Executive Summary

KASPEX is pioneering a decentralised exchange (DEX) designed to facilitate the seamless trading of KRC-20 tokens on the Kaspa blockchain. Our mission is to enhance the visibility and accessibility of KRC-20 tokens, fostering a thriving ecosystem within the Kaspa network.

Vision and Mission

KASPEX aims to become the go-to platform for trading KRC-20 tokens, providing a secure, transparent, and user-friendly environment. By leveraging the unique capabilities of the Kaspa blockchain, we seek to empower developers, projects, and users to participate in a decentralised financial ecosystem.

Key Features

I. **KRC-20 Token Markets**: Initially, KASPEX will support trading for a select number of high-quality KRC-20 tokens, with markets denominated in $KAS. Users can list buy and sell orders, ensuring a dynamic and liquid marketplace.
II. **Security and Compliance**: KASPEX prioritises security with multi-layer encryption, regular security audits, and adherence to industry standards. Our platform will initially act as a Trusted Third Party (TTP) to guarantee transaction integrity by assisting in the generation of the correct transactions by each peer.
III. **Community and Ecosystem**: We are committed to fostering a vibrant community by supporting community-driven projects, providing grants, and encouraging collaboration within the Kaspa ecosystem.

Roadmap and Future Developments

KASPEX is dedicated to continuous improvement and innovation. Our roadmap includes the transition to a more functional decentralised exchange, the introduction of new trading pairs, and the integration of advanced features such as staking and governance.

We will closely follow the development of Kaspa's smart contracts and explore interoperability with other protocols to maximise the utility of KRC-20 tokens.

Movement to a smart contract based structure however, will not be dependent on Kaspa implementing smart contracts natively.

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Overview of KASPEX

KASPEX is initially a peer-to-peer (P2P) marketplace that enables the trading of KRC-20 tokens on the Kaspa blockchain.

It's mission is to amplify visibility and increase access to KRC-20 tokens, ensuring that the Kaspa blockchain can thrive and grow.

With the introduction of KRC-20 tokens thanks to the Kasplex team, we are implementing the first version of KASPEX, which will evolve into a full DEX either using Kaspa smart contracts, Chain Signatures, or an EVM compatible layered solution.

Problem Statement

The Kasplex protocol, while innovative, does have various limitations in terms of a developer being able to leverage the inscription-model that it uses in order to create full featured decentralised exchanges or DApps.

The KASPEX team will closely follow Kaspa's smart contract development, as well as consider other protocols to maximise the usability of KRC-20 tokens, which is one of it's primary goals.

Features

KRC-20 Token Markets

Initially, KASPEX will not allow token creation, minting, or deployment. Instead, we will focus on opening markets for existing KRC-20 tokens that meet our stringent requirements.

This ensures that only high-quality projects are available on the platform, providing users with a secure and reliable trading environment.

The first 10 tokens markets will be based on the KASPEX team's discussions with KRC-20 token teams.

Markets will all be $TOKEN to $KAS and back. Initially there will be no token to token markets made available.

A user will be able to list a buy or sell order, as well as view existing buy or sell orders across the market.

Both users on the buy and sell side will pay a fee denominated in KAS, however as the platform moves to a DEX, other decisions will be allowed to be made to allow for alternate fee structures and currencies.

Marketplace Creation

To list a token on KASPEX, projects must meet the following minimum requirements:

Token Details

I. **Token Name**: The official name of the token.
II. **Token Symbol**: The ticker symbol used to identify the token on exchanges (e.g., BTC for Bitcoin, KAS for Kaspa).

Project Information

I. **Project Overview**: A detailed description of the project, its objectives, and the problem it aims to solve.
II. **Whitepaper**: A technical document outlining the project's technology, tokenomics, roadmap, and team.
III. **Token Socials**: Access to any official social channels (Twitter, Instagram etc.) as well as rooms or servers that are used for community chat (Discord, Telegram).
IV. **Use Case**: How the token is used within the project ecosystem and its utility.
V. **Legal Compliance**: An attestation from a legal representative (and contact details) or conclusive proof that the token is not a security.

Project Payment

I. **Listing Fee**: A KAS payment is required once the above information is validated and approved to facilitate token listing costs.

This KAS denominated payment will not be a large cost to a community wanting to list a token.

Security and Compliance

KASPEX prioritises security and compliance, implementing multi-layer encryption, security audits, and adherence to industry standards.

I. **Multi-Layer Encryption**: Protect the minimally collected user data and transactions with advanced encryption.
II. **Security Audits**: Conduct regular audits to identify and address vulnerabilities.
III. **Trusted Third Party (TTP)**: Even though this is not ideal, initially the marketplace will act as a TTP transaction builder, ensuring that both sides of a transaction get the outcome as expected, Reducing the risk of scams to end users.

Community and Ecosystem

KASPEX values community involvement and supports community-driven projects, grants, and initiatives that foster innovation within the Kaspa ecosystem. Key initiatives include:

I. **Community-Driven Projects**: Support projects initiated and driven by the community.
II. **Grants and Funding**: Provide grants and funding for innovative projects.
III. **Ecosystem Initiatives**: Foster collaboration and innovation within the Kaspa ecosystem.

You can join the KASPEX discord here.

Future Roadmap

KASPEX is committed to continuous improvement and innovation. Our detailed roadmap outlines future developments, including upcoming features, partnerships, and milestones. Key milestones include:

Full Featured DEX

KASPEX aims to evolve into a full featured decentralised exchange (DEX) as you'd normally expect from a DEX. This means users will have complete control over their funds at all times, without the need for a TTP.

The DEX will eventually facilitate direct peer-to-peer trading of KRC-20 tokens directly on the Kaspa blockchain.

Key Features

I. **Decentralised Order Book**: Implement a decentralised order book where users can place buy and sell orders without a TTP.
II. **Atomic Swaps**: Enable atomic swaps to ensure secure and trustless token exchanges between users.
III. **Liquidity Pools**: Introduce liquidity pools to provide liquidity for trading pairs and incentivise users to contribute to the pools.
IV. **User-Friendly Interface**: Continuously develop an intuitive and user-friendly interface for seamless trading experiences.

AMM Swaps

Automated Market Maker (AMM) swaps will be brought to the platform on Kaspa, enabling decentralised trading of KRC-20 tokens.

Users can initially swap KRC-20 tokens with KAS, and in the future we will introduce inter-chain transactions. Transacting is as simple as:

I. **Link a wallet:** Yowling a funded wallet with KRC-20 tokens or KAS.
II. **Pick a market:** Choose the KRC-20 token to send and select the token (or KAS) you want to receive.
III. **Swap:** KASPEX's AMM determines prices based on pool reserves, facilitating the transaction.
IV. **Settle:** All KRC-20 swaps are settled on Kaspa.

Kaspa's current architecture focuses on high-speed and secure transaction processing but lacks native smart contracts.

KASPEX will integrate a EVM-compatible layer, enabling cross-chain smart contract deployment and decentralised financial services on Kaspa.

This will ensure secure and trustless execution through Multi-Party Computation (MPC) and Threshold Signature Scheme (TSS).

As Kaspa introduces smart contracts and Kaspex opcodes, KASPEX plans to fully transition its DeFi functionalities onto the Kaspa chain, making for a more robust and native application.

Minting and Deployment

KASPEX will offer comprehensive tools for minting and deploying KRC-20 tokens. This feature will empower developers and projects to create and manage their tokens effortlessly.

Key Features

I. **Token Creation Wizard**: Provide a step-by-step wizard for creating new KRC-20 tokens, including setting parameters such as total supply, decimals, and initial distribution.
II. **Deployment Tools**: Simplify the deployment process with user-friendly tools and detailed documentation.
III. **Token Management Dashboard**: Develop a dashboard for managing token settings, minting additional tokens, and burning tokens.

Token Listing Duration and Volume Requirements

To ensure the quality and liquidity of listed tokens, KASPEX will implement minimum volume requirements for token/KAS pairs.

Tokens must maintain a minimum trading volume over a 90-day period to remain listed.

Specific volume requirements will be determined based on market conditions and will be communicated to project teams during the listing, and on an ongoing process.

Glossary

Blockchain
A decentralised digital ledger that records transactions across many computers in such a way that the registered transactions cannot be altered retroactively.

DEX (Decentralised Exchange)
A peer-to-peer marketplace where transactions occur directly between crypto traders. DEXs are designed to operate without a central authority.

KAS
The native cryptocurrency of the Kaspa blockchain, used for transaction fees and other network activities.

KRC-20
A token standard on the Kaspa blockchain, similar to Ethereum's ERC-20, which defines a set of rules for creating and managing tokens.

Kaspa Blockchain / Kaspa DAG
A high-throughput, scalable blockchain that uses the GHOSTDAG protocol to achieve fast transaction confirmation times.

GHOSTDAG Protocol
A consensus algorithm used by the Kaspa blockchain that allows for high transaction throughput and fast confirmation times by organising blocks in a Directed Acyclic Graph (DAG) structure.

Smart Contract
A self-executing contract with the terms of the agreement directly written into code. Smart contracts run on blockchain networks and automatically enforce and execute the terms of the contract.

Liquidity
The ability to buy or sell an asset without causing a significant impact on its price. High liquidity indicates a stable market with many buyers and sellers.

Staking
The process of holding and locking up a certain amount of cryptocurrency to support the operations of a blockchain network, often in return for rewards.

Governance
The system by which decisions are made within a blockchain network or decentralised application. Governance can be on-chain (using smart contracts) or off-chain (using traditional methods).

Multi-Signature Wallet
A type of wallet that requires multiple private keys to authorise a transaction, enhancing security by reducing the risk of a single point of failure.

Cold Storage
A method of storing cryptocurrencies offline to protect them from hacking and other online threats.

KYC (Know Your Customer)
A process used by financial institutions and exchanges to verify the identity of their clients, ensuring compliance with regulatory requirements.

AML (Anti-Money Laundering)
A set of laws, regulations, and procedures designed to prevent criminals from disguising illegally obtained funds as legitimate income.

Tokenomics
The study and design of the economic model and incentives of a cryptocurrency or token, including its distribution, utility, and governance.

Vesting Schedule
A timeline that dictates when and how tokens are released to team members, advisors, and other stakeholders, often used to ensure long-term commitment to the project.

Interoperability
The ability of different blockchain networks to communicate and interact with each other, allowing for the transfer of assets and data across multiple platforms.

Directed Acyclic Graph (DAG)
A data structure used in some blockchain networks, including Kaspa, that allows for parallel processing of transactions, leading to higher throughput and faster confirmation times.

Emission Schedule
The predetermined rate at which new cryptocurrency tokens are created and released into circulation.

Decentralised Finance (DeFi)
A financial system built on blockchain technology that operates without traditional intermediaries like banks, offering services such as lending, borrowing, and trading.

Peer-to-Peer (P2P)
A decentralised network where participants interact directly with each other without the need for a central authority or intermediary.

Trusted Third Party (TTP)
An entity that facilitates transactions between two parties by providing a trusted environment, often used in the initial stages of a decentralised platform to ensure security and compliance.

Legal

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