



**VelcomEx**

## **Executive summary**

Although we have witnessed a growth of the industry of buying and selling Cryptocurrencies in recent years, the industry is still in its infancy. Moreover, the existing peer to peer cryptocurrency exchanges, often have relatively high fees, support a limited number of Cryptocurrencies and do not allow crypto-to-crypto trading. Furthermore, the existing exchanges have very basic and difficult to understand user experience design (UX) and user interface design (UI), lack of support for iOS and Android apps, have weak information security, offer expensive or non-existent dispute resolution support, are based on slow and rigid processes, cover limited payment methods, and have limited availability.

Since there are only two major P2P Exchanges in the market, professional traders and casual users are left with no alternative option for an overall better peer to peer trading experience.

In VelcomEx, we will create a P2P Exchange platform, with key advantages that will change the way people trade peer to peer, by combining all the advantages of the current exchanges and addressing the disadvantages that keep the market from reaching its full potential. The platform will target not only professional traders but also normal users who just want to exchange their coins for fiat or for other cryptos in a quick, cheap and efficient way.

Our idea is that every person in the world would be able to access, buy and sell their favorite cryptocurrency by using any payment method available, whether it is fiat or cryptocurrency, and trading directly with other users. The platform will ensure the security of the transaction by acting as a trusted escrow service. Furthermore, the platform will have a positive effect on the countries that are currently facing a financial crisis, by giving their people the option for alternative, decentralized and instant trading. This white paper contains a detailed explanation of the platform and the associated VelcomEx tokens.

## **Introduction**

VelcomEx is the trader's first Peer-to-peer exchange platform that holds key benefits of state-of-art exchanges besides the innovative security features. VelcomEx striving endlessly to bring out the creative features that impact the crypto-market with a huge audience. Allowing trading in a sophisticated way is the primary concern of the VelcomEx to make everyone benefited including building a peer-to-peer exchange community. VelcomEx is the super-fast platform for both crypto-enthusiasts and normal users as it is user-friendly, cheap, fast and mobile handy. This platform doesn't take much from the pocket of the traders as we are service-oriented exchange firm based on Singapore. We are the regulated exchange firm based on the Singapore corporation has the lowest tax rates and avoids double taxation. Our development team is adhered to the existing exchanges subject to market cap, strategies, etc to avoid higher slippage that is expensive for

traders. Our developers have core knowledge of exchange platform development as they have vast experience under this field.

Below, we discuss our vision of the project, the problem which the platform aims to solve and our solution.

## **Vision**

Our vision is to make the platform among the largest and leading P2P cryptocurrency exchange platforms in the world. To achieve this, the company will be guided by three major goals, namely, (i) making the global exchange of Cryptocurrencies affordable, accessible, fast, easy and secure; (ii) increasing the trust in exchanging Cryptocurrencies through P2P technologies; and (iii) providing traders of Cryptocurrencies with a “one-stop shop” solution allowing them to trade with Cryptocurrencies in the most efficient way.

## **Challenges the Platforms intent to solve**

Cryptocurrencies are usually exchanged through centralized or decentralized cryptocurrency exchanges. In centralized cryptocurrency exchanges, a third party assists the users of the exchanges with conducting their transactions. In decentralized cryptocurrency exchanges (also known as P2P exchanges), there are no such third parties.

Decentralized exchanges are usually more secure than centralized exchanges because trades occur directly between users. Nevertheless, the existing decentralized cryptocurrency exchanges have significant drawbacks, such as relatively high fees, support a limited number cryptocurrencies, do not enable crypto-to-crypto trading, have basic UX design and UI design, lack of support for iOS and Android apps, have weak information security, offer expensive or non-existent dispute resolution support, are based on slow and rigid processes, cover limited payment methods, and have limited availability.

The slow and rigid processes are often a result of forcing users to undergo complex KYC procedures. The weak information security is caused by various factors, including but not limited to the lack of 2FA and the use of outdated security procedures. The reason for the relatively high fees is likely to be the oligopoly in the field of decentralized cryptocurrency exchanges. The expensive and/or non-existent dispute resolution support provided by many decentralized cryptocurrency exchanges can be explained with exchanges lack of sufficient knowledge and expertise in the field of online dispute resolution. The limited availability is a logical outcome of the lack of mechanisms (such as the use of onion networks) preventing third parties from blocking the access to decentralized cryptocurrency exchanges. The lack of support of a large number of cryptocurrencies, iOS, and Android apps, and crypto-to-crypto trading can be explained with the complexity associated with the implementation of such features, whereas the reason for the basic

UX design and UI design is likely to be a result of the underestimation of the importance of sophisticated UX/UI designs.

### **Poor technical architecture**

Many exchanges are “put together quickly”, by good tech people, but who have little or no experience in finance or in operating an exchange. They often choose the simplest approach to get the system up and running. While this may work well in the beginning, as traffic grows, the system will not be able to handle the increased load. Exchange systems need to be engineered from the ground up with security, efficiency, speed, and scalability in mind. This often slows down the initial development but is critical for long-term success. Our team has decades of combined experience building and maintaining world-class financial systems that shape the economy. We understand how these systems are built from the ground up.

### **Insecure platform**

There are hundreds of exchanges that went down due to being hacked. VelcomEx is built to high standards, audited, and penetration tested. We have experience building financial systems to the highest security standards and strive to ensure security first.

### **Poor market liquidity**

Professional traders and normal users are significantly affected by this. Having a shallow order book means high slippage when trading, which is very expensive for traders. Getting miners, institutional investors and large traders into a new exchange is a chicken and egg problem and requires a team with deep industry resources. VelcomEx teams have been in both the finance and crypto industry for many years. The teams have worked on and operated a number of exchanges, and have accumulated a large network of partners in this space. These partners will be key to bootstrapping the exchange.

### **Poor customer service**

Traders are a different breed when it comes to users. Understanding the trader mentality is vital for running a successful exchange. Money is literally on-the-line. Many exchanges service traders as if they were running a social media site. A 3-second delay in seeing your friend’s status update would hardly be noticed, but on an exchange, the same would be unacceptable, resulting in a torrent of user complaints. In addition to the technology stack, VelcomEx is built with service in mind. VelcomEx shares support responsibilities across the entire staff and company. When a trader has a problem, they get an answer directly from someone who knows the system and not someone reading from a script.

## **Our solution**

The platform aims to utilize the benefits of centralized exchanges, while at the same time, eliminate the drawbacks of the current centralized exchanges:

### **Low fees for P2P trading**

Professional Traders will pay the commission as 0.5% which is lower than the current competitor exchanges.

### **Multi Cryptocurrency Support**

VelcomEx will be the only P2P exchange that will support many Cryptocurrencies for trading. Those will include, for example, Bitcoin, Ethereum, Ripple, Tether, Bitcoin Cash, and Litecoin. We will add new Cryptocurrencies monthly, according to the market demands.

### **P2P Crypto to Crypto Trading**

VelcomEx platform will also allow crypto to crypto trades. We will provide our traders with the option to trade one cryptocurrency for another. Since the platform will support many Cryptocurrencies in user's wallets, the crypto to crypto trade will be made entirely and securely through the platform. As an example, a user will be able to "Sell 1 Bitcoin for 41.89 Ether".

### **Spot Trading**

Our matching engine is capable of sustaining 2,000,000 orders/second, making VelcomEx one of the fastest exchanges in the market today. You can be certain, on our exchange, that your orders will never be stuck due to the matching engine being overwhelmed.

### **Custodial Services**

Military grade protection for your Blockchain assets. We offer custodial services for all major Blockchain assets. Your Blockchain assets are stored under a strong layer of protection and equipped with our patented technology, we can deliver your Blockchain assets at an unmatched speed.

### **Coins**

VelcomEx will support trading pairs in the following coins:

- VEL (VelcomEx Token - VEL)
- BTC
- ETH
- USDT

More coins will be added over time. We generally will only add coins that have strong credibility, user base, and liquidity. If you have a coin that you wish to be listed on VelcomEx later, participating in our ICO will help.

## Unique UX and UI designs

Our exclusive app design will offer a better user experience for VelcomEx traders. Our goal is to design and develop a platform that will be easy to use, trouble-free, straightforward, and novice-friendly.

## Native Mobile Apps

VelcomEx official mobile applications for Android and iOS will provide traders with instant and uninterrupted platform access. Users will be able to act and respond on trades from anywhere by using any device with our secure applications.

## Enhanced Security and Availability

VelcomEx will implement the latest security measures and techniques, thus ensuring the security of the trade transactions. The platform will also become available in the tor network in order to ensure anonymous and uninterrupted access.

## 24/7 Support and Dispute Resolution

VelcomEx support team will be available 24/7 on live chat, email, telegram, and Bitcoin Talk to ensure the best trouble-free experience for its traders. Dispute resolution will be handled by law professionals at no or affordable cost.

## Revenue Model

VelcomEx revenue will come from the following sources:

Source	Description
Exchange Fee	VelcomEx initially will charge a 0.02% maker fee and 0.04% taker fee per trade. Other variations will be subsequently introduced. We have no plan to charge above 0.02% maker fee and 0.04% taker fee.
Withdrawal Fee	VelcomEx may charge a small fee for withdrawals.
Listing Fee	VelcomEx will select innovative coins and other assets to be listed on the exchange, there may be a fee associated with those listings.
Margin Fee	If you trade on margin, there may be a fee or interest on the borrowed amount.
Other Fees	There may be other fees the platform may collect for various services such as automated algorithmic order etc.

## VelcomEx Token (VEL)

The VelcomEx token with ticker symbol VEL will be created on an Ethereum platform which follows the ERC20 protocol. ERC20 protocol is a widely used protocol for Blockchain developers across the world. ERC20 includes a list of rules which Ethereum tokens should implement. The VelcomEx tokens will be Blockchain assets having value which can be received and sent to any person with a valid wallet address. The VelcomEx tokens will be available for trading on various cryptocurrency exchanges.

A strict limit of 300MM VEL will be created, never to be increased. VEL will run natively on the Ethereum blockchain with ERC20.

## Allocation

%	Amount (VEL)	Participant
50%	150,000,000	Initial Coin Offering
40%	120,000,000	Angel Investors
10%	30,000,000	Founding Team

## Initial Coin Offering

The ICO will be done in BTC and ETH on VelcomEx App around the world. All times below are Asian Standard Time (AST), UTC+8 hours.

Date	Task
05-02-2020	Launch of the VelcomEx P2P Exchange – Android App
18-03-2020	Announce VelcomEx ICO plan, and release whitepaper to public
02-04-2020	Launch of iOS App
01-05-2020	ICO Starts
21-05-2020	ICO finishes or whenever the coins are sold out.
21-09-2020	VelcomEx.com release v2.0 go live

ICO will start from 3PM May 1<sup>st</sup>; investors can purchase VelcomEx tokens in 3 phases on a first-come, first-served basis until 150,000,000 tokens are sold. Investors will receive VelcomEx tokens instantly. The detailed schedule is as below:

ICO Phase	1 <sup>st</sup> Week	2 <sup>nd</sup> Week	3 <sup>rd</sup> Week
AST/UTC +8	15:00 May 1 <sup>st</sup> – 15:00 May 7 <sup>th</sup>	15:00 May 7 <sup>th</sup> – 15:00 May 14 <sup>th</sup>	15:00 May 14 <sup>th</sup> – 15:00 May 21 <sup>st</sup>
Base Price	\$0.10	\$0.15	\$0.20
1 BTC	Based on market price	Based on market price	Based on market price
1 ETH	Based on market price	Based on market price	Based on market price

\*base price of VEL is \$0.10 (approx 1BTC = 70,000 VEL; 1ETH = 2,000 VEL)

\*base price of VEL is \$0.15 (approx 1BTC = 47,000 VEL; 1ETH = 1,400 VEL)

\*base price of VEL is \$0.20 (approx 1BTC = 60,000 VEL; 1ETH = 1,000 VEL)

\*Calculation is based on 1 BTC = 7000 USD and 1 ETH = 200 USD

## VEL Value & The Burn

You can use VEL to pay for any fees on our platform, including but not limited to:

- Exchange fees
- Withdraw fees
- Listing fees
- P2P fees
- Any other fees

When you use VEL to pay for fees, you will receive a significant discount:

	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	4 <sup>th</sup> Year	5 <sup>th</sup> Year
Discount Rate	50%	25%	12.5%	6.75%	No Discount

## The Burn

Every quarter, we will destroy VEL based on the trading volume on our crypto-to-crypto platform until we destroy 50% of all the VEL. All transactions will be on the blockchain. We eventually will destroy 150MM VEL, leaving 150MM VEL remaining.

## VEL Vesting Plan for the Team

Initial release: 20% (6MM)

After 1 year: 20% (6MM)

After 2 year: 20% (6MM)

After 3 year: 20% (6MM)

After 4 year: 20% (6MM)

## Funds Usage

- 35% of the funds will be used to build the VelcomEx platform and perform upgrades to the system, which includes team recruiting, training, and the development budget.
- 50% will be used for VelcomEx branding and marketing, including continuous promotion and education of VelcomEx and blockchain innovations in industry mediums. A sufficient budget for various advertisement activities, to help VelcomEx become popular among investors, and to attract active users to the platform.
- 15% will be kept in reserve to cope with any emergency or unexpected situation that might come up.

## **The technology and the security of the platform and the associated VEL tokens**

The platform will be developed by using Linux, Apache HTTP Server, MySQL, and PHP stack. Linux is a family of open-source and free software operating systems. The term “Apache HTTP Server” refers to an open-source cross-platform web server developed and maintained by developers working under the auspices of the Apache Software Foundation. MySQL is an open-source relational database management system with proven reliability, performance, and ease-of-use. The term “PHP stack” can be defined as a web platform used to run dynamic web sites and servers by using the server-side scripting language Hypertext Preprocessor (“PHP”).

The servers hosting the platform and the servers storing the platform cryptocurrency wallets will be hosted in United States. US is deemed to be a crypto-friendly jurisdiction. However, the platform wallets will be stored on servers different than the servers hosting the platform. This will ensure that, if an attacker succeeds to compromise the servers hosting the platform, he will not be able to compromise the platform wallets associated with the VelcomEx tokens. It is worth clarifying the term “Platform Wallet”. In comparison with other platforms, the platform will not require users willing to exchange Cryptocurrencies to create external cryptocurrency wallets. Instead, users will be able to use their platform wallets to receive and send all Cryptocurrencies supported by the platform.

The servers used for hosting the platform and storing platform wallets will have strong firewall protection which will protect them against networking attacks. Furthermore, the platform will have strong anti-DDoS defence systems protecting it from denial-of-service attack (“DoS”) attacks, such as Ping of Death (PoD) attacks, SYN flood attacks as well as advanced distributed bandwidth attacks that exceed 2Gbits per second. DoS attacks are attacks preventing legitimate users from accessing the service by using various methods (e.g., by sending excessive messages aiming to block the operation of a server). Ping of Death (PoD) attacks are attacks conducted by sending ping commands with the aim to affect the operation of the attacked servers. Ping is a software utility used to verify that a particular IP address exists and is able to accept requests. SYN flood attacks are conducted by sending “SYN” (synchronize) requests to a server with the aim to utilize enough server resources to make the server unable to respond to legitimate traffic.

The MySQL servers hosting the platform will be residing in a file system using a strong encryption. This will secure user’s information, including, but not limited to, bank account information, trade transactions, and messages sent and/or received by them through the platform.

## **Risks**

There are many risks involved in running an exchange. We understand this and have the skills, experience, and leadership to overcome them.

## **Security is Paramount**

Many crypto exchanges have failed due to poor security procedures. Most security breaches could have been prevented by taking simple precautions to protect critical resources. Our team has developed VelcomEx with security as the foremost concern in their minds. We strive to ensure that we have followed all the industry best practices when it comes to securing infrastructure and data including ISO/IEC 27001:20132 and the Cryptocurrency Security Standard (CCSS).

## **Information about the Corporation in Singapore**

VelcomEx Pte. Ltd, a private company limited by shares, is currently being incorporated in Singapore. The registration number of VelcomEx Pte. Ltd is UEN: 201933256W.

Singapore is a popular location for registering companies in Asia because it:

1. Has one of the lowest tax rates in Singapore (17%).
2. Has concluded many international treaties allowing companies to avoid double taxation.
3. Has a well-developed business legal framework, which is similar to the Singapore common law.
4. Offers simple and easy company incorporation procedures.
5. Has excellent IT and telecommunications infrastructure.

## **Legal Notice**

This white paper (the “White Paper”) has been issued by VelcomEx Pte. Ltd (the “Company”) and should be read in conjunction with the terms of the VelcomEx token sale (the “Terms”).

This white paper aims to provide prospective buyers of tokens issued by the company with valuable information about the project “VelcomEx” (the “Project”). The information allows such prospective buyers to make their own decision as to whether or not to purchase VelcomEx tokens. This white paper also outlines the business objectives of the company as well as the issue by the company of VelcomEx tokens.

The content of the white paper is provided exclusively for informational purposes and, more particularly, for the purposes of explaining company’s approach of providing a blockchain-based platform.

The company has put reasonable efforts to ensure that, as of the date of this white paper: (i) the information in this white paper is accurate and up to date; (ii) the white paper does not contain any

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This white paper does not constitute: (i) a solicitation or offer to any person in any jurisdiction in which such solicitation or offer violates the applicable law or in which the person making the solicitation or offer is not legally qualified to make it; and (ii) an offer or prospectus document in any form.

The VelcomEx tokens and the platform developed in relation to the Project (the “platform”) are not intended to constitute securities in any jurisdiction. This white paper is not intended to constitute a solicitation for investment in securities or an offer of securities in any jurisdiction. VelcomEx token holders are not entitled to any dividends or other revenues.

VelcomEx token holders will not be entitled to a percentage of the profits of the company and will not participate in any profit-sharing schemes organized by the company. The company may restrict the publication of this white paper and the offering of VelcomEx tokens to certain jurisdictions. Any buyer and prospective buyer of VelcomEx tokens is responsible for complying with any applicable laws and regulations.

Buyers and prospective buyers of VelcomEx tokens are wholly responsible for finding information about the legal requirements and the consequences of disposing, holding, and purchasing VelcomEx tokens and any applicable taxes and exchange control regulations in countries of their respective domicile, residence, and/or citizenship. Buyers and prospective buyers of VelcomEx tokens are responsible for reading the white paper and the terms and making sure that the white paper and the terms are acceptable to them.

Prospective buyers of VelcomEx tokens shall proceed with the purchase of VelcomEx tokens only if they have read, understood, and accepted the terms. Each prospective buyer of VelcomEx tokens shall acknowledge that it made an independent decision to purchase VelcomEx tokens and that, when making such a decision, it is not relying on the company or entities related to or associated with the company. The company recommends prospective buyers of VelcomEx tokens to seek their own tax, investment, legal or other advice before purchasing VelcomEx tokens.

The purchase of VelcomEx tokens is associated with risks that could lead to a loss of part or the entire purchase amount. The purchase of VelcomEx tokens involves a high degree of risk and is speculative in nature. The company does not undertake, represent, or warrant that VelcomEx tokens are free of defects and malware or will meet the expectations of a prospective buyer. Prospective buyers of VelcomEx tokens shall proceed with the purchase of VelcomEx tokens only if they are able to afford a complete loss and fully understand the potential impact and consequences of purchasing VelcomEx tokens. Prospective buyers of VelcomEx tokens shall not proceed with purchasing VelcomEx tokens unless they are aware of the risks inherent in the purchase of such tokens.

The company does not: (i) provide any recommendations or advice with regard to VelcomEx tokens;

endorse such tokens; (iii) accept any liability or responsibility for the use of this white paper by any person in violation of any local regulatory requirements related to the distribution of the white paper or any applicable rules related to the offer of VelcomEx tokens

VelcomEx tokens will not be available to entities or individuals that reside in the People's Republic of China and the United States of America. Persons based in the People's Republic of China or the United States of America that participate in the sale of VelcomEx tokens by providing inaccurate or false information breach the terms and shall be required to forfeit their VelcomEx tokens and indemnify the company in respect of any losses and/or damages suffered as a result of such a breach in accordance with the indemnification provisions of the terms. The statements in this white paper are made on the basis of the law currently applicable in Singapore and are subject to legislative changes in the laws of Singapore. The company reserves the right to modify, supplement, or amend this white paper at any time and for any reason.

## **Market Competition**

We know this will be an ultra competitive space. There are probably hundreds, if not thousands of teams wanting, planning or doing exchanges. Competition will be fierce. But in this age, this is a common risk in any decent concept/startup or mature company. The question is: given our team, track record, experience, industry resources, and product, do you believe we stand a better chance than the rest of the pack? If yes, then please join our ICO.