

The logo for BitCoinage, featuring the word "BitCoinage" in a white, italicized, sans-serif font with a thin white underline. The text is set against a solid orange rounded rectangular background.

# *BitCoinage*

## The Whitepaper

A decorative background at the bottom of the page consisting of a complex network of thin orange lines connecting various orange circular nodes of different sizes, creating a web-like structure.

BitCoinage is a new sector within Cryptocurrency that is composed of three independent companies that make it easier for even the most novice user to enter the world of Cryptocurrency.

This whitepaper details the rollout of these companies with a focus on the current crowdfunding for the first ever Arbitrage Exchange.

Bitcoinage.io

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# 1. Abstract

With the advent of Bitcoin, founder Satoshi Nakamoto ignited a financial revolution that would reverberate throughout the international marketplace. The most notable ramification from the emergence of Bitcoin, is its ability to put the world's financial power back in the hands of the people. Nakamoto could see that if people controlled their own financial destiny, not only could they bypass the dishonest banking system, but this new form of currency could potentially play a role in uniting our badly torn and fragmented planet. Without any governments or banks to separate us; financially speaking, people could unite and mutually benefit from one another.

Sadly, all these years later Bitcoin and Cryptocurrency exchanges remain separated from mainstream society and divided amongst themselves. When asked about the difficulty of entering the cryptocurrency market, Rick Falkvinge, CEO of BitCoin Cash and founder of the Swedish Pirate Party stated, *"It is complicated, it's too complicated. It is not usable enough. It is not usable enough at all."* Most people do not have a positive experience when first using Cryptocurrencies, necessitating a learning curve. Unfortunately, the separation does not end there. Cryptocurrency exchanges are extremely localized and do not trade with each other. While this practice may be profitable for the exchanges bottom line, it is not beneficial for people who want to trade across exchanges and take advantage of better prices.

**The elimination of separation** is the goal of BitCoinage. We will create a whole new sector in Cryptocurrency. One that exists between the centralized banking system and the decentralized world of Cryptocurrency. A hybrid area where people who are new to Cryptocurrency can have peace of mind, while enjoying financial freedom from the banking system. **We will make it easier for people to get into Cryptocurrency and create the first exchange that can trade across platforms using something called arbitrage trading.**

BitCoinage is the next revolution needed to put the world's financial power back in the hands of the people. In this whitepaper, we will cover the essentials of this new sector as well as the architecture of our new innovative Arbitrage Exchange. We will also take a look at our roadmap for the evolution of this radical hybrid area and examine the potential macroeconomic benefits offered by these groundbreaking concepts.

## 2. Introduction

### 2.1 Our Mission Statement: Safety & Familiarity

Simply put, BitCoinage is a new sector within Cryptocurrency, encompassing three independent companies, each existing to surpass the current experience of new and existing Cryptocurrencies users.



Our goal is to provide the safety and familiarity of the old banking system, along with the independence and freedom of Cryptocurrency. We will provide this through our intuitive User Interface (U.I.) , along with a new standard in customer service systems. These systems will focus on the customer, no matter the size of their trades. Customers can interact with representatives through live chat, email or a phone call, all designed to provide fast and meaningful resolutions.

Those goals will be further realized by the progressive rollout of several blockchain-based companies. These companies will be constructed with architectural decentralization but remain interconnected to BitCoinage, in order to provide cohesive services and personalized customer service.

### 2.2 BitCoinage Will Be Comprised of Three Independent Companies

1. The First Ever Arbitrage Cryptocurrency Exchange
2. A Comprehensive Cryptocurrency Educational Portal
3. A Groundbreaking Cryptocurrency Insurance Company

## **2.3 Three Keys To Widespread Cryptocurrency Adoption**

### **1. The Arbitrage Cryptocurrency Exchange:**

*BitCoinage is introducing the next generation of Exchange platforms.*

Our platform is “Super-Connected”

- Super because it is capable of trading across all other exchanges via our arbitrage technology.
- Connected because it is easy enough for a non-techy person to operate and use.

### **2. The Cryptocurrency Educational Portal:**

*A multi-functioning portal that will act as a one-stop location for financial knowledge (ie. Investopedia for Crypto) and advice (ie. Crypto portfolio advisers) for new and seasoned Cryptocurrency traders.*

- An attractive and user-friendly interface to present analytics.
- Features live customer service, highlights of brokers, and trackers for their various portfolios.
- Information shared by influential people and successful entrepreneurs in the Cryptocurrency sector.

### **3. The Cryptocurrency Insurance Company:**

*BitCoinage aims to give our customers peace of mind by providing insurance on their Cryptocurrency holdings.*

- We plan on ensuring our clients account from hacking and other evils, whether their assets are hot or in cold storage.

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## 2.4 BitCoinage Company Rollout

Phase	Action
<u>Phase I</u>	
Q3 2018	Website Live
Q4 2018	Crowdsale for Cryptocurrency Exchange
Q1 2019	Working <i>Prototype</i> Completed
<u>Phase II</u>	
Q2 2019	First Ever Arbitrage Exchange Launch
Q3 2019	Second generation of BitCoinage Exchange
Q4 2019	Crowdsale for Cryptocurrency Educational Portal
<u>Phase III</u>	
Q1 2020	Cryptocurrency Educational Portal Launch
Q2 2020	Crowd and VC funding for Cryptocurrency Insurance Company
Q3 2020	Cryptocurrency Insurance Company Launch
*Dates are subject to change	

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## 3. Core Technologies

### 3.1 Arbitrage Exchange Trading (the first-ever)

#### Mutually Beneficial Partnerships



BitCoinage will be constructed with the necessary permissions to allow users to make trades across exchanges worldwide. This will be made possible with the use of exchange application program interfaces (API's), intermediary wallets, and direct access to exchanges in countries with struggling economies. Our unique exchange will take advantage of any price differences in Cryptocurrencies that may exist across exchanges. This difference in price is called *Arbitrage* and can be created by an increase in market demand due to a country's failing economy.

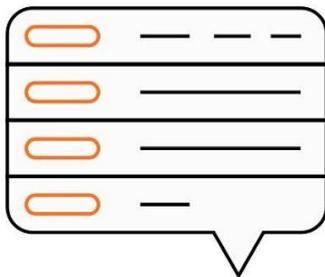
\*Case Study (Middle October, 2017)

When Bitcoin was worth \$5,000 on the American exchange Bittrex, it was simultaneously worth \$10,000 on Golix.io, a Zimbabwean exchange.

In traditional markets arbitrage exists because of market inefficiencies and the opportunity is often eliminated in a matter of seconds. In Cryptocurrency, arbitrage can exist for a very long time as it is often caused by an increase in demand that is enabled by the localization of exchanges.

### 3.2 Bots That Learn How You Trade

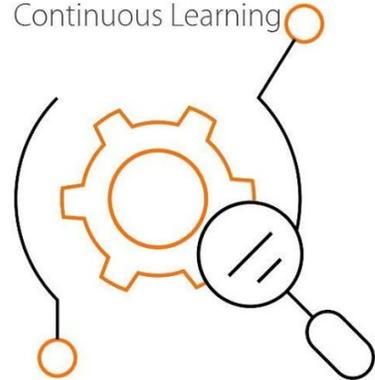
Archived Trade Data



Comparative Price Analysis



Continuous Learning



BitCoinage will employ machine learning in their creation of an arbitrage-finding bot, codenamed "Bloodhound." This bot will begin by analyzing the last 5 years of trading data across all exchanges in order to uncover patterns in price arbitrages.

The arbitrage bot will be able to understand when a currency is overvalued on a particular exchange and notify users. It will create an entry each time someone trades a currency at a differing value from the average, until a pattern is established of those exchanges where arbitrages appear most frequently. These patterns often point to inexperienced traders, localized exchanges, and newly-listed currencies.

Then, the bot will make use of integrated trade API's with exchanges to buy, sell, and transfer currencies across those exchanges. This process is called "triangular arbitrage trading." The bot will be able to execute a trade and immediately initiate a transfer back to the users wallet.

We believe these arbitrage opportunities will exist for quite some time, as newcomers are continuing to enter the market in increased numbers. Exchanges are still localized and new currencies are constantly being listed.

Additionally, the volatile nature of Cryptocurrency consistently creates significant price differences between exchanges.

### **3.3 Enterprise Blockchain: Decentralized Storage For Centralized Data**

Corporate assets, such as wallet keys and data belonging to the machine learning algorithm cannot be stored on the Ethereum blockchain. In order to ensure trust between users and the network, as well as guarantee that assets will not be manipulated or compromised, that data will not be completely centralized. Employing an enterprise blockchain for storing exterior corporate assets will mitigate risk by transferring the asset burden to multiple administrators.

### **3.4 Atomic Swaps: The Future Of Currency Transfers**

Cryptocurrency exchanges have been targeted by the community as a problem in need of a solution. They have inconsistent fee structures, widely different API's, and strong centralized ties to fiat currencies. Atomic swap technology has been cited as the solution to the problems posed by exchanges.

BitCoinage will work at the cutting edge of cross-blockchain development in order to benefit from an early implementation of atomic swaps between frequently-traded currencies. This will allow for a lower fee and faster trades between a wider range of currencies, a more dynamic and efficient currency distribution structure, and safe, trustless trade with foreign and low-capital exchanges.

### **3.5 Intuitive User Experience: User-friendly User Interface (U.I.)**

The BitCoinage U.I. will be as familiar as a traditional bank account and as user-friendly as finance-management software (ie. Mint). All controls will be clearly and intuitively explained within the layout and the front page will be structured to present users primarily with the most profitable trades. Currency purchases, sales, and transfers can be performed on our portal through the dynamic use of exchange API's. As a result, interactions will be consistent and simple despite the wide variety of exchanges supported.

### **3.6 BitCoinage X: A Token-Based Arbitrage Utility**

**XBCN:** The official token of BitCoinage will allow access to all of the services we provide. For example, in order to use the Bloodhound Arbitrage bot, users will have to purchase and spend their BitCoinage tokens, or stated colloquially "feed the hound."

**Platform:** As an ERC-20 token, XBCN will be built on top of the Ethereum Blockchain, the token with the second largest market cap under Bitcoin. This will allow XBCN to rest on the most reputable and innovative decentralized blockchain in existence today. As such, Ethereum will provide solutions in everything, from the issues of Proof of Stake V.S. Proof of Work, security of the network, and the constant need for a dynamic economic platform as it exists in the rapidly growing sector of Cryptoeconomics.

**Storage:** As an ERC-20 token XBCN can be stored on any Ethereum wallet such as the popular myetherwallet. It will also be compatible with Ethereum Blockchain hard wallets such as Trezor or The Ledger wallet for those wishing to store their XBCN tokens offline.

## **4. Customer Relations**

The BitCoinage mission is to ensure that positive customer relations will be prioritized just as highly as our fast and streamlined arbitrage trading experience.

As an exchange, we put people before the profits. The overarching BitCoinage organization will operate like a customer service company that helps users execute arbitrage trades with Cryptocurrencies. There will be no limit to the assistance any one of our customers can receive, with no roadblocks between our users and their goals.

To support our users in any confusion or issues they might have, we will implement a comprehensive customer service system never before implemented in a Cryptocurrency exchange. Our customer service support system will exist as an entity with specific permissions on our unique enterprise blockchain. Because the enterprise blockchain distributes data and restricts administrative permissions, customer service representatives will be allowed specific access to company assets without security concern. This asset storage system will allow for the efficient direction of user support requests to a representative with appropriate permissions.

## **5. Blueprint for Action**

### **5.1 Conclusion**

BitCoinage is not only a new “Super-Connected Exchange,” but also the means to realize the full potential Nakamoto dreamt of in forming a decentralized global Crypto-economy by:

- Creating the first ever global *Arbitrage Exchange*
- Protecting user security and offering peace-of-mind with *insurance coverage*
- Treating customer service with utmost importance, second to none

- Educating newcomers to Cryptocurrency, as well as seasoned traders to enhance their trading experience
- Being the first to connect across all of the relevant exchanges, *worldwide*
- Creating a user-friendly U.I.

BitCoinage will ignite a revolution in Cryptocurrency. Trade agreements, dynamic exchange API's, machine learning, atomic swaps, dedicated enterprise blockchain, and more cutting-edge technology will be packaged in a U.I. that feels familiar and comfortable. We believe that this service has the potential to spark widespread adoption of cryptocurrencies worldwide.

**How Is BitCoinage different from other exchanges?** We are an exchange that aims to link exchanges worldwide and trade across their price arbitrages.

**Why arbitrage?** Frankly, it is an untapped market and more importantly, will help unite the Cryptocurrency holders, which will in-turn increase purchase confidence. We saw arbitrage trading as an opportunity to unify the market and help it reach its full potential.

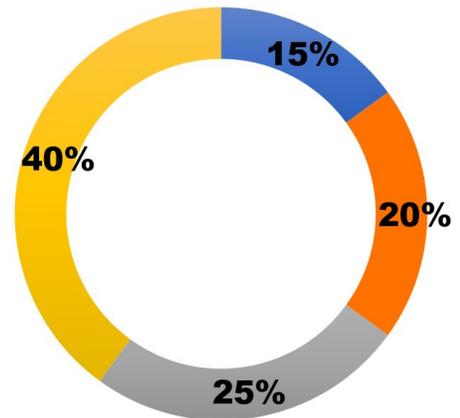
**How do I get involved?** Persons outside of the United States and China can take part in the BitCoinage crowdsale campaign by visiting [www.BitCoinage.io](http://www.BitCoinage.io).

## 5.2 Token Distribution:

- **Total Supply:** 200,000,000 XBCN
- **Coins released at Crowdsale Stage 1:** (Pre-Crowdsale) 7,333,333 XBCN at 1 ETH= 2,933 XBCN
- **Coins released at Crowdsale Stage 2:** 102,666,667 XBCN at 1 ETH= 1,416 XBCN
- 55% - Pre-Crowdsale and Crowdsale 110,000,000 XBCN
- 6% - Team, advisors, and bounty program 12,000,000 XBCN
- 25% - BitCoinage operating budget (includes development, legal fees, brokerage deals with exchanges, early partnerships, and marketing/advertising budget) 50,000,000 XBCN
- 14% - Locked up, dispersed evenly on a quarterly basis over the course of one year to secure market stability. This will allow users to decide if they have faith before the company can sell its stake, as well as fund business operations and developments past the early phase of the project. 28,000,000 XBCN

### 5.3 Operating Budget

Development	40%
Reserves	25%
Marketing	20%
Operational Expenses & Overhead	15%



### 5.4 Arbitrage Exchange Roadmap

Quarter	Action
Q4 2018	Initial stage of Crowdsale
Q1 2019	Working <i>Prototype</i> Completed
Q2 2019	First ever Arbitrage Exchange Launch
Q3 2019	Second generation of BitCoinage Exchange

\*Dates are subject to change