Kwikswap

White Paper

V 1.0

Decentralized Asset Protocol with Automated Liquidity & Swap

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Abstract

Kwikswap is a non-custodial, Layer 2 Scaling asset protocol. Kwikswap long term DeFi vision is to increase inclusiveness and democratize access to investment assets (digital). Tremendous value exists in the ability for investors to easily and quickly invest, save fees, and secure assets at fair market value. Kwikswap combines substantial technical experience from numerous crypto projects with extensive financial experience in exotic and structured assets from traditional global asset management firms to bring to market one of the first DeFi projects built upon Ethereum. Kwikswap is backed by our ETH-based Kwik Token (KWIK), making the staking, investing, and redemption process easier, quicker and with substantially lower transaction fees whilst maintaining access to the Ethereum DeFi ecosystem. Kwikswap is a non-custodial DeFi protocol with unlimited liquidity. Users who have provided collateralized assets to the debt pool are able to "build" Kwik (KWIK) which can then be used to purchase on our exchange. The collateralized assets are subsequently pooled to enable instantaneous liquidity and serve as a counterparty. KWIK will also be a governance token enabling holders to vote on distribution models, assets to be listed.

Vision

2020 has been a tumultuous year for humanity. Faced with a global economic, social and health crisis, the world needs solutions to the problems of wealth dilution, transactional frictions and a crisis of trust in traditional governance. DeFi is the obvious solution, presenting a compelling alternative to traditional finance and governance.

Crypto trading has to date been dominated by activity on several major exchanges. Decentralised exchanges (DEXs) are a major part of this story. This gives these exchanges tremendous power and exposes traders to a multitude of vulnerabilities and risks. Market manipulation, hacks, exchange-endorsed scams and moral hazard are commonly-known problems of centralised exchanges (CEXs). DEXs, on the other hand, are simple, decentralised and protected from the agency problem. Automation is the need of today's world where you've to do a lot of tasks simultaneously.

You can Exchange your Crypto with other tokens & to automate and simplify the transaction process between people and/or organizations around the world through the use of well-built decentralized finance applications, eliminating the need for middlemen and 3rd party intermediaries. To Provide all the Solutions under one roof where you can lock, Exchange, burn, Stake, Hold your Tokens. To turn into the go-to DeFi Ecosystem for all smart-contract administrations including, yet not restricted to: escrow, time-release, token locks, crypto memberships, event release, cross-chain integration, and other DEX solutions.

Introduction To Kwikswap

Kwikswap is an open-source project with a decentralized trading platform for tokens. There are a number of different types of exchanges, but it is the only one with the ability to self-sustain – sufficient in terms of liquidity, performance, and user experience. Many projects have tried to address the problems of centralized exchanges, but, apart from user experience and performance issues, the main problem is the lack of liquidity. Decentralized exchanges with these inherent problems make it difficult to push for mass adoption

Kwikswap is a programmed liquidity market. There is no order book or Central party needed for the transaction, and Kwikswap permits clients to go about as an all in one resource for an exchange, be it a symbolic exchange or an exchanging stage. It secures Automated liquidity and permits the utilization of Kwikswap without requiring orders or Central Party for organizations.

To empower trading without an order book, Kwikswap has built up a model called the liquidity pool, which is made by liquidity suppliers. Anybody with an Ethereum address can add to the liquidity of exchange and bring in cash from it. It permits clients to exchange ERC20 tokens, including the local ETH token, without delegates. The framework gives a decentralized pricing instrument that basically smoothes the profundity of the order books.

Traders can exchange Ethereum tokens on Kwikswap without trusting anybody with their money. Anybody can loan their cryptocurrencies to the liquidity pool and gather a fee. This is finished by a condition that naturally decides and balances the worth dependent on real interest. This is the main completely decentralized convention for Automated liquidity arrangement in the Defi.

The cost of a token on Kwikswap shifts as indicated by market interest, not interest from the purchaser or vender. You can essentially make a token and it tends to be recorded on Kwikswap without approval. To add to the liquidity pool, you need an identical estimation of ETH and ERC20 tokens. Every token has its own guidelines and prerequisites, for example, at least 1 ETH, a limit of 2 ETH. When you have your token, anybody can exchange or contribute it, procuring a little level of the aggregate sum of tokens accessible for trading on Kwikswap.

Kwikswap isn't a fork of Uniswap nor the same to numerous other AnySwaps, TrustSwap or some other out there entering the DEX market. In any case, it contains a portion of a similar usefulness/Operations and coding methodologies, however it's interesting in its center coding. The Kwikswap stage is controlled by its own local token, KWIK, an ERC-20 token based on the Ethereum Blockchain. It isn't based on uniswap code, it is truth be told worked from the Scratch. The KWIK token will be utilized for limits on administrations, profits from marking, and as an

Introduction To Kwikswap (continued)

administration token permitting the network to decide on how establishment reserves are spent. Marking the tokens at Kwikswap will permit holders to get a portion of all said charges that are paid in KWIK. With a greatest complete inventory of 100M tokens printed and the usage of marking and deflationary tokenomics, we anticipate that this utility token should offer critical advantages when being utilized on the Kwikswap stage.

Team Behind Kwikswap

The team behind Kwikswap is composed of fast growing tech, operations and business development teams.

Problems Solved by Kwikswap

Kwikswap will likewise eliminate the need of the center man as it incorporates a great deal of additional fees and deferrals in the transaction, Kwikswap is utilizing Layer 2 Scaling so this will Reduce Fee and Speed of the Transaction. Ancient history will be the hours of 5%-10% escrow costs on colossal exchanges. Anyone wanting to perform gigantic exchanges or exchanges with new people over the counter will have the alternative to do accordingly

Decentralized finance speaks to the future spine of the global economy and the requirement for a trustless method to execute with one another is getting always clear. It will also make it easy for the average bookkeeper or operations manager to create recurring payment contracts, making their job easier. The Interface and contract creation settings will make it very easy for everyone involved. This avoids the need of trusting third parties. Such a system makes it impossible to manipulate the contract details or data. Kwikswap transfers all the payments to beneficiaries which are configured in our smart contracts. You can rest assured that your locked tokens are secured by reliable and audited code inside the Kwikswap.

After Careful Analysis, the Kwikswap establishing team went to the acknowledgment that there was no instant answer for escrows, multi-party trades. The size of the monetary administrations industry is over $26 Trillion dollars and the transaction market that Kwikswap impacts shrouds $72 Billion; this means over $2.5 Billion in yearly turnover if Kwikswap catches 1.5% of the all out addressable market.

Kwikswap Key Features with Staking Tokens

Client Dashboard with the ERC-20 contract is the KWIK staking contract. The KWIK staking contract empowers clients who are staking KWIK to get 10% of the transaction fees for administrations secured on the Kwikswap network when paid in KWIK tokens. The Kwikswap Smart Token is an ERC-20 token with numerous abilities. At its center, the KWIK token is an upgradable and pausable ERC-20 contract that likewise can consume tokens. Kwikswap Smart Tokens Or KWIK Tokens will be Discussed in more detail in the later segment of the White Paper.

Kwikswap Key Features with Staking Tokens (continued)

Performing transactions should be Simple and easy. No one should host to pressure whether the other party will take an interest in bogus direct and not finish on a specific transaction. This is the reason we are making the accompanying item suite. Kwikswap exists to make it simple, inexpensive, and alright for anybody to execute utilizing trustless smart contracts in this way decreasing the need and cost of recruiting believed outsiders like attorneys. All of Phase One items will be completely ERC-20 and Ethereum viable. Stage Two will consider cross-chain reconciliation, consequently empowering blockchain freethinker resource transaction. All administrations and items are non-custodial.

Kwikswap Liquidity & Fee Structure

Whenever User Deposit two new Assets into Liquidity Pool, it will set the share of the pool to that Ratio and after that initial Deposit whenever new user tries to Add liquidity the share of the pool will remain same. Anyone having Assets in term of Ethereum Or ERC-20 Tokens can add liquidity in Kwikswap & earn Fee share while holding these assets. Kwikswap Uses the Constant Product formula for calculating the Share of User. Constant product formula maintains the $ value of user assets. If Some user swap Eth for Dai, Then Eth will increase in the Liquidity pool while Dai amount will decrease but it will maintain the Capital amount of User.

Each ERC-20 to ERC-20 trading pair has a committed smart contract that holds stores of every token and rules for how the stores can be changed. These pool tokens track the liquidity a lot of the absolute saves and can be exchanged for the hidden resource whenever. Kwikswap is a decentralized convention for automated liquidity arrangement for Ethereum token trading sets. Kwikswap charges a 0.30% fee on all exchanges which is added to the save pool. Despite the fact that Liquidity Provider will acquire about 0.15% of all the Transaction fee in the Kwikswap Network. Kwikswap's easy to use interface has functionality for trading tokens, sending tokens to another address through programmed swapping, and adding or eliminating liquidity from pools. At the point when a liquidity provider consumes their pool tokens to recover their stake of the absolute hold, they get a relatively distributed measure of the all out fees aggregated while they were staking. You can utilize the functionality of Swapping and liquidity expansion through interface of Kwikswap.

Kwikswap Protocol charges only 0.05% fee for every trade and swapping held in Kwikswap. This fee is used to maintain, upgrade and implement more advance feature in the decentralized Exchange using Layer 2 Scaling. Ethereum 2.0 will speed up the transactions speed but still we've to pay fee. Although Kwikswap Always charge fee whenever user Deposit or Withdrawal the assets from Pool. These fees are accumulated in so that user don't have to pay gas charges

Kwikswap Liquidity & Fee Structure (continued)

again and again. Kwikswap fee share is divided in 3 portions. 0.15% which is 50% share of the fee for Liquidity Providers, 0.10% which is the 33.3% share of the fee for Stake Holders & 0.05% which is the 16.7% share of the fee for Protocol.

Governance Protocol

When a new user deposit the Liquidity into the pool, Kwikswap Contracts automatically calculates the share of Pool Tokens and mint the pool token to that address. The main function of the KWIK token is that it grants holders the right to make decisions about the protocol. This includes updating and modifying the protocol's logic, as well as the ability to allocate funds from the governance treasury. Kwikswap plans to launch it’s own governance very soon. Where users can Interact and Discuss new Governance Protocols and Improvements which are needed to implement in Kwikswap. KWIK Token will be used to Delegate votes and Decisions.

AMM(Automated Market Maker) VS Order Book

The profundity of the order book can impeccably mirrors the market interest, despite the fact that there's a spread between the purchase and sell sides. At the point when we plan our unending contracts, it's easy to follow the instrument of centralized exchanges, to get the subsidizing rate from the order book. In any case, there are a few clear detriments of doing as such, subsidizing rate that relies upon the off-chain order book will to a great extent increment centralization. At the point when the off-chain order book doesn't work, not just the new exchanges won't be made, yet in addition the subsidizing rate won't be refreshed, prompting the smashing of the entire framework. Decentralized exchanges are as yet youthful, and numerous stages battle with liquidity. Basically, some crypto sets are more hard to exchange than others, and AMM intends to settle that. An AMM utilizes a mathematical equation that considers the current liquidity of a trading pair and gives a moment statement to traders. This equation is Known as Constant Product Formula. The essential bit of leeway of AMM is that there will consistently be liquidity for in any case illiquid markets, at any rate while there are sufficient individuals to put resources into a liquidity pool. AMM looks ideal for divided liquidity markets. AMM offers better client experience as traders will consistently get a cost without getting a lot into the whys and hows.

Non-Standard Tokens & Native Currency

ERC-20 Tokens has the functionality of Transfer() & TransferFrom() function which is defined in the Contract code of ERC-20 but unfortunately all the tokens & native currency of Ethereum, ETH, did not have these functionality. So Kwiskwap Contracts automatically Wraps the Non-Standard Tokens and Etheruem to The Wrap Ethereum Or WETH and other tokens also. This allows the contracts to use the Native currency as Token. Kwikswap uses the Ethereum New CREATE2 opcode to generate a pair contract. It means that whenever user tries to add Liquidity & if it already exists than it will trigger the previously created Pair address.

Definitions

Asset – Any Ethereum or Ethereum-based asset (ERC-20, ERC-721, etc).

Schedule – The process of initiating a time-based locked transfer of an asset inside of the Kwikswap ecosystem.

Locking Period – The number of days tokens will be locked in the smart contract before a user will receive or can claim their assets

KWIK Token – The KWIK token can be used in place of ETH for payment of fees on the Kwikswap network which offers additional savings. The KWIK token is a utility token that enables users to schedule any amount of Ethereum or Ethereum-based assets to be placed into a locking period via smart contract and then released at one time or in accordance to a recurring schedule.

Beneficiary – A different Ethereum address that will guarantee the advantages after the locking time frame has lapsed. A user has the choice to select themselves as the beneficiary, or another party. If another party is chosen as the beneficiary, the Ethereum address that locked the assets will not be able to claim them, only the beneficiary will have permission to do so.

User Sample Flow

1. Navigate to application at https://app.Kwikswap.org.
2. Click connect wallet and login via Metamask or another web3 wallet
3. Choose Single Payment, Bulk Payment.
4. Choose asset type (ETH or ERC-20 token) to schedule payment x for and quantity of tokens
5. Determine the duration of locking period in

Kwikswap is a **non-custodial** solution and never has access to user funds locked in its contracts.

Layer 2 Scaling

Why We Need Layer 2 Scaling?

Plasma Network is a layer1 blockchain that solves prominent issues: scalability and interoperability. Blockchains do not scale by design because of the decentralized consensus mechanism. TPS (Transaction Per Second) is much smaller than a centralized database and there is an upper limitation of data that can be stored in every block. Therefore, users across the network may notice their transactions sit unconfirmed or pending for long periods of time, creating a poor user experience.

Scalability on the Plasma Network is addressing the followings topics:

- More Transaction Per Second (TPS)
- Cheaper transaction cost
- Faster finality

Interoperability

Many different blockchains exist but few have interoperability as a feature. To move "value" from Bitcoin to Ethereum, we need a centralized exchange. Polkadot is a sharded protocol that enables blockchain networks to operate together seamlessly. Plasma Network is compatible with Polkadot. By connecting Plasma Network to Polkadot, we will have true interoperability.

Blockchain technology is great and fairly complex in terms of configuration, programming and operation. Why do we need Layer 2 solution? It mainly goes to the Transaction per Second (TPS) of blockchain compared to the traditional centralized solution. The Visa TPS requirement is about 47K per second. Therefore, before blockchain can challenge traditional centralized solution, the TPS needs to be improved significantly. This is referred as the “Scalability Problem”. In blockchain technology, there is an **Impossible Triangle**, which refers to Security, Scalability and Decentralization. You can only achieve two of three but not all of them.

At the time of writing, the second-biggest blockchain that acts as a dApps platform is Ethereum, which can process around 15 transactions per secon. VISA or Alipay can process around 1,700 transactions per second and 256,000 transactions per second respectively. Transaction speed for dApps is slow and prohibitive for bringing new users to this technology. To solve this issue, there have been several blockchain scalability solutions proposed:

Why We Need Layer 2 Scaling? (continued)

Blockchain Scaling Solutions

These are some of the well-known blockchain scalability solutions:

1. **SegWit**: Fixing transaction malleability by removing the signature information and storing it outside of the base transaction block.
2. **State Channel**: Combining off-chain transactions among particular users and only the final state is committed to the main blockchain.
3. **Sharding**: Allowing many more transactions to be processed in parallel at the same time by making shards.
4. **Plasma**: Storing transactions in separate child chains and only the root hash is stored in the main chain.

Scaling solutions can be categorized as layer 1 or layer 2.

Layer 1 solutions exist only on layer 1 of the Ethereum mainnet. Layer 2 solutions may combine layer 1, layer 2, and off-chain solutions for greater performance and scalability.

Transaction processing needs to be done outside of the mainnet layer 1 chain as it is reaching critical performance limits

Plasma Network and Polkadot

This section describes how the Plasm Network integrates to the Polkadot ecosystem. Plasm Network aims to be the first scalable smart contract Polkadot Parachain.

Smart Contract

The Polkadot Relaychain does not support smart contracts. Plasm will create this functionality also making it easily scalable. Developers are free to build a variety of dApps knowing that they can be scaled up with ease.

Scalability

Plasm Network scalability relies on layer 2 solutions such as the Optimistic Virtual Machine.
Two Types of Scalability

- **Layer 1 (horizontal) scalability:** Do more on the layer 1 blockchain. (e.g. sharding and Segwit)
- **Layer 2 (vertical) scalability:** Do less on layer 1 and more on layer 2 or off-chain. (e.g. Plasma and State Channel)

Polkadot uses sharding technology allowing greater scalability. Plasm also incorporates layer 2 vertical capabilities.

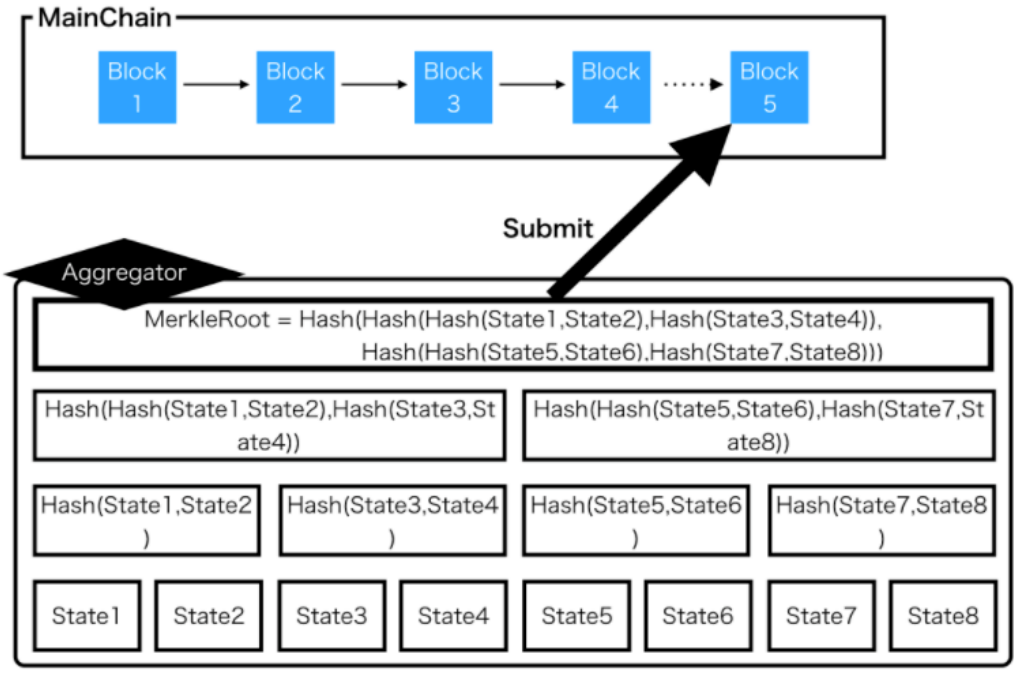
PLASM **Plasma, State Channel** → **Vertical** scalability. More flexible. Less united.

Polkadot. **Sharding** → **Horizontal** scalability. Less flexible. More united.

Layer 1 and layer 2 offer different yet complementary solutions.

Additional benefits of the Plasm Network architecture include:

- **First Finality**
- **Flexible dApps development**
- **Significantly lower transaction(gas) costs**



plasma_1

Layer 2 State Channels

A state channel is a two-way communication channel between participants, which enables them to conduct interactions, which would typically occur on the blockchain, off the blockchain. Doing this helps in cutting down the waiting time since you are no longer dependent on a third party like a miner. This is how a state channel works:

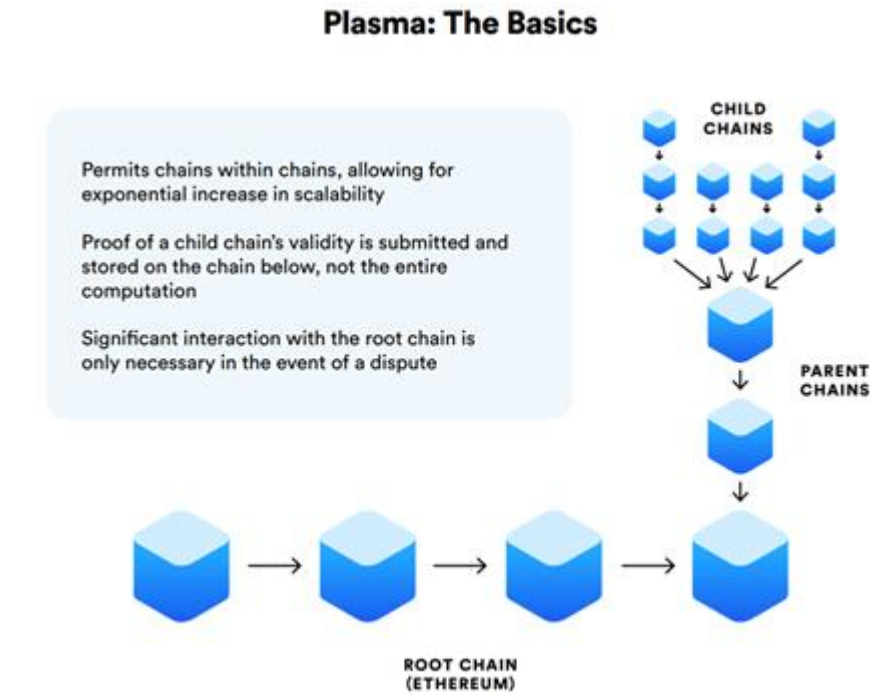
- A portion of the blockchain is sealed off via multi-signature or some sort of smart contract, which is pre-agreed by the participants.
- The participants can directly interact with each other without submitting anything to the miners.
- When the entire transaction set is over, the final state of the channel is added to the blockchain.

ETH Scaling Solutions — Plasma vs. Sharding

Similarly to Ethereum, there have been different proposals to solve the scalability issues, mainly including

Plasma

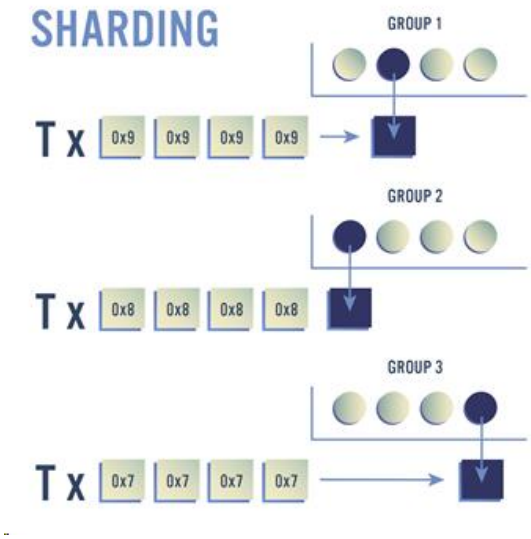
- Plasma is another Ethereum scaling solution which involves a second layer of smart contracts over the main blockchain. Similar to sharding this method will mean that the entire network does not have to validate and broadcast every contract transaction. In theory Plasma would replace server farms with a peer-to-peer network upon which users collectively run DApps in a scalable and decentralized way.



Sharding

- Sharding will basically divide data across multiple servers instead of just the one [similar to parallel computing]. Essentially the ledger will be fragmented in this scaling out process, Buterin elaborated on Reddit;

"This is a proof of concept of (part of) a fork choice rule-based mechanism for how sharding can be bolted on top of the current Ethereum main chain, with a specialized random beacon and shard block times of <10 seconds."



Kwikswap is using Layer 2 Scaling mechanism for the transaction speed and the scaling difficulties that are being faced by the major cryptocurrency networks. Using this protocol Transaction will speed up as they are not performing on the main chain network rather then the Off-chain or Second layer of the Blockchain network. First layer of the blockchain Protocol maintain the security of the network where as the second layer speed up the transactions in the network. Layer 2 Scaling reduces the fees of the Transactions.

NO-KYC/Non-Custodial Model

Any funds locked in the Kwikswap ecosystem can only be retrieved by the rightful private key owner or the specific beneficiary set at time of contract execution. Kwikswap operates under a non-custodial model and never has access to user funds locked in its smart contracts. Neither the tokens nor the stable coins will ever be in the custody of Kwikswap. All pertinent data

NO-KYC/Non-Custodial Model (continued)

involved in transactions are entirely handled by the users. Clients won't need to relinquish their privileges to protection so as to partake in the Kwikswap environment.

All the Kwikswap Protocol is Governed by Code, everything is transparent and Trustworthy. With Kwikswap, all operations are handled by smart contracts. This eliminates the nuances involved with enforcing compliance resulting in execution governed by code rather than bias.

Revenue Streams

All of our revenue streams will come from taking a set percentage of all transactions that use the Kwikswap ecosystem. The fees can be paid either in ETH or KWIK tokens. When using KWIK, this percentage will be reduced in half in order to incentivize people to uti-lize the KWIK token. A summary of fees for various services offered by Kwikswap is shown in the following table.

Kwikswap Fee	Liquidity Provider	Kwikswap Wallet	Stake Holder
Fee %	0.15%	0.05%	0.10%

1) 33.3% of the transaction fee received in KWIK will be distributed proportionally (referred to as dividends) to the stakers on the official Kwikswap Mainnet Staking Platform, Kwik-Stake™. The dividends start accumulating as soon as the KWIK tokens are staked and will be paid out once every 3 days. These dividends get attached to your stake as soon as they are released. It is to be noted that if the staker chooses to withdraw his/her stake, they will be held in the smart contract for 7 days before they are sent to his/her wallet.

2) 50% of the Transaction fee is paid to the liquidity providers for providing liquidity

3) 16.7% of the Transaction fee is paid to the Kwikswap for the ongoing development and other charges for Kwikswap.

1. Community Development & Partnerships

Many of the Kwikswap services and products will be readily available to implement within existing OTC and trade solutions. The same goes for the crypto product, for which proper APIs will be created in order to easily implement the solutions within the existing payment channels.

Partnership Outreach Strategy - The Kwikswap Team will first partner with all the potential partners mentioned in the Potential Partners section of this WhitePaper. This will be the fastest driver of growth in the first phase of the Kwikswap Ecosystem.

Community Development - A token network is only as strong as its community. There will always be a heavy focus on scaling the community and keeping them engaged while working with influencers in the space to keep raising awareness about Kwikswap.

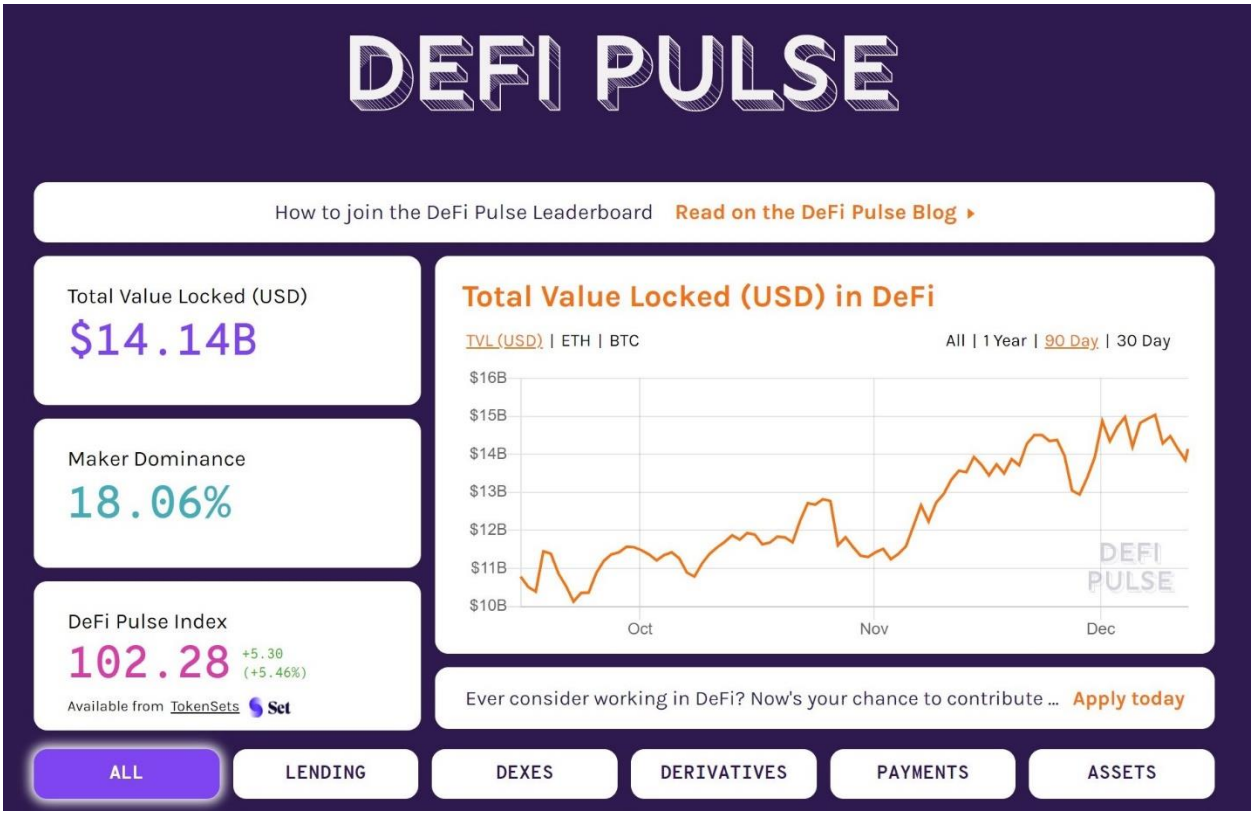
2. Tech Development: New Product Development & Integrations

With each new product, new market segments and revenue lines become available. Furthermore, many of the current clients will be interested in the new products as well, increasing the average basket revenue per client.

By building easy to implement APIs and having a specialized integration team, the Kwikswap ecosystem will easily integrate into existing networks such as e-commerce platforms (think Shopify), payment platforms (think Paypal), financial service providers (think banks) and dev shops (think smart contract dev shops). The objective is to make it as easy as possible for both crypto-savvy and non-crypto-savvy organizations.

Business Growth in DeFi Space

As of December 2020, there are nearly 7M ETH currently locked up in DeFi protocols. That is approximately 1 out of every 11 ETH. This means the amount of funds locked up in DeFi has grown by almost 500% from 2018 levels of 1 in every 56 ETH. In all the fundamental metrics, DeFi has captured significantly more value over the course of 2019 despite slower price movements. This trend continues to grow in 2020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DeFi Pulse Index
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+5.30
(+5.46%)
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