means that the cryptocurrency has a total market capitalization of $10 million
- The team behind the cryptocurrency project implement a 5% token burn
- This means that the total token supply has gone from 10 million down to 9.5 million
- Based on a market capitalization of $10 million, this means **that in all likelihood, the value of the token will increase to just over $1.05 - as per the forces of demand and supply**

In terms of the specifics, some cryptocurrency projects will elect to facilitate their burning strategy on an automated basis. As an example, cryptocurrency project SwissBorg will automatically burn tokens when the 20-day moving average enters a bearish pricing zone.

However, the team at DeFi Coin argues that this is not an effective long-term burning strategy. This is because an automated approach to burning cannot be undertaken indefinitely. On the contrary, this eventually would result in the total supply of the token reaching zero.

This is why DeFi Coin has made the decision to utilize a manual burning strategy. Crucially, a burn will take place when conditions are favourable for the DeFi Coin community. When the management team believes that it is the right time to burn an allocation of tokens, this will be discussed in an open, fair, and transparent environment with DeFi Coin holders.

Automatic Liquidity Pools

The team at DeFi Coin are huge proponents of Automatic Liquidity Pools. Before we discuss why this can be hugely beneficial for long-term DeFi Coin token holders, it is important to briefly explain how Automatic Liquidity Pools work in practice.

In a nutshell, a lack of liquidity has been one of the biggest challenges for decentralized exchanges. This is because the digital currency trading industry is still dominated by centralized operators.

As a result, in a time not so long ago, being able to swap one cryptocurrency token into another was challenging when going through a decentralized platform - as there was little to no trading volume to facilitate buy and sell positions.

This is why DeFi Coin has taken advantage of Automatic Liquidity Pools. Put simply, when users put their digital currency holdings into Liquidity Pools, they have the opportunity to earn a fixed rate of interest.

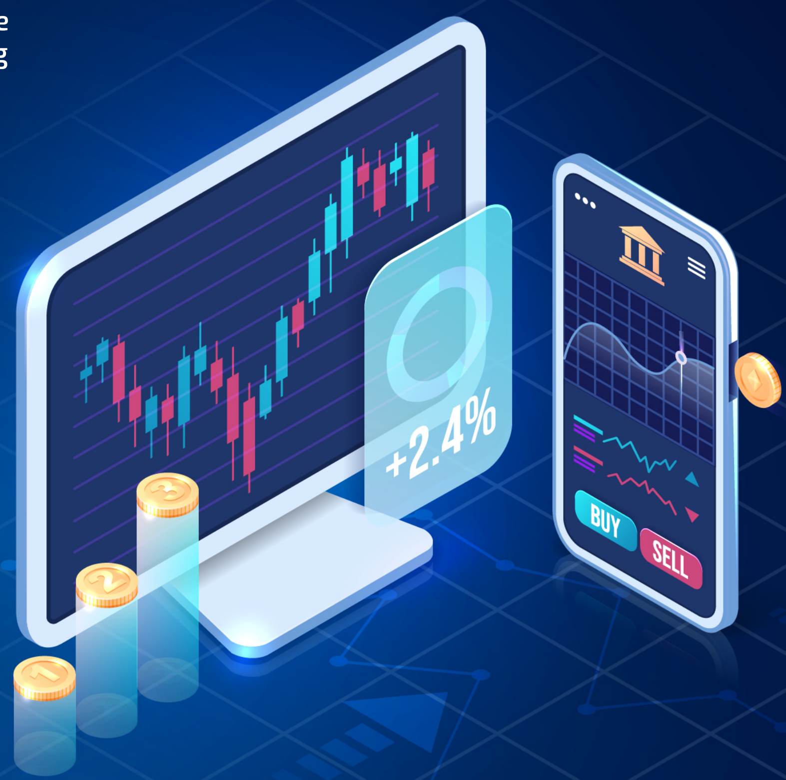
The decentralized exchange in question is able to pay interest from the commissions it collects from buyers and sellers. In the case of Automatic Liquidity Pools, the underlying mechanism is based on smart contract technology.

That is to say, unlike a conventional cryptocurrency exchange or broker - which utilizes centralized order books, Automatic Liquidity Pools does not require another participant at the other end of the trade.

In other words, there is no requirement for a seller to be present when a user seeks to buy a digital currency from a decentralized exchange, as Automatic Liquidity Pools will facilitate the trade in an autonomous manner. In terms of how this can benefit long-term DeFi Coin token holders, this is two-fold.

First and foremost, there is every likelihood that pricing levels of the respective DeFi Coin will stabilize and thus - reduce the risk of high volatility. This is because each DeFi Coin transaction collects tokens from buyers and sellers via the aforementioned taxation policy.

The second core benefit is that a portion of the collected tax from trading transactions will be added to the wider Automatic Liquidity Pool. In turn, when so-called whales offload a large number of tokens - which is just part and parcel of the cryptocurrency industry, this will not result in highly significant downward pressure on pricing.



Total DeFi Coin Token Supply

The total supply of DeFi Coin tokens will initially amount to 100 million. As discussed earlier in this whitepaper, the DeFi Coin protocol will execute manual token burning from time to time - based on optimal market conditions. As a result, there will never be more than 100 million DeFi Coin tokens.

DeFi Coin Roadmap

The team at DeFi Coin have set out a number of clear and trackable objectives - which are further expanded upon in the roadmap below.

Q3 2021

In Q3 2021, the DeFi Coin token will go through its Initial Exchange Offering (IEO). For those new to this term, an IEO is similar to the more recognized Initial Coin Offering (ICO). This is because the team behind the ICO will collect cryptocurrency deposits from those wishing to obtain the token on sale.
On the other hand, an IEO will list its token via a third-party exchange. This means that in order to purchase the newly listed tokens, the user must first open an account with the exchange in question. As a result, the exchange will facilitate the token fundraising campaign on behalf of DeFi Coin.

The ultimate reason that the IEO route is the better option in comparison to an ICO is that it is much safer from the perspective of the buyer. This is because you will be completing the purchase through a trusted exchange.
The exchange itself will vet the DeFi Coin protocol and token in very great depth to ensure it is a legitimate ongoing concern. This safeguard cannot be obtained when executing your token purchase directly with an ICO provider - which is very risky.
With that said, unlike a traditional ICO sale, DeFi Coin will not restrict itself to just one IEO.
On the contrary, not only will there be multiple IEO listings, but this will be across a number of different digital currency exchanges. One exchange in particular that the team at DeFi Coin aim to be listed on in Q3 2021 is Vindax. For those unaware of this platform, Vindax is home to a significant number of digital currencies that you can trade around the clock. It boasts impressive trading volumes that continue to grow and most importantly - is often the go-to place for up and coming IEOs like DeFi Coin.

The management team also aims to have the DeFi Coin token listed on CoinMarketCap in Q3 2021. This is of the utmost importance, as CoinMarketCap dominates the cryptocurrency price tracking arena. As a result, DeFi Coin holders will be able to keep tabs on how the token is performing in real-time.

An additional objective of the DeFi Coin team in Q3 2021 is to launch its decentralized exchange to the public. As of June 2021, there are more than 380 cryptocurrency tokens that are associated with decentralized finance platforms. This translates into a market capitalization of over $90 billion. This number is expected to rise exponentially over the next 24 months. In fact, the DeFi arena is often said to be the “next big thing” by market commentators.

Q4
2021

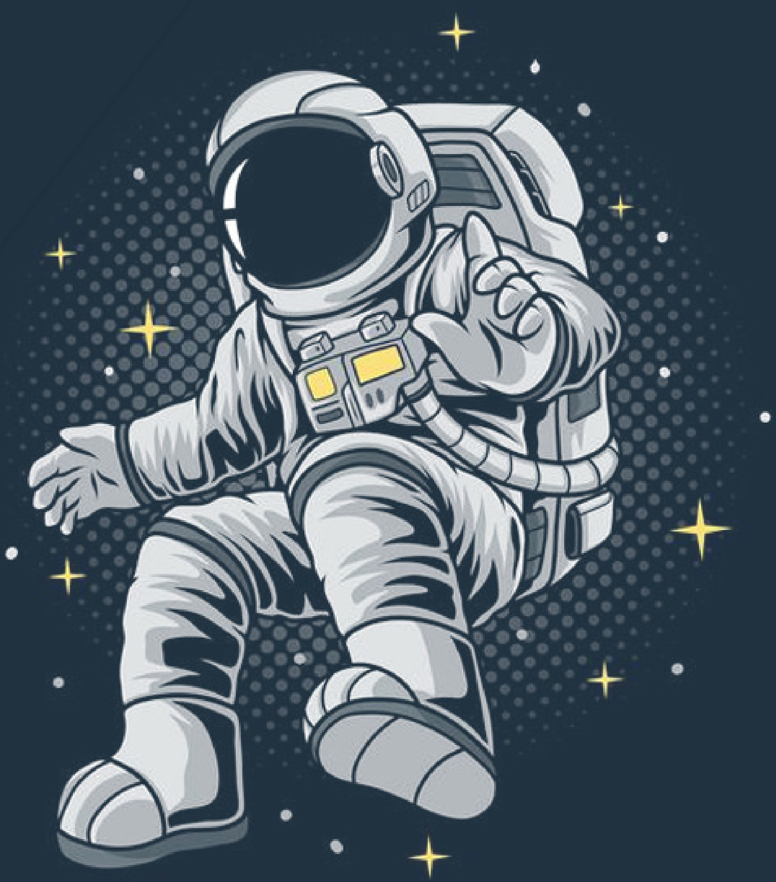
Moving into Q4 2021, DeFi Coin aims to have finalized its crypto community app. Being built for both Android and iOS devices, the mobile app will come packed with valuable content. For example, the app will have hundreds of comprehensive reviews of each DeFi Coin project that is in the marketplace. As and when new projects are launched - including up and coming IEOs, you'll likely find out about this first from within the app.

The DeFi Coin crypto community app will also be home to a wealth of learning resources. This will consist of a custom made course where users can learn the ins and outs of what the decentralized finance arena has to offer the world. There will also be access to daily blogs on all-things DeFi alongside useful insights from our team of experienced in-house journalists.

Q1
2022

Perhaps one of the most anticipated objectives for DeFi Coin is the launch of its charity project. Aiming for Q1 2022, this project seeks to help children from all over the world from the perspective of blockchain education.

In turn, this will allow those in need to connect with all four corners of the world without needing to go through the burden of third parties.



How to Buy DeFi Coin Tokens

The team at DeFi Coin believe that interest in its decentralized objectives will prove very popular once its token goes through its first IEO. With that being said, it is now possible to buy DeFi Coin tokens in a pre-sale launch.

In order to get your hands on some tokens yourself, simply follow the walkthrough outlined below.

Step 1: Create a Trust Wallet

To get the ball rolling, download the Trust Wallet to your mobile phone. The Trust Wallet - which was developed by Binance and comes alongside a considerable number of security features, allows you to store your DeFi Coin tokens in a safe manner. The Trust Wallet can be downloaded free of charge on both Android and iOS devices.

Step 2: Add DeFi Coin to the Wallet

Once you have set your wallet up, you will then need to add DeFi Coin to your list of supported tokens - if you cannot find it by entering the name of the project into the search box.

To do this, you will need to:

- Click on the "Add Custom Token" button.
- Next, at the top of the interface, click "Ethereum" next to "Network", and change it to "Smart Chain".
- If the specifics do not automatically populate, copy the contract address on this page and put it in the "Contract Address" box. You'll also need to put "DeFi Coin" as the name, and the symbol as "DEFC". The number of decimals will be 9.

Click "Done" at the top and you should now have DeFi Coin added to your wallet!

Step 3: Buy Binance Smart Chain (BSC)

You will now need to buy Binance Smart Chain (BSC) so that you can swap this for DeFi Coin tokens. You can do this from within the Trust Wallet app with a debit or credit card via Simplex. Alternatively, you can buy it from an external broker or exchange and then transfer the BSC tokens into your Trust Wallet.

Step 4: Swap BSC For DeFi Coin

To complete the process, you can now swap your BSC holdings for DeFi Coin tokens. From within the Trust Wallet app, go to "DApps" (or "Browser" for iPhones) at the bottom of the main screen. If the "Browser" button is not visible at the bottom for iPhone users, open Safari and in the URL type trust://browser_enable, then return to trust wallet. Either way, you can now find PancakeSwap and open it. Connect your Trust Wallet in the top-right. Scroll down a little to the "Exchange" box

Click the respective icon and set the slippage to 15%. If you want to give it the best possible chance to go through, increase the deadline. By default, this should be set to 20 minutes, which is fine