



xpocket

Whitepaper 1.0

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Introduction

Ever since the invention of the most important and popular digital asset - Bitcoin, the distribution of different digital assets have emerged from the free market with various characteristics.

However, people did not have a lot of choices when it came to exchanging these assets in a safe and decentralized way.

Using current digital asset exchanges carry a great dose of risk, as they have the same characteristics as traditional financial exchanges, being custodial, centralized and under constant threat of hacks.

The lack of transparency and security from those institutions made people search for safer alternatives to trade and store their digital assets.

People wanted the ability to exchange digital assets in a non-custodial manner, without involving any centralized third party.

The platform should be permissionless, anyone should be able to trade, transact and contribute to it, at any time.

That decentralized network should always stay live and up-to-date, without any interruptions.

This piece of paper describes a decentralized network with such features that is able to solve problems of security, centralization, liquidity, and more.

XPocket Project

What is XPocket?

- XPocket is the completely **decentralized** mobile **wallet** application for digital currencies, with **built-in multi-blockchain decentralized exchange**, called **PocketSwap**.

Features

- Decentralized Cryptocurrency Wallet
- Decentralized Multi-Blockchain Exchange - PocketSwap
- Access to Yield farming by providing liquidity
- Ability to store, buy and sell different kind of rare collectibles produced by XPocket project (NFTs)
- Ability to buy Cryptocurrencies with Credit or Debit Card directly from the wallet

Decentralized Cryptocurrency Wallet

Intro

Traditionally, banking and monetary systems throughout history have been, and largely continue to be centralized.

The concept of centralization is relatively simple, and self-explanatory: in a centralized system, one [central] authority maintains ultimate control and influence over a given system. With the advent of blockchain technology and cryptocurrencies came the benefits of decentralization and decentralized monetary systems where users can buy, send, and receive cryptocurrencies completely on their own, and without the need for any centralized authorities to facilitate or process the transaction.

Those using centralized wallets, exchanges or platforms often do not have access to the private keys of their account's wallets, putting them at risk of gross mismanagement and foul play by the centralized third-party. The funds stored at such platforms are under constant risk of being compromised/hacked. The Mismanagement of wallets and accounts by third-Party has been, and will likely continue to prove disadvantageous to users.

XPocket wallet offers the safe solution and ability to **buy, store, receive** and **send** cryptocurrencies.

XPocket users are always in control over their private keys, and that makes XPocket Wallet **one of the safest places to store digital assets - Your Keys=Your Coins**

XPocket wallet also offers the variety of different features and options such as:

- Ability to buy Cryptocurrencies with Debit or Credit Card
- Ability to store different kind of rare collectibles (NFTs)

Centralized vs Decentralized exchanges

Intro

What is a Cryptocurrency Exchange?

They refer to places where you can buy or sell crypto. Every crypto exchange has its unique rules and regulations, but they all provide you access to the most prevalent cryptocurrencies. These exchanges are mainly of two kinds: Centralized and Decentralized

What is a Centralized Cryptocurrency Exchange?

A centralized cryptocurrency exchange is a platform where you can buy or sell digital assets. Here, you have to trust a third party to monitor the transaction and secure the assets on behalf of the buyer and the seller. Their deals may not be tracked on the blockchain. Such exchanges may require you to submit your personal information for verification.

Such digital assets exchanges are not considered safe to store your assets on.

The more details/trust you provide/put to these exchanges, the higher risk will be as there is a constant threat of hacks/compromisation.

What is a Decentralized Cryptocurrency Exchange?

A DEX or a decentralized cryptocurrency exchange is similar to a centralized one, except it doesn't have a third party on which you can rely. All of the funds in this exchange remain stored on the blockchain.

Centralized vs Decentralized exchanges

1. Control

In a centralized crypto exchange, most of the control over your account remains in the hands of the third party which runs the exchange. On the other hand, with a decentralized exchange, all the control of the account remains with you. This is another prominent reason why decentralized exchanges are becoming popular. But it's also responsible for the enhanced complexity of such platforms.

2. Security

Decentralized exchanges offer more protection than centralized exchanges. A considerable risk of trading with centralized crypto exchanges is of hackers. They can hack the third party which uses private keys to access all the funds of the users, and you could lose all of your deposit. Several such incidents have occurred in the past, and centralized exchanges put a lot of effort into making themselves more secure for their clients. With a decentralized exchange, there's no risk of hacking and losing one's funds due to such activities.

3. Popularity

Currently, Centralized crypto exchanges are more popular than the decentralized ones because they entered the market first. Even though decentralized exchanges have peculiar advantages over their centralized counterparts in wallets and accounts, they are far behind in popularity. That's because centralized exchanges offer better infrastructure and liquidity. However, as more decentralized exchanges enter the market, their popularity will increase considerably. Many organizations are focused on launching DExes in the market, such as Binance's decentralized exchange.

Centralized vs Decentralized exchanges

4. Fees

Centralized platforms impose charges on their users for their services. These fees vary from provider to provider according to the features one provides, these fees are often very high. Decentralized exchanges either have zero charges or very minimal charges for matching orders on the blockchain.

5. Features

In terms of features, centralized crypto exchanges have the edge over decentralized ones. You can perform margin trading, use portfolio management tools, and use multiple advanced order types to trade better. Decentralized crypto exchanges have quite limited types of orders and don't offer margin trading (and similar features) to their customers.

6. Regulation

It is easier to regulate centralized exchanges than decentralized ones. Centralized platforms require licenses and have to adhere to the rules of the local regulatory authority of their region. Centralized exchanges are often asking for Identity verification from their users in order to fully use the exchange. (KYC)

In contrast to centralized exchanges, decentralized ones don't have regulation because it's highly challenging to do so thanks to their distributed blockchain. This means if a government bans crypto exchanges, decentralized ones can still operate in those regions. Decentralized exchanges do not require any identity verification from their users.

Centralized vs Decentralized exchanges

7. Liquidity

Centralized cryptocurrency exchanges have more liquidity because multiple users make particular orders according to market trends. So if an asset is in demand, various users will purchase or sell it accordingly. Moreover, it has market makers who add further liquidity to the platform. Decentralized platforms don't have as much liquidity as centralized platforms have because their order matching takes time. Another prominent reason is their lower popularity compared to centralized exchanges, which is slowly changing.

8. Speed

Decentralized platforms are usually slower than centralized ones. Centralized exchanges probably have the biggest edge over decentralized exchanges in this category.

Pocket Swap

PocketSwap is an Ethereum-based exchange protocol that allows users to trustlessly swap their tokens and coins across multiple blockchains.

PocketSwap pools tokens into smart contracts and users trade against these liquidity pools. Anyone can swap tokens, add tokens to a pool to **earn fees**, or list a token on PocketSwap.

It obviates the need for trusted intermediaries, prioritizing **decentralization, transparency, and security**.

In general, 0.3% fee is taken by the pool contract on every transaction/trade on PocketSwap. And, 0.25% of this fee is divided between the liquidity providers proportionally to their share. For example if a user provides 50% of the pool's liquidity, he will earn 50% of the collected fee. The remaining 0.05% of the fee will go towards the top 150 XPocket token holders.

Token swaps are highly secure since they do not require funds to be held on the exchange.

Liquidity Providers (Yield Farmers)

Liquidity providers provide assets to the PocketSwap liquidity pools. In the return, they are compensated with a portion of the swap fees as a reward for their contribution.

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What is Yield Farming?

Yield farming is a process where a user provides liquidity to DeFi protocols/pools and is rewarded with a yield/return, usually in the form of the platform's native token offering.

What are the Liquidity Pools?

Liquidity Pools are pools of tokens, locked in a smart contract to facilitate trading by providing liquidity. They are used by Automated Market Makers (AMM) to reduce price change when trading on the decentralized exchanges.

Liquidity Providers (Yield Farmers)

How does it work?

Depositing assets

Depositing assets on PocketSwap is completely permissionless and non-custodial. Liquidity providers can propose new asset pools or add liquidity to existing pools. Anybody can propose a new asset by depositing it. Once a new asset pool is listed, anybody can add liquidity to it. From that perspective, PocketSwap is permissionless. The ability to use and withdraw assets is completely non-custodial. Only the original depositor has the ability to withdraw them, at any time.

Process

Liquidity can be added to existing pools to increase depth and attract swappers. The deeper the liquidity, the lower the fee. However, deep pools generally have higher swap volume which generates more fee revenue. Liquidity providers are incentivized to deposit symmetrically but should deposit asymmetrically if the pool is already imbalanced

Withdrawing Assets

Liquidity providers can withdraw their assets at any time. The network processes their request and the liquidity provider receives their percentage according to their ownership of the pool along with the assets they've earned.

Liquidity Providers (Yield Farmers)

How does it work?

Reward/Compensation

Liquidity providers deposit their assets in liquidity pools and earn yield in return. Liquidity providers earn a yield on the assets they deposit. For example, someone who has deposited in the BTC/POCKET pool will receive rewards in BTC and POCKET. Yield is paid out to liquidity providers when they remove/withdraw assets from the pool. This yield is made up of fees and rewards. Fees are paid by swappers and traders. Most swaps cause the ratio of assets in the liquidity pool to diverge from the market rate.

Technical part will be added in the new version of the whitepaper.

Disclaimer:

"Liquidity providers commit capital to pools which have exposure to underlying assets, thus liquidity providers gain exposure to those assets, which have free-floating market prices. While they are paid block rewards and liquidity fees, these are dynamic and may not be enough to cover "Impermanent Losses", which occur when price changes happen. Liquidity providers should not consider they are entitled to receive a specific quantity of their assets back when they deposit, rather that they will receive their fair share of the pool's earnings and final asset balances."

Non-Fungible Tokens (NFTs)

NFTs

Crypto collectibles are non-fungible digital assets (NFTs) which are mostly either unique or limited in quantity. The ownership and any transfer of ownership is recorded and managed publicly using a blockchain technology. Usually, crypto collectibles are represented as real-life objects such as pets or avatars. (Famous example - CryptoKitties) Some crypto collectibles are computer generated works of art.

What does "fungible" mean?

Fungible applies to things that can be easily replaced by another of equal value. For example, you can trade a twenty dollar bill for a ten and two fives.

Non-Fungible items, however, can be classed as unique and special – they're not easily replaced. For example, we live in a non-fungible world.

XPocket users have the ability to store different kind of collectibles, art & NFTs in one place, within the app. Starting from pets to badges or digital cards. There will be a little surprise for the investors that participated in the XPocket fundraising.

The team will create the limited edition of XPocket collectibles which will be sold on the open market, all revenue from the sales will be used to buy and burn POCKET.

Buy Crypto with Credit/Debit Card

XPocket users have the ability to buy different cryptocurrencies without leaving the app.

Explore the benefits of buying cryptocurrency within a few minutes, directly from your favorite wallet app.

XPocket Token

The complete XPocket ecosystem is powered by the Ethereum based token called POCKET token.

POCKET token is the fuel of PocketSwap and Yield Farming.

Top 150 XPocket token holders will earn 0.05% from the trade fees on PocketSwap.

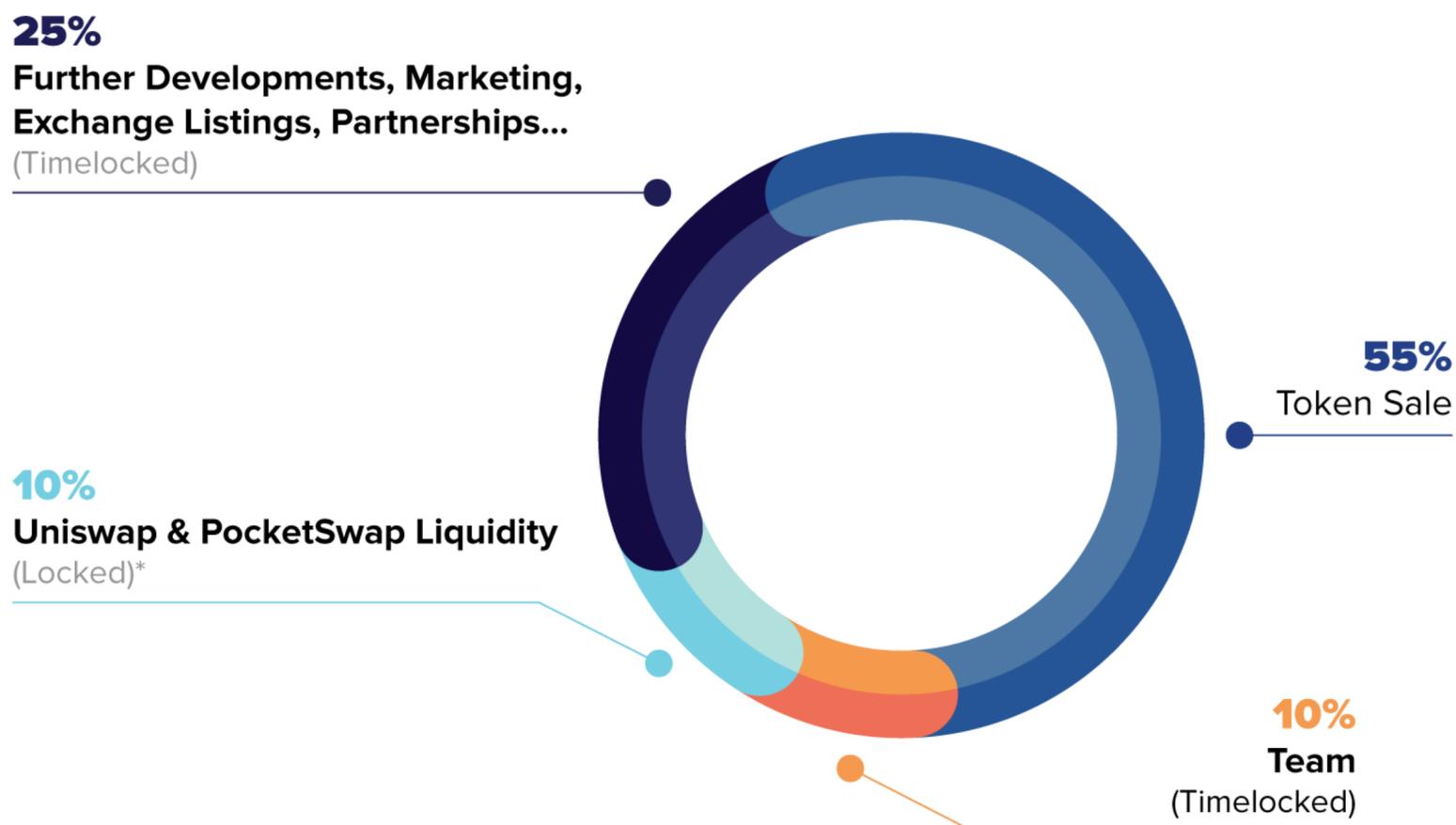
Symbol: POCKET

Type: ERC-20

Total Supply: 50,000,000

Contract address:

POCKET Token Distribution



The unsold POCKET tokens from the Token Sale will be burned.
These are the tokens that you would be obtaining in our token sale.

*10% of the total supply for Uni & PocketSwap depends on the presale, we can not guarantee that 10% of POCKET will be locked immediately.

XPocket Token

As we could see from the token distribution chart above, most of the tokens in the team hands will be instantly time-locked.

The exact info on lock periods:

- 55% Token Sale

(All remaining tokens after the presale will be burned, if there are any left)

- 25% Further App developments, Marketing, Exchange listings

(50% of the supply allocated for these purposes will be locked until Q2 2021)

- 10% Uniswap & PocketSwap Liquidity

(Around 5 million POCKET token will be instantly locked on Uniswap.org, once the PocketSwap goes live, the team will migrate the liquidity to PocketSwap)

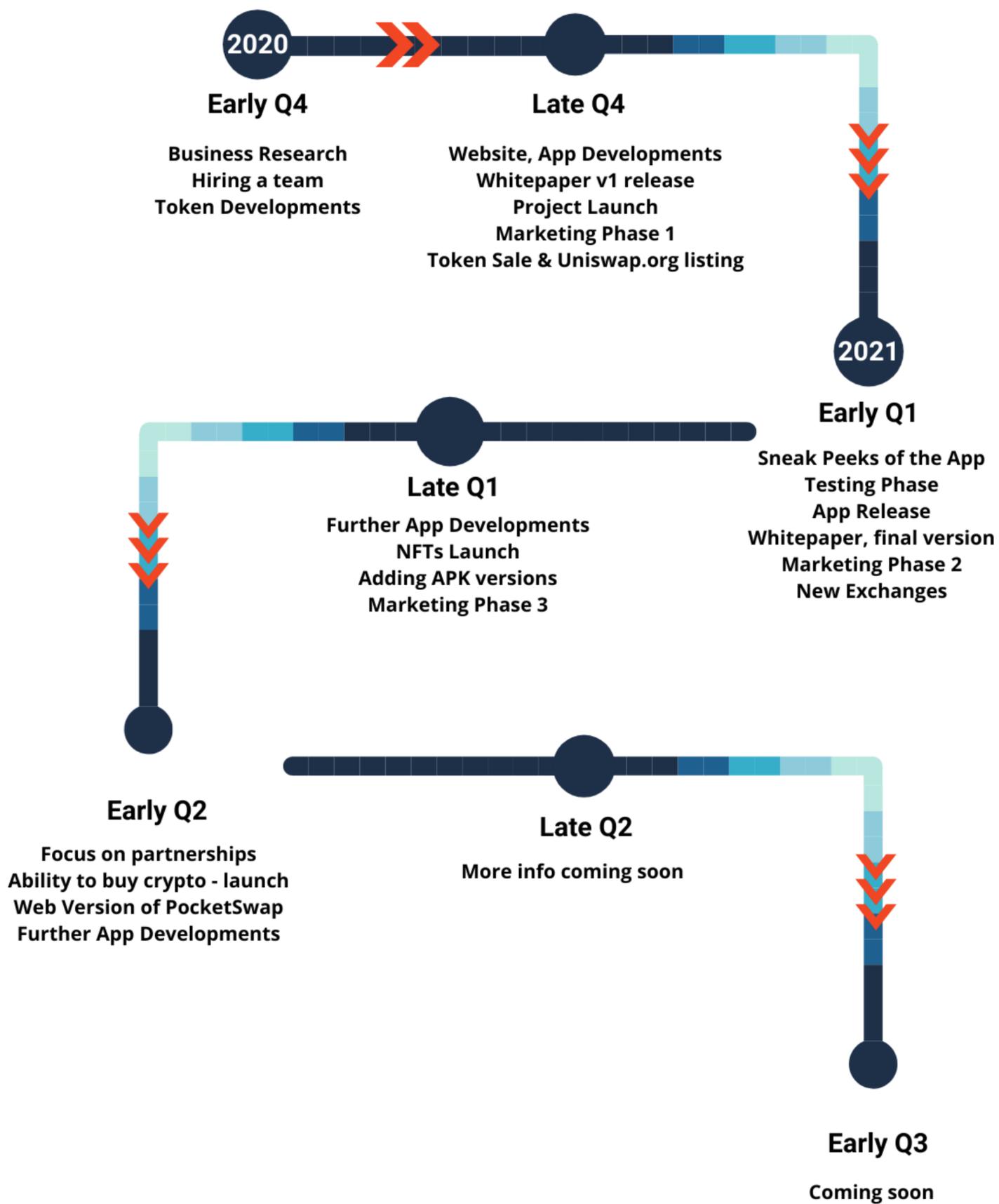
- 10% The Team

(5 Million POCKET tokens will be spread between the team members according to their position. 100% of the supply allocated for the team will be instantly locked. The supply for the team members will get unlocked in every quarter of the year 2021 — January 25%, April 25%, July 25%, October 25%)

*10% of the total supply for Uni & PocketSwap depends on the presale, we can not guarantee that 10% of POCKET will be locked immediately.

Roadmap Q4 2020 - Q3 2021

It's almost impossible to accurately estimate the exact completion dates for all stages. The team may be ahead of schedule, or may be slightly behind - but the team will always try to meet the deadlines below.



The team & links

We're based in Belgrade, Serbia. We have a great network of designers, developers, marketing professionals and community managers located around the globe. As the project continue to grow, our team will also grow and expand with us.

Web: xpocket.network

Email: info@xpocket.network

Twitter: twitter.com/xpocketdefi

Telegram: t.me/xpocketdefi

Telegram announcements: t.me/xpocketann

Reddit: <https://www.reddit.com/r/XPocket/>

BitcoinTalk: <https://bitcointalk.org/index.php?topic=5292404.new#new>

LinkedIn: <https://www.linkedin.com/company/xpocket>

Facebook: <https://www.facebook.com/xpocketdefi>

Instagram: <https://www.instagram.com/xpocket.finance/>

Medium: <https://medium.com/@xpocketdefi>

GitHub: <https://github.com/xpocket>