

DIGITAL ASSET & COMMODITY EXCHANGE

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1. Introduction

DACX, a London based fintech/blockchain start-up located in the famous Technology Accelerator known as **LEVEL39**. The DACX project was conceived during Q3 2018, with a vision to provide a next generation digital asset exchange which leverages machine learning and **DLT** to ensure a safe and compliant marketplace. Our goal is to provide a platform for both primary and secondary markets beyond traditional cryptocurrencies, by venturing out into the world of tokenized securities and commodities. Therefore, our product offerings cater solutions to the retail sector, professional and institutional grade clientele.

Since inception, DACX has come a long way, our **MVP** was launched in January 2019, whereby the team made the decision not to not seek external funding for the project at such a premature stage. This proved influential in driving;

- ❖ An independent environment allowing for clearer strategy and development
- ❖ Creativity & innovation to be accelerated and risked
- ❖ More attention towards our customers

This allowed the organization to stay focused and remain relevant in respect of the changing regulatory landscape and investor appetites towards **ICO's**.

During this journey we have made progress not only on the product side but also within the blockchain community by forming affiliations and working relationships with established organizations in this space. On the regulation front, being a centralized exchange with goals of listing **STO's** in the near future, it was in our interest to design compliance in the core of our architecture to mitigate current and future regulatory risks. Therefore, our platform integrates **KYC**, **AMM**, and **AML** to monitor real-time risks which mitigates suspicious market behaviors.

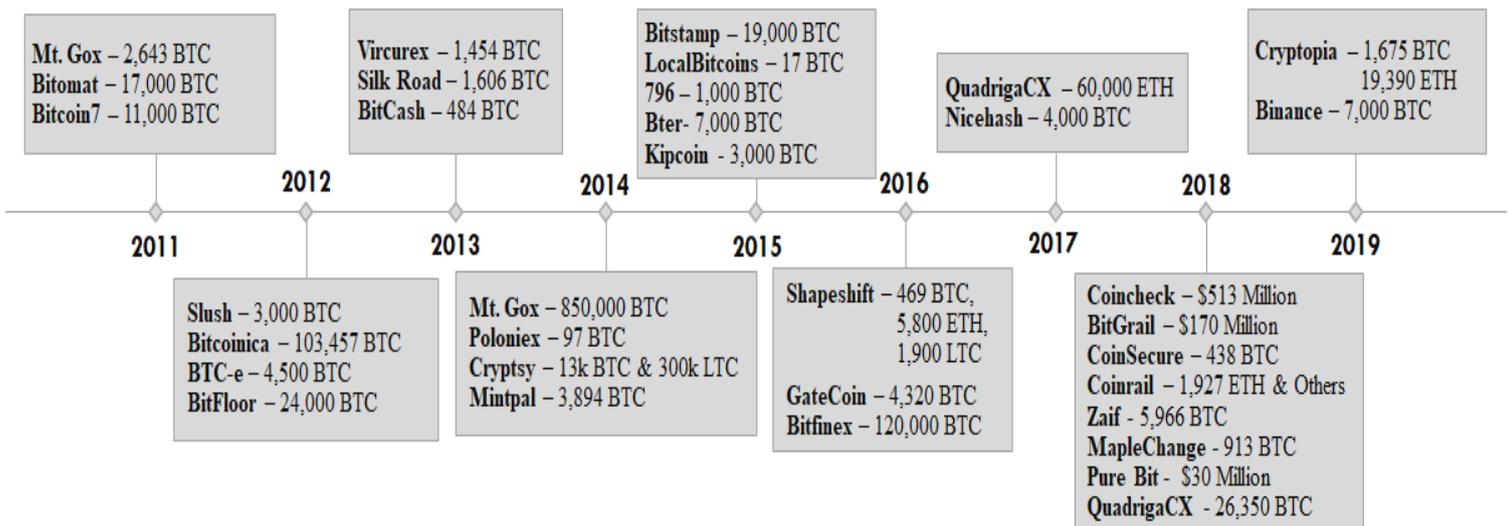
By pitching our cross-border testing proposal to the **FCA** lead consortium of regulators, formally known as **GFIN** (Global Financial Innovation Network). DACX was one of eight successful firms to have been **shortlisted** for the pilot. Our proposal entailed utilization of **DLT** and machine learning to facilitate cross-border transactions of multi-currency payments, assets and commodities via tokenization, smart contracts and escrows.

This will be an ongoing journey where DACX intend to write the standard for quality and attainment within this sector, and as such from the 23rd September 2019 we shall open registrations for client on-boarding (see 3.11 for the Affiliate/Referral Program).

2. Challenges We Aim to Overcome

Theft and Hacks

Since the inception of cryptocurrencies, time after time the market has witnessed a history of security breaches resulting in loss of client funds and trust. Therefore, this has adversely affected the wider option adoption of digital assets. Below is a timeline of notable events of thefts/hacks which span over the last 8 years



Poor Architectures / Slow Order Matching Engines

In adverse market conditions, it has been a common occurrence, that during high order flows trades suffer from poor execution and slippage. The cause is high volatility which results in system overloads, especially for matching engines built on a Single Threaded Architecture.

A system overload happens when the number of orders to be processed by the trading matching engine surpasses its handling capabilities. The system then handles orders as they come and cannot accept any new orders until the queue is cleared. This means that traders either cannot take advantage of the market or are losing more than they should as their orders are pending due to technical difficulties instead of lack of bids/offers.

System overloads happen very often on many exchanges with a single-threaded matching engine and should be one of the major concerns of traders looking to choose an exchange as it may greatly impact their trading experience and profits and losses.

Uncertainty of Funds / Fiat Withdrawals

Unregulated exchanges operating Fiat on/off ramps do not segregate customer funds as should be the case. The unregulated nature of their business model, leads to a lack of compliance towards AML and CFT regulation resulting in failed banking relationships. This leaves the customers in limbo with their funds at risk.

[Bitfinex Struggles with Banks](#)

Non-Disclosure of beneficiaries

Some rogue exchange on purpose do not disclose their senior management, and are operating from offshore havens. This leads to the lack of accountability.

Market Abuse & Manipulation

Rogue market participants resort to unfair practices to feed them profits. This has been practiced in mainstream financial markets and the outcome of which is the 2010 Flash Crash, 2012 Libor rate scandal, & Bitcoin Flash Crash [links below]

[2010 Flash Crash \[Interest rate rigging and Libor Scandal\]](#)

[2012 Libor Scandal](#)

[Bitcoin Flash Crash](#)

A deep dive into how this is done in practice;

Spoofing & Layering

Spoofing is a disruptive trading activity employed by traders to outpace other market participants and to manipulate markets. Spoofers feign interest in trading, thereby creating an illusion of exchange pessimism in the market when many offers are being cancelled or withdrawn, or false optimism or demand when many offers are being placed in bad faith. Spoofers bid or offer with intent to cancel before the orders are filled. The flurry of activity around the buy or sell orders is intended to attract other traders to induce a particular market reaction such as manipulating the market price of a security. Spoofing can be a factor in the rise and fall of the market and can be very profitable to the spoofer who can time buying and selling based on this manipulation. Under the [2010 Dodd-Frank Act](#) in the US, spoofing is defined as "the illegal practice of bidding or offering with intent to cancel before execution."

Spoofing can be used with layering algorithms and front-running, activities which are also illegal. High-frequency trading, the primary form of algorithmic trading used in financial markets is very profitable as it deals in high volumes of transactions.

Quote Stuffing

This refers to a form of market manipulation employed by API traders that involves quickly entering and withdrawing a large number of orders in an attempt to flood the market. This can create confusion in the market and it can create trading opportunities for high-speed traders. By quote stuffing, trading systems delay price quotes while the stuffing is occurring, simply by placing and canceling orders at a rate that substantially surpasses the bandwidth of market data feed lines or the matching engine.

The orders pile up in buffers and the delay (increased latency) lasts until the buffer drains. It has been established that quote stuffing occurs frequently – when thousands of replacement orders for one market are crammed into a second, each order is valid for less time than it takes for the news of the order (traveling at close to the speed of light) to reach anyone not at the exchange; no one can execute a trade against the phantom order.

Momentum Ignition

This refers to a market manipulation strategy that attempts to trigger a large number of trades from multiple market participants in order to cause rapid price movements. This abuse method is similar in concept to spoofing and layering, except that instead of merely creating orders and canceling them, actual trades are processed. This method is also known as “pump and dump.” By instigating multiple traders to buy or sell quickly, the manipulator can profit either by having taken an early position or by laddering the book, knowing the price is likely to revert after the initial rapid price movement. Momentum Ignition is extremely difficult to detect and requires the use of machine learning.

Hammering

This is rapid and concentrated selling by traders who perceive a market to be overvalued.

Sometimes this is a natural trading phenomenon, but it can also be a sophisticated orchestrated abuse pattern. Similar to Momentum Ignition, Hammering can be extremely difficult to detect and requires the use of machine learning.

Churning and Wash Trading

These are forms of market manipulation in which a trader simultaneously sells and buys the same financial instruments to create misleading, artificial activity in the marketplace. First, a trader will place a sell or buy order, then place an opposite buy or sell order to take the trade from himself. This may be done for a number of reasons:

- ✦ To artificially increase trading volume, giving the impression that the instrument is more in demand than it actually is.
- ✦ To generate commission fees to brokers in order to compensate them for something that cannot be openly paid for. This was done by some of the participants in the Libor scandal.

Exchanges in most jurisdictions are mandated to detect this abuse pattern.

Wash trading has been illegal in the United States since the passage of the Commodity Exchange Act (CEA) of 1936.

Digital Money Laundering

It is the process of concealing the origins of digital assets obtained illegally by passing it through a complex sequence of tumblers and exchanges. The overall scheme of this process returns the money to the launderer in an obscure and indirect way. Money laundering occurs on digital assets exchanges when traders intentionally lose money on trades while intentionally permitting specific other traders to recover the lost trades.

Lack of Compliance / Regulatory Risk of Shut Down

Failure to comply has hit some exchanges in particular EtherDelta where The Securities and Exchange Commission announced settled charges in 2018 against Zachary Coburn, the founder of EtherDelta , a digital "token" trading platform. This was the SEC's [Securities and Exchange Commission] first enforcement action based on findings that such a platform operated as an unregistered national securities exchange. [reference [Sec.gov press release 2018-258](#)]

SEC regulations are clear with the "Howey Test" which was created by the Supreme Court for determining whether certain transactions qualify as "investment contracts." If so, then under the Securities Act of 1933 and the Securities Exchange Act of 1934, those transactions are considered securities and therefore subject to certain disclosure and registration.

For information purposes, a transaction will be considered a security if all of the following requirements are met:

- ✦ There is an investment of money
- ✦ There is an expectation of profits
- ✦ The investment of money is in a common enterprise
- ✦ Any profit comes from the efforts of a promoter or third party

Financial Exclusion

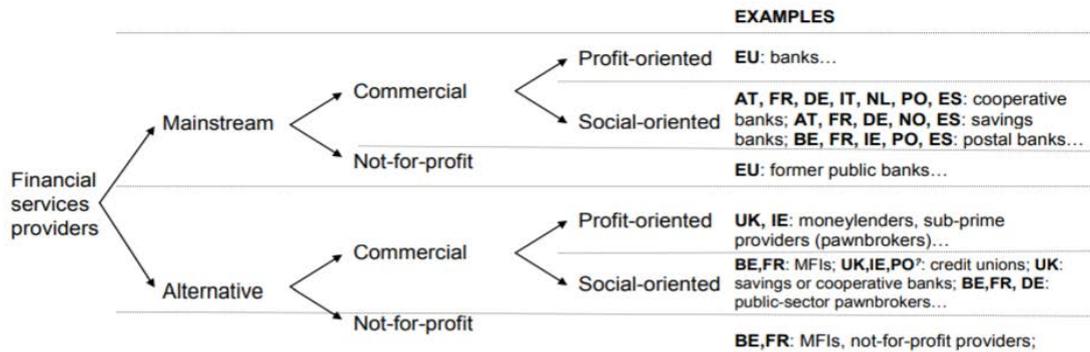
Financial exclusion refers to a process whereby people encounter difficulties accessing and/or using financial services and products in the mainstream market that are appropriate to their needs and enable them to lead a normal social life in the society in which they belong.

Beside the fact that the use of financial services makes more and more part of a standard life, the way to access and use those services may be more and more demanding on various aspects as geographical, technical, cultural, educational or about guarantee and risk analysis criteria. This leads to a large range of access and use difficulties that are deeply related to each country's market structure. Financial products will be considered "appropriate" when their provision, structure and costs do not lead the customer to encounter access and/or use difficulties. These difficulties are caused simultaneously by the characteristics of the products and the way they are sold (supply side) and the situation and the financial capability of the 10/136 customer (demand side). The analysis of each structure (both demand and supply sides) may, for each country, highlight the way supply meet demand, and how appropriate it is.

Much of the exclusion appears to arise from a failure of the mainstream commercial providers to supply a range of products and services that are appropriate to the needs of all sections of society.

"Mainstream providers" may be considered as non-stigmatizing providers regarding the national reference. Related to the market structure of each country, a particular type of providers may appear as mainstream in one and as "alternative" in another one (e.g. saving banks are mainstream in France or Spain, but not in the United Kingdom).

"Alternative" may refer to organisations paying special attention to marginal segments, often operating as not-for-profit organisations and acting in compliance with rules and regulations or other providers which exploit the marginal market segments and often act on the borderline of legality ("alternative commercial profit-oriented" entities).



Banking, access to banking has become challenging for some segments of society, from adverse credit scores to having no credit record making it a complex situation for these consumers to get simple banking services. (solution cross border payments via Remit and prepaid debit card program)

Savings, due to fiscal and monetary policies in some economies it is negatively incentivised for the citizens to keep their savings in a bank due to low and even negative interest rate policies (solution matching global borrowers and savers, and using DLT smart contracts, and digital escrows)

Credit Exclusion, during the financial crisis of 2007 the global economy was hit by a liquidity crunch towards all forms of lending, which took consumer lending a good number of years to recover to a healthy state. (solution DEFI)

Investment opportunity exclusion, high barriers to entry e.g. ticket price (solution; structured BTC bonds, Foundry, fractionalization, disrupting capital markets)

Lack of Liquidity

Thin market liquidity significantly affects both retail and professional users. Having a shallow order book depth implies high risk of slippage during trade execution, which results in traders incurring the opposite of best price execution. For Example, Ethereum flash crash from \$319 to 10 cents.

Reference to [Ethereum Flash Crashes on Coinbase](#)

Poor Customer Support

Customer service is key to any business, companies which constantly deliver poor customer service can go out of business. Customers today have so many options and will turn to a competitor if encountered with a bad service experience. No matter what type of business you are, your customers always want to be heard and treated well. Some challenges seen within our industry are;

- ✦ **Response times**
- ✦ **Not having an answer to a question**
- ✦ **Failing to understand what customers want**
- ✦ **Accepting responsibility**
- ✦ **Resolution - Leaving a customer's complaint unresolved**

This can lead to many side effects, for example;

- ✦ **A damaged reputation**
- ✦ **Loss of business & returning customers**
- ✦ **Loss of our best employees**
- ✦ **Lack of respect where the key to winning over your customers is to treat them with utmost respect. This requires training customer support staff to be extremely courteous and friendly towards all customers no matter what the medium of communication is.**

3. DACX Exchange

New technology enables a global business to reach new audiences around the globe to ensure a pathway for international clients now than ever before. Organization have been hampered with not ensuring multi-language support is part of the ongoing strategy, customers should always be at the core of your business objectives, and part of this is providing them with a seamless experience. A multilingual help desk, whether in-house or acquired through outsourcing companies is key as the product grows

A trading matching engine is a software used to match buy orders, bids, and with sell orders, offers. It is the most crucial part of any exchanges as this is what allows users to trade with one another and the entire reason why they registered on the platform. Trading matching engines follow an algorithm that determines a set of rules they must abide by, how they work, how many orders they can handle across how many pairs and how long it takes. A multi-threaded process is more advantageous, but only a few crypto exchanges implemented it as it requires more work, experience, and time to build.

Therefore partnering with infrastructure provider [Modulus Global](#), Modulus, a twenty-year old developer specializing in HPC and financial technology, and have provided advanced technology products and services to clients including The NASDAQ Stock Market, J.P. Morgan Chase, Bank of America, Credit Suisse, Barclays Capital, Goldman Sachs, Merrill Lynch, Fidelity, TD Ameritrade, Devon Energy, IBM, Microsoft, Yahoo!, Google, Cisco, Adobe, Ford Motor Company, SAS Institute, Rutgers University, University of Chicago, MIT, Oak Ridge National Laboratory, NASA, and thousands of other corporate, educational, governmental, and non-profit institutions, throughout 94 countries since 1997.

Their high-frequency trading solution, enables DACX to provide ten million transactions per second from the get go and scalable up to 8X if and when required.

By comparison, Bitfinex can handle circa one million transactions per second, and Binance only a little more— circa 1.4 million. With latency as low as 40 nanoseconds, your portfolio can now rise and crash 1.5 billion times in a single minute. Even the NASDAQ, with 400 microsecond latency is 10 times slower.

Unlike Nasdaq SMARTS, the Modulus solution tracks money laundering within crypto exchanges. Our system uses a deep learning neural network to identify hidden relationships within the exchange and even within blockchains.

3.1 Risk Management & Market Surveillance

Market surveillance and risk management solution that not only keeps latency to a bare minimum, but grows smarter over time, to detect and defuse new patterns of market abuse.

Through the use of machine learning, the AMM/AML solution uses deep insights to connect the dots within markets and between market participants, providing trade surveillance and pre-trade, at-trade, and on-trade risk management and customizable alerts and reports.

AMM/AML solution is comprised of two separate abuse pattern matching processes:

Pre-Trade and At-Trade Risk Management

Pre-Trade and At-Trade Risk Management are performed before trades are created, and at the time of trades, which permits the exchange to cancel, reject, or modify orders and trades, depending on pattern sensitivity settings. It is critical that Pre and At-Trade Risk Management processes run as fast and as efficiently as possible, so as to minimize latency within the exchange matching engine. While it is technically possible to programmatically utilize these functions from external processes or from external matching engines, performance is optimized when the processes are embedded within the actual matching engine itself. Rate limiting of trades can also be managed within this process.

Post-Trade Surveillance

Post-Trade Surveillance is processor intensive, because as the name suggests, processing is performed after orders are matched into trades, therefore Post-Trade Surveillance has absolutely no impact on matching engine performance. For this reason, more complex patterns can be identified during Post-Trade Surveillance as processor intensive machine learning can be fully utilized within this process.

Money Laundering – Due to the innovative, proprietary nature of our Anti-Money Laundering system (patent-pending) no info can be provided at this time. The system detects and prevents (pre and at-trade) money laundering attempts.

3.2 Security

To ensure the safety of digital assets in our custody, we will be utilizing four types of crypto wallets:

1. Hot Wallets

These are the wallets kept on our internal servers for frequent transfers. Only a fraction of funds will be kept available for frequent transfers. All Hot Wallets come in encrypted form and decryption keys are only applied by authorized personnel at predetermined intervals to approve outgoing transactions. This prevents any asset loss in case our internal servers are compromised.

2. HSM Protected Semi-Cold Wallets

Those are offsite wallets held by companywide hardware wallet solution with governance, multisig and access limits enforced by a Hardware Security Machine. Multiple signatures from authorized personnel is needed to approve a single transaction and the access is limited to private network terminals.

3. Hardware Wallet Integrations

A comment on Ledger hardware wallet integration nano, and X (with Image)

4. Cold Wallets

These wallets are kept offline and transactions are signed on offline computers by senior management executives.

3.3 Orders

An order is simply an instruction to open or close a trade. There are two main types of order: entry orders and closing orders.

Order Types

Both orders to open and orders to close come in different forms:

-  Market Orders
-  Limit orders
-  Stop orders

Market Orders

A market order is an instruction from a trader to execute a trade immediately at the best available price

Limit Orders

A limit order is an order to buy or sell at a specific price or better. A buy limit order can only be executed at the limit price or lower, and a sell limit order can only be executed at the limit price or higher.

Types of Limit Orders on DACX Exchange

- ✦ Buy Limit
- ✦ Sell Limit

Stop Orders

A stop order, also referred to as a stop-loss order is an order to buy or sell once the price of the asset reaches a specified price, known as the stop price.

Types of Stop Orders on DACX Exchange

✦ Buy/Sell Stop Limit

The stop-limit order will be executed at a specified price, or better, after a given stop price has been reached. Once the stop price is reached, the stop-limit order becomes a limit order to buy or sell at the limit price or better.

✦ Buy/Sell Market Stop

A stop order, also referred to as a stop-loss order is an order to buy or sell an asset once the price of the asset reaches a specified price, known as the stop price. When the stop price is reached, a stop order becomes a market order.

✦ Buy/Sell Trailing stop

A trailing stop order is a specific type of stop-loss that automatically follows your position if the market rises, securing your profit, but it will remain in place if the market falls, closing out your position if the market moves against you.

The trailing stop order durations could be set up as

- ✦ Absolute Trailing Value
- ✦ Trailing Value Percentage

Order Durations

An order duration is the length of time your order will remain active in the market until it expires. Different order durations allow you to control how long your order remains active. The following is a list of durations available in our trading platforms.

Good till Cancelled

GTC orders remains active until either the order is filled or cancelled by trader.

Immediate or Cancelled

An Immediate-Or-Cancel (IOC) order is an order to buy or sell an asset that must be executed immediately. Any portion of an IOC order that cannot be filled immediately will be cancelled.

Fill or Kill

Fill or kill (FOK) is a type of time-in-force designation used in securities trading that instructs a brokerage to execute a transaction immediately and completely or not at all.

Day Only

meaning they are good only during that trading day.

3.4 Assets

DACX Exchange will be listing USD Stable coin and BTC pairs for all high cap exchange coins and utility tokens. We will be phasing in the listings by taking the input from the members of the community.

More coins will be added over time. We generally will only add exchange coins and utility tokens that have strong credibility, user base, and liquidity. For existing or upcoming projects that wish to be listed on DACX Foundry for [primary offering](#) or for [secondary market trading](#) on DACX Exchange, should reach out to benefit from our promotional listing terms and fees.

DACX Exchange platform is scalable in terms of tech and practical application therefore by in by Q1 2020 we intend to have a phased roll out of STOs for primary issuance and secondary trading. Our roadmap is online for an Up-to-date progress indicator.

We will roll out the platform in roughly the following order:

-  Spot trading of Exchange coins & Utility tokens
-  Primary offering and secondary market trading of Security Tokens
-  Margin trading of Crypto Currencies
-  Margin trading of Fiat Currencies

 DEFI

3.5 Foundry

Introducing DACX Foundry, current starting off with our IEO platform. Foundry would be an avenue for new creative projects to be brought out of concept to life via kickstart funding opportunities. This allows new blockchain startups to launch their own compliant initial exchange offering on completion of our internal assurance process.

With relevant licenses in place Foundry would later integrate technical infrastructure to enable primary issuance of tokenized securities (STOs) and would support beyond ERC20 token standards and be compatible with multiple blockchains.

This enables us to disrupt capital markets, commodities and commercial real estate sectors. Our Unique location in the fintech capital of Europe, and the heart London financial district of Canary Wharf presents us with a strong position to leverage openings and attract investors. In addition to this we are strategically placed to vet many upcoming Fintech and AI startup companies inclusive of SME, providing an alternative liquidity solution from different subset of investors, and therefore give these high growth tech startups an opportunity to grow into future unicorn companies.

DACX native utility token is the first official IEO project launching on DACX Foundry. The DACX Foundry token sale is on a first-come, first-served basis. The sale will be based on USD and the actual price in USD stablecoin will be announced on the day of sale.

Users must complete identity authentication (KYC) in advance, before their purchase. To comply with local regulations, users in some countries and regions cannot participate in the sale.

Work Flow for Initial Exchange Offering - Utility / Security Token



3.6 DACX Revenue Model

DACX revenue will come from the following:

Fees	Details
Exchange Fee	DACX will charge a 0.1% fixed fee per trade. There will be other fees that may include, but not limited to promotions, maker-taker fees, and volume-based tier.
Withdrawal Fee	DACX may charge fees for withdrawals.
Listing Fee	DACX will hand select project coins and other assets to be listed on the exchange. We may charge a fee for any listings.
Other Fees	There may be other fees DACX may charge for different services.

3.7 Supported Platforms

We will provide cross-platform trading clients for:

- ✦ Web-based trading client
- ✦ Android native client
- ✦ iOS native client
- ✦ REST API
- ✦ Web Sockets

3.8 Features

Some of DACX’s key features are, but not limited to

- ✦ 2FA
- ✦ Crypto to Fiat
- ✦ Banking Rails & Settlements
- ✦ Anti DDOS
- ✦ Hardware Wallet Support
- ✦ Foundry
- ✦ MultiSignature Wallets
- ✦ Universal Wallet-Remit Cross border payments
- ✦ Virtual Debit Card
- ✦ Security Tokens

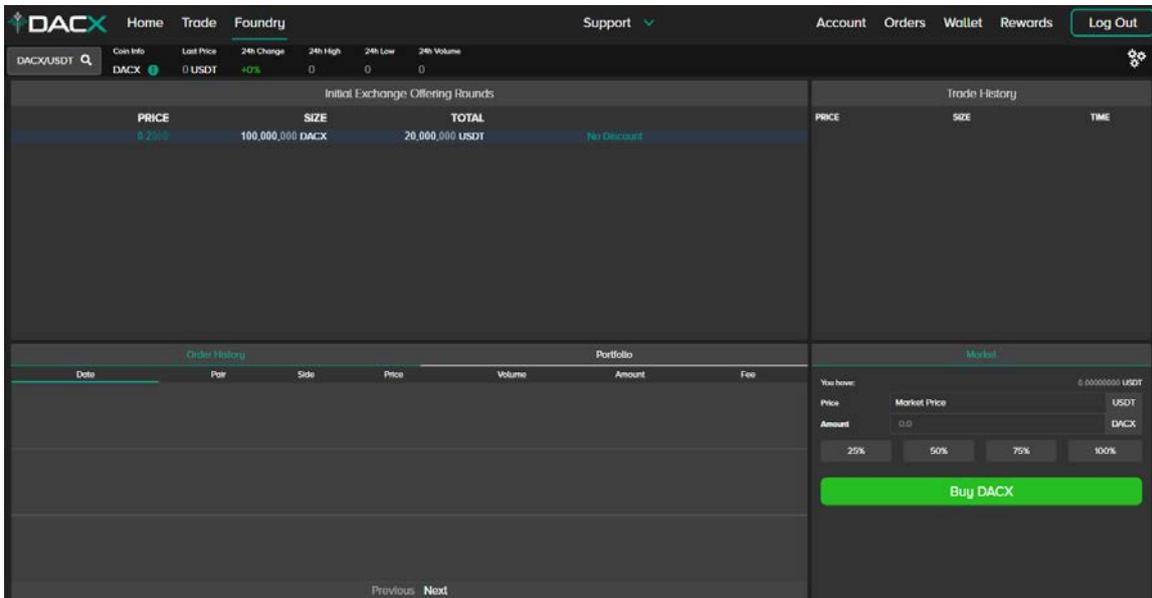
3.9 UI Preview



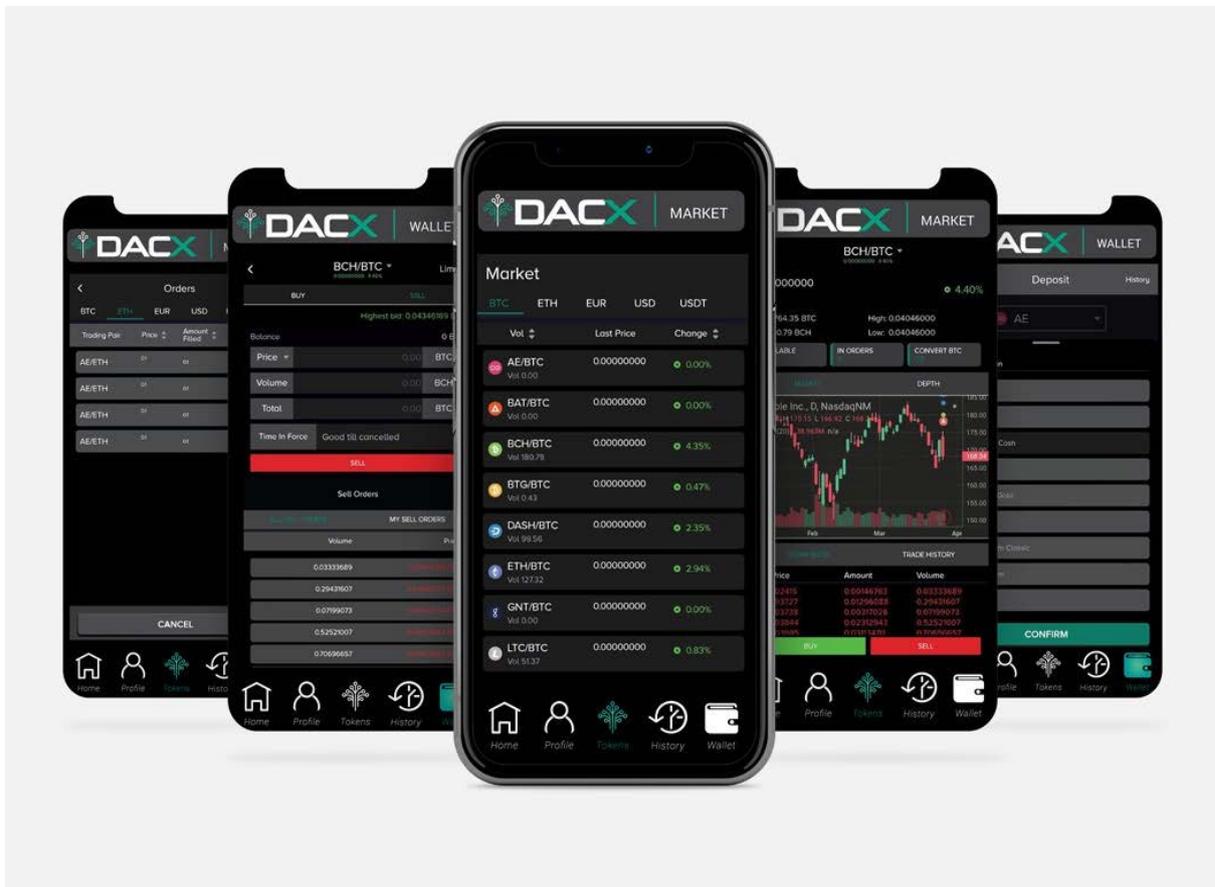
DACX Trading Platform



DACX Foundry Platform



3.10 DACX Mobile App



3.10 Customer Support

Customer Support will be one of our main focus to help deliver any issues our customers have. Thus, we have implemented different types of UI for Support / Knowledge Base and Live Chat.

Email Ticketing System

Our support system pulls customer emails from an email address and lists them in a single place. It allows a help desk executive to answer calls from customers and log them easily. It enables customer support executives to listen and respond to customer feedback on social media, such as Facebook and Twitter.

When customers require a more elaborate solution, they can submit their tickets from the Help Center, and keep an eye on the ticket status from the same interface.

➤ **Automation:**

Our help desk automation allows an agent to ensure that questions from customers are redirected to employees who can answer them satisfactorily. It enables the coordinator to monitor when a support executive hasn't responded to a ticket, or when a ticket is taking too long to get resolved, or one of the several other possible cases.

Knowledgebase Articles

Knowledge Base Articles are to answer your frequently asked questions. By creating a repository of articles and FAQs in the Knowledge Base, customers can find their own answers without waiting for an agent.

➤ **Forums and Communities**

We enable customers to engage in discussions with each other and with your company. With Communities and forums, customers can ask and answer questions and share ideas on a common platform.

Live Chat

We have enabled our live chat system to understand customer's concerns better, and give them more timely, personalized help. If a customer has an issue that requires more time and attention, agents can convert the chat conversation into a ticket. This lets agents save all the context of the chat conversation, with no time lost. This will help with the response time instead of having customers wait longer for a response.

✦ AI Configured Bot

Customers can chat with AI Bot from our website or mobile apps. Our Bot processes their questions and automatically answers them based on content present in our knowledge base.

✦ Blue Print

At every stage of the process, Blueprint makes it easy for every stakeholder to adhere to the process. They only see the actions applicable to them and cannot move forward unless all their mandatory actions are completed.

Workflows automate email alerts, task assignments, and field updates when a certain rule is triggered. On the other hand, a Blueprint mandates an entire sequence of actions, taking tickets from state to state until they're resolved. Unlike a workflow, a blueprint defines all the actions that happen to a ticket until it's resolved.

3.11 Affiliate/Referral Program

DACX offers an Affiliate/Referral program to enhance brand awareness where different rewards are available based on different levels of verification and holding.

Total Number of DACX Rewards are limited to a maximum of 5,000,000 Tokens. Rewards will be distributed at the end of the campaign based on completion period.



DACX
DIGITAL ASSET & COMMODITIES EXCHANGE

PRE-REGISTRATION STEPS & REWARDS

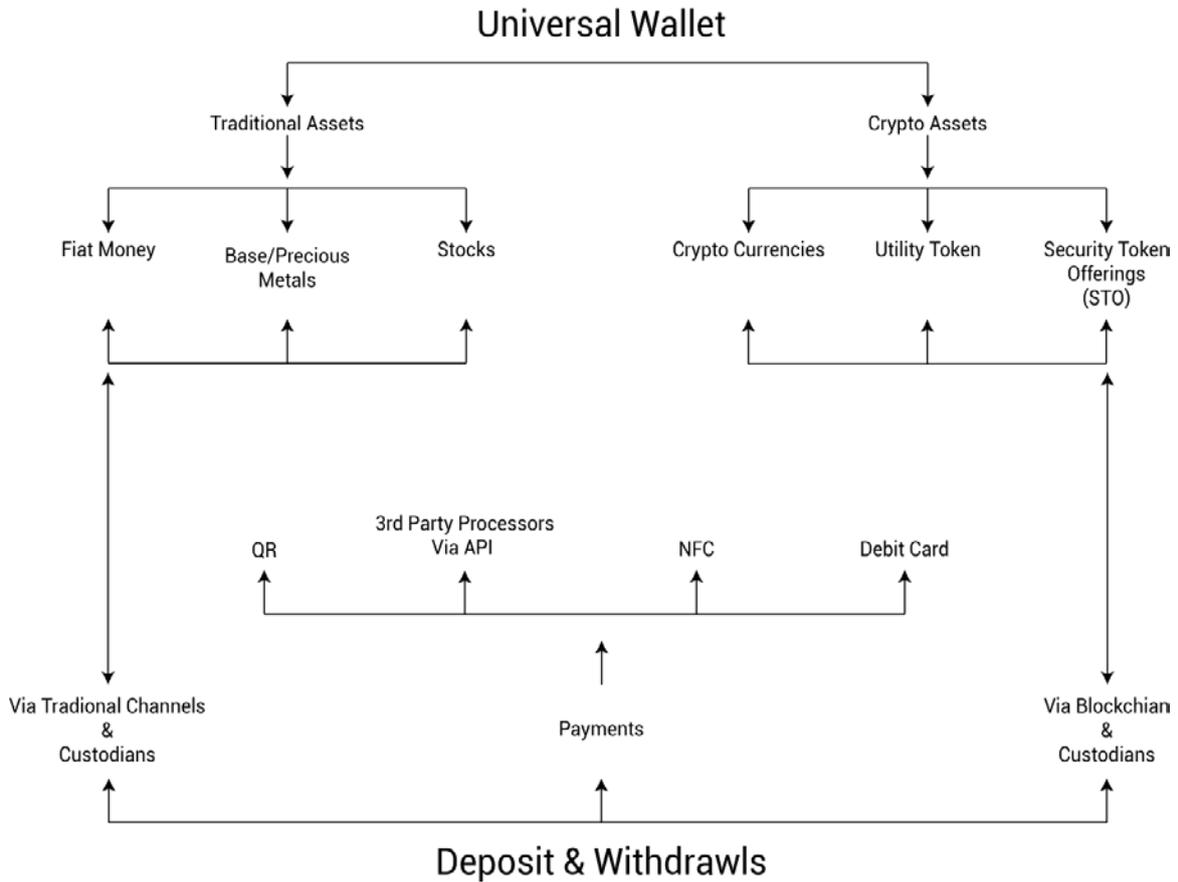
STEP 1	STEP 2	STEP 3	STEP 4
RECRUIT  25 DAGX Welcome to DACX! Please Complete Account Verification to earn your first reward	INITIATE  75 DAGX Please share your referral code with your friends and have 5 affiliates (that completed Recruit step) to earn your second reward.	ELITE  150 DAGX Rank up & Earn your third reward: • Hold 1000 DAGX • Have 10 affiliates that completed Recruit step.	VETERAN  250 DAGX + Ledger Nano S Time to prove your loyalty! • Hold 2500 DAGX • Have 15 affiliates that completed Recruit step.

1. Sign-up at <https://www.dacx.exchange>
2. Complete the Sign-Up form
3. **Make sure to enter a REFERRAL CODE if you have one**
4. Complete your ACCOUNT VERIFICATION and start earning DACX once you are approved.
5. Complete all stages below and win up to \$100 worth of DACX plus LEDGER NANO S

*Note: You and your Referees must be registered and have your and their account verified early before participating in the DACX Token IEO event. (TBA)

4. DACX Remit

DACX Remits is a hybrid project which entail using DLT and Fintech for merging traditional financial services with the efficiency of blockchain technology. By creating an interoperable blockchain infrastructure along with **Oauth 2.0** the industry standard protocol for authorization.



4.1 Universal Wallet

Universal Wallet is the core storage unit of DACX Remit. It makes use of DLT, traditional banking and custodians to store the following types of assets in one wallet:

- ✦ Fiat Money
- ✦ Crypto Currencies
- ✦ Utility Tokens
- ✦ Security Tokens (STO)
- ✦ Stable Coins
- ✦ Commodity Tokens

Universal Wallet handles storage and transfer of all mentioned assets seamlessly in the background, using traditional banking rails and is interoperable with multiple blockchains.

4.2 Cross Border Payments

DACX Remit allows all supported fiat currencies be deposited from, withdrawn to and transferred to:

- ✦ Other Accounts within the system (all)
- ✦ Bank Accounts in supported countries (fiat & supported assets)
- ✦ Other Payment Processors
- ✦ DACX Issued Debit Card

4.3 Custody

DACX Remit makes use of various custodians in the background, to deposit, withdraw and transfer all assets held by Universal Wallet to make sure:

- ✦ Safety of all assets
- ✦ Insurance against unexpected situations
- ✦ All assets are in third party custody where balances/bookkeeping can be audited

As the project evolves, DACX Custody will also be offered as a service for Institutional Investors.

4.4 Virtual Debit Cards

DACX Remit will supply a Virtual Debit Card for its users. Users will be able to use this debit card for their day to day payments and users will be able to decide on a list of assets to be used for payments.



In case destination currency for payment is not available in Universal Wallet or does not have enough balance for that particular payment, enough amounts of other assets defined in the list will be auto converted to destination currency through DACX Exchange and payment will be completed.

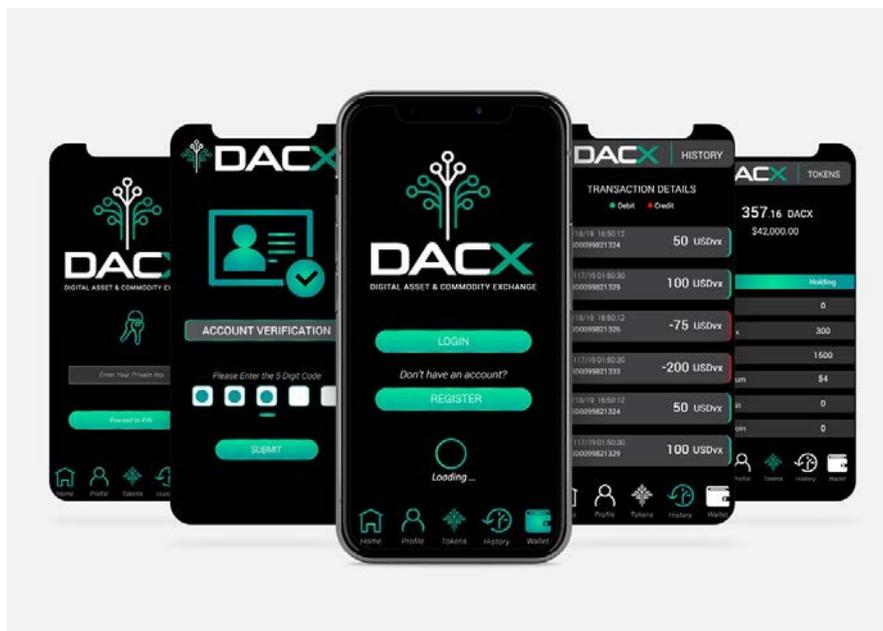
4.5 Supported Platforms

We will provide cross-platform clients for:

- ✦ Web-based client
- ✦ Android native client
- ✦ iOS native client

4.6 UI Preview

DACX Remit App is currently under heavy development & testing. Following images are from working alpha version of the app and are subject to UI & feature changes.



5. DACX Token (DACX)

We have issued our own utility token, called the DACX Token. A strict limit of 786,786,786 DACX has been created, never to be increased and total supply will be reduced through frequent token burns. DACX token will run natively on the Ethereum blockchain under ERC 20 token standards.

5.1 Allocation

%	Amount (DACX)	Participant
5%	39,339,339.30	Angel Investors
15%	118,018,018.00	Team
5%	39,339,339.30	Bounty
50%	393,393,393.00	Crowd sale
25%	196,696,696.40	Locked
100%	786,786,786.00	Total supply

5.2 DACX Value

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

- ✦ Exchange fees
- ✦ Withdraw fees
- ✦ Listing fees
- ✦ Any other fee

- ❖ When you activate DACX to pay for trading fees, you will receive a significant discount:

	1st Year	2nd Year	3rd Year	4th Year
Discount Rate	50%	25%	15%	No Discount

- ✦ **Initial Exchange Offerings (IEO)** on our platform will only be available to DACX Token holders that register and have their accounts identification verified before the start of the IEO. Offerings will be priced in DACX Token and a percent of the IEO supply

will be reserved for DACX Token Holders, based on their holdings, at the start of each IEO phase.

5.3 Burn Model

Every Month we will destroy DACX based on the trading fees and Base Listing Fees collected during that month on our Exchange platform. All transactions will be broadcasted on the ETH blockchain. We eventually will destroy 386,786,000 DACX, leaving 400,000,000 DACX remaining.

	Trading Fees	Base Listing Fees
Burn Rate	20%	20%

5.4 IEO

After Pre-Registrations are done and before launch, the IEO will be launched on the DACX Exchange. As an incentive, first IEO of DACX Token will grant “No Base Listing Fee” ticket applicable to one future IEO or Token Listing, for buyers & holders of a certain amount of DACX Tokens. Minimum amount & hold duration to qualify for “Free Ticket” will be announced prior to IEO. Usage of this “Free Ticket” requires minimum DACX Token balance for the applicant’s account to not fall below minimum amount required, from the time of purchase till usage of the ticket.

5.5 Team Tokens & Locked Tokens

Team Tokens will be distributed to members on a monthly basis, starting with the launch of the Exchange Platform. Distribution process will be transparent and can be tracked using official wallet addresses defined in the token contract.

1st Year	118,018,018 DACX
2nd Year	98,348,348 DACX
3rd Year	98,348,348 DACX

5.6 Funds Usage

Funding supplied by sale of CrowdSale Tokens will be used for:

-  Expanding & Improving Infrastructure
-  Capital Reserves, Paying Registration & License Fees for multiple Regional Regulators

- ✦ Improving Cross Border Payments Network & Availability
- ✦ Maintaining an Insurance Fund

6. Road Map

<u>What</u>	<u>When</u>
Pre-Registration	September 2019
Pre-Launch IEO	Q4 2019
<u>VALIDATION</u>	
Launch IEO	Q1 2020
Exchange Launch	Q1 2020
Fiat Gateways	Q1 2020
Structured BTC products	Q1 2020
Introduce GOLD/BTC pairs	Q1 2020
<u>EFFICIENCY</u>	
Expand Operational Jurisdiction in EU and ASIA.	Q2 2020
DACX remit universal wallet deployment alpha	Q2 2020
Testing DACX Remit universal wallet	Q2 2020
DACX exchange mobile app deployment for Android and ios	Q2 2020
<u>SCALE 1.0</u>	
Margin trading	Q3 2020
DEFI - lending	Q3 2020
Renewal of DACX 'Phase 3' MVP	Q3 2020
Expand Operational Jurisdiction in North America	Q3 2020
Develop Hyperledger enviroment for	Q3 2020

settlement engine	
Bridge Remit and DACX Exchange	Q3 2020
<i>SCALE 2.0</i>	
DACX foundry security token platform	Q4 2020
Launch DACX remit universal wallet ✓ Integrate cross border payments ✓ Integrate Debit Card program ✓ Integration of security tokens	Q4 2020

7. Team



ZEESHAN CHAUDHRY

Founder | CEO



FRANS KLERKS

Head of Marketing



LISA LI

**Regional Marketing &
Communication**



ISMAIL TARIM

**Cyber Security & Blockchain
Engineer**



CURTIS PAVLIK

Regional Sales & Operations



JAMES WACKETT

Regional Business



FRASS MASROOR

Full Stack Developer



UMAIR JAWAID

DevOps & Platform Engineer



PETER MACDONALD

Business Strategist & Partnership Commodities Division

8. Advisors



RICHARD GARDNER

CEO Modulus Global



LAURENCE KIRK

CEO of Extropy.IO

9. Risks

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

9.1 Security

Exchange platforms store and interact with high amounts of wealth on an online environment. Due to this open and high prize nature of the platform security of the platform is a top priority. In order to reduce attack vectors, we will not be disclosing full nature of security protocols that will be used. Main security practices that will be used (but not limited to) are:

- ✦ Only Security & Platform/Maintenance Officers will be allowed direct access to internal systems.
- ✦ All other company employees will be using external API based access points to have access to the system, with restricted features based on their role
- ✦ Access to internal systems will require usage of predefined terminals & smart cards.
- ✦ Assets will be stored using a combination of multi-signature wallets and 3rd party custodians with insurance
- ✦ Frequent Security Audits will be done by contracted 3rd parties

9.2 Market Strategy

We are concentrating our efforts on 4 different fronts.

1. Exhibit DACX in trading shows and blockchain conferences

DACX has been quite active in the blockchain community, our first exhibition was during London Blockchain Week of Feb 2019. When not exhibiting DACX team members frequently attend as delegates to maximize commercial opportunities and explore potential partnerships e.g. Consensus 2019, Malta Blockchain Summit, etc. Our next exhibition is on 17 October 2019 during European Trading show in London.

2. Social Media, Community Marketing & Sponsorship

We aim to capitalize on word of mouth marketing and focus our major efforts in building a community in social media and engage them through mediums such as Facebook, Instagram, Twitter, Reddit, Telegram and our own blog. To maximize engagement, we will target the community in multiple languages through Facebook, Twitter, Instagram and Telegram.

Our goal is to gain users and grow our community to increase the conversion rate and the value of the user. After gaining a sizeable community we would invite our members to periodic meetup events to connect with us to share ideas and suggestions on how to improve their experience and future developments.

Sponsorship is also key to promote brand awareness; we intend to support local talent at grass root level which is in keeping with our core principles.

3. Rewards Programs

We structured an Affiliate and Referral program to reward users for promoting/referring DACX Exchange to their friends and families. Sharing the trading fee earned from trading activity of their referred users

4. Affiliation & Media buying

We are focused on establishing working relationships and partnerships with established companies based on mutual interests. PR and media relationships would enable us to put our brand “out there”.

5. Affiliation & Partnership

You can visit our [DACX Website](#) to see our most recent and up to date affiliations and partnerships.

10. Regulation and Compliance

To be compliant with AML & CTF directives we have partnered with the market leading reg tech, Identity Mind Global. Their solution helps us keep our compliance obligations in check.

We have a few applications in the pipeline with different jurisdictions but due to confidentiality obligations can only be communicated when an outcome has been reached.

Therefore, we are phasing in digital assets which are not in the remit of regulation e.g. utility tokens and exchange coins (BTC, LTC, etc..) and as we get our licenses we would phase in tokens which fall under the definition of STOs.

The following countries that are currently restricted from participating in DACX services are:

- ✦ North Korea
- ✦ Iran
- ✦ Syria
- ✦ Sudan
- ✦ Cuba
- ✦ United States

11. Appendix

11.1 Official DACX Token Wallets

DACX Company Wallet = 0x12Fc4aD0532Ef06006C6b85be4D377dD1287a991;

// Angel Wallet: Initial distribution to Angel Investors will be made through this wallet

DACX Angel Wallet = 0xfd961aDDEb5198B2a7d9DEfabC405f2FBa38E88b;

// Team Wallet: Initial distribution to Team Members will be made through this wallet

DACX Team Wallet = 0xd3544D8569EFc16cAA1EF22D77B37d3fe98CA617;

// Locked Wallet: All remaining team funds will be locked for at least 1 year

DACX Locked Wallet = 0x612D44Aea422093aEB56049eDb53a213a3F4689F;

// Crowdsale Wallet: All token sales (Private/Pre/Public) will be made through this wallet

DACX CrowdSale Wallet = 0x939276d1dA91B9327a3BA4E896Fb624C97Eedf4E;

// Bounty Wallet: Holds the tokens reserved for our initial and future bounty campaigns

DACX Bounty Wallet = 0x40e70bD19b1b1d792E4f850ea78691Ccd42B84Ea;

11.2 Token Contract Code

DACX Token Contract Address

<https://etherscan.io/address/0xf6ba659b419392b722ed63d4f5232822eceff262>

DACX Token Contract Source Code

<https://etherscan.io/address/0xf6ba659b419392b722ed63d4f5232822eceff262#code>

DACX Token Tracker

<https://etherscan.io/token/0xf6ba659b419392b722ed63d4f5232822eceff262>

12. Glossary

AML

Anti-money laundering refers to a set of laws, regulations, and procedures intended to prevent criminals from disguising illegally obtained funds as legitimate income.

AMM

Anti Market Manipulation prevents market manipulation which is a type of market abuse where there is a deliberate attempt to interfere with the free and fair operation of the market and create artificial, false or misleading appearances with respect to the price of, or market for, a product, security, commodity or currency.

CFT

Combating the Financing of Terrorism (CFT) involves investigating, analyzing, deterring and preventing sources of funding for activities intended to achieve political, religious or ideological goals through violence and the threat of violence against civilians.

DLT

A distributed ledger technology is a consensus of replicated, shared, and synchronized digital data geographically spread across multiple sites, countries, or institutions.

DEFI

Decentralized finance leverages open source software and decentralized networks to transform traditional financial products into trustless and transparent protocols that operate without unnecessary intermediaries.

DDoS

Distributed denial of service is a type of DoS attack where multiple compromised systems, which are often infected with a Trojan, are used to target a single system causing a Denial of Service (DoS) attack.

ERC 20

ERC-20 is a technical [standard](#) used for smart contracts on the [Ethereum blockchain](#) for implementing [tokens](#).

FCA

The Financial Conduct Authority (FCA) is a financial regulatory body in the United Kingdom, but operates independently of the UK Government, and is financed by charging fees to members of the financial services industry.

ICO

An Initial Coin Offering (ICO) is the cryptocurrency space's rough equivalent to an IPO in the mainstream investment world. ICOs act as fundraisers of sorts; a company looking to create a new coin, app, or service launches an ICO.

IEO

An Initial Exchange Offering (IEO) is a token sale supervised by a cryptocurrency exchange. IEOs are available exclusively to the exchange's users, via the fundraising platform such as DACX Foundry.,

KYC

Know Your Customer (KYC) is the process of a business identifying and verifying the identity of its clients. The significance of "Know Your Customer" (KYC) is becoming increasingly important. "KYC" refers to the steps taken by a financial institution (or business) to: Establish the identity of the customer.

MVP

A minimum viable product (MVP) is a development technique in which a new product or website is developed with sufficient features to satisfy early adopters.

Oauth 2.0

OAuth2.0 is an open authorization protocol, which allows accessing the resources of the resource owner by enabling the client applications on HTTP services such as Facebook, GitHub, etc.

Primary Offering

A primary offering is the first issuance of stock from a private company for public sale. This is the means by which a private company can raise equity capital through financial markets in order to expand its business operations.

Secondary Market Trading

The secondary market trading is where securities are traded after the company has sold its offering on the primary market.

SME

Small and medium-sized enterprises (SMEs) or small and medium-sized businesses (SMBs) are **businesses** whose personnel numbers fall below certain limits. The abbreviation "SME" is used by international organizations such as the **World Bank**, the **European Union**, the **United Nations** and the **World Trade Organization** (WTO).

STO

STO stands for security token offering. It is a process similar to an ICO where an investor exchanges money for coins or tokens representing their investment. They are linked to an underlying investment asset in a way like stocks, bonds, real estate investment trusts (REIT) or other funds.