

Omphalos: The Cornerstone of DeFi Universe

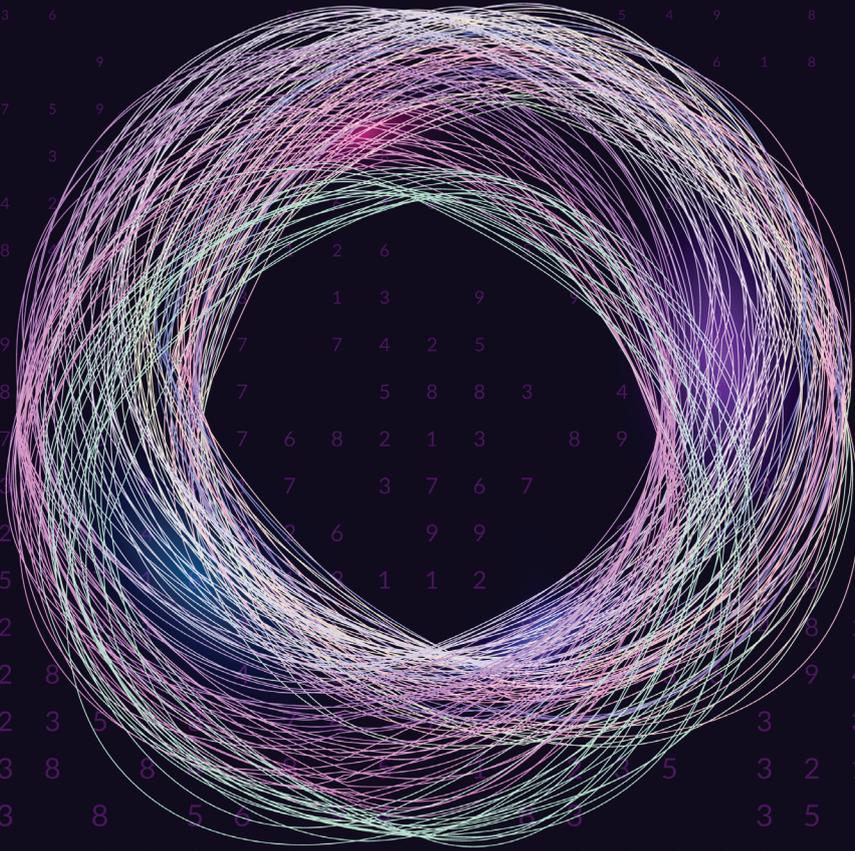
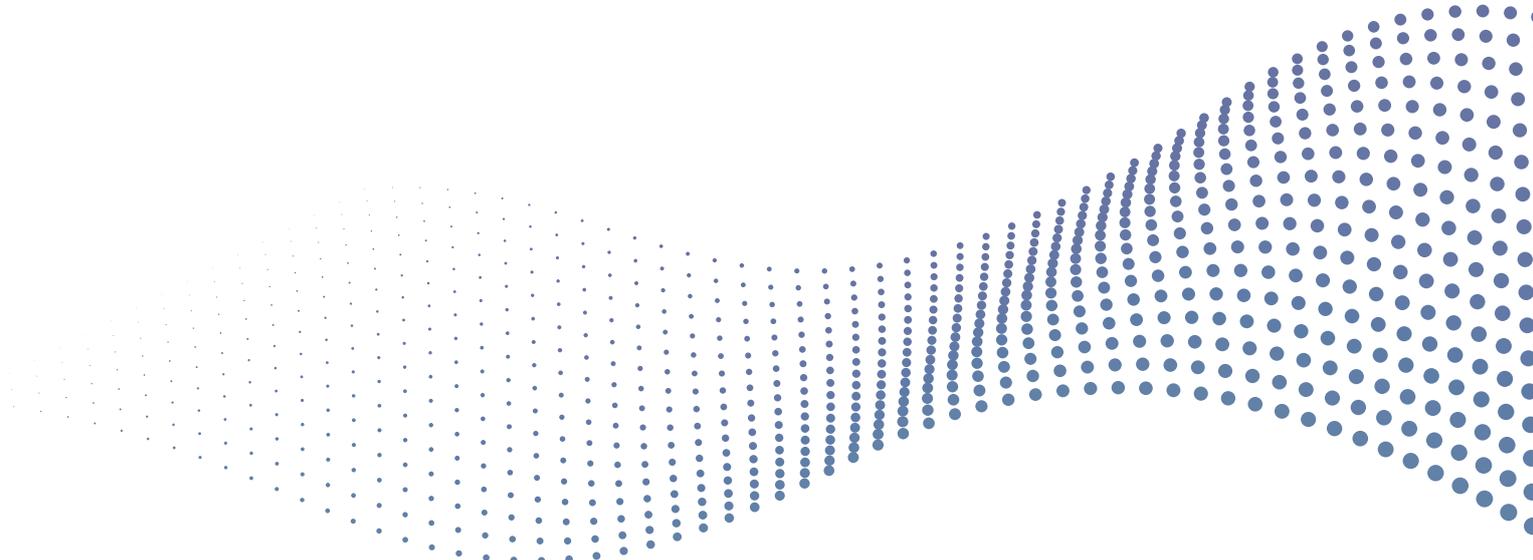


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Our goal is to create an adaptive base cryptocurrency with scalable chain interoperability that is fully decentralized: driven by algorithms and governed by the community.



INTRODUCTION

In this “isolated island” of Blockchain, altcoins’ prices have become highly correlated with one another and Bitcoin, and yet show few similarities to traditional assets – stocks and fiats. The exception USDT is a close substitute for fiat USD, issued excessively from a centralized company called Tether [1], and is widely used in centralized financial platforms.

The recent DeFi boom brings new vision through many ahead, and multiple ventures are tokenized to fortify the new stand. A new asset has been sought which can serve as the solid base cryptocurrency for DeFi products – mining, insurance, lending, DAO, etc. The ideal asset people are looking for should be dynamic, unique, and less affected by Bitcoin fluctuation, flexible in different scenarios, and with decentralized governance.

Introducing the new asset, Omphalos, to act as the base currency for a decentralized financial system. Our model comprised some of the most exciting ideas to make it. MakerDAO brought in stable token DAI with community governance – a decentralized token of fixed fiat value. And with a new protocol, Ampleforth, as a synthetic commodity, “propagates nominal exchange-rate information into token supply” [2], offering dynamic token price with low volatility. By combining this uncorrelated protocol with Bitcoin and DAO governance, we also season it by integrating with the Polkadot multi-chain framework, the most “advanced infrastructure for security, scalability, and innovative architecture” [3], Omphalos will eventually become interoperable with other blockchains.

In ancient Greek, Omphalos means the navel of the world. In the DeFi world, Omphalos will be the cornerstone of decentralized autonomous communities and open financial applications.

The Five “Pillars” of Omphalos

There are five key “Pillars” which the Omphalos operates upon *Decentralized Bank, Council, Liquidity Mining, Lending & Borrowing, and Cross-chain Interoperability*.

Decentralized Bank: Algorithm-based Price-supply Equilibrium

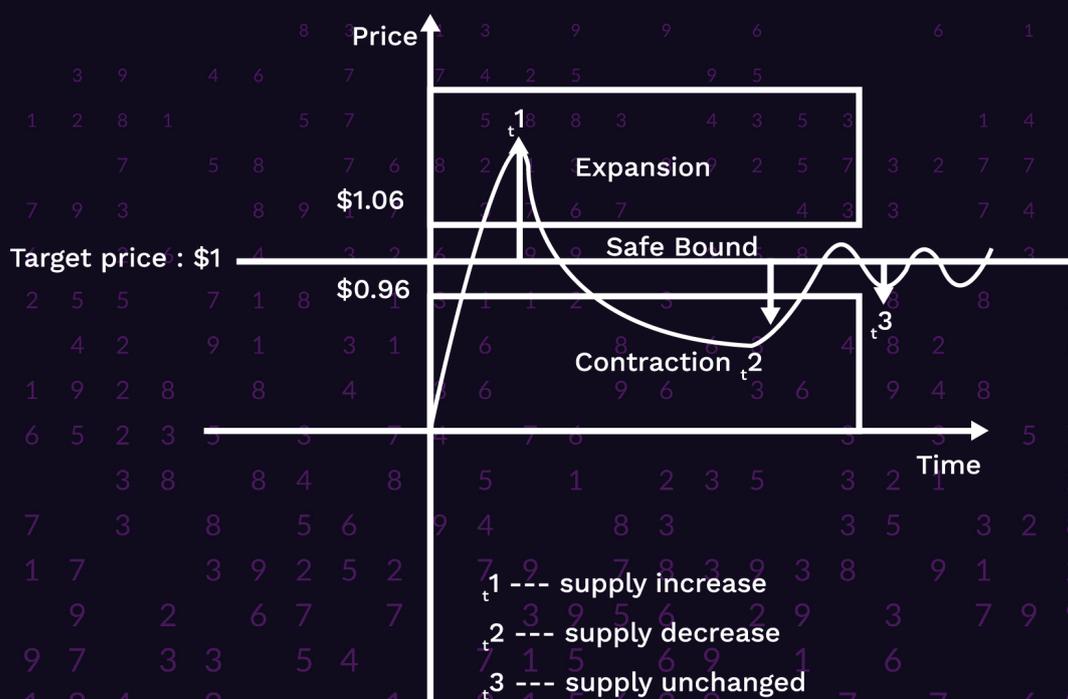
The financial network is the backbone of all industries. Stability is the key to building an open financial system, yet many stable coins on the market have struggled to achieve the 1 USD equilibrium due to market influences.

In Omphalos (OMPL), we adopt an economical sound Price-supply Equilibrium

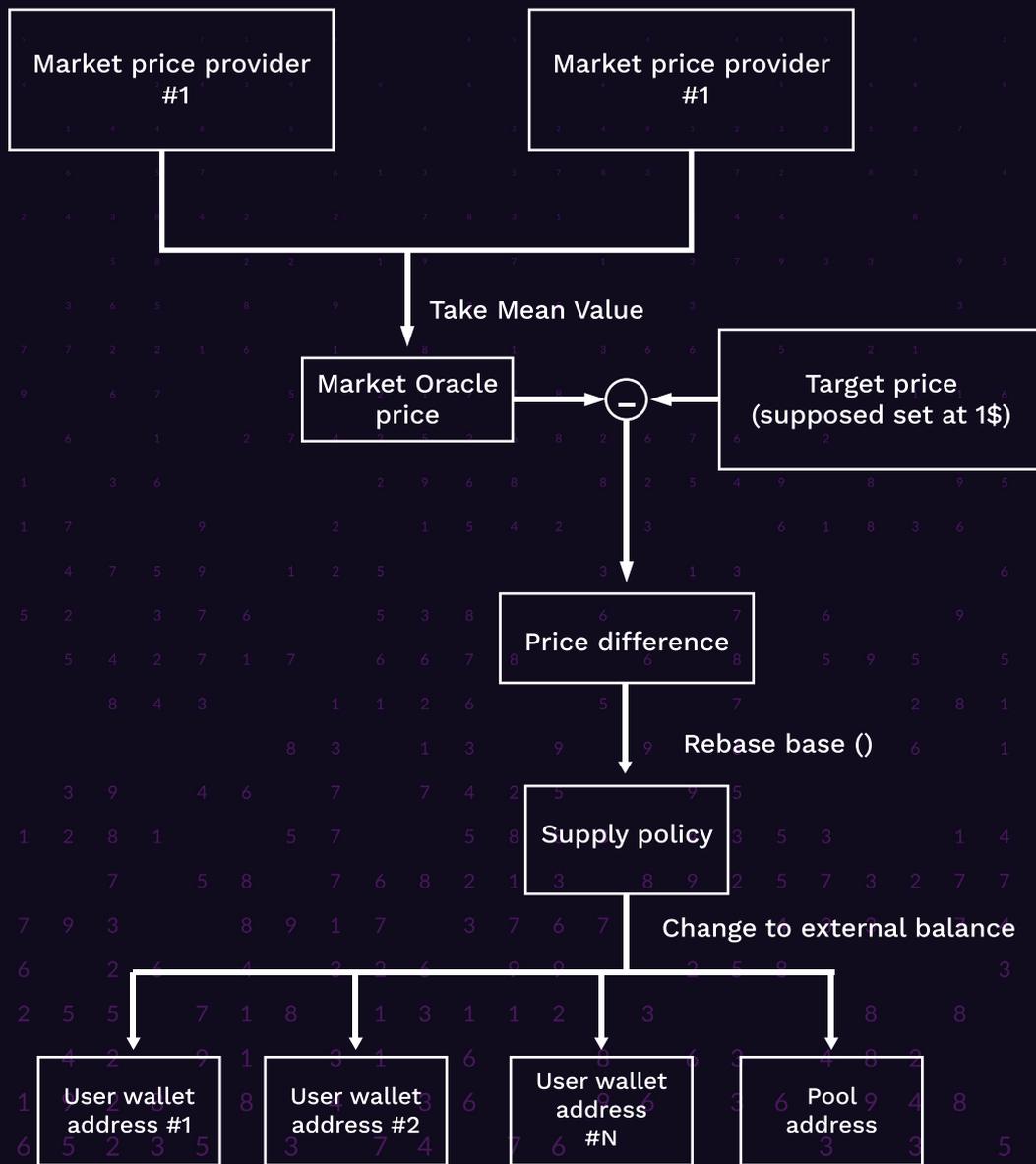
principle that does not rely on human intervention but achieved through self-executing smart contracts and algorithms adjusted parameters. To achieve equilibrium, the protocol propagates price-information into supply side by reacting to nominal exchange-rate information.

There are three simple rules:

- (1) if the price exceeds the upper safe bound, \$1.06, the supply of OMPL will increase.
- (2) if the price is below the lower safe bound, \$0.96, the supply of OMPL will decrease.
- (3) if the price is within the safe bound, the supply of OMPL remains unchanged.



The diagram below shows how the algorithm is implemented. Trusted market price providers collect the market price of OMPL at a fixed frequency, the mean value of which is the systematic oracle price of OMPL. Subtracted from the target price, we will get price difference: delta. Passing delta to function rebase(), the supply policy smart contract will adjust the current supply to find the equilibrium described above, automatically adjusting the balance that appears on users' wallets or pools.



Council: DAO Governance

Omphalos protocol is governed by the community, with OMPL holders being stakeholders of the organization who can determine how the project operates.

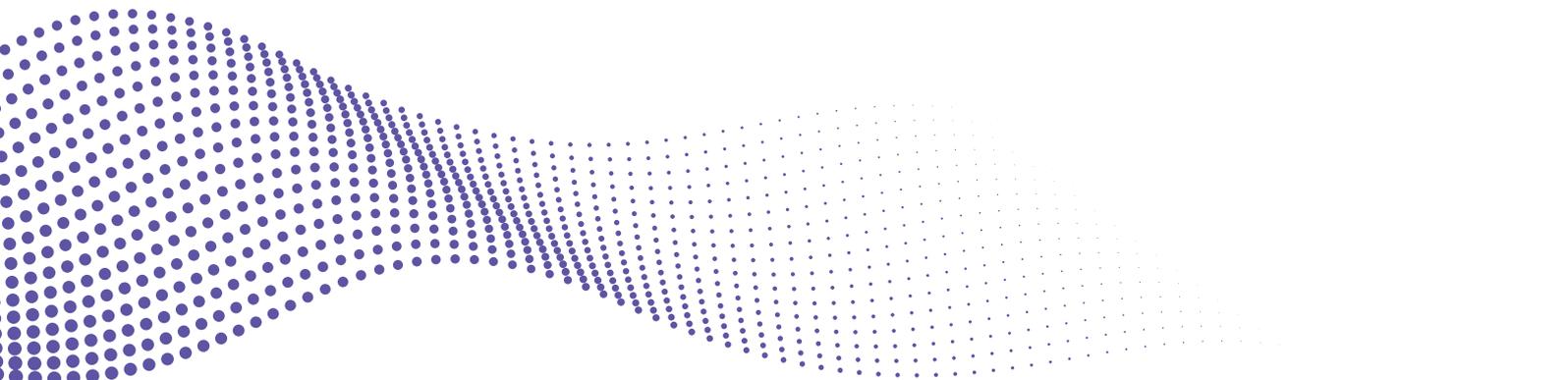
In our decentralized organization, decisions are not made from the top down but through reaching consensus between all our members, therefore creating a transparent, trustless, and incorruptible organization.

Omphalos council members will be responsible for voting on matters on-chain, such as protocol upgrade, updating network parameters and vetoing

dangerous referenda. 1 OMPL token entrusts 1 voting weight and will not change proportionately when the rebase occurs due to non-dilutive ownership.

Token holders can currently vote for the rebase time-lapse, which is set at 24 hours by default. We will later open more options to the community, including selecting trustworthy sources for market price and other new features.

As an incentive for community members for contribute, 15% of the total supply is set aside as a grant.



Omphalos

Spring: Liquidity Mining

Omphalos Spring is a smart vault to incentivize long-term holders; holders receive OMPL from the mining pool of OMPL and either stake their OMPL to earn a passive interest or join liquidity pools on the various market making platforms like Compound, Balancer, Uniswap, Mooniswap. We also aim to diversify the ways of

liquidity mining based on the community voting preference and partnership with centralized exchanges.

Omphalos Spring is expected to be launched in **Q4 2020**; we plan to reward OMPL to liquidity providers with an Annual Percentage Yield (APY) upwards of **300%**.

Eligible Pools (Coming soon)



Balancer



Compound



Uniswap



Omphalos Adesha: Borrowing & Lending

Omphalos Adesha is the next generation decentralized borrowing and lending protocol designed to generate liquidity with a lower collateral ratio.

We eliminate the need for credit score, privacy concerns, and liquidity problems of traditional financial system.

A borrower needs to lock up Ether or other supported ERC-20 tokens in the OMPL protocol and creates an individual liquidity position called a “seed.” With our fast liquidation design, each seed is required to have a minimum liquidation ratio of **120%** while compared to MakerDao at **150%**.



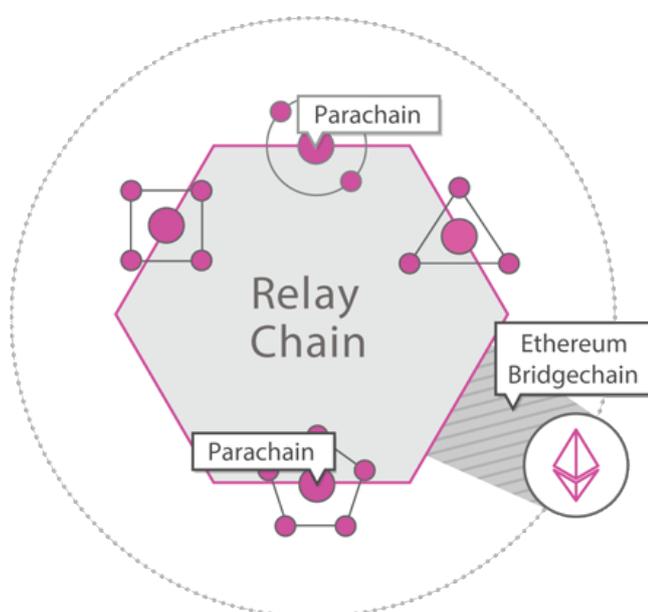
Omphalos Proxy: Cross-chain Interoperability Powered by Polkadot

In Omphalos, we believe that a true global digital currency should overcome the bound of fragmentation and limitation, by allowing digital assets, value, and information to flow freely in multiple blockchains in a decentralized financial ecosystem.

Polkadot is the most promising cross-chain solution for Ethereum's

layer-2 substitute. It provides interoperability and scalability for blockchains; our team is working on integrating the Polkadot parachain framework into the development of cross-chain architecture.

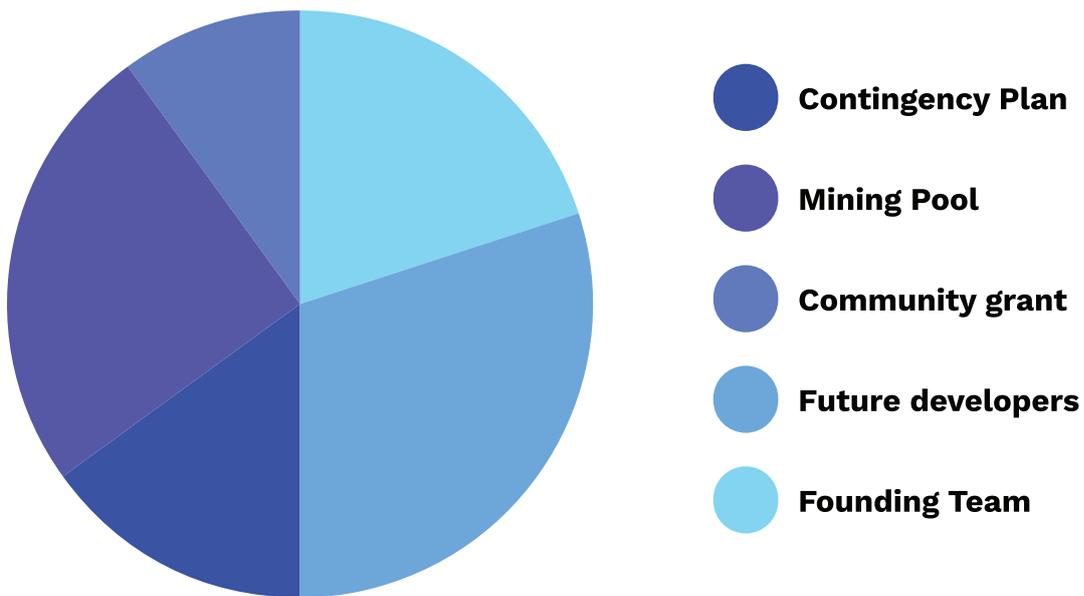
We expect to achieve cross-chain capability with other potential projects and on-chain governance in the foreseeable future.



Token Launch Information

Initial token supply: 100,000,000 OMPL
Initial circulating token: 15,000,000 OMPL
Day Zero OTC: 10% increase
Launch Date: October 2020
Launch Price: 1 USD/OMPL

Token Distribution:



RoadMap



Conclusion

Today, cryptocurrencies remain dangerously volatile, and most DeFi platforms are difficult to use, hindering user experience and impeding public adoption.

Omphalos is poised to change that with the five pillars: (1) Supply-price Equilibrium, (2) DAO Governance, (3) Liquidity Mining, (4) Decentralized Borrowing and Lending (5) Cross-chain interoperability powered by Polkadot.

The Omphalos Protocol will soon be launch and will evolve to a fully functional product overtime. To accomplish this, we believe that the community must come together to collaborate. If you are working on DeFi application and interoperability solution, we encourage you to join us.

Learn more about Omphalos protocol at Omphalos.co, and follow us on Telegram, Twitter and Discord.