DeFini

WHITEPAPER

**Crypto Market
Liquidity Framework**

2021

Content

1. What is DeFi?

DeFi is a short term for "decentralized finance", used to explain a variety of financial applications in cryptocurrency or blockchain geared toward disrupting financial intermediaries. It is distinct because it expands the use of blockchain from simple value transfer to more complex financial use cases.

Cutting out middlemen from all kinds of transactions is one of the primary advantages of DeFi. When you pay with a credit card for coffee at a cafe, a financial institution sits between you and the business, with control over the transaction, retaining the authority to stop or pause it and record it in its private ledger.

Direct purchases aren't the only type of transaction or contract overseen by big companies; financial applications such as loans, insurance, crowdfunding, derivatives, betting and more are also in their control. DeFi biggest aim is to remove these middlemen.

2. DeFini Market Liquidity Framework

DeFini can be summarized as a framework for cross-platform cryptocurrency exchange and market liquidity.

DeFini aim is to create a secure network of different worldwide exchanges, trading networks, payment gateways and liquidity providers. It builds a back-end layer of interoperability and standardization for the cryptocurrency B2B service sector by aggregating the trade requests into one single framework. The mentioned framework increases the efficiency, scale, agility and potential of cross-platform trading of multiple cryptocurrencies and other crypto assets globally. The highlight technological and businewss solutions proposed by DeFini are:

Introduction to liquidity for crypto exchanges
When Exchanges need to deal with big crypto buy or sell orders, they can resort to the framework for extra liquidity and trade order depth. This is needed when the particular cryptocurrency is rarely traded or when it has a wide distribution throughout the market. DeFini overcomes this by converging exchange transactions from numerous liquidity providers, therefore reducing service duration, costs and asset price volatility for their users.

Harmonization of the crypto exchange market
One of DeFini solutions is in harmonizing the integration standards used by several exchanges and trading systems. It can be connected to the top global crypto exchanges to provide a unified cross-platform exchange protocol for other market members.
The clients that connect to DeFini will be able to integrate themselves with a wide and globally spread network of cryptocurrency liquidity providers and traders.

Innovation progress in worldwide crypto trading
Solutions created by DeFini will allow various new services for the cryptocurrency trading market. This goes from fixed-price OTC trades and automated high-frequency trading up to building third-party applications, analytics systems and services focused on the consumer. With productivity and global coverage in mind, DeFini is aiming to become one of the main back-end trading facilitators for the crypto business.

3. Market needs

Cryptocurrency trading has been a booming market for years now. Many opportunities to invest in these promising assets and projects are still around, traditional investors and the general public are standing on the sidelines waiting for the best moment to enter the market. While acknowledgement and regulatory measures of cryptocurrencies are happening around the world, there are still several issues that are holding the bigger public away from the market, the biggest of which is the lack of market maturity and usability.

The cryptocurrency market is notoriously risky, therefore unwelcoming to most low-risk investors. Customary crypto traders themselves are faced with an ever-changing cryptocurrency scenery. Businesses that provide crypto-related services – be that exchange, trading or payment processing – also constantly suffer from poor market liquidity, problems with interoperability and a general lack of infrastructure. The current crypto exchanging market is still very young and unready to scale to and sustain a level that will be demanded for cryptocurrencies to truly become the currency of the future.

4. Crypto market liquidity and volatility

When looking through various researches conducted on crypto assets over the years, one can assume that the current crypto market is not solid. Illiquidity and volatility are significant blockers of general cryptocurrency adoption. This means that companies and consumers cannot count on crypto as secure storages of value and need to constantly exchange them back and forth with FIAT currencies. If these operations are done on exchanges with low liquidity and order book depth, the ensuing price slippage makes orders to be executed at unfavourable situations that can lead to significant losses for businesses, holders and traders. Moreover, this also causes price spikes that lead to disruptions, both on the wider general market and those within exchanges.

Analysts concluded that despite high risks when dealing with crypto markets, the addition of cryptocurrencies to conventional investment portfolios can have a net positive effect on their performance. This is because the crypto market has low long-term correspondence rates with other financial markets (such as traditional currencies or equity) and, therefore, gives an excellent diversification option.

Integration of cryptocurrencies with traditional finance would be mutually beneficial for both sectors and greatly contribute to reducing volatility issues in the crypto market. Liquidity and volatility are among the most pressing challenges facing cryptocurrencies, and solving them would increase not only to the growth of the market but cryptocurrency mass adoption in general.

5. Cross-platform interoperability and arbitrage

The biggest part of the volume of all crypto traded is processed by the top 20 exchange platforms, while – in contrast – only a small part is traded by the remaining exchanges. These small exchanges are faced with constant fights in bringing customers, guaranteeing proper trade volumes and keeping volatility under control. Linked with regulatory limitations, this results in high price variations among exchanges, providing the global lack of market

liquidity.
Every asset trading pair on every exchange forms its own separate and autonomous market, leading to meaningful liquidity gaps within exchanges, caused by several factors, including high bid/ask spread, insufficient order book depth, exchange rate volatility, diversity in applied exchange fees, risks of trading venue failure and heterogeneity of exchange anonymity rules.

This way, the prevailing lack of global crypto liquidity is significantly strengthened by a market fragmentation. Cross-platform traders with the help of arbitrage bots should be able to equalize differences and normalize value variations, but often they encounter technical and organizational interoperability issues – from differing API standards and inner procedures, to slow processing speeds, extensive deposit/withdrawal times or uneven bot activity.

6. A global crypto trading market

Among the key features of crypto is that they're speculated to be borderless. However, in real life, they're still restricted to centralized exchanges. With limited cross-platform trading opportunities, these markets undergo high volatility and suffer from insufficient liquidity. Decentralized exchanges pose a possible solution to those pressing problems. By creating truly borderless exchange networks, these solutions have the potential to make unified global markets for various crypto assets and address many consumer-facing issues. However, they're limited because of inabilities inherent to any or all distributed systems and are unlikely to be able to handle huge, industry-scale trading volumes. What's needed is an efficient and scalable solution that overcomes market fragmentation by combining existing infrastructure. Hence, in these market conditions we at DeFini see a transparent need for a Business to Business oriented solution that may meet the wants of the expanding crypto industry, namely:

- *Provide crypto exchanges with access to appropriate market liquidity and control volatility;*

- *Proper cross-platform interoperability between different market players;*

- *Create a borderless B2B framework for high-volume crypto asset trading.*

7. DeFini technical solution

The proposed tech solution fills the much-needed gaps within the current crypto market by introducing a B2B framework which will facilitate global cross-platform crypto trade and

supply access to promote liquidity. Three main structural elements – the Core, the Agent and the Protocol - represent the framework.

8. DeFini Core

The Core is the central element. It runs on a secure, high-bandwidth and processing power network and conducts all the most important functions of the framework:
All history of transactions made through the framework are stored on a publicly accessible ledger, thus enabling operational transparency, public auditing and data analysis. Additionally, DeFini provides a good selection of adjustment tools and customization options to enable its users to adapt the functionalities of the framework in line with their specific needs.
Real-time cryptocurrency market monitoring;
Aggregation of buy and sell orders from different exchanges into a unified cross-platform order book;
Provision of merged cleared and filtered order data to clients;
Partial performance of order and transaction processing.

9. DeFini Agent

The DeFini Agent could be a node of the framework that's used as an intermediary application between the Core and a specific liquidity provider or client. The Agent is ready up to confirm stable, reliable and efficient interactions with the particular APIs and procedures employed by the framework participant. a part of the framework operations is semi-independently performed within the Agent, namely order processing. Liquidity providers and clients also will be able to adjust the Agent industry-standard tool-sets and localize it inside or next to data centres where their internal crypto exchange operations are being processed. This localization in addition to data compression and direct high-bandwidth transfers to the DeFini Core ensures increased efficiency and low-est global latency, therefore enabling true global high-frequency trading of crypto assets on the framework.

10. DeFini Protocol

The DeFini Protocol may be a standardized communication protocol for the crypto exchange industry. By integrating different liquidity providers with their divergent API standards and internal processes, the framework provides a unified communication and procedural protocol. DeFini uses the industry-proven FIX protocol that's specifically designed to facilitate secure and reliable real-time exchange of monetary information with a large number of market participants. The Protocol provides one, stable and straightforward to use access point for other exchanges, service providers, crypto traders and developers to integrate their software with the broader DeFini network.

11. How DeFini works

DeFini uses a central trade order aggregation, clearing and execution system, thus avoiding many issues and inefficiencies related to cross-platform operations and double clearing. Three main parties participate in facilitating trade on the framework – the DeFini Core (with its Agent applications), liquidity providers (market makers, usu-ally crypto exchanges) and clients (market takers).

- Order aggregation

DeFini uses dedicated Agent applications to attach to liquidity providers and clients. Agent applications are specifically optimized for the APIs, procedures and technical features utilized by particular framework participants. This can be tiring in order to realize maximum possible efficiency and reduce latency to the minimum. The aggregation process is analogous for both liquidity providers and clients. Once connected, the Agent compiles an order book of all trade requests available on the framework participant platform, including both buy and sell orders. The order book is compressed into a JSON file and also the data packet is shipped to the DeFini Core system. Updates on this order book status are provided real-time. Alternatively, liquidity providers and clients that are granted use of the Protocol can use it to bypass the Agent, rearrange their order books in step with DeFini procedures and upload them on to the Core.

- Order clearing

Upon receiving order books from various framework participants, DeFini Core begins the move process. Initially, trade orders received from liquidity providers and clients are merged into two separate bulk lists. DeFini screening process involves spotting market-making bots mostly provided for liquidity matters, recurring market-taker flash orders and pretend orders disappearing at the specific spot rate. The latter is then filtered by DeFini mechanism and any recurring, erroneous or radical outlier orders are removed before. The result's two cleared and structured lists that are then merged into one and constantly updated master order book. The master order book is compressed and sent for display to customers who can take appropriate trading decisions. Additionally, customers can prefer to receive only parts of the book (for example only desired trade pairs or orders from specific liquidity providers, thus reducing bandwidth use and latency.

- Order processing

Once the master order book is made, the DeFini Core begins its or-der matching algorithm. If matching buys and sell orders are found or if a buying order is received, the trading pair is instantly locked and an invitation to initiate trade is distributed to the Agent of the corresponding liquidity provider. DeFini briefly locks a respective amount of collateral pledged by the client during the transaction session. The trade is completed through APIs on behalf of the client if he or she has an account on the liquidity providers platform. If the transaction is cross-platform, DeFini uses its accounts to settle trade between the client and also the provider. The framework accounts are rebalanced on a daily basis to sustain order settling efficiency and optimal asset use. During the transaction session, the actual trade order pair is locked with a hard and fast price and is cleared from the master order book once the trade is executed. All the transaction history is stored on a publicly open ledger for long-term safekeeping.

12. Key Features

- In-depth market monitoring

DeFini performs constant analysis of the worldwide cryptocurrency mar-ket using real-time data provided straight from exchanges. Thus, DeFini is ready to spot the most effective trading possibilities or arbi-trage options for its users while protecting them from unreliable parties or fake trade orders.

- Cross-platform interoperability

DeFini provides interoperability between various cryptocurrency exchanges and repair providers from round the world. By using dedicated Agent applications DeFini achieves stable, reliable and efficient integration, while the Protocol provides an identical API to possess direct access to the Core system.

- Advanced order processing

DeFini enables a number of conventional and advanced trading tools and options. DeFini effectively enables fixed-price OTC trading by using the market depth that comes from order aggregation to scale back asset price slippage of high-value trade. The framework is additionally able to perform advanced orders, like identifying unusual trading pairs, finding the most effective sources to meet orders, performing efficient chained-processing between several assets, etc.

- Dedicated infrastructure

DeFini uses dedicated high-performance infrastructure to facilitate its internal operations. This partial centralization of a largely decentralized and global market ends up in increased exchange processing efficiency, speed and market reach.For liquidity providers and clients this ends up in lower cross-platform trading costs, significantly reduced delays and increased profit margins.

- Transaction public ledger

All history of transactions made through the framework are stored for long-term safekeeping on a public ledger.The ledger is accessible by all framework users and provides transparency within the operations done by DeFini.It also creates options for public auditing and opportunities to use the information by third-parties in their analysis systems and trading bots.

- Security features

By maintaining a partially closed system running on dedicated infrastructure, DeFini is ready to make a highly secure framework that's resilient to malevolent outside interference.Access to the system is restricted – users are going to be subject to verification proce-dures and every one communication is allotted using secure API keys. Addition-ally, the transaction ledger acts as a secure and publicly accessible backup of all trades made through the framework.

- Market integration strategy

The strategy of DeFini is predicated on providing high-value and cost-efficient services to the B2B crypto industry sector. By aggregating trade orders from various exchanges round the world, DeFini is able to offer a unified orderbook with the best market depth and also the most lucrative cross-platform arbitrage opportunities. Early clients, big market players and selected partners will be offered the chance to integrate their operations directly with

the framework Core using the DeFini Protocol for real-time interoperability and efficiency.

- Partnership strategy

DeFini is aiming at creating a world network of key partnerships throughout the planet, with a selected focus at:

Top 30 crypto exchanges and trading networks so as to possess high-bandwidth and cost-efficient direct access to the foremost liquid order books on the market;

Crypto-to-fiat gateways throughout different countries and jurisdictions, in order that clients can easily withdraw funds di-rectly from their DeFini accounts or supplement them using local payment processors.

13. Revenue model

Revenue needed for continuous maintenance and expansion are collected from fees on trades and withdrawals, subscriptions for advanced trading options and payments for added services and features.All fees within the framework are paid in DFN tokens in step with their market rate. Payment will be done directly by deductions from the clients' token balance or by purchasing DFN tokens through the framework at market prices. DeFini executes trade orders in their full amount and doesn't apply any hidden fees – all fees are transparently added on top of trades and liquidity providers fees. The effect of compouning fees won't only be offset, but reduced up to 50% by DeFini having the ability to supply the foremost lucrative trade deals aggregated from different platforms, and also by executing trades using its high-volume corporate accounts for lower rates.Additionally, clients who maintain a considerable amount of DFN tokens as collateral in their user accounts gain additional discounts, with a part of their transaction fees being returned as cashbacks.

14. User ecosystem

- Cryptocurrency exchanges, payment gateways and trading platforms

The main user base of the Defini n framework. Various crypto exchanges and ser-vice providers from round the world can participate within the framework either as liquidity providers (directly or indirectly by providing technical means to aggregate their trade orders) or either as clients that seek access to the market depth and trade volume potential available on DeFini.

- Crypto projects

Access to promote liquidity is one of the foremost pressing issues for pretty much all crypto projects, druring several stages. With the services provided by DeFini, projects are ready to consolidate their asset market from listing on different exchanges into one market, thus reducing price volatility and increasing acquisition access for interested parties.

- Institutional investors

The current crypto asset markets are very limited for institutional investors who usually

engage in high-volume and high-value trades. By aggregating trade orders into one orderbook with high market depth, DeFini is going to be ready to significantly simplify realization of huge orders by offering fixed-price OTC and high-frequency trade processing services.
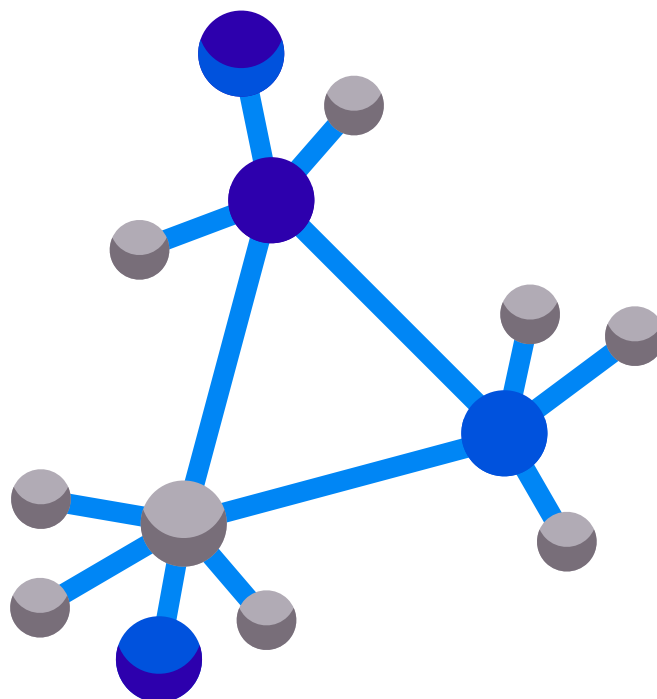
- Individual traders

Despite being a B2B oriented system, DeFini is welcoming to individual crypto traders that engage in active management of their investment portfolios. With the assistance of DeFini, crypto traders are going to be ready to access secure and reliable cross-platform arbitrage opportunities and perform trades on a worldwide borderless market.

- Third-party software and services

Trading bot users, crypto wallet developers, analytics providers and various other third-parties are liberal to use the framework for his or her own benefit. DeFini will provide in-dustry standard solutions and various adjustment tools to simply and efficiently integrate third-party software and services with the broader framework.

15. Token pledging mechanics

Clients that want to trade on the DeFini framework are required to pledge collateral within the sort of DFNi tokens. The market price of pledged DFNi tokens will directly correlate to the utmost limit of active trades (taking user tier into account). Once a client initiates a trade order, a corresponding amount of DFNi tokens are temporarily locked for the trade execution period (usually not longer than 1 min.). Once the amount has ended, these tokens are unlocked and might be utilized again in trades by their owners.

16. Utility of the Token

The token acts as a medium valuable transfer and plays a necessary role in facilitating operations within the framework and its internal economy. Users that wish to interact with the DeFini framework and use services provided by it, can utilize DFNi tokens – either for transaction fees, use of services or for collateral pledging.

The DFNi token is constructed on the Ethereum blockchain.

A finite total amount of 250.000.000 DFNi tokens are going to be issued, with 125.000.000 (50% of the overall amount) offered to project supporters during the DeFini offer.Later on, DFNi tokens are available for direct purchase through the DeFini framework. DFNi are single-issue tokens and no additional ones are often created within the future.

Collateral pledging

DFNi tokens are utilized in risk management and stabilization of the economy

Maximum active trade volume regulation (per given time period)

Collateral provision in DFNi tokens

Determining user tiers, limits and fee reductions

Service fees

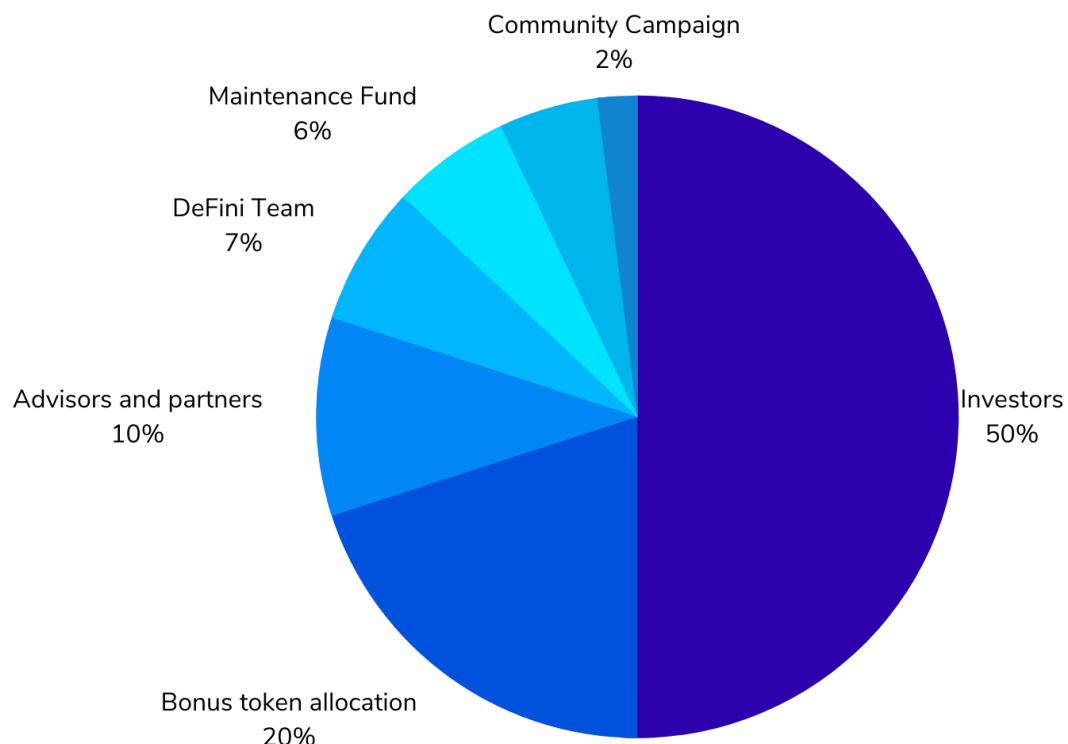*All services provided by the DeFini framework are paid in DFNi tokens*

Transaction fees

Payments for listing tokens and market making through exchange platforms

Subscription fees for advanced trading options

Gas fees for internal transfers

17. Token Distribution

Community Campaign
2%

Maintenance Fund
6%

DeFini Team
7%

Advisors and partners
10%

Investors
50%

Bonus token allocation
20%

50%	*Investors*
20%	*Limited bonus token allocation*
10%	*DeFini Team*
7%	*Maintenance Fund*
6%	*Brand Ambassador programee*
2%	*Community Campaign*

18. Funding allocation

50% Platform development
Used for building, testing and deploying the infrastructure, providing continued technical support and extra service implementations.

30% Marketing and Promotion
Utilized for attracting an initial user base, increasing product awareness and financing various promotional activities.

10% Business development
Used for developing the DeFini business model, establishing key partnerships and covering initial operational costs.

10% Legal and Contingency reserve
Reserved to hide legal costs, mitigate unforeseen risks and overcome unexpected situations.

19. Legal Disclaimer

Regarding the White Paper:

- This White Paper is for information purposes only and may be subject to change.
- The introduction and description of the basic condition of the project in this document is an invitation to the general public. It is not and cannot be regarded as an investment or declaration of commitment to any specific or unspecified subject. It's not a commitment nor a guarantee.
- In view of changes in the ongoing regulation of blockchain technology, cryptocurrency or intangible assets by governments around the world, the Gleec team reserves all rights to modify, delete, add, abrogate, and interpret related behaviors of this document.
- Those who have the intention to invest in this project must clearly understand the full risks of this project.
- As far as DeFini is aware, all the information in this White Paper is accurate and its estimates and assumptions are reasonable. However, there are no assurances as to the completeness of this information.
- No regulatory authority has examined or approved any of the information set out in this White Paper.

Regarding the Token:

- The sale of DFNi is final and will not be refundable. They shall not be used or purchased for speculative purposes.

- Any dispute or controversy arising from or under the crowd-sale shall be resolved by arbitration in accordance with the Rules of The Court of Arbitration of the Estonian Chamber of Commerce and Industry. The seat of the arbitration shall be Estonia. The arbitral proceedings shall be conducted in English.
- The TOKEN has the risk of being lost, tampered with, stolen or mishandled. The project team cannot guarantee the storage, retrieval, and modification of the relevant virtual property.

www.defini.io