Verto Whitepaper

Contects

1.0 Abstract

Centralized financial institutions have been the single medium through which humanity has accessed financial services over the years. The system has evolved through the years, from a barter system where eyewitnesses were sometimes required to oversee exchanges, to an age where institutions were built and entrusted with funds for safekeeping. One thing has been constant throughout it all: the lack of trust for financial institutions that see the masses as a means of wealth acquisition.

In addition, traditional banking systems have consistently been subpar in service delivery, considering what is promised to the populace at the launch of their products. The public is in the dark when it comes to how their money is managed. Intermediating systems in place have also complicated transactions through exorbitant fee charges.

With these shortcomings in the structure of centralized banking systems, it is only natural that trustless, autonomous and open-source blockchain ecosystems are favored. Democratization of finance power for the masses has been discussed for ages, and decentralized finance (DeFi), the component of blockchain technology built to make this a reality, has witnessed tremendous growth. Despite reports showing that the component only captures a meager 5% of the crypto space.

According to data available on DeFi Pulse, the value of the DeFi space once sat at a towering $107 billion. To properly grasp the meteoric rise of DeFi's value, you would have to consider that it was valued at a comparatively measly $700 million in 2020. It then grew to $60 billion and then $80 billion. Like every component of blockchain technology, the increased DeFi adoption and value stored in smart contracts were a result of the growing interest in cryptocurrencies. The rate of adoption rose to as much as 880% worldwide.

Figure 1: Total Value Locked in DeFi (image courtesy of DeFi Pulse)

With the huge number of unbanked worldwide and those unsatisfied with the services rendered by financial institutions, DeFi will be adopted more.

The fact that users get to choose what they invest in and see in real-time how it works, compared to the hidden investments made by banks, is a big incentive. Throw in peer-to-peer trading and lending, and the DeFi structure looks too enticing to not be part of.

Other ways users benefit from DeFi platforms are staking, yield farming, providing liquidity and lending crypto assets. There are an infinite number of ways in which users can benefit from DeFi adoption. This may drive blockchain-based projects to cram use cases and features into their platforms, which makes them forget about serving their users effectively. VertoChain seeks to serve users with the most straightforward but intuitive user interfaces.

VertoChain is a decentralized protocol that will cater to the financial needs of its users so that they can effectively manage their digital assets across multiple blockchains. The VertoChain platform will be integrated with smart contracts to ensure that all transactions are automated, trustless, and free of external influences of any sort.

Ask the average person how the bank manages to spend and utilize their deposit, and you will find out that most do not know. That is how secretive banking institutions can be.

Since the advent of blockchain technology, anyone and everyone has been able to track transactions on the distributed and open ledger system to see how funds move around. This feature is heavily integrated with decentralized financial services where users have access to the totality of tokens owned and stored by DeFi platforms.

But what is DeFi? The acronym “DeFi” stands for decentralized finance. The term represents a collection of financial services built on the distributed ledger system of blockchain technology. Like paper notes being the fuel in traditional financial services, crypto and other tokenized digital assets fuel DeFi services. Some experts are confident that it will replace banks in the coming future.

In the DeFi space, users own their financial decisions, keep their money, and only need access to an internet connection and wallets to make transactions. The convenience of the whole setup makes traditional financial systems appear dated and archaic. Access to wealth and other financial instruments are being made even when there’s no central point body or authority to regulate users' wealth.

To run these operations effectively, complex applications that are fused with blockchain technology are built into the network. They essentially run and handle these transactions on the blockchain, and smart contracts store and authenticate transactions when specific conditions are met.

The number of people swarming into the crypto space is frightening from a number standpoint, and no one DeFi platform can cater to the entire population in one go. This is why more DeFi platforms need to be developed. As of the time of writing, there are 540 DeFi tokens listed on CoinMarketCap. Sadly, most platforms are not built up to the required industry standard. In many cases, their smart contracts code is poorly audited or not audited at all, putting users at an immense risk of losing their tokens to hackers. It is for this reason that VertoChain came to be. The team wants to build a platform that compares favorably against the industry giants from features, customer service, and delivery standpoints.

3.0 The Future of DeFi

Regardless of the impressive numbers gathered by the DeFi industry and platforms in the space, the industry is still in its infancy, with a lot of room to grow.

More platforms are studying how users can fully benefit the most from the adoption of blockchain technology and its components, and more are researching safer ways to serve users and rid their infrastructure of exploitable loopholes. In addition, the idea of regulating the space is getting more traction because of the poor current standards and most projects not taking steps to ensure user safety.

The recent $UST debacle is the most current and most damaging blow to the DeFi industry. Terra initially claimed its coin was a stable one, to then retract those claims. As witnessed, massive failures like that can cause an ecosystem-wide loss to all parties and stakeholders. Many users went from millions of dollars in tokens holding, to massive losses.

The issue of energy requirements and the massive carbon footprint of the host blockchains have also been a long time worth. Carbon emission by the Ethereum network, the blockchain with the most DeFi protocols, was around 47 million tonnes. Poor systems structures that do not allow for effective management, maintenance and upgrade per platforms’ current needs have also resulted in damaging system failures.

With the many inconsistencies, the continued growth of the space can be questioned. We believe that as more developers and financial experts figure out the technology and implement the necessary changes, the increase will even be more chart-shattering than it has

ever been. The success of DeFi is the reason more shops, businesses and eCommerce outlets now accept payments in crypto, which has resulted in uncertainties in the future of traditional banking systems.

With more DeFi projects providing exceptional use cases and more innovative ways of getting passive income, the future of DeFi will be huge. But not without a fight from intermediaries dressed up as regulators who want to replicate the same structure as seen in centralized financial institutions.

4.0 DeFi Shortcomings

The majority of problems associated with DeFi projects begin with the infrastructure on which it is built. One of the selling points of DeFi is the elimination of redundant systems and fees imposed by the traditional financial sector. However, this has somewhat backfired, as witnessed in the sometimes outrageous transaction fees of Ethereum. Ethereum is the blockchain of reference here because the majority of DeFi platforms are built on the network.

Smart contracts, the single most important blockchain entity, can be the target of hackers and malicious actors. This is so because they are the mediating and automating authority of the platform and have a great deal of tokens stored in them. Hence, making the incentive for hacking far too great. The intricacy with which they have to be built doesn't help either; a flaw in a single line of code can be damaging to the overall health of the protocol and may lead to loss of users' funds.

The accompanying uncertainty and instability of the infrastructure of hosted blockchains increase the risk for several DeFi platforms. Blockchains migrating to new models and layers is a source of worry as smart contracts are not upgradeable as per the immutability of records.

Just to be clear, the need for a network upgrade can be justified. It is required if the potentials and scalability quotients of host chains' are to be met. The Ethereum blockchain is not so efficient and capable of parsing transactions in such a short time, and users may sometimes need to turn up the gas fees for faster validation in cases of emergencies. Centralized solutions like Visa can process between 1,500 to 2,000 transactions per second. When compared to Bitcoin's five and Ethereum's 13, that's a lot.

Some protocols are not as popular as others, and as such cannot provide the same level of liquidity as others. This creates problems like the inability to give loans when users seek them. There is also a possibility that prospects will be unable to access the services of specific protocols because of their availability on a single chain, making them poorly interoperable. All these and the poor decentralization of specific projects that result in rug pulls have gone on to make the space less appealing than it should be.

5.0 VertoChain's Contribution to DeFi's Future

The transformation of DeFi is not a quick fix or a one-time remedy. It is gradual. The team at VertoChain is aware of the demands, thereby crafting an ecosystem that remedies the fears inflated by the mainstream media by providing unbeatable and safe services to users. This we aim to build from the infrastructure and the framework of the protocol.

VetroChain will be built on the Binance Smart Chain (BSC), utilizing its Proof of Staked Authority for efficient and speedy validation of transactions. With less congestion on the network and faster authentication times, transaction fees are 35 times cheaper on BSC.

In addition, BSC is a smart contract programmable network and is compatible and interoperable with other Ethereum Virtual Machine-capable blockchains like Avalanche. This makes it easy for prospective users to move their digital assets across blockchains and improves interoperability between blockchains, which, in turn, strengthens VertoChain further.

5.0 VertoChain's Contribution to DeFi's Future

A variety of factors contribute to the security of a protocol; the integrity of the source code, host blockchain and developer support are just a few of them. VertoChain checks these boxes with its integration with the Binance Smart Chain. Because decentralized apps are based on solidity programming language, same as the Ethereum blockchain, there is massive developer support.

With the source code published on GitHub and the incentivization of the improvement of the code, the hacking footprint is further narrowed and dissuades potential hackers. The public can see for themselves if the code has a backdoor. This improves the trustworthiness of the project and the team and gives users an elevated sense of security.

BSC being a separate blockchain from Binance means that the former will run smoothly should there be a time the latter experiences downtime. As the project progresses, we will extend operations to other chains like Avalanche, Tezos, Solana, and Ethereum — all top DeFi blockchains. This will create a sort of buffer system should there be congestion on any of the networks.

6.0 About VertoChain

The word "VertoChain" is a mission statement. A confirmation of what the platform is meant for. Verto is Latin for Swap, and chain is simply a truncation of blockchain. When put together, VertoChain is a platform that allows for peer-to-peer trading and swapping of digital assets across five blockchains: Binace Smart Chain, Avalanche, Tezos, Ethereum and Solana.

The main features of the VertoChain platform are multi-chain farming, liquidity provision and yield farming, all at the most competitive rates. The VertoChain platform offers complete democratization of power among its users; they will have a say in how the platform is run and possible changes on how to improve it.

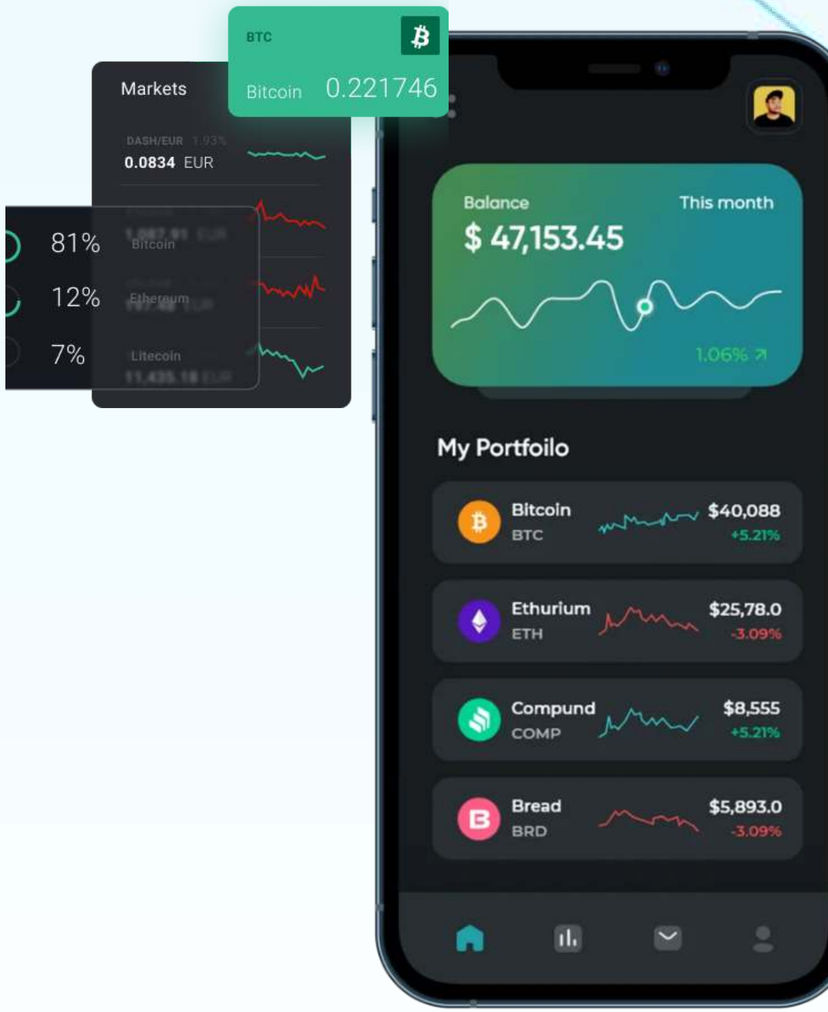
Our team will ensure that blockchain technology's essence and complex nature are captured but overlaid with a seamless user experience and a simple but intuitive user interface. Users will have the latest and essential tools and features at their disposal that will enable them to gain the most from the platform.

6.1 Our Mission

Our mission is to improve users' access and use of digital assets throughout blockchains and hasten the adoption of crypto assets across the globe. We believe that near-zero charges per swap transaction will be a service incentive for users looking to move their assets around.

6.2 Our Vision

Successful implementation motivates others and serves as a template to build. This is what the DeFi space needs, an example for other projects to mirror. We believe that combining expert service delivery with the essentials of decentralized finance the way we do will lead to an industry-wide revolution. We intend to capture all these without compromising security.



7.0 Tokenomics

The official utility token of VertoChain is $VERT, and it serves as the ticket to accessing the features of VertoChain.

Only holders of $VERT tokens will be considered for special community roles and initiatives like being part of the DAO. Furthermore, interaction with the platform will be gamified and incentivized via rewards in $VERT. With this, more users will take up the challenge as a fun activity that brings financial independence.

We understand that our users and several early adopters may be first-time users of DeFi services; this is why extra caution and security measures will be put in place to forestall hack attempts on VertoChain's native crypto wallets. An anti-whale system will be built into VertoChain's ecosystem to prevent scenarios where whales attempt to use large stores of liquidity to swing market prices in their favor using quick buy and sell actions.

Leveraging BSC's PoSA standard, transaction fees will be nominal. The deflationary token model is employed here to create scarcity of the $VERT tokens. If the token demand remains the same or increases, the practical system of the token will increase its value as more $VERT tokens are taken off the market by the burning system. The fact that BSC is the third most valuable DeFi blockchain by assets locked in smart contracts also makes it a viable investment choice.

7.1 Token Distribution

Token Name: $VERT

Token Supply: 500 million

Presale - 30% - 150 million

Liquidity - 25% - 125 million

MultiChain deployment - 20% - 100 million

Rewards - 20% - 100 million

Team fund - 5% - 25 million

7.2 Token Ecosystem

VertoChain will launch on BSC before spreading to other blockchains (ETH, AVAX, SOL, and XTZ). You must understand that the different structures of each blockchain will affect the transaction speed and fees, and asset availability. Regardless, BSC is built in such a way that cross-chain asset movement is possible with compatible blockchains.

BSC has evolved into one of the most attractive blockchains for DeFi developers. The borderless DeFi framework is just one of the many reasons why developers build on the Binance Smart Chain. With the number of users of the BSC, there is a large user base waiting to be first adopters, especially with a large number of swappable assets for $VERT available on BSC's native decentralized exchange, PancakeSwap.

VertoChain users can swap supported tokens for around 0.25% of the assets. Direct conversion will be possible if the liquidity pool for any pair of tokens offers the best price.

Users can take a longer but cheaper trading route across several pools if the price is high.

Each liquidity pool consists of a pair of BEP-20 tokens. Liquidity providers are given a BEP-20 standard LP token proportionate to the ownership of the assets they provide. Of the 0.25% that will be charged per swap, VertoChain reserves the right to redirect it towards the research and development of the platform. Loss incurred due to variations in assets provided can be recovered if there is a bounceback in valuation.

VertoChain will initially be in a presale. After this has ended, it is likely that presale holders tokens may be vested for a period of two months to help protect the development of the network.

8.0 Strategies of Income Generation

VertoChain seeks to create an ecosystem that is self-sustainable in the long run. The $VERT token is just one of the ways we intend to generate funds for the development of VertoChain. The platform's underlying infrastructure will be built so that its growth will not be judged with DeFi class tokens alone.

Some of the ways we intend to raise funds are:

Transfer Fees: A nominal fee agreed upon by the DAO will be charged in $VERT for every transaction carried out on the platform. As more users interact with the token, either through spot or futures trading, the token becomes more valuable. This translates to more income per allocation, making it easier to scale and attract more investors.

Loans: The percentage charged per loan request is plowed back into the liquidity pool of the same tokens. Special projects requiring these funds will have to be validated by the DAO.

Presale: Token Generation Events where investors are presented with the opportunity of coming aboard the projects early in return for roles within the community and profits in return for token purchase.

Partnerships: Targeted partnerships and investments in other projects can result in hefty returns.

9.0 VertoChain Use Cases

Built-in smart contracts mean transactions on VertoChain are automated. This means that no external party, but you and the platform, are involved in your dealings. When set conditions are met, the smart contract okays the transaction.

Know Your Customer and Know Your Transaction protocols will be integrated into VertoChain. Transaction patterns and interactions with the platform will be considered to check for possible cases of terrorist funding. Should the transaction be a source of concern, Anti-Money Laundering and Combating the Finance of Terrorism measures will be taken, resulting in a possible deactivation of the address.

VertoChain will reward referrals and transactions on the platform, especially interactions involving $VERT. This is to promote organic marketing of word of mouth among crypto enthusiasts. Users will be educated that more transactions result in an increased value of the token.

10.0 Governance

The majority of VertoChain's activities and its ecosystem will be piloted by a team that features community members. The team, treasury committee, and a few representatives of the Verto community will run the ecosystem. Several requirements will be set in place to determine who gets to be part of the users' representatives. They will be, first and foremost, holders and users of $VERT. The average amount of tokens in users' wallets and off-chain and on-chain activities will also play a role.

As the platform develops, critical decisions will be made by the council/committee, where decision-making will be democratic. Votes will be counted per voter's activity level, date of adoption, portfolio value and volume and asset diversity. Some ecosystem activities that will be voted in include, but are not limited to:

Token swap mechanisms

Asset introduction

Transaction fees and swapping costs

Upgrade of smart contracts and security measures

Bridging and multi-chain transactions

Rewards and incentivization programs

Yield farming and staking rewards

11.0 Road Map

Phase 1

Team development

Website creation

White paper development

Initiation of project

Phase 2

Conceptual development of the platform

Community development

Launch on PancakeSwap

The initial sale of tokens and private fundraising

Incentive for users

Partnership creation

Code audit, appraisal, and documentation

End of token sales

Phase 3

Certik audit

Chainlink partnership

Token listings and Binance launch

Staking of tokens

Phase 4

Multichain development, testing and launch

12.0 Legal Disclaimer

This whitepaper contains the basic information of the VertoChain tokenized platform and provides a general overview of all the platform entails.

All information provided in the whitepaper and other documents accompanying it remains subject to updates. It hence should not be held as a guarantee about the values of tokens stated, the functionality in the future or the use of these tokens by any organizations or individuals stated in the whitepaper or by the platform, VertoChain. This document should not be considered an offer to buy or sell any form of securities, nor should it be perceived as an alliance with any contract. VertoChain denies involvement in any loss or actions of any kind resulting indirectly or directly from any information provided in the whitepaper. Trades, investments, or contracts are advised not to be made exclusively on this documentation, as no information provided in this whitepaper is financial advice. Investments or trading made may be subjected to financial risks, including liquidity, price volatility, or the total loss of invested capital. Before any investment is made, intending investors should ensure thorough and detailed research has been done with the support of professionals on information

explained in the whitepaper for well-thought decisions.

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No individual, organization, or corporation is licensed to coordinate lectures, act as a representative or give organized and detailed information about the platform or the sale of its tokens out of this whitepaper or a contract agreement unless authorized to. Legal actions will be taken against individuals, groups, or organizations who distribute information about the platform not bound by a contract agreement.

No employee, associates, or entities linked to the VertoChain platform is allowed to make any representation describing the value of native tokens, the operation or services unique to the platform, more than the permissible extent permitted by law.

Tax

Merchants and users who purchase tokens from the platform are fully accountable for meeting tax obligations as stated by their countries or regions regarding their ownership or disposal of tokens acquired from the platform.

All payments made by VertoChain to users who purchased any tokens on the platform will be made after the appropriate deduction of due taxes by the user's region. Every user should understand that deductions made on the sale of tokens by the platform are decided by the service tax of regions and not based exclusively on the platform's decisions.

Caution

This whitepaper contains statements that have not been proven and should not be fully acknowledged as an existing known fact. All predictions, estimates, and speculations assumed in this document are not definite. They are primarily based on assumptions that may be influenced by unknown risks and other factors beyond VertoChain Corporation's control. It is, therefore, safer to understand that some of these predictions and speculations may never be actualized or can perform differently in reality. The whitepaper should not be depended on, as no entitlement is owed to you when the information provided in the document becomes obsolete.

Every beneficiary of this whitepaper is advised to carry out detailed research and to rely on their judgment, investigations, and knowledge on information written about in this document or made available for further research. Furthermore, intending users must ensure the information given in the whitepaper accurately tallies with the platform's abilities in actuality before investing, purchasing tokens, or agreeing to a contract with VertoChain.

Neither VertoChain Corporation nor any individual mentioned in this whitepaper guarantees the success of either the platform or its native tokens on launching. Therefore, we deny all damages accrued due to a part of the whole of this document being misinterpreted.

Proceeding with the whitepaper shows that you agree to all conditions stated above, and you will abide by the terms.