



WHITE PAPER

FINE X BASE

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Introduction

Blockchain technology and cryptocurrencies based on it are becoming more widespread and actively used in our daily lives. The cryptocurrency market is maturing and institutionalizing, and regulation is emerging. Some Central Banks have said they want to create state-owned cryptocurrencies (CBDC).

However, the cryptocurrency market still lags far behind classical financial markets.

The significant difference is the actual lack of separation of functions. In the classical financial sector, combining the responsibilities of a broker, stock exchange, dealer, underwriter, depository, and so on, is forbidden. In the cryptocurrency market, such a combination of functions is ubiquitous. For example, crypto exchanges combine the functions of a broker, exchange, depository, and a number of others. As a result, in comparison with the classical financial sector, the transparency and quality of the services provided are reduced.

The transition of the cryptocurrency market from combining to separating functions will happen soon, both from a legal and practical point of view.

Another significant difference is the lack of unified approaches to regulating cryptocurrencies. The decisions in various jurisdictions range from a complete ban to recognition as a means of payment.

At the same time, the movement towards adapting the crypto market to the classical financial sector and the widespread introduction of digitalization opportunities is a general trend.

The high potential of blockchain technologies in implementing digitalization tasks attracts large institutional participants to this area.



For example, identity verification services implemented by banks have every chance to be based on blockchain technologies and gain a foothold in the crypto market. Verification of users by blockchain wallets, along with the transparency of blockchain transactions, will provide ultra-fast and super-convenient KYC and AML procedures. This direction is already being actively developed.

One more significant difference is the lack of transparent crowdfunding in the cryptocurrency market. Despite all the advantages of blockchain technologies, the crypto project and investor relationships continue to be contractual rather than fixed on the blockchain. This leads to conflicts between the investor and the crypto project and hinders the boost of crowdfunding in the cryptocurrency market.

One knows that the first ICOs (from the English initial coin offering - "initial coin offering") appeared in 2013. A distinctive feature of the ICO, compared to traditional crowdfunding, was that the token of the crypto project acted as proof of participation in the project.

The convenience of investing, combined with the ease of issuing tokens, has led to a surge in the number of ICO projects.

However, soon, the ICO turned out to have a downside. The industry itself was new, it was difficult for novice investors to figure everything out, and it was easy to issue a token. All of this attracted a large number of scammers to the ICO market. The subsequent IEO, IGO and IDO did not solve the problem of the lack of transparent relationships between the investor and the crypto project.



Since 2021, the NFT industry has started gaining momentum, which has resulted in a fundamentally new type of relationship between the investor and the crypto project: the ILAO. It arranged all agreements on the blockchain, thereby ensuring full transparency between the investor and the crypto project.

For the reasons mentioned above, there is an urgent need for a FinexBase cryptocurrency broker, which will provide:

- high level of service
- fast verification by blockchain wallets
- top-notch technical support
- availability of demo accounts
- a wide range of instruments from both the crypto market and the classical financial sector
- professional news feeds and terminals
- opportunity to offer and purchase tokens in the ILAO format.



Market Review

As of mid-2022, the total capitalization of the cryptocurrency market is about \$1 trillion. At the same time, the daily trading volume is about \$100 billion.

The leaders in spot trading volume are crypto exchanges Binance, Coinbase, FTX, Kraken, KuCoin, Gate.io, Bitfinex, Gemini, and Huobi Global.

The leaders in derivatives trading volume are Binance, FTX, OKX, KuCoin, Huobi Global, Gate.io, Bybit, MEXC, Phemex, and Deribit.

The leaders among DEX platforms are Uniswap, dYdX, OpenLeverage, Kine Protocol, PancakeSwap, ApolloX DEX and DODO.

Without exception, all CEX platforms provide direct access to trading for traders. Thus, all major crypto exchanges combine at least the functions of a broker, exchange and depository.

CEX provide web terminals to their clients.

Liquidity varies across CEXs. Market leader Binance has the highest volumes for both spot and derivatives trading, but fees on Binance are comparatively high.

At the same time, on some days, crypto exchanges OKX or Kraken are almost like Binance in terms of futures trading volume, and Bybit is the best exchange in terms of commissions as of mid-2022.

The largest CEXs do not provide classic financial market instruments



The quality of technical support, due to the local fall of the crypto market and the fall in revenue, is generally reduced due to staff reductions.

Under the influence of geopolitical factors, the geography of services by some CEXs is changing.

The IDO market, which has become the dominant crowdfunding form in the cryptocurrency market in 2021-2022, is also declining. In 2021, the total amount of funds raised via IDO amounted to about \$5.8 billion; in the first half of 2022, the amount of funds raised was only \$1.5 billion.

Such a rapid drop in volumes is associated with the decline of the cryptocurrency market and, as a result, a significant decrease in the number of new IDO projects. The problem also comprises the fact that the IDO has a short period for the distribution of tokens. Previously released IDO projects have already switched to DEX or CEX. New crypto projects prefer to stay on hold in a stagnating market. As a result, the number of IDO projects is decreasing, and the market performance of the sector is falling.

The decrease in IDO projects also results from the lack of transparency. Projects issue tokens on the blockchain, but tokens are distributed based on contractual relationships, which reduces transparency. Some projects make complex smart contracts to freeze tokens for buyers, but this approach requires a high level of expertise from investors, which is also not conducive to attracting a mass investor.

The above problems are solved by the ILAO (Initial Locked Allocation Offering) type of offering, but it has not been developed yet.



Problems and Solutions

3.1. When crowdfunding promising crypto projects, one of the main problems is the lack of transparency between the crypto project and the investor.

By setting the vesting period, crypto projects either describe their stages in whitepapers and tokenomics or make complex smart contracts, implementing the vesting period technically.

In this situation, it is obvious that if the vesting period is on paper only, without technical arrangement, there are additional risks.

A complex smart contract is often technically incapable of fulfilling all the nuances and conditions of the vesting period of a crypto project. And when a complex smart contract meets all the requirements, only a few investors have the competence to study and evaluate the real possibilities of a smart contract.

As a result, market participants with higher competence get an advantage in the current market. Such market participants dump tokens so that dumps are formed, leading to losses for the mass investor and a decreased interest in IDO.

It is also important to note that token dumps impose a negative impact on crypto projects, which poses additional risks to their development.

The solution to this problem is the ILAO (Initial Locked Allocation Offering).

With ILAO crowdfunding, a crypto project does not need to create a complex smart contract since the vesting period is guaranteed an NFT after project tokens are included in this NFT, and a freeze is set for each specific NFT.



Thus, the ILAO, implemented on FinexBase, allows a crypto project to make a vesting period of any complexity without high costs and additional complications.

Each crypto project has its own card on FinexBase. The card, in addition to all the basic information regarding the crypto project, also reflects all the NFTs of this project, with a visual display of the freeze date, the number of project tokens inside the NFT, and the price of the NFT itself.

Thus, a potential investor sees the volume and price of the offered tokens, as well as the date of freezing. Until the end of the freeze date, the investor will be able to sell NFTs but incapable of withdrawing the tokens.

Thus, the ILAO format provides full transparency of all agreements between the investor and the crypto project saved on the blockchain.

3.2. Another important problem of crowdfunding in the cryptocurrency market is the transience of IDOs.

For this reason, crypto projects are subject to additional risk due to the negative market phase.

In turn, investors systematically have a very small volume of offers within the IDO.

The ILAO format allows crypto projects to carry out token distribution stages of any duration.

In the ILAO format, it is possible to carry out not only the pre-seed stages but also seed, round-A, etc.

Thus, projects reduce their market risks, and investors have the opportunity to choose tokens from hundreds and thousands of different crypto projects for investment.



3.3. The IDO format requires investors to have a high level of expertise to research a smart contract and understand the details and nuances of a particular token.

FinexBase, which implemented the ILAO crowdfunding format, has created a marketplace where all the main parameters related to tokens are visually displayed.

All parameters, including NFTs with tokens (SAFT wNFT), are taken directly from the blockchain.

Additionally, the FinexBase marketplace allows investors to select crypto projects according to the parameters of interest to the investor: sector, token price, price of a wrapped group of tokens (SAFT wNFT), freezing date, and so on.

Choosing a crypto project of interest on the FinexBase marketplace is no more difficult than choosing a hotel on Booking.

3.4. The IDO has a high realization cost for crypto projects. The price often exceeds \$100,000.

Token distribution costs incurred by crypto projects following the ILAO principles are actually tens of times lower.

To wrap tokens, you need to use the ENVELOP protocol console. One month of wrapping costs 200,000 NIFTSY tokens. At the current rates, the price ranges from 500 to 1,000 USDt.

To place a project card on the FinexBase marketplace, you need to pay 100,000 NEXB, which is 500 USDt at the current price.

Additional expenses for crypto projects are associated only with gas costs when conducting operations on the corresponding blockchain.



3.5. Decreased liquidity in the cryptocurrency market. In the face of a falling market, most crypto exchanges lack liquidity.

FinexBase brokerage company aggregates liquidity from multiple liquidity providers and provides clients with pooled liquidity and tighter spreads.

3.6. Long KYC procedure.

Verification by blockchain wallets in the WEB3.0 system, together with the use of identity verification services, provides a convenient, simple and fast KYC process.

3.7. One of the significant problems of crypto exchanges is the lack of professional, convenient, installable and time-tested terminals.

Brokerage company FinexBase sees a solution to this problem in the use of terminals, which are actively used in the classical financial sector.

Such terminals offer an opportunity to use demo accounts, embed news feeds, and additional opportunities for managers and investors.

3.8. Crypto exchanges provide access only to crypto assets. To access the instruments of the classic financial sector, clients need to register on various sites.

In turn, FinexBase, by connecting liquidity providers from different sectors of the economy, can provide access to thousands of instruments, including stocks, futures, options and bonds.

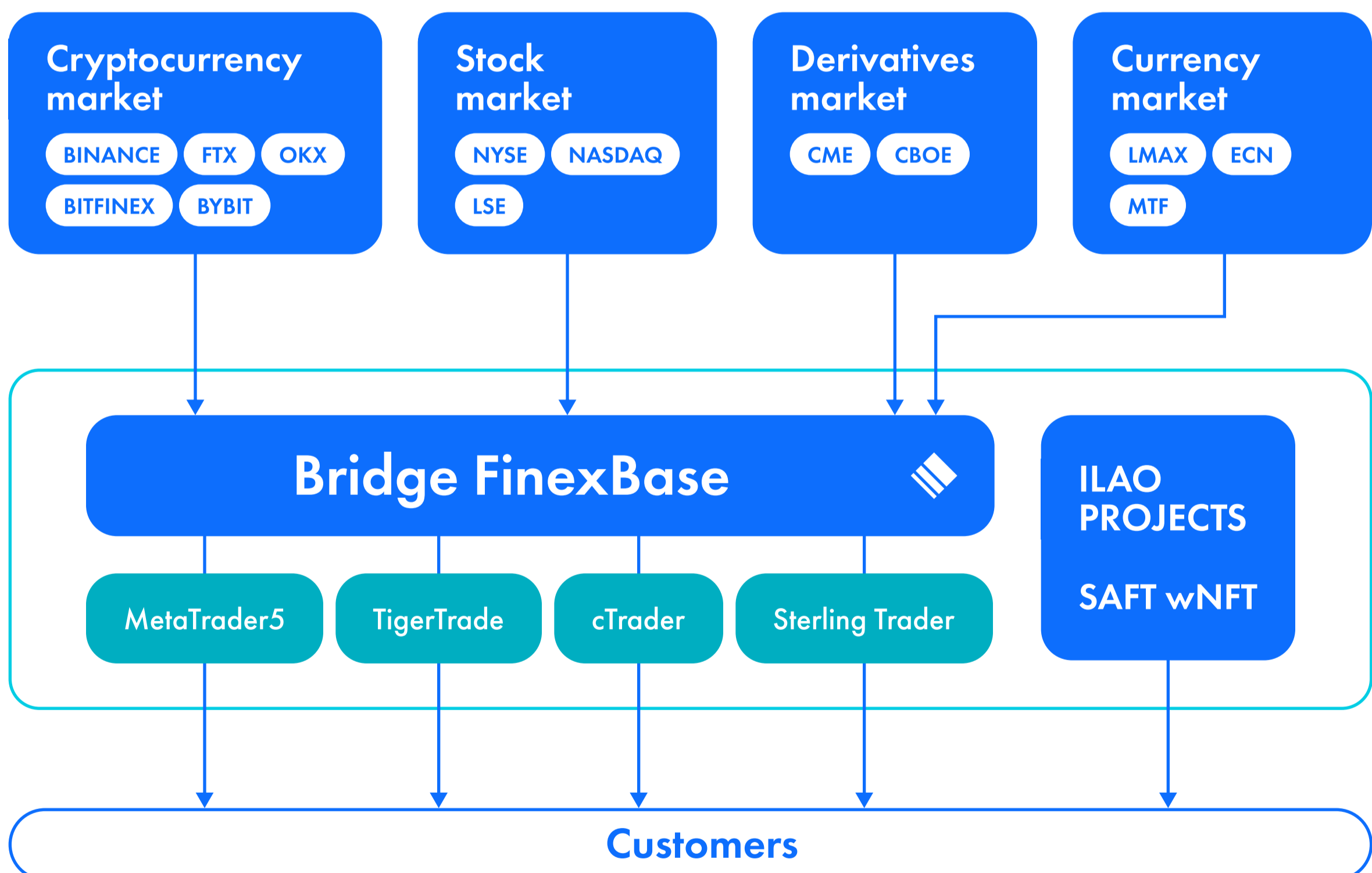


FinexBase Ecosystem

4.1. Brokerage services

The technical implementation of FinexBase's brokerage service is a classic model of a brokerage company from the traditional financial sector.

At the core of FinexBase is a bridge that can manage order flows, risk and reporting with ultra-low latency. The FinexBase Bridge aggregates liquidity and supports multiple asset classes of the industry's leading market makers through the support of several industry-standard interfaces, including MT4/MT5 and FIX API protocols.



The key components of the FinexBase brokerage service are:

Integration with industry-leading liquidity sources, including Tier 1 banks, ECNs, and crypto exchanges. This gives customers the freedom to choose the tools they want without technical limitations. A purpose-built infrastructure ensures low-latency connectivity to these sources through reliable connections, including crossovers;

Aggregation of liquidity for the best spreads. This allows clients to take advantage of various supported liquidity providers to create the optimal combination of liquidity across multiple assets. The number of liquidity pools on the FinexBase side can be configured based on each symbol and time frame;

Smart routing of customer requests supports complex and dynamic routing rules that can be adjusted to different clients, symbols, order types, trade sizes, target LPS, etc.;

Together with liquidity aggregation, this gives clients advantages in terms of market depth, competitive liquidity even during periods of instability, support for multiple asset classes, convenient order book viewing;

Risk management using automated control systems. The FinexBase bridge provides both A-Book and B-Book trade execution models, which creates the need to switch execution modes to ensure risk management.

Additional comprehensive risk management settings are also provided, such as setting limits on individual currency risks, symbol risks, and the level of risk that is internalized or transferred to external LPs (liquidity providers);



Monitoring, with real-time event tracking and alerts. FinexBase monitoring components allow you to track all customer activities in real time through numerous dashboards and log viewers included in the interface. FinexBase can track connections to connectors and providers, as well as pricing and trading activity.

While real-time tracking is vital for day-to-day operations, FinexBase's monitoring capabilities also extend to historical data analysis. This allows you to view all historical log activity to track post-trade activities and pricing, as well as historical connections to vendors and connectors. In this way, an investigation, whether to help solve a technical problem or bring clarity to a client regarding a particular trading event, is simplified;

Reporting, both individual and general.

Reporting interface provides specialized and customizable reporting and analysis of client trading data. It enables creating detailed custom reports and accurately filtering and exporting data, providing FinexBase and its clients with valuable insight into all aspects of trading activity.



FinexBase Ecosystem

4.2 ILAO Marketplace

In the view of many users, NFT is a picture. But in fact, NFTs are metadata recorded on the blockchain.

FinexBase, when implementing the ILAO marketplace, uses a protocol from ENVELOP, which allows the issuance of SAFT wNFTs - wrapped NFTs.

SAFT wNFT is an NFT containing a wallet with many smart settings, including a lockup period (token freeze time).

The crypto project creates a lot of NFTs using the ENVELOP protocol and the FinexBase interface. It places its tokens inside the NFTs and sets the lock-up period, royalties and some other settings.

To use the ENVELOP protocol and console for one month, the crypto project will have to buy and block 200,000 NIFTSY tokens for one year, which is equivalent to 550 USDt at the current price.

The general list of projects on the FinexBase marketplace contains the following information: logo, name of the crypto project, total number of tokens, category, SAFT wNFT price, the start of sales, lock-up period, and publicity of the team.

The personal card of the project contains detailed information, namely: logo, name of the crypto project, screenshot of the main page of the site, link to the website, link to WVP, link to the smart contract address, links to social networks, ticker and name of the token, price range for tokens held in various SAFT wNFT, the price range for SAFT wNFT, the total number of tokens, percentage of tokens blocked in SAFT wNFT from the total number of tokens, data of owners and managers of the crypto project.



At the bottom of the crypto project card, all SAFT wNFTs of this crypto project are displayed. The selection is carried out automatically based on the address of the token's smart contract.

Thus, FinexBase clients can select the projects they are interested in and study each crypto project in detail by receiving aggregated information on the FinexBase marketplace.

To fill out the card, the crypto project must pay 100,000 NEXB, FinexBase's utility tokens.

The purchased SAFT wNFT with crypto project tokens are transferred directly to the investor's wallet in the WEB3.0 system, which provides additional security.



NEXB Tokenomics

General data and distribution of the NEXB token

Token Name:	FinexBase Token
Ticker Symbol:	NEXB
Token Type:	ERC-20
Total Supply:	10 000 000 000 NEXB
Pre-seed, Allocation:	2% (200 000 000 NEXB)
Pre-seed, Price NEXB	0,001 USD†
Pre-seed, Lock up	01.01.2024
Seed, Allocation:	5% (500 000 000 NEXB)
Seed, Price NEXB	0,002 USD†
Seed, Lock up	01.10.2023
Round A, Allocation:	10% (1 000 000 000 NEXB)
Round A, Price NEXB	0,003 USD†
Round A, Lock up	01.07.2023
DEX, Allocation (No Lock up):	8% (800 000 000 NEXB)
CEX, Allocation (No Lock up):	25% (2 500 000 000 NEXB)
Marketing, Allocation:	15% (1 500 000 000 NEXB)
Marketing, Lock up:	01.03.2024
Liquidity on FinexBase, Allocation:	20% (2 000 000 000 NEXB)
Liquidity on FinexBase, Lock up	01.01.2025
Team FinexBase, Allocation:	15% (1 500 000 000 NEXB)
Team FinexBase, Lock up	01.01.2025



The NEXB token is a FinexBase utility token based on the Ethereum blockchain of the ERC-20 standard.

A total of 10,000,000,000 NEXB tokens have been issued.

When distributing tokens, the following principle is considered: the later the distribution stage, the higher the cost of the NEXB token and the shorter the lock-up period.

This approach motivates one to acquire the NEXB token at any stage. Meanwhile, the later the distribution stage, the lower the potential profitability and investment risk.

The liquidity pool on the DEX is formed at the starting price of 1 NEXB equal to 0.005 USDt.

Thus, before the unfreeze dates, released NEXB tokens will be available for purchase for 0.005 USDt and more.

NEXB tokens, aimed at marketing services at the stage of FinexBase entering the broad market, maintaining the liquidity of the FinexBase broker and rewarding the FinexBase team, have the longest lock-up periods.

Listing crypto projects on the FinexBase marketplace costs 100,000 NEXB.

All NEXB tokens received by FinexBase as payment for its services are subject to burning.

FinexBase investors who join the project at different stages by purchasing the NEXB token can count on profit. It is formed not at the expense of new holders but due to the services provided by FinexBase, the freezing of the team's tokens, the deflationary model of tokenomics and the burning of NEXB tokens received by FinexBase as a payment for their services.



The annual trading volume of centralized exchanges exceeds \$50 trillion in spot instruments and \$120 trillion in derivatives.

FinexBase's primary goal during its first year of operation is to transform its unique customer offer into a market share of 0.1% of the global volume.

Namely, \$50 billion in the spot cryptocurrency market and \$120 billion in the crypto derivatives market.

According to the planned commission policy of FinexBase, as well as the statistical indicators of trading of an average client, the average commission will be about 0.06% of the total trading volume in the spot market and 0.02% in the futures market.

Thus, in a year, we expect the monthly revenue indicator to reach:

$$\mathbf{\$4.5M = (\$50B * 0.06\% + \$120B * 0.02\%) / 12}$$

The NEXB token will allow for improving trading conditions, increasing partner remuneration, accessing investment and educational services, and connecting news terminals for all FinexBase clients. All of this will ensure the stability of demand for the NEXB token.



CEO



Alexander Skurchaev

Founder and CEO FinexBase

In the financial sector since 2009;

2012 - 2014, worked in the SDG Proprietary Office, trading on the NYSE through the American broker Hold Brothers;

2014 - participated in the development of an online bank together with ASD Technologies;

2014 - in various leadership positions, including crypto projects;

2018 - Development Director and expert at the informational website about cryptocurrencies and blockchain
cryptonisation.ru

2019 - founder and CEO of [SANZA ASSET MANAGEMENT](#)



Roadmap

Pre-seed (III-IV quarter 2022)

- distributing 2% of NEXB tokens in ILAO format
- freezing tokens of the team and FinexBase until 01/01/2025
- description of FinexBase broker
- marketplace for ILAO projects created FinexBase
- attracting 50 crypto projects to the ILAO marketplace created by FinexBase
- liquidity pool on UNISWAP
- generating of SAFT wNFT NEXB tokens for distribution at the seed stage

Seed (Q1 2023)

- distributing 5% of NEXB tokens in ILAO format
- MVP for FinexBase broker
- WEB 3.0
- staking NEXB tokens

Round A (Q2 2023)

- distributing 10% of NEXB tokens in ILAO format
- registering FinexBase brokerage company
- FinexBase personal account
- connecting the economic calendar to the FinexBase website
- MT5 terminal
- launching the FinexBase Beta version

Round B (Q3 2023)

- distributing 5% of NEXB tokens on DEX
- adding forex and CFD instruments
- adding services for copying trades, and auto-following
- adding the referral program
- enabling fully automatic listing on the marketplace of ILAO projects by FinexBase
- investor voting

Public (Q4 2023)

- listing of NEXB tokens on CEX
- adding NEXB liquidity to CEX in the amount of 10% of NEXB tokens
- adding stock market instruments and derivatives
- enabling margin trading
- entry of FinexBase brokerage company into the broad market

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