

Pool-X White Paper

v1.0

Background

Since the birth of blockchain technology, cryptocurrencies such as Bitcoin have flourished and become one of the technology's key proponents. With the continued development of blockchain technology and the public's growing understanding of this new economic realm, a connection has been made which has brought about significant improvements to the market by enabling more cryptocurrencies to evolve based on the needs of the users. This has led to a new trend in the market towards an alternative asset allocation model.

Consensus mechanisms are vital to the ecology of the cryptocurrency field. The vast majority of cryptocurrencies rely on the various consensus protocols that have been established to keep the mechanism functioning. Primary examples of such mechanisms include PoS and DPoS. The tokens produced by these are respectively composed of two parts, free circulation, and locked positions. The staking rate of many existing PoS/DPoS projects often occupy 50% of their total circulation, with some ecologically healthy and high-quality projects reaching up to 90%. These trailblazers are the vitality of the ecosystem, for which there is a huge demand that has not yet been effectively explored or satisfied.

Platform Introduction

Vision

Currently, there are very few users who pay adequate attention to the growing ecosystem of staking projects in the crypto asset market. As a matter of fact, the scale of the staking market may be larger than the free circulation market, leading to potential liquidity issues, while also impacting other areas including the selection of nodes and the implementation of redemption rules during the staking period.

The establishment of Pool-X helps users to select appropriate nodes in a more convenient way, while also helping the nodes access a wider group of users who maintain a solid understanding of the consensus mechanism. Adding to this, the integration of statistical tools will enable the node ecosystem to operate more efficiently. In order to meet the demand for a real-time liquidity supply for crypto assets that are currently held in staking, the trading market will be matched by both liquidity providers and bidders. This also enables the reduction of the friction cost for users joining nodes. Ultimately, Pool-X facilitates the development of the staking ecosystem and drives more traffic to the market.

What is Pool-X?

Pool-X operates on the core value of empowering digital asset staking. It is a single/multi-currency and multi-node trading platform that provides users with quick access to select high-quality staking pools and nodes. Based on the nature of the Pool-X mechanism, it also establishes a competitive system that offers a liquidity trading market, node integration and operational solutions.

The core sections of the ecosystem are as follows:

- Node Supermarket: A platform that integrates single and multiple currencies to multiple nodes. It offers an effective and convenient gateway for users to select and join nodes.
- Liquidity evaluation system: A system that measures the liquidity of the corresponding cryptocurrency integrated with Pool-X nodes to adjust the allocation from staking mining. For individual cryptocurrencies, the system will specify the liquidity and form up the indexation parameters by monitoring the open order price and depth of the target exchanges. The evaluation system provides significant guidance for the exchange to list a token.
- Liquidity trading market: It provides a liquidity matching mechanism for users who hold staking tokens on the platform. For users who hold locked tokens and need to redeem the staked tokens in the short term, they can proceed to place an order in the liquidity trading market and exchange the tradable cryptocurrencies from the current suppliers by paying an extra amount of POL. The mechanism has provided lock-up participants a more convenient way to ensure liquidity and secure a lower threshold for joining the nodes.
- Node integration support: Pool-X provides one-stop integrational technology and operational solutions that enable more nodes to obtain their target users and build an industrial-class PAAS (Pool As A Service).
- Multi-language support: Pool-X supports Chinese and English for worldwide users, with more language support planned for release to enhance the user experience.

Platform Roadmap

- ◆ Platform launch, Integration of supported staking coins
- ◆ Liquidity trading platform 1.0
- ◆ Liquidity evaluation system release
- ◆ Multi-coin and Multi-node integration
- ◆ Node integration technology and operational solution upgrade
- ◆ Pool-X ecosystem upgrade

The POL

Abstract

Serving the role of points/credits for users on Pool-X, POL is one of the most crucial components in the pool's ecosystem. POL, abbreviated from Proof of Liquidity, was born to cope with the inadequate liquidity of staking crypto assets. It helps to record the liquidity certificate flows and works as the payment method for liquidity bidding. Perhaps most substantially, POL is the benchmark asset of liquidity pricing on the platform, as well as the medium for liquidity certificate records. It is for these reasons that it is named after Proof of Liquidity.

The total supply of POL stands at 1 billion. Due to their nature, zero reservations for decentralized points/credits are to be provided to the team or any individual upfront. With its strict mechanism of participation proof, the rights and interests of the POL holders will be secured only on the back of deep involvement and substantial contribution to the ecosystem. That said, the vesting and distribution policy is also designed to serve as encouragement for actions that will benefit the growth of the platform.

On Pool-X, POL bridges between coins that are staked and those in circulation, paying with which allows the users to obtain instant liquidity even when the crypto assets are still in staking. Additionally, POL can be applied in scenarios such as search optimization and staking node establishment as payment, which will ultimately be burnt to benefit the potential appreciation of POL.

Moreover, as the underlying infrastructure technology develops, the POL public-chain, within its ecosystem as well as interoperating across various chains, will run as the foundation for the staking certificate flows.

Token Economics

Total supply and distribution mechanism

- Ticker name: POL
- Total supply: 1 billion
- Distribution
 - LockDrop (2%): The user will obtain a certain amount of POL by depositing and locking the coin designated by the staking mining pool.
 - Staking (78%):
 - ◆ Staking Mining (50%): Users participate in the actual staking business of Pool-X to obtain POL. The daily distribution will be determined according to the "Adjusted Market Value" share of the user's locked allocations. The daily mining yields will decrease over time.
 - ◆ POL PoS Scheme (30%): Users who hold POL can obtain extra POL by participating in lockup and voting activities of POL nodes.
 - The budget system (20%): The applicants shall obtain the budget allocation from positive results of node voting. The actual distribution of the POL takes place after the outcome is validated.

POL Working Process

1. The Initial Distribution

The user will obtain a certain amount of POL(2% of the POL mining volume) by joining the official LockDrop activity.

2. Staking Mining

To cement the fundamentals of the platform, Pool-X will test the water with quality mainstream coins and gradually widen the spectrum to cover multiple altcoins, as well as multi-nodes and/or multi-pools of a single coin, aiming to satisfy the various user demands.

In addition to the regular return on staking, Pool-X also offers a certain amount of POL through POL mining, the daily volume of which is determined by the weighting of Adjusted Individual Market Share to total Adjusted Market Share. (20% of the POL mining volume will be released to users outright, while the remaining 80% will be firstly locked-up for 6 months and then follow a linear vesting scheme over the next 4 months).

The Adjusted Individual Market Share equals the number of coins the user puts in staking multiplied by the current price of the coin times the adjustment coefficient. The adjustment coefficient is a parameter to measure the liquidity of different coins, based on which Pool-X will regulate the individual-cap of the (POL) staking mining. In regards to assessing the liquidity of a particular coin and developing an indexation parameter, the system will monitor its price and order-book depth across multiple designated exchanges to gather the data for computation.

The daily mining supply of 0.5% is fixed within a 180-day period. Thereafter, the total mining supply will deflate by 20%.

3. POL PoS Node Mining

As governance of Pool-X improves and the POL main-chain launches, recording and validating of staking certificates and transaction records across different blockchains becomes a necessity. Under such circumstances, the PoS mechanism will be the most proper adaptation. Via staking POL with the nodes, users secure the right of governance, voting and validation of the data, as well as the right to enjoy the PoS returns. In addition, the governance of the Pool-X staking pool and POL public chain will take place through node voting and will benefit from the node returns.

4. The Budget System

The budget system is designed as an incentive for Pool-X contributors who propose solutions that will ultimately benefit the entire ecosystem. All the POL nodes will vote to approve the proposals, assess the outcome and deliver the incentives afterward:

- Referral Scenario: The community has full authority to devise the incentive scheme, e.g. a 2-layer rebate structure, where the first-layer referrer gets 50% of the referee's return income generated from participating in the staking pool, while the second-layer referrer gets 30%. Rebates for referrers will follow the lock-up and vesting policy. The rebate amount is derived from the referees' returns from staking mining, with the funds coming from the Budget System.
- Developer Contribution: By making an improvement to the technology and/or product, developers may also get incentives if nodes vote for the development proposals to be implemented. The incentives won't be released until the nodes validate the outcome.

POL Use Cases

1. Liquidity Marketplace

By participating in the Staking scheme, in addition to securing dividend income from staking a coin, the user will also obtain a staking certificate, which is tradable when the user requires an instant redemption of the staking allocation.

This requirement costs a certain price, in the form of POL, to be paid by the liquidity-bidder to the liquidity-provider. With that, the bidder will be able to withdraw the coins from staking outright, while the certificate will be transferred to the provider.

The price is market-oriented, meaning, it is determined by the supply-demand relation of liquidity. Generally speaking, demand for liquidity is positively correlated to the cryptocurrency market volatility, which encourages users to withdraw the assets to trade for potential alpha returns.

Accordingly, the demand for POL fluctuates along with the liquidity demand: stronger demand is likely to boost the price of POL; in contrast, weaker demand may indicate a slimmer price premium.

2. Node Search Optimization

As the numbers of coins for staking and nodes for each coin increase, Pool-X expects that escalating competition amongst nodes to acquire users will boost demand for search optimization, which is designed to be priced at least partially in POL.

3. Tech Service Payment Method

In the later stages when the platform operation matures and the technology improves, it will also be able to offer full-set tech and operational solutions to new nodes, which will pay the platform in POL.

4. POL Public-chain Interoperability

When the POL mainchain is launched and the technology becomes more sophisticated, it will shoulder the responsibility to record and validate the transactions of certificates across various chains. POL, as the native coin of the chain, will be the method of incentive.

POL Burning

The revenue - POL generated from platform operation and other income will be utilized for POL buyback and will ultimately be burnt:

- Mining Pool Entry Fees: Similar to the listing fees, new coin staking pools that are approved by the nodes will pay a certain amount of POL which will be burnt.
- Soft Staking Transaction Fees: Users with redemption demand before the staking maturity will need to use the matchmaking service offered by the platform. Specifically, the bidder offers a discount on the staking dividend, which will be priced and paid to the liquidity provider in POL. Since the platform provides efficient and secure matchmaking services, 10% of the bidder's cost will be taken by the platform.
- Node Ranking/Marketing Fees: For nodes seeking marketing services (as well as the above-mentioned search optimization), they can pay the marketing fees in their native coin or POL, the latter method coming with a discount.

POL Roadmap

- ◆ Distribution of POL Staking
- ◆ POL Access to Pool-X Full Operational Chain
- ◆ POL Nodes Launch & Establishment of Community Governance Mechanism
- ◆ POL-Chain Development and Upgrade, Initiation of Decentralized Governance of Liquidity Certificates