



White Paper

# Table of Content

Table of Content .....	2
Disclaimer .....	3
Blockchain Technology is Changing the World .....	4
What is SwapZilla? .....	7
The Market .....	9
Value Proposition .....	14
Why are we creating SwapZilla? .....	14
How will SwapZilla work? .....	18
Trading Core .....	19
Information and Analytics Core .....	22
Passive Trading Core .....	23
Advantages of SwapZilla .....	25
Business Model .....	28
Technical Base .....	31
Security .....	32
SDLC .....	32
Application architecture .....	33
Security monitoring .....	34
Road Map .....	35
Our Token .....	36
Terms .....	37
Use of Funds .....	38
Legal Considerations .....	41
Risks .....	42
Team and Advisory Board .....	43
Glossary .....	44

# Disclaimer

This Whitepaper is not an offer, inducement or an invitation to purchase Tokens. This Whitepaper, nor any of its contents, is to be taken as a form of commitment for SwapZilla to proceed with any offerings or transactions.

The information in this Whitepaper is solely for informational purposes and has not been independently verified. All information contained is subject to updating, completion, revision and further amendment.

SwapZilla has no obligation to provide access to any additional information to update this Whitepaper or to correct any inaccuracies within this Whitepaper.

No securities regulatory Authority in the USA, Canada or elsewhere have reviewed this Whitepaper.

This Whitepaper contains statements, beliefs, opinions and forecasts. Such information contains a number of known and unknown risks, uncertainties and assumptions concerning SwapZilla business that could cause actual results to differ materially than those expressed or implied.

# Blockchain Technology is Changing the World

The blockchain has changed the world of technology forever. The list of its applications has shown that it can achieve a high level of transparency and security. The technology combines unique features that make it one of the foundations of the new economy:

- anonymity of users;
- full availability of transaction information;
- complete impossibility of hacking or tampering with data due to decentralization;
- no third party is required to certify transactions; all matters are regulated only by two parties;
- record of transactions is stored in the registry for all users and are updated for all at the same time.

The first main application of the blockchain technology was a cryptocurrency — Bitcoin. Its emergence has revolutionized payment systems around the world, allowing people to easily, quickly and safely make international transactions with minimal commissions. Then Ethereum had a fantastic success, presenting the ability to generate tokens (ERC20<sup>1</sup>), create DAO<sup>2</sup>s and apply smart contracts<sup>3</sup>.

Over the past few years, the blockchain technology has reached an incredible popularity and attracted the attention of the general public. The practical use of the blockchain is no longer limited to payment systems. New areas of its development are the **transformation of business models, process optimization and the integration of technologies into existing businesses**:

## Contractual sector

Through the decentralized registry of data, one can create automatic contracts that come into force when these conditions are met — the user saves on fees and prevents fraud. (Slock\*)

## Data storage

Through blockchain you can create decentralized cloud storages. (Storj\*)

---

<sup>1</sup> Token standard on Ethereum.

<sup>2</sup> Decentralized autonomous Organization (DAO) — a company that works through using smart contracts.

<sup>3</sup> Algorithm that digitizes and enacts smart contracts.



## Supply Chain Management

Blockchain allows companies to monitor the movement of products along the supply chain. Time stamps fix the date and place of the transaction with reference to the unique product number. (*Walmart\**)

## Intellectual property protection

Smart contracts protect the copyrights of intellectual property owners and automate online sales, reducing illegal copying. (*Mycelia\**)

## Tokenization of assets, both financial and real:

securities (*Latoken\**), gold (*Digix\**, *OneGram\**, *Vaultoro\**), real estate (*Latoken\**, *Atlant\**), art objects (*Latoken\**, *ARTEX\**), precious stones (*Everledger\**).

All this was made possible largely due to utility tokens. Utility Tokens is a special type of cryptoasset that not only certifies ownership / interest in a blockchain project, but also performs some useful function for its holder.

This value of Utility Token is the key driver of growth in the demand for tokens — as it provides for fundamentally new services. On the other hand, there is also a speculative component some of the holders just want to make money on the price increase of a successful token without using its value.

However, the weakest point of the system is **poor infrastructure**: the purchase of a token, for a potential investor is a challenge — different tokens are traded on different crypto exchanges, access to which is often difficult and associated with additional costs. The exchange of tokens is limited by the capabilities of the platforms. Project information is often incomplete and poorly structured, as it comes from various sources scattered across the web.

SwapZilla, brings together all exchanges, all tokens, all news streams and all tools.

Our platform is suitable for any player on the market: a crypto exchange, a trader, a news channel or a company that develops trading algorithms — SwapZilla will give them an opportunity to effectively interact and exchange information and data.

Through our platform users will be able to:

- get convenient access to the widest possible range of crypto assets;
- crypto exchanges will be able to multiply their client base and get additional sources of income.

This document describes the technical, operational and financial features of SwapZilla, as well as the detailed plan for the development of our product.



# What is SwapZilla?

Our goal is to become a unique infrastructure solution, creating value for each of our clients and partners. SwapZilla will provide users with a comprehensive services and most advanced trading tools.

We offer a modern high-tech trading platform, where the user will get an instant access to information, news and analytical data, hundreds of cryptocurrency exchanges and a wide variety of trading tools — all in one window:

- Collection of the price data on different exchanges allows SwapZilla users to make transactions at the most favorable rate and minimize the risks of exchange manipulation.
- SwapZilla trading core provides the user with a wide range of functions for a quick and convenient execution of transactions, as well as for monitoring and analyzing the trades.
- The arbitrage, mirror and margin trading modules allow the user to receive passive income on our platform.
- Through the SwapZilla information and analytical core, our clients will get convenient access to news, analytics and recommendations specially selected for them.
- The system of verification, storage and transmission of data, enables the SwapZilla users to get the most secure and efficient crypto exchange experience.

We want the user experience to be as convenient as possible, that is why we provide an opportunity for self-configuration of a personal account and connecting or disabling different additional tools and modules (setting up a trading window, setting up a news feed, etc.).

It is important for us to create an infrastructure solution that will provide value not only for the user, but also for our partners. SwapZilla will be free for any B2B player on the cryptocurrency market, in return they will get an instant increase in their client base.

It is important to note that the exchanges will receive “clean customers”: our platform will fully carry out all the necessary KYC<sup>4</sup> and AML<sup>5</sup> procedures, monitor customer reputations and provide the technical support. The trading platforms will receive commission income from the transactions made by our users and will not incur the associated costs.

We will also develop the most convenient and automated systems for quick and easy integration to our ecosystem. This will allow any partner to connect to our system quickly and with minimal integration costs.

---

<sup>4</sup> KYC (Know Your Client) — is a standard procedure for identifying and verifying the identity and credibility of a client, before the transaction takes place.

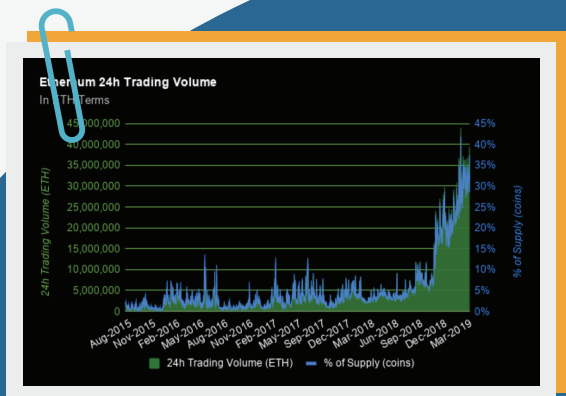
<sup>5</sup> AML (Anti-Money Laundering) — a set of rules and requirements for financial institutions and intermediaries, which require them to control and disclose any illegal money laundering schemes.

# The Market

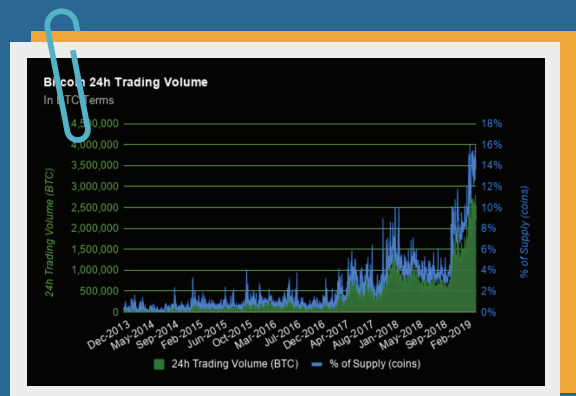
Since the inception, cryptocurrencies have gone through a large evolutionary path and became widespread. The number of people showing a direct interest in cryptocurrencies is growing rapidly. This applies to both professional players (traders, investors, etc.) and ordinary users. Some companies (GMO Internet, Bitwage and others) are beginning to pay a part of their employee's salaries in cryptocurrencies. Other projects (Ripple, Stellar) use cryptocurrencies for making international inter-currency transfers and serve more than 200 institutional clients and a significant number of small companies. Increasingly, more people are using digital money in everyday life (PizzaForCoins — paying for food orders, Expedia — buying tickets, Overstock — paying for goods in an online store, etc.), which indicates a positive the future of the new crypto market.

Evaluation of the scale and growth of the crypto market is the main point of discussion in the cryptocurrency community. Some, put forward extremely positive growth forecasts, others are more conservative, and insist on the gradual integration of cryptocurrencies into the world economy. Based on the global dynamics of its development, everyone agrees that the cryptocurrency market has a great future and that it will become an integral part of the global economy.

Currently the cryptocurrency market at the stage of volatile growth. The daily trade turnover of crypto assets is around 15-20 billion dollars. The best example is the dynamics of the trading volumes of the two most common cryptocurrencies Bitcoin and Ethereum, which have been showing an active growth over the past 6 years.



Picture. 1. ETH Daily Trading Volume



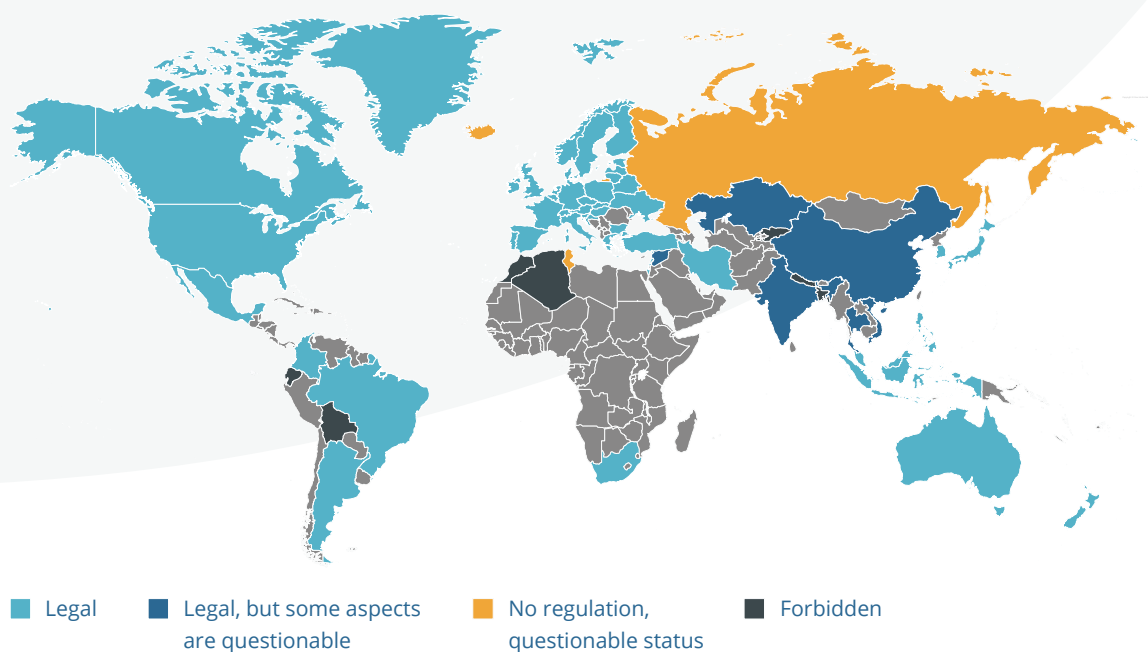
Picture. 2. BTC Daily Trading Volume

Another good indicator of market growth is the dynamics of the number of its participants. The number of unique users of crypto wallets<sup>6</sup> is steadily increasing, and in the near future will reach the figure of 40 million.



Picture 3. Number of crypto wallet users

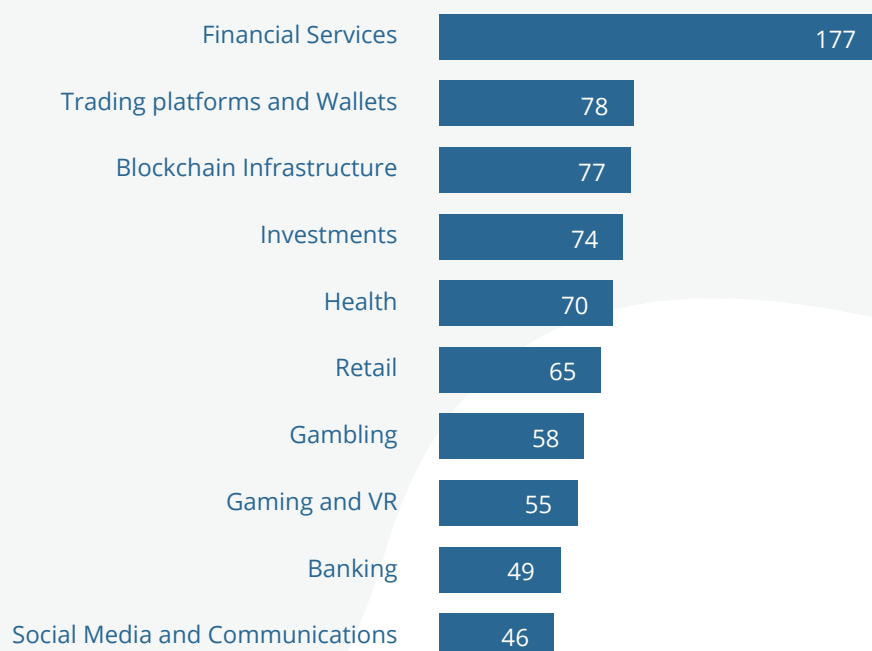
More and more people around the world are discovering the benefits of crypto assets. This causes inevitable questions about the legality of this emerging new market. As a result, states are forced to adapt their legislation to new technology. There is a strong tendency for a gradual recognition of a legal status of cryptocurrencies and use of its elements for digital transactions in traditional economic systems.



Picture 4. Cryptocurrencies Legality

<sup>6</sup> Blockchain.info

With the development and recognition of the crypto market, users feel the need for new, modern and technological, financial, analytical trading and investment tools. This need is expressed in the growing interest of investors and funds specializing in IEOs, blockchain solutions and crypto market infrastructure products.



*Picture 5. Most popular blockchain related investments (9 month 2018 z.)<sup>7</sup>*

A huge interest in cryptocurrency financial services can be evaluated by the volume of funds raised by the IEO projects: in Q3 2018, projects involving the creation of crypto exchanges, wallets and the provision of financial services attracted over \$ 200 million and are continuing to lead among all the investment areas, both in terms of the amount of funds raised and the number of companies.

Popularity of such products are easy to explain — crypto exchanges are a primary infrastructure product that is understandable to the investor, it generates stable predictable cash flows, and has a high potential for scaling. All of these factors determine a high average ROI (1061%)<sup>8</sup> for such projects.

---

<sup>7</sup> IEO Market Research (1Q-3Q 2018) by IEO Rating

<sup>8</sup> WalrusCap

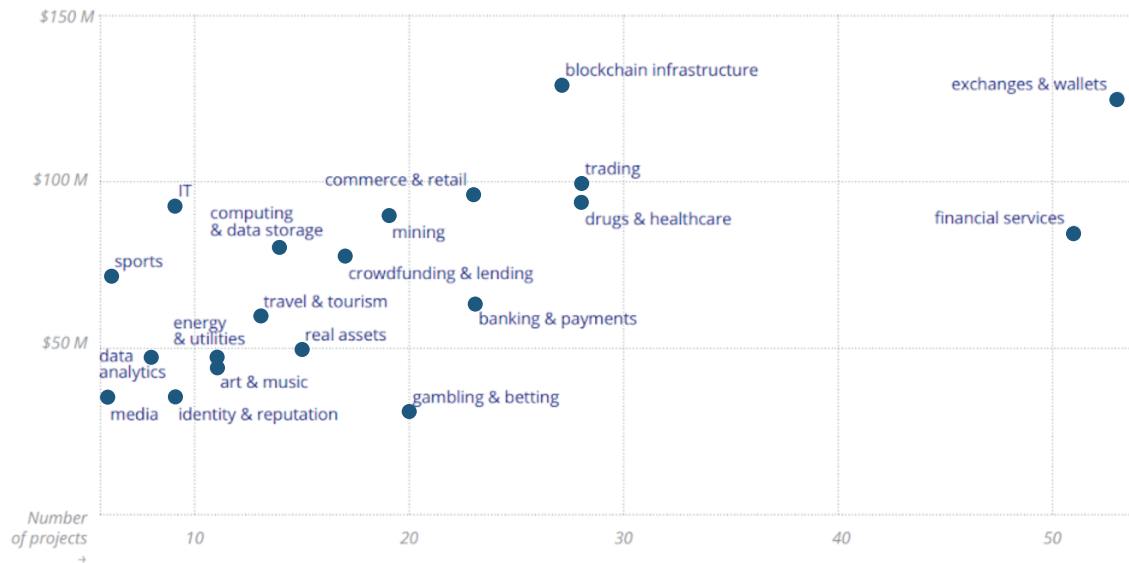
Category	Average ROI ETH (%)	Average ROI BTC (%)	Average ROI \$ (%)	Number of IEO	Median ROI ETH (%)	Rating
Exchanges	1061	674	2775	2	1061	1
Data Services	546	399	382	1	546	2
Blockchain	368	544	835	14	148	3
Hybrid Intellect	346	404	1290	1	346	4
AI	250	637	348	2	250	5
Internet of Things	181	142	132	1	181	6
Business	170	435	558	2	170	7
Master Node	124	263	312	1	124	8
Advertisement	114	82	77	1	114	9
Insurance	105	524	255	2	105	10
Health	104	278	131	2	104	11
Blockchain Services	81	164	264	51	16	12
Verification	72	122	206	5	65	13
Trading Platforms	71	227	203	16	4	14
Cloud Storage	57	95	313	5	18	15
Additional Reality	55	70	358	1	55	16
Mobile	43	151	137	8	40	17
Mining	33	26	14	1	33	18
Sales	32	123	211	18	-21	19
Energy	26	-7	3	2	26	20
Security	25	113	176	5	-12	21
Finance	10	75	134	14	-10	22
Crypto-Funds	10	117	104	1	10	23

Picture 5. ROI rating for blockchain related projects<sup>9</sup>

Projects that are connected with provision of financial services, creation of blockchain infrastructure and trading are among the leaders in terms of attracted funding.

<sup>9</sup> WalrusCap





Picture 7. IEO projects map<sup>10</sup>

The positive dynamics of the crypto-assets market and an increasing interest from investors leads to a creation of a large number of exchanges and trading platforms. Every day, a large number of companies are entering small exchanges, creating new crypto currencies and attracting investors who want to participate in specific projects. At the same time, a huge number of related projects and solutions are being launched: information and analytical sources, trading floors, financial companies etc.

The only downside is that, there is no unified infrastructure on the market. Investors are forced to interact with a huge number of exchanges in order to be able to trade, as well as being able to collect information and trading strategies from many different sources. This situation presents us with a unique opportunity to become the largest player in this market.

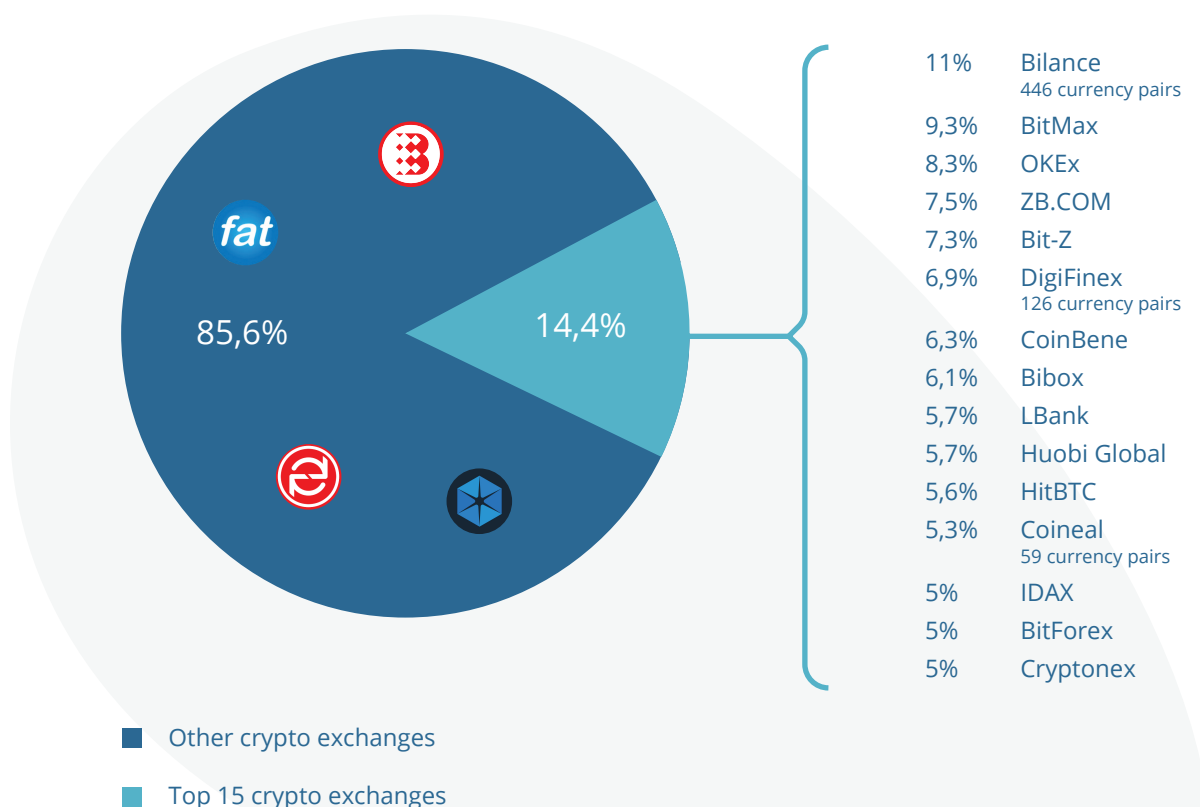
<sup>10</sup> IEO Market Research Q3 2018 by IEO Rating

# Value Proposition

## Why are we creating SwapZilla?

The cryptocurrency market, has survived great ups and downs, and continues to grow rapidly. The hype has left the market, but trading volumes are continuing to grow. The memberships of new and existing trading platforms are growing every day. Now, there are more than 240 exchanges operating on the market and trading is significantly diversified: for example, the three largest exchanges (Binance, BitMax, OKEX), only take less than 2% of the market share.

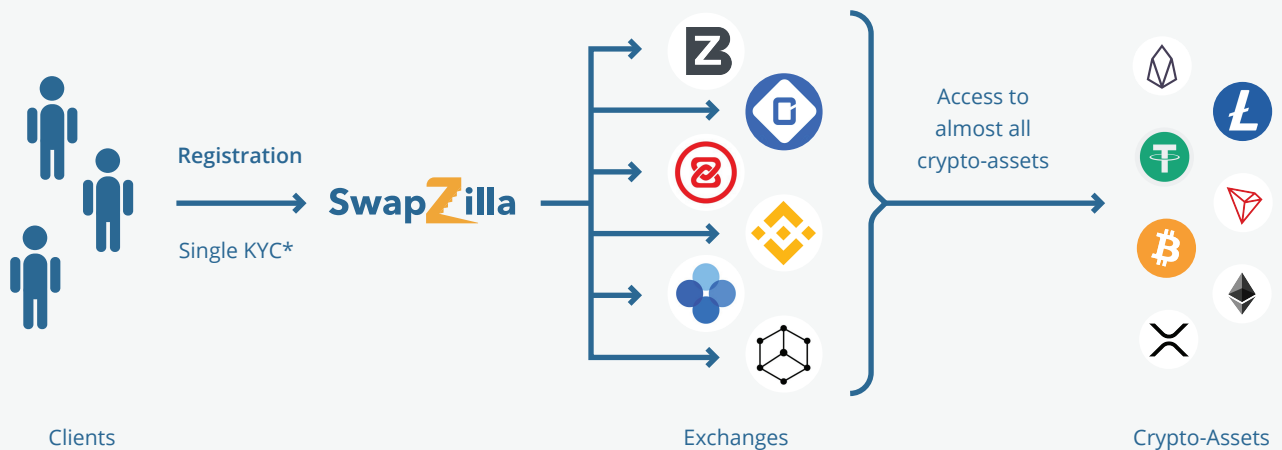
There are more than 2,000 crypto coins and currencies in circulation, though the largest exchanges, only support 500 currency pairs. Smaller exchanges only support 5 – 10 currency pairs. At the same time, the speed of issuing and executing orders in cryptocurrency market is several times lower than, on FOREX. Market infrastructure leaves much to be desired.



Picture 8. Crypto Exchanges Market Structure

As a result, traders who want to make money crypto currency trading have a number of inconveniences:

- the need to use a large number of accounts on various exchanges;
- difficulty tracking portfolio value and assessing returns;
- incomplete list of assets on individual crypto exchanges;
- limited functionality and tools;
- inconvenient interface and incorrect accounting of transactions;
- losses with large trading volumes;
- hacker attacks and fraud;
- complex and long KYC procedures.



Picture 9. SwapZilla diagram

We are building a platform that is designed to make a trading process quick and convenient.

**By using the SwapZilla platform, the investor will receive all the necessary tools to have an access to any crypto asset class:**

- Instant access to any crypto assets in the “single window” mode.
- Search for the best deals.
- Minimum fees for customers.
- The possibility of profitable sale of large volumes of assets (cascade placement of orders).

- Access to margin trading.
- Customizable virtual trader's office with the ability to connect to third-party software products

Another significant problem is the lack of a unified information space. To select the best assets and trading strategies, an investor is forced to look for information on open sources, analyze dozens of news resources and read many analytical channels in search of suitable trading ideas. This makes the investment process long and laborious. This problem reduces the attractiveness of the crypto market, and often becomes a barrier to the entry of new investors.

SwapZilla will change that forever. Our trading platform will provide the user with a comprehensive service, that will make trading simple and convenient. With our unique information and analytical system, a trader using SwapZilla will receive:

- Aggregated information and news on any asset or market segment.
- Personalized feed.
- Updated catalogue of the most effective trading strategies.
- Recommendations and analytics from market experts.
- Market signals.

We also understand that there is a significant number of potential investors who do not have an opportunity to spend a lot of time managing their portfolio. Our task is to offer such clients a service that would allow them to receive passive income, with minimal efforts.

SwapZilla will include the modules for:

- Mirror trading: copy the strategies of the most successful traders using our trading platform.
- Passive arbitrage trading, carried out through the algorithms developed our specialist team.
- Passive lending for margin trading.

A deep understanding of the needs of all types of customers will allow us to develop the most comprehensive and effective trading tools. Unique conditions and wide variety of functions will lead to a multiple increase in the number of users of our service.

Our goal is to become, not only the best trading platform, but also to create an infrastructure solution that will meet the requirements of all market players: private investors, professional managers, stock exchanges, news and information publications, companies developing trading strategies, etc.

The SwapZilla platform will be extremely valuable for exchanges and other B2B players, as

it will give them a constant influx of new customers and an increased volume of transactions. Currently, in order to attract new users, the crypto exchanges have to have huge advertising and marketing budgets, our platform will change that forever. Customers who come to our trading platform will make deals on all exchanges connected to SwapZilla.

**It will be completely free for crypto exchanges to connect to SwapZilla<sup>11</sup>, which will instantly increase their customer base.**

We are planning on becoming one of the largest infrastructure players in the market, which will be impossible without integration of SwapZilla ecosystem through the API (Application Programming Interface). This procedure will be largely automated, which will make the connection our platform as quick and as convenient as possible.

In addition to marketing, the key item of expenditure of any crypto-exchange is customer support: conducting KYC procedures, constant monitoring of customer reputation, and implementation of technical support.

SwapZilla will completely eliminate these costs from our partners. When registering, all clients of our trading platform will go through a single KYC procedure and will be trading through a single SwapZilla wallet opened on each partner crypto exchange. We will independently monitor the reputation of SwapZilla users and interact with the banks and regulatory organizations. A round-the-clock multilingual technical support centre will also be created, which will give us an opportunity to solve all the problems and issues that arise without involving the crypto exchange employees.

These services make our platform even more attractive for the crypto-exchanges: by connecting to SwapZilla, they will receive a “clean clients” and generate commission income, without any associated costs.

By providing the best conditions, unique functionality and creating value for each of our clients and partners, we want to become an infrastructure solution that will change the crypto market forever.

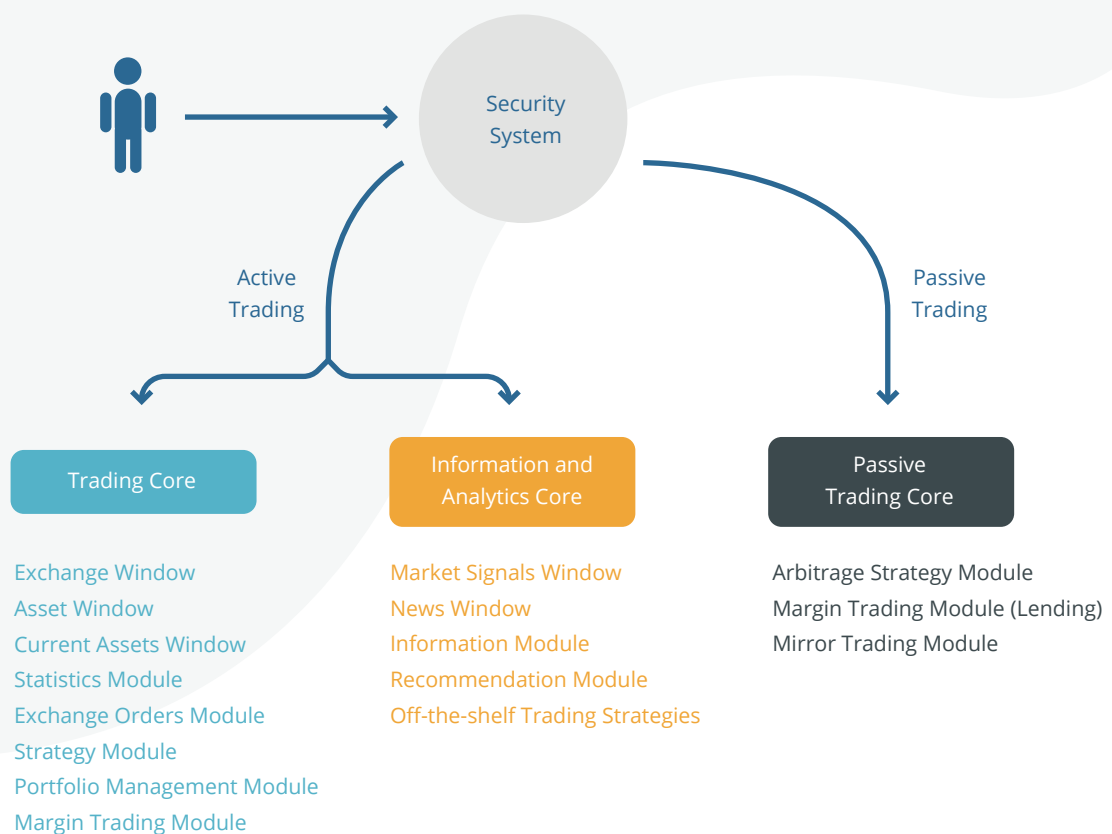
---

<sup>11</sup> We do not take commissions from integrated partners.

## How will SwapZilla work?

The SwapZilla trading platform is the most flexible, modular system that can be customized for each individual user.

We are developing the solutions for various types of investors, focusing on a convenient, easily customizable interface. The user, will independently select and connect all the necessary elements of the system: modules, screens and tools. Our system will consist of three key cores: trading, information and analytics and passive trading. Each of the cores contains a set of plugins and screens.



Picture 10. SwapZilla Structure

## Trading Core

### Exchange Window

This screen contains key information about all the exchanges connected to SwapZilla: the number of available currency pairs, trading volumes and price fluctuations. The user can find out the assets and prices available on each exchange, and monitor the dynamics of ones own balance on different exchanges.

### Assets Window

The SwapZilla client will be able see all the assets available to buy and to sell on our platform, their prices on different platforms and trading volumes. The user will be able to track, make deals and see the balance for each of them.

### Current Assets Window

A screen contains a summary of the current positions of the trader: purchased assets and prices, stock exchanges, dynamics of the total value of the portfolio and the profitability of the trader's strategies.

### Statistics Module

This module consists of two parts. The first one — the tools for a detailed analysis of the trader's portfolio, where the user will get automatically calculated statistics like: volatility and risk, beta coefficient, Sharpe and Trainor ratios, and others. By using SwapZilla, the client will be able to conveniently analyze his portfolio and make informed decisions about changing its structure.

The second part of this module — tools for statistical analysis of any assets and their impact on the current portfolio. Additionally, several methods will statistically evaluate the optimal portfolio structure of current assets based on minimizing risk or maximizing profitability.

### Exchange Orders Module

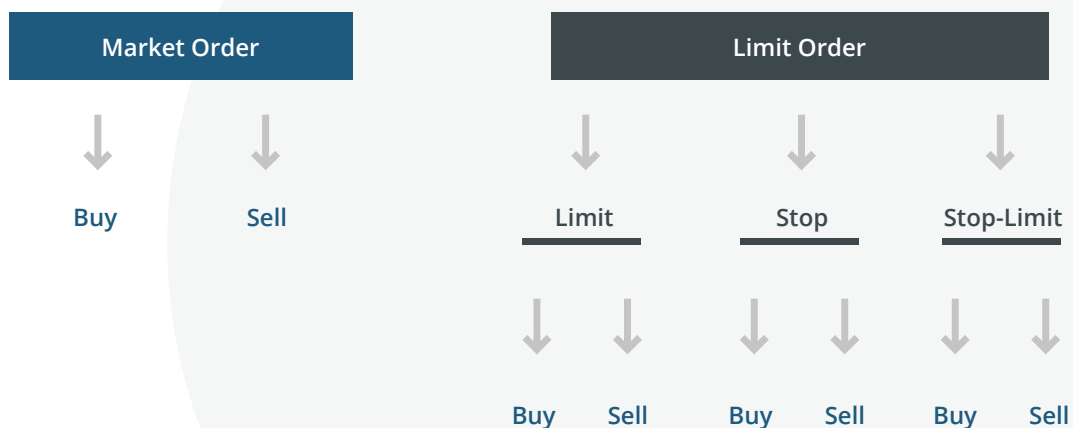
The work of our platform will be based on the principle of Best Execution — the best price execution of orders.

The module includes:

- Interface of formation of an exchange order: currency, volume, type of order, status;
- Mechanism of cascade distribution of orders;
- Tracking interface for submitted orders — with the full detailed costs (including possible commissions).

Our goal is to make trading tools as flexible and suitable for any trading strategy that our client might have. To do this, we will provide the maximum range of different types of orders, as well as an integrated algorithm of cascade distribution orders — to ensure the sale of assets at the best price.

To open and close positions through the SwapZilla platform, different types of order executions will be available: a **market order** — for buying or selling at the current market price and a **limit order** — for buying at a price not higher than the specified or selling at a price not lower than specified.



Picture 10. Available orders on SwapZilla platform

Orders will be executed depending on the parameters set by the trader:

1. **“Day Order” (DAY)** is a direction for the platform to execute a trade at a specific price that expires at the end of the trading day if it is not completed. The unfulfilled part of the order is removed.
2. **“Fill or Kill” (FOK)** is a direction for the platform to execute a transaction immediately and completely or not at all. This type of order is most often used by active traders and is usually for a large quantity of tokens or crypto currencies. The order must be filled in its entirety or cancelled (killed).
3. **“Immediate or Cancel” (IOC)** is an order to buy or sell a crypto asset, that executes all or part immediately and cancels any unfilled portion of the order. An IOC order is one of several “duration orders” that investors can use to specify how long the order remains active in the market and under what conditions the order is cancelled.
4. **“At the same price”**  
When cross orders take place at the same price, the order is completed at the price and volume of the other order — the rest is placed in the order queue at the price of the completed order.



## **5. “Cascade distribution order”**

By using our platform, the user has a simultaneous access to all the offers on the same asset on many different exchanges. When buying large quantities of crypto-currencies, the trader runs into the depth of the market problem — larger trades are less profitable than smaller trades. In order to solve this problem, SwapZilla development team has developed an algorithm for cascade distribution of orders among different exchanges to minimise the costs associated with the sale of large quantity of assets. The system statistically assesses the “depth of the market” and the probability of buying the given ASSET at a given price on all connected exchanges. Then, the algorithm “divides” the orders and places them in parts on different exchanges, eliminating the depth of the market problem.

Such a variety of customizable tools will allow the trader to create many different trading strategies and automatically close or open positions.

### **Strategy Creation Module**

This module is a trading terminal, familiar to many traders, which allows the user to develop and test ones own trading strategies, save the best ones and use them in the future.

### **Portfolio Management Module**

As part of this module, the user will have an access to tools for managing and optimizing a long-term investment portfolio. The algorithms integrated into our platform will allow the user to choose the optimal dynamic portfolio structure (asset weights) based on maximizing its profitability or minimizing risk. The algorithms used, are based on the methods of statistical analysis of the historical data and on the dynamics of returns of assets selected by the trader.

### **Margin Trading Module (getting leverage)**

Not all existing crypto exchanges provide users with opportunities for margin trading. SwapZilla will solve this problem. By using the margin trading module, users will have an opportunity to increase their income by making deals “with leverage” and to make money by reducing the value of assets traded (making “short deals”) on any exchanges with the optimum cost of leverage.

When making such transactions, SwapZilla does not act as one of the parties, but instead provides the capabilities of the P2P-marketplace, where users make and accept leverage lending offers themselves. We want this process to be safe for both sides of the transaction, so we are integrating our own risk control system, which will protect the platform and our customers from performing very high-risk transaction, and prevent the losses of funds provided on credit.

## Information and Analytics Core

### Market Signals Window

This screen is an assistant for novice traders. It selects the best, proven market signals and monitors them for each asset. Here the user will be able find the coefficient of volatility, the dynamics of the spread and the most popular indicators of technical analysis, etc. By connecting this module, the SwapZilla trader will be able to monitor his assets and other asset classes, receive recommendations ("hold", "buy" or "sell") and receive notifications about changes in signals.

### News screen

By using the news screen, the SwapZilla user will be able to receive the most up-to-date market information and other news in the "one-window" mode. The screen will be customisable, with constantly updated news.

For collection and selection of the most relevant information for a specific user, our team has developed the machine learning algorithm. When the screen is connected, the user will receive a "standard" set of news: news describing the general situation on the cryptocurrency market, as well as all publications related to assets and currencies in his portfolio. Gradually, in the process of using the screen, the algorithms will analyse the user's behaviour and will adjust the setting and filters. Additionally, the trader will be able to manually choose the most interesting types of news for him.

### Information screen

This screen contains all the available information and materials on each the assets represented on our trading platform. Information is aggregated, ranked and presented in a standardized format to make its analysis as user-friendly as possible.

### Recommendation Module

Currently, the user can find a huge amount of resources offering investment ideas, recommendations and analytics for the crypto market. Our goal is, to make the maximum amount of such information available on our platform and, to simplify the task of analyzing it for the user. To do this, the platform will:

- Monitor and check the proposed recommendations, evaluating their effectiveness (profitability and success rate) by creating appropriate ratings.
- Offer users to independently evaluate recommendations and offer resources to identify the most popular strategies.
- Give our customers a user-friendly interface for customizing the recommendations screen (for example, displaying all strategies for a specified assets or combining strategies from selected analytics companies).

## **Off the Shelf Strategies Module**

This element of the system is intended to become a fully-fledged marketplace for trading strategies integrated into SwapZilla. Traders and companies, will develop trading or arbitrage strategies, and place them on for the use in this module (free of charge or for a fee). The users will be able to receive them, rank them and integrate them into their own algorithms on the trading core.

Our goal is to provide the most convenient and customizable interface for both parties, and also to fill our platform with a set of basic strategies (including arbitrage) that will be available to our clients, when we launch our platform.

## **Passive Trading Core**

Many of our users don't have the time or experience to actively trade and manage their crypto assets, that is why we have decided to offer the possibility for our users to get "passive" income.

### **Arbitrage Strategy Module**

Due to the fact that the market for crypto assets is new and growing fast — it is not always efficient — our clients can use this to their advantage. At different exchanges, there can be a significant difference in prices for the same asset, and due to the fact that all the exchanges are connected to our platform, it becomes possible to perform arbitrage operations: one-time purchases and sales of the same asset at different exchanges at different prices.

The ways of implementing arbitrage strategies depend on the trader himself; however, we want to give our customers a tool for obtaining passive income using the arbitrage. To do this, the user will be able to choose one of the strategies we have developed (off the shelf strategies), connect and run it in an automatic mode. The use of these strategies for our clients is free of charge, however, if the client will make a profit, SwapZilla will take a small share of it. If the strategy proposed by us does not suit the client, he will be able to modify it or develop his own or copy it from other traders.

### **Mirror Trading Module**

This module will allow our users to "follow" (repeat transactions) of selected successful traders on the platform.

We will evaluate the profitability of traders and, if their strategy turns out to be more profitable than others, we offer them the opportunity to generate additional income. The results of their trades will be displayed, and other user may select and copy (automatically) transactions made by them. If mirror trading will bring positive returns, the funds earned by the investor will be distributed between him (up to 70%), author of the trading strategy and SwapZilla.

### Margin Trading Module (lending)

Another way to get passive income on our platform is to lend your assets — where the other traders will use it for leverage through the margin-trading module. To manage the risks of such lending, we integrated a system that limits the number of orders made by each borrower (based on the size of his own funds and the historical profitability of transactions), which will protect lenders from losing money.

We are certain that we cater for the needs of all types of customers, with our advanced trading tools, unique interface, customisable trading cabinet and other function.

---

# Advantages of SwapZilla

## Low Commission

Our primary task is to attract new customers (both investors and traders, as well as crypto exchanges and other companies). One of the key advantages of SwapZilla, very low commissions and transaction fees, compared to other exchanges on the market.

We are able to provide them for the following reasons:

### Aggregation of turnover

There is only one wallet on each crypto exchange, through which all the SwapZilla users will make their transactions. The size of the crypto exchange's commission, entirely depends on the turnover (unless its free), so our one wallet approach allows us to get the lowest commission possible, compared to an individual user.

### Internal Clearing Deals

We expect that as our client base grows and our platform will grow as well, and we will be able to close more transactions internally. When placing any order, the algorithms developed by us will check the possibility of its execution within the platform and, if possible, automatically conduct a transaction with an internal direct transfer. This will allow us to provide the best conditions and speed of transactions for SwapZilla customers.

### Additional services

In addition to the transaction fees, our platform will have an additional income derived from the related services. The main source of additional fees will come from passive income: the use of SwapZilla arbitrage strategies, mirror trading and margin trading etc. In the future, we plan to introduce additional monetization mechanisms: commissions for selling trading strategies through SwapZilla, informational materials from our partners, portfolio management tools (algorithms for determining optimal asset weights) and other revenues from additional services.

### A large number of currency pairs

The SwapZilla trading platform will let the client to get instant access to the vast majority of crypto exchanges (almost all existing exchanges by the end of the platform's second year) and assets available on each of them.

## High speed of execution

We can measure the speed of each signal from different clients to the platform and back and minimize it. We will provide our customers with additional trading opportunities (for example, the client will be able to quickly execute a large number of transactions by using “scalping<sup>12</sup>”), thereby creating additional liquidity for crypto exchanges connected to the platform.

## Client Transparency

Each user of our exchange will be available detailed statement of all transactions performed. We will provide complete information on all transactions, commissions and debiting funds on the user’s balance. Clients will be able to generate these reports on their own and will be able to use it for various financial institutions and government agencies.

In addition to that, the majority of platform’s operations will be carried out through blockchain, which will allow the owners of SwapZilla tokens to see all current revenues and company statistics in real time.

## Multiplatform Capabilities

Overtime, we strive to cover all the most popular platforms, including:

- PC and Mac client systems
- Mobile applications for Android and IOS platforms

## Software integration with third-party products

We want our customers to be able to use familiar tools and software products. We provide an opportunity for third-party applications to integrate with our ecosystem through the API (Application Programming Interface). This will allow users to connect their favourite trading software or conduct algorithmic trading on our platform.

## New level of community support

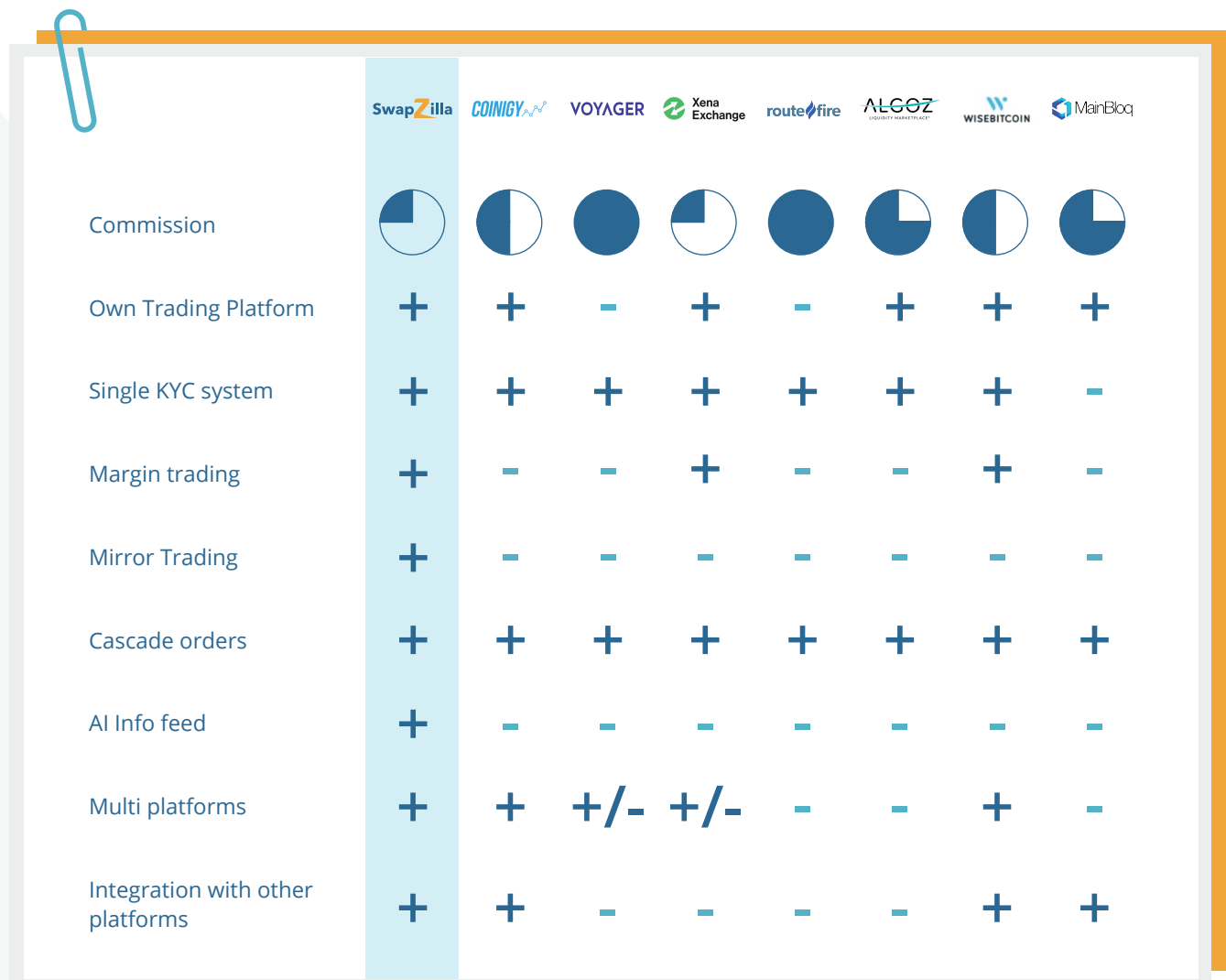
An essential step towards the formation of a fully-fledged crypto-community is the timely provision of support and advice to our users.

We pay a lot of attention to the issue of customer support; we will be creating a multi-lingual customer service department and conduct focus groups research on instant messengers and social networks. The participants will be able to discuss the pressing issues among themselves and receive comprehensive answers from SwapZilla technical support team.

---

<sup>12</sup> Scalping — is one of the most common strategies used by short-term retail and institutional traders. Rather than optimizing for a big gain from a single trade, scalping optimizes the win-to-loss ratio across many trades. The process involves quickly booking small profits and losses as they appear in the market.

We appreciate the opinions of our customers, we will be doing everything to ensure that the time spent on our platform is productive, comfortable and convenient.



Picture 12. Competitive analysis of SwapZilla

---

## Business Model

By providing our customers with the best integrated service in the market, we will be able to receive stable diversified incomes and distribute them among our investors.

The SwapZilla platform will have 5 main sources of income:

### **Commissions**

SwapZilla will earn commissions on transactions through the platform. Platform users will have to pay commissions that are significantly lower than the market average — 0.1%, of which between 0.02% and 0.05% will be transferred to partner crypto exchanges and the remainder will be kept by SwapZilla. The users will pay low commissions because of aggregation of orders and the internal clearing system.

### **Margin trading**

Traders will be able to create orders for the required size of leverage, and the owners of coins and tokens will lend them their assets. SwapZilla will provide both parties with all the necessary infrastructure and an integrated risk management system for the borrower. We will charge a commission of 15% on the loan interest.

### **Mirror trading**

The platform participants will be able to track and automatically repeat the transactions of successful traders. When mirror trading strategy will bring positive returns, SwapZilla will take 15% commission.

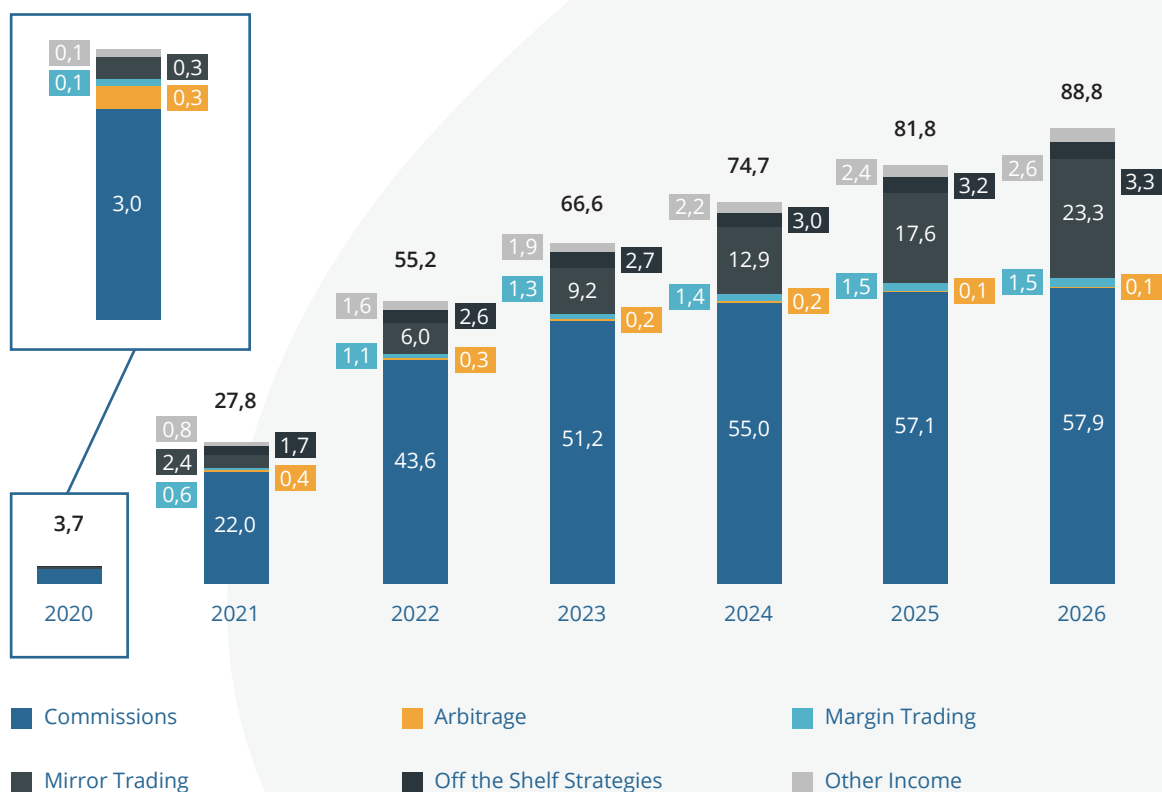
### **Arbitrage deals**

When traders will use our arbitrage strategies, the platform will charge 15%, on the profits made.

### **Off the Shelf strategies**

SwapZilla will get 10% from the sales of trading strategies.



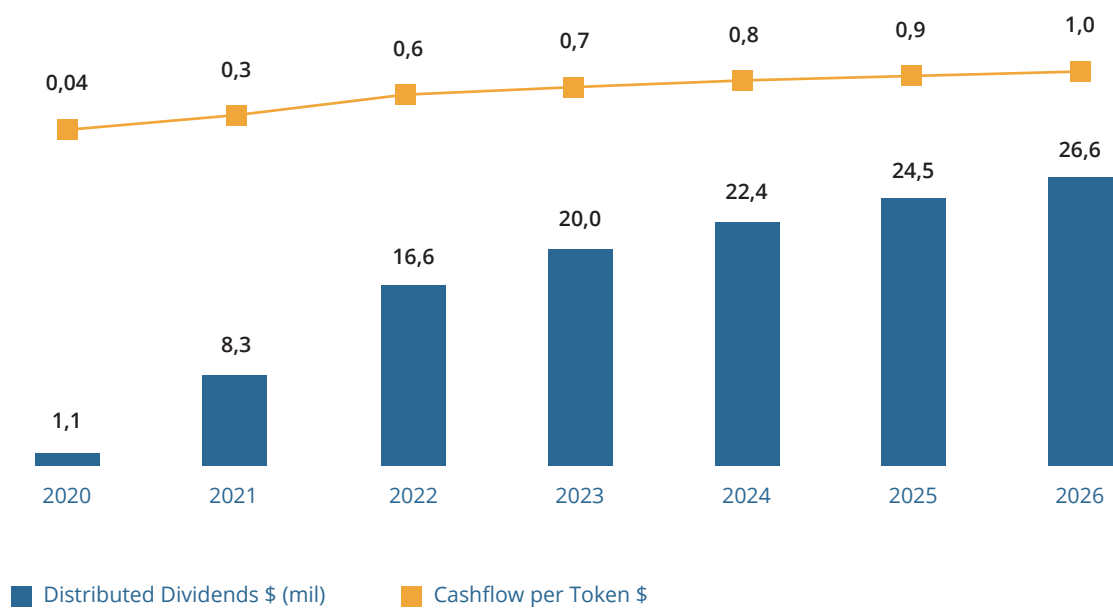


Picture 13. SwapZilla Revenue (mil, USD)

Our products will provide the platform with a steady increase of revenue, reaching \$ 88.8 million by 2026. The SwapZilla's revenue will be used to pay for the commissions of crypto exchange partners (about 15%, starting from the third year of the platforms operation).

In order for the owners of SwapZilla tokens to receive a steady stream of income, 30% of the company's revenue will be sent on token dividends, regardless of the costs incurred by SwapZilla. The distribution of dividends will be automated using the smart contract, which ensures timely payments to SWZL<sup>13</sup> tokenholders.

<sup>13</sup> See "Our Token"



Picture 14. SWZL Tokenholder Dividend Distribution

An investor who purchased SWZL tokens on the crowdsale, from 2020, will receive a steady income and will break even in 3 years.

---

## Technical Base

To create a platform that provides the highest level of transaction speed, security, and fault tolerance, we use industry best software development practices. Our team has significant experience in Fintech, information security, and high availability systems, which will allow us to provide the user with high quality product.

The SwapZilla trading platform will be able to process more than 2 million orders per second. It will be integrated into a scalable environment with middleware for processing big data to cope with any load peaks. Most of the computing will be performed in cloud services, which will allow our platform to respond flexibly to changes in computing needs. As a result, we intend to ensure an average level of delay at the rate of the best modern stock exchanges (milliseconds to execute the order).

For the development of the main components of the platform, we use Django / Python, this gives us high speed and quality of development. It also suits best for the requirements of working with the high traffic. The client side of the platform will be developed using Vue.js. We will provide high performance when working with databases using PostgreSQL and Redis, as well as Amazon cloud solutions.

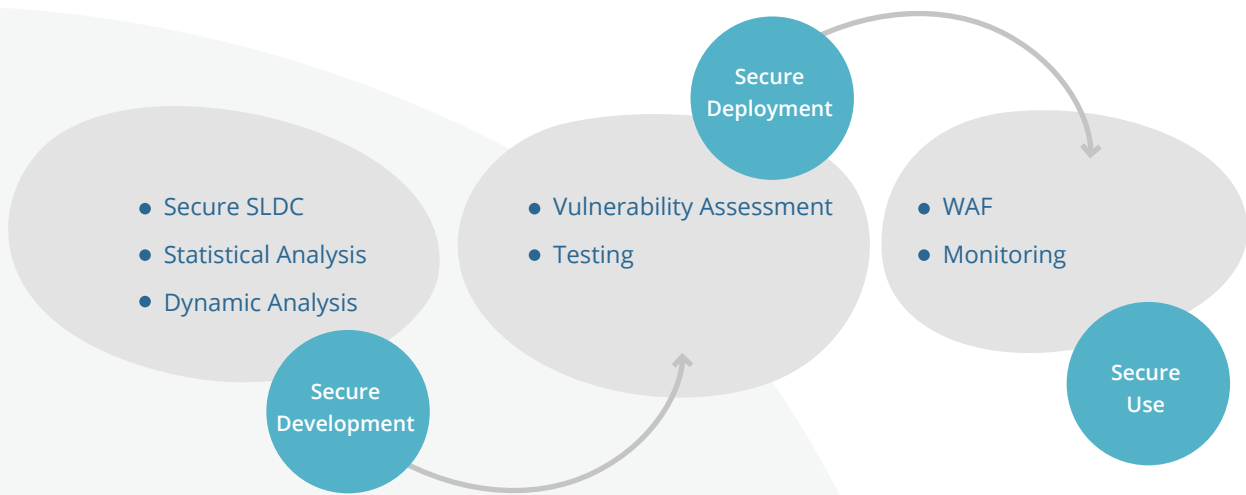


---

# Security

## SDLC

The SwapZilla platform is focused on working with e-finance, which greatly increases the chance of hacking the system and withdrawing money from user's accounts. Our team offers the most secure development, deployment, and maintenance processes in order to secure users information and money.



Picture 15. Secure Development Process

The SDLC process involves the use of as many safe practices as possible, namely:

### Implementation stack

- Python-Django — server side of the application
- Vue.js — client part of the application
- Amazon RDS for PostgreSQL — database server
- Amazon S3 — Secure File Storage Server
- Amazon WAF — Internet Application Firewall

### Static code analysis

- Based on the results of each sprint using a set of open-source solutions

### Dynamic code analysis

- Full analysis on the integration server is carried out according to the results of each sprint

- Partial analysis is performed using release building systems (Jenkins) and runs every time you deploy to an integration server
- The code is held after each release on a real system

### Firewall

- Using Amazon WAF allows you to enter an additional level of application protection, including against DDoS attacks

### Monitoring

- Monitoring Amazon alerts and your own application log files

## Application architecture

Given the choice of Django as a server solution, the following requirements are necessary at the level of the framework itself:

- **Protection against cross site scripting (XSS)** — Django's template system protects against most XSS attacks by escaping certain characters that are considered "dangerous" in HTML
- **Cross-site request forgery (CSRF) protection** — the protection mechanism is to use `{% csrf_token %}` in requests for additional confirmation of user actions
- **Protection against SQL injection** — access to database data using queryset / model Django entities
- **Clickjacking protection** — Django contains clickjacking protection as middleware X-Frame-Options, which is supported by browsers and may prevent the page from displaying inside `<iframe>`

To ensure the stable operation of the web component of our system, we will use the SSL / HTTPS protocols (only HTTPS based on TLS1.2 with the possibility of transition to TLS1.3 is used) and HTTP / 2.

We can provide an additional degree of protection due to the following server response headers:

- **HTTP Strict Transport Security (HSTS)** — protects against attacks using earlier versions of protocols and cookie capture
- **X-Frame-Options** — enhances web application protection against Clickjacking attacks
- **X-XSS-Protection** — enables a cross-site scripting (XSS) filter in the user's browser

- **X-Content-Type-Options** — prohibits the interpretation of a document different from the declared type
- **Content-Security-Policy** — prevents a wide range of attacks, including cross-site scripting and other cross-site injections

In order to respond flexibly to changes in computing needs, much of the computing will be done in cloud services (Amazon VPC and Amazon EC2), so we will also use cloud storage solutions (Amazon RDS and Amazon S3) and Amazon Key Management Storage security and Redis.

Another important element in ensuring system security is the use of quality services for authorization and authentication of users. We plan to use two-factor authentication (based on Okta solutions), and also introduce access control based on permissions of each user. For additional protection, we use Amazon Security's AWS infrastructure.

## Security monitoring

SwapZilla meets all key industry standards and security requirements: PCI-DSS standard, GDPR, OWASP Top 10.

Мозговой штурм  
Прототип платформы

In order to do this, continuous monitoring is required: statistical and dynamic analysis.

- Statistical analysis tasks will be solved using open-source Python solutions (Pylint and others).
- Dynamic analysis of web applications code uses a black-box testing to identify possible vulnerabilities when simulating users trading. A vulnerability scanner will be used in order to have the highest levels of reliability.

# Road Map

We have a clear plan for building our platform. We are aiming to release a beta version of the platform to the public and start trading by the 4th quarter of 2020.



# Our Token

The SwapZilla token (SWZL) is based on the Ethereum ERC20 standard.

**Token Function: 50% Discount on all SwapZilla's Commissions.**

The total emission volume will be 30,000,000 SWZL tokens. This volume is final and there will be no further emissions.

Additional terms:

- The crowdsale tokens will be locked until the end of IEO (Initial Exchange Offering);
- The "unlocking" of the tokens will be conducted in three stages.
- Tokenholders do not have any voting rights.
- Tokenholders do not own any capital in the company;
- Tokenholders have the right to make transactions in tokens;
- Upon successful completion of IEO, all unsold tokens will be burned. No additional emission will be made.



Additional functions:

- Discount on transaction commissions;
- Discount on the broker's trading commissions;
- Discount on exchange service commissions;
- Early access to new products.

ng is completed, SWZL holders will be able to transfer their token to any other wallets that



---

## Terms

Total number of tokens: **30 million**

Type: **Utility**

Ticker: **SWZL**

Price: **\$1/SWZL**

Min amount: **\$ 1**

IEO: **90.5% (27.15 million tokens)**

Team: **7% (2.1 million tokens)**

Bounty program: **2.5% (750,000 tokens)**

Softcap: **\$ 2 million**

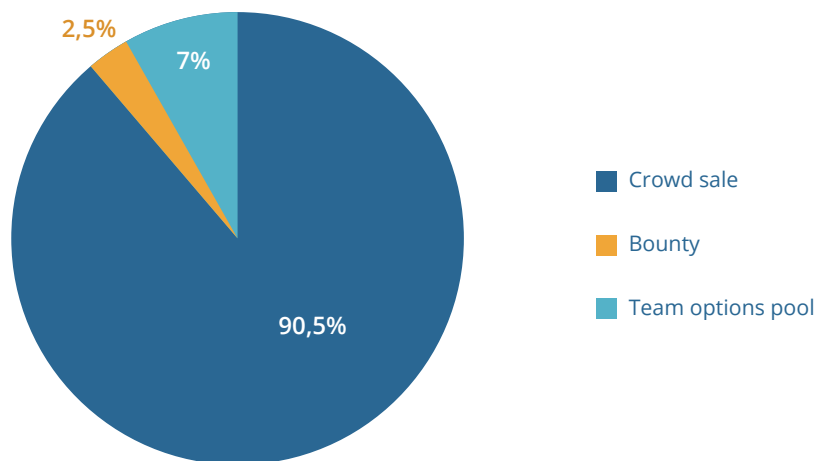
Hardcap: **\$27.15 mil**

### Presale:

**Round 1:** from July 15, 2019  
to February 6, 2020 — 10% discount

**Round 2:** from February 7, 2020  
to March 7, 2020 — 5% discount

**Round 3:** from March 7, 2020  
to May 7, 2020 — 0% discount.



Picture 16. SWZL Emission share

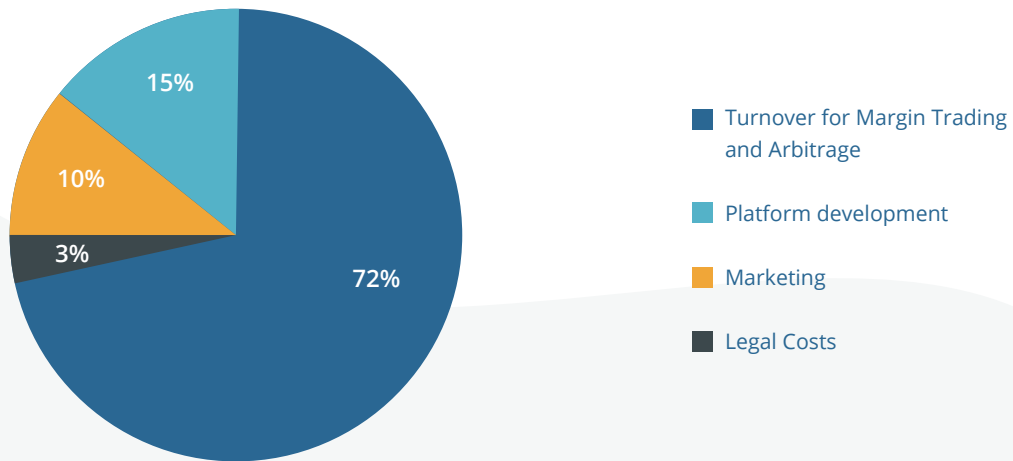
We are planning reserve another 2.5% of tokens for a bounty program. The program will last through the duration of IEO, tokens will be distributed through the referral system for marketing campaigns like:

- Facebook Campaign
- Twitter Campaign
- Subscription Campaigns on the Bitcointalk forum
- Email Campaign

SWZL tokens will be given to the referral program participants. They get 2.5% of the total amount raised in SWZL tokens.

During the IEO process, SWZL tokens will only be available on SwapZilla personal crypto wallets, but immediately after the IEO fundraising is completed, SWZL holders will be able to transfer their token to any other wallets that support ERC20 tokens (MyEtherWallet, MetaMask, Mist and others).

## Use of Funds



Picture 17. Use of SWZL IEO Funds

- 72% will be used for arbitrage turnover, margin trading turnover and initial liquidity for the platform.
- 15% of the funds collected will be spent on hiring additional members of the development team, purchase of equipment, the development of the trading system core, as well as the development of the information and analysis module. Significant costs will also be associated with the servers to ensure the fastest possible issuance and execution of orders from our customers;
- 10% will be spent on active marketing - strengthening the marketing team, taking measures to increase the awareness of our platform on the crypto market and attracting new customers;
- 3% will go to the legal support of the project and other expenses: the goal is to obtain all the necessary licenses and permits.

## Token Purchase

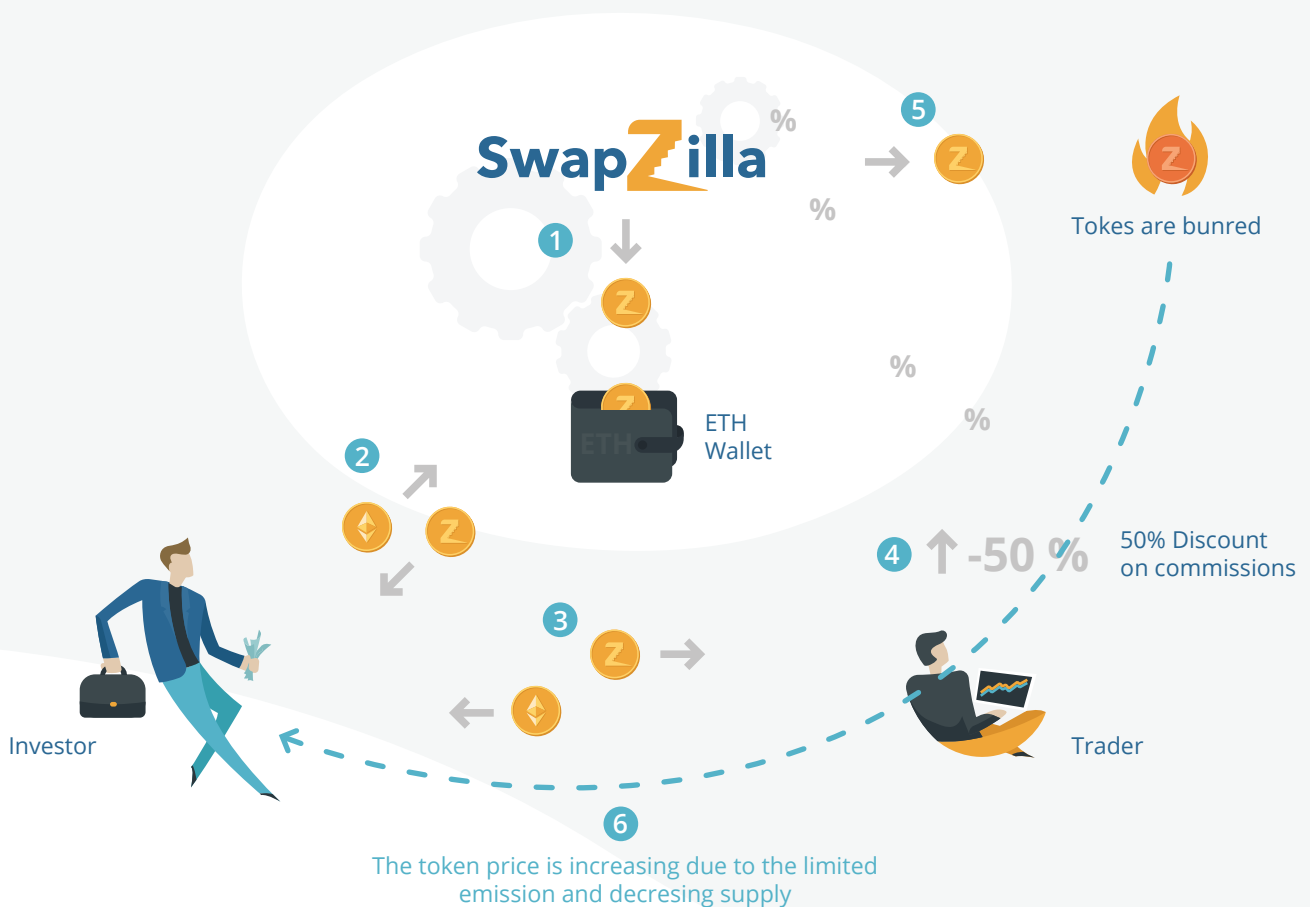
Investors will be able to buy SWZL tokens during the pre-sale on our website: [www.swapzilla.co](http://www.swapzilla.co), and also during the IEO crowdsale on the external cryptocurrency exchange.

If Softcap is not reached, all collected funds will be returned back to investors. If the Hardcap is not reached, all unsold tokens will be burned.

## Lock-Ups

Tokens that are designated for crowdsale will be locked until 8th May 2020. Tokens that are reserved for the bounty program will be locked until 7th June 2020. Tokens that are reserved for the team will be locked until 7th July 2020.

SwapZilla.co users will be able to use tokens to pay for the services and fees, when the platform will be launched.



## Using tokens on the SwapZilla platform

SWZL tokenholders will have an opportunity to pay for all SwapZilla's commissions with a 50% discount. Tokens that are used for commission payment will be burned.

Example:

*A SwapZilla user who bought 1 SWZL from another holder for \$2.5, will now be able to pay for a \$5 commission.*

After receiving the tokens from the user, SwapZilla will burn them, reducing the overall supply and increasing the value of the token.

# Legal Considerations

We fully and responsibly approach the sale of SWZL tokens. Since the legal status of cryptocurrencies and digital tokens in various jurisdictions remains uncertain, we have spent a significant amount of time and resources on analyzing the legal status of the SwapZilla business model and SWZL tokens in the jurisdictions where we are planning to work.

As a result of close cooperation with several leading law firms, we decided to create a parent company in Hong Kong (English law). This is due to the local interpretations of cryptocurrency regulations: Cryptocurrencies in Hong Kong have a status of “virtual goods” and, in some cases, it has a status of a financial security. We are also considering opening sister companies in other jurisdictions if such a need arises.

Due to the uncertain state of regulation, we cannot guarantee the legitimacy of the SwapZilla trading platform in any particular jurisdiction. Nevertheless, we will strive to resolve emerging issues in a timely and flexible manner if we encounter any regulatory conflict.

SWZL tokens are tokens designed specifically for the SwapZilla trading platform. SWZL tokens are not securities. By purchasing a SWZL token, you agree to purchase it on a non-refundable basis. We do not recommend buying the SWZL tokens for speculative purposes. Possession of tokens SWZL does not give the right to participate in voting on the development of the SwapZilla platform. Owners of the tokens do not have an ownership rights to any stake in the parent company, they do not have management rights or any other rights in the company. SWZL tokens are sold as a digital product, similar to downloadable software, digital music, etc.

We recommend that users take a responsible approach when purchasing SWZL tokens. We do not recommend purchasing SWZL token to users who do not have any previous experience in crypto investment, or to the users who are not familiar with the principles of the blockchain technology.

# Risks

The decision to purchase SWZL tokens must be made on the basis of a thorough analysis of the market, possible advantages and disadvantages of the proposed product, profitability potential, project plan, team competencies, as well as other possible risks.

The team identifies the following major risks and warns the potential purchasers of SWZL tokens about the likelihood of their occurrence.

1. The general state of the cryptocurrency market, the work of regulators on embedding cryptocurrencies in the existing legal framework of states and other global factors may make it difficult or impossible to fulfill our plans for the project. We guarantee that we are following the latest industry events in the most careful way, analyze them, develop solutions and plan our further actions in order to ensure the successful implementation of the project in a changing reality.
2. The project involves raising of a certain amount of funds, which according to our calculations, should be sufficient enough to carry out all the necessary parts of the project. In an event when insufficient amount of money is collected, or when any additional unplanned expenses may arise, the investor should be prepared for an eventuality of project suspension.
3. The development of the SwapZilla trading platform and the conduct of IEO are fraught with the risk of theft of SWZL by the hackers and / or funds raised in crypto currencies. There is also a possibility of hacker attacks on our website and other resources necessary for the implementation of the project. We undertook all the necessary measures to minimize the likelihood of such adverse events and their consequences.

In addition to the risks indicated above, there are other risks associated with the project, which we cannot foresee. It is important understand that that investor understands that blockchain, crypto currency and tokens are new and rapidly developing technologies, the work with which is associated with high risks. We strongly advise against acquiring SWZL tokens for borrowed funds, as well as funds that make up a large part of your savings, the potential loss of which can significantly affect your quality and standard of living.

# Glossary

**Anti-Money Laundering (AML)** — a set of rules and requirements for financial institutions and intermediaries, which require them to control and disclose any illegal money laundering schemes.

**ERC20** — Ethereum blockchain smart contract standard

**IEO (Initial Coin Offering)** — initial placement of coins (or tokens). During the IEO, the project team sells digital tokens in exchange for cryptocurrencies (usually BTC or ETH) or fiat money to the investors.

**SWZL** — SwapZilla token/crypto-bond

**Know Your Client (KYC)** — is a standard procedure for identifying and verifying the identity and credibility of a client, before the transaction takes place.

**Crypto Wallet** — is a place where cryptocurrency is stored. This is a program that can store private and public keys, as well as send and receive information from various blockchain systems. There are two types of wallets: hot and cold. A **hot wallet** is constantly connected to the Internet and is more vulnerable to hacker attacks, though funds stored on it can be spent at any time. A **cold wallet** works in exactly the opposite way. It does not have a direct connection to the Internet, and is used to store cryptocurrencies offline.

**Machine learning (ML)** — is a class of artificial intelligence methods. It does not provide a direct solution to the problem, but it learns through the process of applying solutions to a multitude of similar tasks. In order to achieve that, it utilizes mathematical statistics, numerical methods, optimization methods, probability theory, graph theory, and various other techniques of working with the data in digital form.

**Smart contract** — a computer algorithm, which is designed entry and maintenance of self-executable contracts in a blockchain environment. Such contracts are recorded in the form of a code that exists in a distributed ledger — a blockchain, which is maintained and controlled by a network of computers.

**Token** is a unit of accounting that is used to represent a digital balance of an asset. Tokens are recorded in a database based on the blockchain technology, and they are accessed through special applications using an electronic signature and other verification systems.

**Application Programming Interface (API)** — is a description of methods (a set of rules, procedures, functions, structures or constraints) by which one computer program can interact with another.



## Slock

Is a programme that converts contractual relations, sales, rentals or services into blockchain. The contract is unblocked when the parties agree on the terms of rent or sale.



## Storj

This is a decentralized cloud storage system, data based on blockchain technology. The files that are managed through the system are encrypted and broken into parts on client side and then distributed across a wide networks of high-performance storage nodes.



## Walmart

Is an American company managing the largest Worldwide network of wholesale and retail. The company is one of the world leaders in the introduction of blockchain technology in storage of goods and logistics processes.



## Mycelia

Is a peer-to-peer platform for selling music. It allows artists to micropay and distribute royalties between musicians.



## Lemonade

Peer-to-peer insurance company. It is based on peer-to-peer (p2p) or "mutual insurance". Clients of this platform form into groups (most often on the basis of the required type insurance) and create a common fund, which is used for the settlement of damages. Company uses blockchain to create decentralized payment network.



## Latoken

This is a blockchain platform, through which a wide range of assets are tokenized (securities, gold, real estate, etc.). By creating digital tokens, any asset can be purchased, sold or traded on fractional shares on the secondary market.





## Digix

Digital gold asset platform which allows tokenization of gold and other physical assets on the ethereum blockchain basis.



## OneGram

The of the project is to create gold-backed crypto assets.



## Vaultoro

A crypto-exchange, which allows customers to directly exchange Bitcoins for real gold.



## Atlant

Blockchain-platform, which tokenizes real estate property rights and provides an opportunity for P2P (peer-2-peer) rental properties.



## ARTEX

Is a platform, that records ownership history of works of art through blockchain and gives an opportunity investors and collectors receive information about exhibitions, sales, expert estimates, index cost, etc. using a mobile application.



## Everledger

A company that runs a blockchain-based registry for certification of diamonds and records a history of transactions associated with them.