





happens when you provide liquidity to a liquidity pool, and the price of your deposited assets changes compared to when you deposited them. The bigger this change is, the more you are exposed to impermanent loss. In this case, the loss means less dollar value at the time of withdrawal than at the time of deposit.

Pools that contain assets that remain in a relatively small price range will be less exposed to impermanent loss. Stablecoin or different wrapped versions of a coin, for example, will stay in a relatively contained price range. In this case, there's a smaller risk of impermanent loss for liquidity providers (LPs).

However, most of the famous AMM such as Uniswap, Pancakeswap or Sushiswap only offer liquidity pools with only 2 tokens at 50:50 ratio. The first token is usually ETH or BNB while the second one is usually a more volatile ERC20/BEP20 token. That means LPs are exposed to the risk of impermanent loss with half of their portfolio, and sometimes, the returns they get from trading fee & liquidity mining is not enough to compensate for the declined value in impermanent loss.

As a simple rule, the more volatile the assets are in the pool, the more likely it is that you can be exposed to impermanent loss. There is another issue with the AMM which is the price slippage. It's the difference between your intended price and where your trade is executed. This problem becomes more severe when you want to swap between stablecoins because their price is meant to be stable.

Imagine that you eventually need to cash out your profit from other Defi-platforms to stablecoins, let's say from YYY to USDC, but you wouldn't want to suffer the high slippage in Uniswap or Pancakeswap. It's required to provide enormous funds to keep a meaningful liquidity for a stablecoin pair pool.

On the other hand, the returns will be very small perhaps several percent APY. This leads to another issue of capital efficiency where different pools can provide better liquidity (lower slippage) and gain more returns for LPs.

## **AMM KEY PLAYERS**

Major DEXs have significantly increased over the past nine months as DeFi has been supercharged by COVID, retail adoption of NFT's, Metaverse and a general increased market interest in cryptocurrencies globally.





















However, most of the use cases for NFT were just representations of digital contents such as artworks, musics, videos or game items. However, if we consider NFT as a vehicle for containing information in general, the possible use cases for it are huge.

For example Genesis Shards has wrapped pre-IDO tokens and created a secondary market for these NFT and turns illiquid tokens into liquidable assets. By combining both these ideas, we introduced a new liquidity mining model such that instead of distributing the farming reward directly to the users, these tokens are wrapped into NFT collectibles.

Users can then claim back the actual tokens after a vesting period. In the meantime, they can also trade these NFT in other well-known marketplaces and make them liquidable.

## **DECENTRALIZED EXCHANGE**

Now, a bottleneck of the current virtual currency system is the time needed to carry out transactions. To overcome this problem and to provide more convenient transactions, an exchange market for virtual currency has been developed. However, the existing virtual currency exchanges are centrally controlled by exchange organizers. As a result, they are prone to malicious attacks, and in fact, several of the hacking incidents on the exchange has been reported.

In 2019, over \$290 million worth of cryptocurrencies were stolen and over 500,000 login information were leaked from Centralized Exchanges. More people are realizing these risks and are turning to Decentralized Exchanges (DEXs) which are using smart contracts and “on-chain” transactions to reduce or eliminate the need for intermediary.

The decentralized exchange solves this problem and is based on an electronic payment system based on cryptographic proof instead of trust, allowing any two willing parties to transact directly with each other without the need for a trusted third party. Transactions that are computationally impractical to reverse would protect sellers from fraud and routine escrow mechanisms could easily be implemented in order to protect buyers.

The decentralized exchange (DEX) is a new DApp that has been developed to cope with these weak points of centralized marketplaces. DEX allows a seller and a buyer of crypto assets to make a direct exchange in a decentralized manner on blockchain. Data (crypto assets and transaction records) is held in a decentralized manner so that DEX does not present itself as a single point of failure to attackers. Furthermore, because the system is open to the public, transactions can be made in a much more transparent

fashion.

The main feature of a DEX is a feature called “atomic swap”, which is code on the blockchain that allows two parties to exchange tokens/crypto assets without involving an intermediary party, and avoids one party defaulting on the transaction, which would damage the counter party.

In a DEX, unlike a centralized exchange, participants manage their own crypto assets in their own wallets.

When there is an exchange between two parties, the exchange occurs directly between the two wallets instead of going through a longer process that involves using a trusted third party. This direct exchange process is called atomic swap.

## **PROBLEM STATEMENT**

As mentioned before, nowadays most DeFi transactions are handled on the Ethereum network. This has led to increased congestion in the network, which has made transactions on Ethereum slow and expensive. Investors and traders across the world have found themselves having to pay upwards of \$50 in gas fees (or more) just to make a single transaction.

Whether a user is trying to make a \$10 trade or a \$10,000 trade on Uniswap, costs reach upwards of \$50+, depending on the network congestion at the time of the transaction. This has made Ethereum transactions too expensive for most retail traders to participate in. Sidechains, layer 2 (L2) solutions, and even different blockchains such as the Binance Smart Chain (BSC) have emerged as a result of this market need.

Some of these solutions have seen an increase in volume and have even gained some traction. Yet they each come with qualms of inaccessibility, lack of adoption, and centralization. Today, some decentralized exchanges are being either developed or put into operation, but these projects cannot indeed meet the needs of actual usage.

- ❖ Problems mainly include:
- ❖ Low liquidity levels, low volume
- ❖ Inefficient and slow transaction speed, poor user experience
- ❖ Limited by cross-chain trading technical problems, limited trading cryptocurrency types, etc.

- ❖ The majority of the DEXs are trading platforms for Ethereum and ERC-20 tokens.

The main problem is the association with the main chain limits transaction performance and the efficiency is low. Also, due to the complexity of cross-chain transactions, cryptocurrency selections in trade are limited.

Setting the Ethereum blockchain issues aside, one of the problems we see from most decentralized exchanges is that they rely solely on users manually adding their trades. We have seen projects allowing users to discover the best trades possible but we have not seen them integrated on a DEX that would permit users to automatically make transactions while the market is in good condition.

Furthermore, few AMM's entering the market provide a project that has already developed a 'ready-to-go' on ramp solution for start-ups and entities seeking capital raises and listings. Most AMM's are not really decentralized and are controlled and managed by a centralized team.

Although human effort has always been the key to success of almost all technologies, Quitriam Finance already has a fully working MVP solution you can try right now and is ready to go to market. it's about time we create something different to save our users from losing time and money while exploring the crypto market!

## SOLUTION

- ❖ Using the multichain Network, Quitriam Finance solves the problems of other Ethereum based DEXs, users will be able to exchange tokens at a speed greater than 50,000 transactions per second for a cost of less than \$0.00001 per transaction, enabling efficient and quick transactions.
- ❖ Quitriam Finance will be offering opportunities to users to help them learn more about what could be the greatest project. Therefore, all fees are given to liquidity providers.
- ❖ LP YIELD FARMS which enhance shadow staking, yield farming and rewards platform.
- ❖ **Quitriam Finance LAUNCHPAD:** A launchpad that enables other platforms to create their own Dapp on ours platform.

- ❖ **NFT LAUNCHPAD:** A means by which NFTs are equally available for every individual to transact.

## Quitriam Finance TOKEN

Quitriam Finance's native utility token, the MC token, will perform a crucial role in the functioning of the Quitriam Finance ecosystem. The MC token is expected to have multiple utilities:

Quitriam Finance and the Quitriam Protocol are only able to operate as a community-governed, decentralized autonomous organization through its use and integration of the Quitriam token. Quitriam tokens are the entry pieces for people to become members into Quitriam Finance and are what allows them to decide how they want the organization to operate.

Quitriam tokens grant members of Quitriam Finance governance and voting rights, access to collateralized loans and compounded interest, as well as entrance into Quitriam POOL's savings games.

### Governance

The holders of the MC token will be able to use their tokens to take part in Quitriam Finance's governance by voting on Quitriam Finance's proposals concerning protocol amendments and upgrades. Although the specifics in regard to the voting mechanism have not yet been finalized, it is expected that each holder's votes will be weighed against the amount of MC tokens held by them.

### Revenue sharing

A competitive 0.3% fee is charged over each trade taking place over Quitriam Finance. Of this fee, 0.25% is distributed to the liquidity providers in proportion to their contribution to the liquidity pool, while the remaining 0.05% is distributed to MC governance pool.

### Why DAO?

DAO (decentralized autonomous organization) is a structure used by many crypto



projects. Typically DAOs require key actions (such use of treasury assets, or changes to the project code) to be proposed and approved by token holders.

Quitriam Finance is a DAO governed by MC token holders. Through the proposal and voting process MC token holders will determine the actions and direction of Quitriam Finance. MC token value is correlated to the success of the ecosystem via various economic links (predominantly tokenization).

Anyone can propose partnerships and product upgrades for Quitriam Finance. BIT token holders will vote on whether to approve or reject these proposals. Ideas need to provide sufficient analysis and be executable.