

Send

Low volatility digital money
Version 0.9.9

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Abstract

Send (SDT) is a token designed to address the three principle challenges facing cryptocurrencies today: volatility, speculation, and lack of user-friendliness. The SDT token addresses these challenges via a price consensus mechanism that maintains a stable price as demand and transaction volumes increase within the *Send Consensus Network*. We aim for the SDT token to become the unit of account of the future, serving communities as a safe medium to store value and exchange currencies.

1 How it all started

In 2013, the Send founding team began working in Bitcoin-related services including the design, development, and deployment of Bitcoin ATMs across the United States, South America and Europe. While setting up dozens of machines around the world, we identified a clear demographic pattern: high-migrant geographic areas showed higher-than-average Bitcoin transaction volume. Intrigued by this pattern, we performed a deeper behavioral analysis of the migrant population and uncovered how individuals were using Bitcoin as a new exchange instrument for cross-border and other financial transactions.

Bitcoin is one example of a financial instrument that enables migrant users to bypass central actors and their associated costs, including: exchange currency control, limited offerings of foreign currencies, arbitrage exchange rates, and high remittance costs. Yet, despite vast potential benefits and growing use, cryptocurrencies still comprise a small percentage of total transactions. For example, in the case Venezuela¹, cryptocurrencies account for only 14% of all remittances².

Through our years of industry experimentation and investigation, we discovered three major obstacles hindering the massive adoption of cryptocurrencies as key exchange instruments for cross-border transactions: 1) high volatility leading to uncertainty of real exchange rate value, 2) a highly speculative environment and 3) a lack of user-friendly tools for non-technical users to manage Bitcoin transactions.

As an example of a transaction, an individual in the United States buys bitcoin and sends it to a family member in Venezuela. The family member, using several technologies, exchanges the bitcoin into local currency. In this process, both the sender and recipient interact with liquidity providers.³

According to our survey (Figure 1) of liquidity providers in Nigerian and Venezuelan Bitcoin marketplaces, 75% of respondents claim to have suffered heavy losses as a result of volatility and transaction delays. Additionally, 88% of respondents say they commonly increase their fees to cover

¹ Venezuelans are the population with the highest inflation rate of the world, reaching more than 3,000% in 2016 according to the World Bank; people need to bypass currency controls to protect their purchasing power.

²Calculations made based on estimates of the remittances market for Venezuela (Remittances to Latin America and the Caribbean in 2016, Manuel Orozco – THE DIALOGUE, Leadership for the Americas: <http://www.thedialogue.org/wp-content/uploads/2017/02/Remittances-2016-FINAL-DRAFT.pdf>) and the average transaction volume in the LocalBitcoin Venezuelan Marketplace

³A liquidity provider is a user or organization that provides liquidity to the marketplace by dealing directly with SDT tokens. See more definitions in our WeSend Marketplace document.

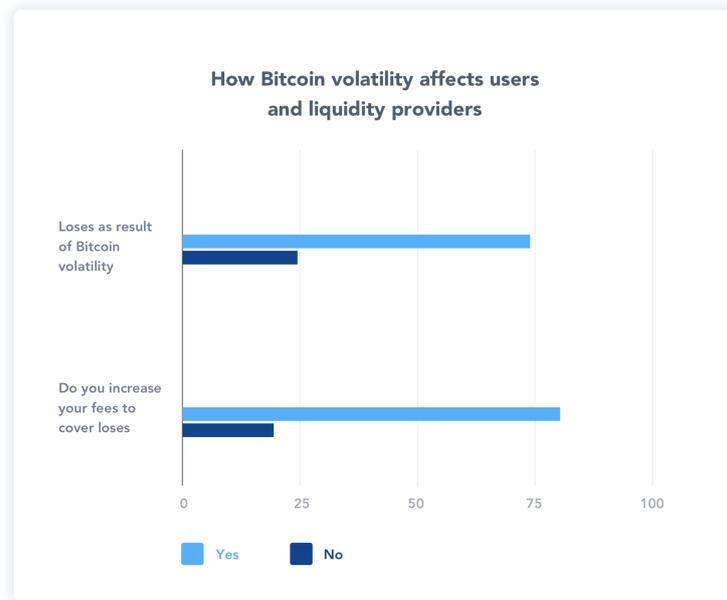


Figure 1: Survey results.

volatility losses. As a result, liquidity providers believe that given a more stable bitcoin exchange price, they would be able to reduce their fees and grow their transaction volume. This volatility challenge applies to almost all cryptocurrencies on the market, negatively affecting providers and the community trying to use digital assets as exchange instruments to fulfill diverse financial needs.

Our research findings indicate the following three principle challenges are slowing the adoption of cryptocurrencies as money capable of solving financial needs for the mass public.

1.1 Major challenges of cryptocurrencies

The internet has changed our world as we know it. Similarly, digital currencies are transforming the way we perform transactions. Since 2009, when Bitcoin launched as the most relevant cryptocurrency, we have seen tremendous growth in the launch rate of other kinds of digital assets as well as in their market values. Despite more recent recognition and growth of cryptocurrencies, it is necessary to propose strategies to mitigate the obstacles preventing engagement by the global population in order to achieve massive adoption.

1.1.1 High volatility

Cryptocurrencies have opened a new market, which accounts for 11.4B USD in daily transactions⁴ and demonstrates the value of decentralization and the freedom to perform exchanges. However, price volatility caused by speculation has become one of the barriers preventing the mainstream adoption of cryptocurrencies.

(Figure 2) compares the 30-day volatility of a number of well-recognized economic assets, including Bitcoin, Ethereum, Litecoin, gold and the Euro, against USD over the last two years. It is clear that rates of volatility of cryptocurrencies far exceed those of fiat currencies like the Euro and commodities like gold.

1.1.2 High speculation

Rapid value changes of up to 15% in one day have led to cryptocurrencies being considered high volatility assets⁵. The decentralized infrastructure of cryptocurrencies results in pricing that is

⁴Calculations based on data extracted from Coinmarketcap during September 2017. <https://coinmarketcap.com/>

⁵Cryptocompare. 5 Things You Need to Know About Bitcoin Volatility. 2018. <https://www.cryptocompare.com/coins/guides/5-things-you-need-to-know-about-bitcoin-volatility/> Access date: 18/03/2018.

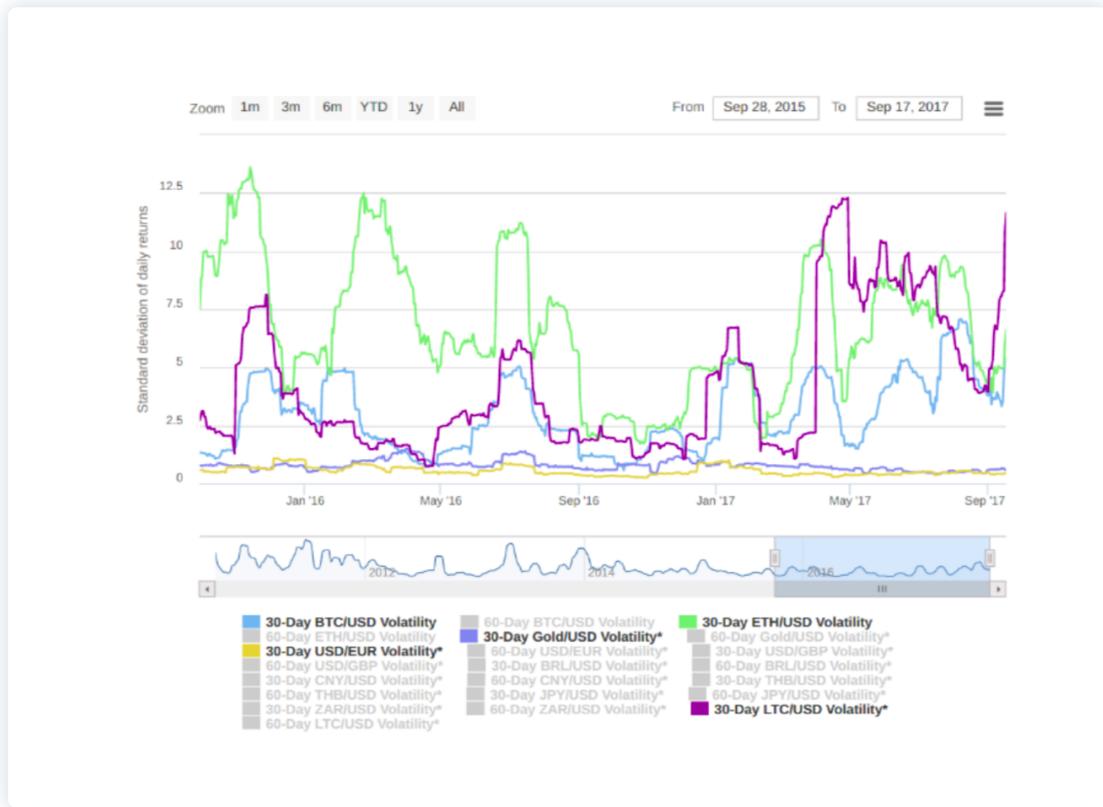


Figure 2: Economic Items Volatility. [Source](#)

dependent on market forces and increases vulnerability from speculation by individuals who aim to manipulate the market and currency holders' emotional states through news releases⁶ and market manipulation.⁷

1.1.3 Lack of user-friendliness

Continually developing blockchain projects are improving the speed, scalability and security of cryptocurrency transactions, but there remains a need to enable non-technical community members to start using cryptocurrencies in their daily lives. Existing systems of wallets, marketplaces and apps are very complicated to use which limits more universal adoption. Despite a growing number of software and hardware applications, most users are considered early adopters of the cryptocurrency economy.

1.2 Our goal

A combination of negative factors related to the use of cryptocurrencies prevents mass adoption. These include volatility, speculation and a lack of user-friendliness. It is necessary, therefore, to develop a new type of digital asset that addresses these challenges. Although there is not a unique solution, the process of acquiring and using cryptocurrencies should be simplified to correct the negative image and increase awareness by integrating more users into the market economy. To transform a digital asset into a widely accepted and widely used unit of account (money), the asset should move through the following five stages.

- **SDT as a concept:** Price consensus mechanisms are designed and set-up.

⁶Bouoiyour, J. and Selmi, R., 2015. What does Bitcoin look like?. *Annals of Economics & Finance*, 16(2).

⁷"For instance, traders can sometimes purchase huge amounts of bitcoin from the market so as to make the price to appear like it is rising before dumping them back into the market, hence making unheard-of profits from the same." <https://totalbitcoin.org/some-factors-that-influence-the-bitcoin-price/> Access date: 18/03/2018. For a complete analysis consult Gandal, N., Hamrick, J.T., Moore, T. and Oberman, T., 2018. Price manipulation in the Bitcoin ecosystem. *Journal of Monetary Economics*.



Figure 3: Our goal.

- **SDT as an asset:** Tokens are released and price becomes a function of market forces arising out of a large number of diffused transactions rather than the efforts of any single group or person; and it is the intention that SDT tokens will be released only after the efforts of Send founders and other affiliate parties are no longer material in determining their price or value, having given way instead to market forces such as supply, demand, and the network's overall liquidity.
- **Power of community:** Individuals and organizations adopt the token and add liquidity to the network by completing regular transactions.
- **Mass adoption:** A solid, growing community of third-party applications and users contribute to a strong market.
- **SDT as money:** Globally-recognized SDT tokens function as a store of value, as a medium of exchange, and as a unit of account.

2 *Send* as a concept

Our goal is to provide the world with a digital asset capable of offering price consensus. Such consensus occurs with the support of a set of people and organizations that recognize the reference price in exchange for a reward⁸, which leads to a price stabilization phenomenon near the consensus price. In this context, asset valuation increases with increased use and adoption, indicating network liquidity is ready to support a new safe price.

In order to achieve a stable and growing value, it is necessary to connect individuals and organizations providing fiduciary and digital currency liquidity around a common asset as an exchange instrument. The asset could represent a dynamic value for defined periods of time. In

⁸While the possibility of a steadily increasing price is itself sufficient incentive to attract liquidity providers, it is important to clarify, however, that in this context an increasing price is not to be confused with either speculation or the measure of profit. From the perspective of the liquidity provider, the measure of profit is determined by a number of factors, some of which will be unique to that liquidity provider, in much the same way as the success of a franchise is independent of the franchisor.

this way, the dynamic value would increase as an effect of the network’s transactional growth, or would be maintained if the network’s transactional growth does not advance or decreases.

Publicly available information on the network’s transactional evolution will allow the community to quickly find and meet liquidity needs and the demand for currencies, connect remittance brokers, integrate financial systems, and offer new services on the ecosystem for this digital asset.

As the availability, liquidity, and services around the digital asset grow, the transactional volume will increase, causing the value increase of this digital asset to be effectively sustained by the community around the *Consensus Network*.

A stable and growing digital asset that eliminates volatility risks could become a preferred exchange tool and a storage place for digital value for the mass public that seeks to solve needs of portability, storage, transfer, and exchange of money.

The needs of the mass public could be solved by application developers and liquidity providers who find opportunities in the network and can predict network growth if they are able to meet their needs and take advantage of the price increment. Mobile wallets, remittance services, currency exchange markets, payment buttons, payment cards, and gift certificates are just a few of the examples of services that could benefit from a trading instrument with a stable and growing value. All these efforts will lead to the implementation of anti-volatility digital money to be used worldwide as a new alternative in the cryptocurrency space.

3 *Send* as an asset

We present Send (SDT) as an Ethereum-based asset tied to our *Consensus Network* – a network of people, organizations, developers and applications willing to use *Send* as an exchange instrument for goods and services accepting the Consensus Price as a minimum possible price in their systems.

The *Consensus Network* is created with the objective of establishing a new liquidity mechanism that allows organic growth of the cryptocurrency without being influenced by speculative practices.

The liquidity discovery process is based on a dynamic price-consensus mechanism designed to grow over time and add value to the community as a new exchange instrument supported in the equilibrium provided by the *Consensus Price* acceptance in the *Consensus Network*. SDT could be used to exchange digital and fiat currencies, and to facilitate the mainstream adoption of digital money.

3.1 A new mechanism for price consensus

To define a viable *Consensus Price* growth mechanism, it is important to identify the variables that drive cryptocurrency prices aside from speculation: transaction volume and circulating supply.

Transaction volume. The first finding is the strong correlation between price and transaction volume because incremental growth in transaction volume usually leads to price growth of the same scale.

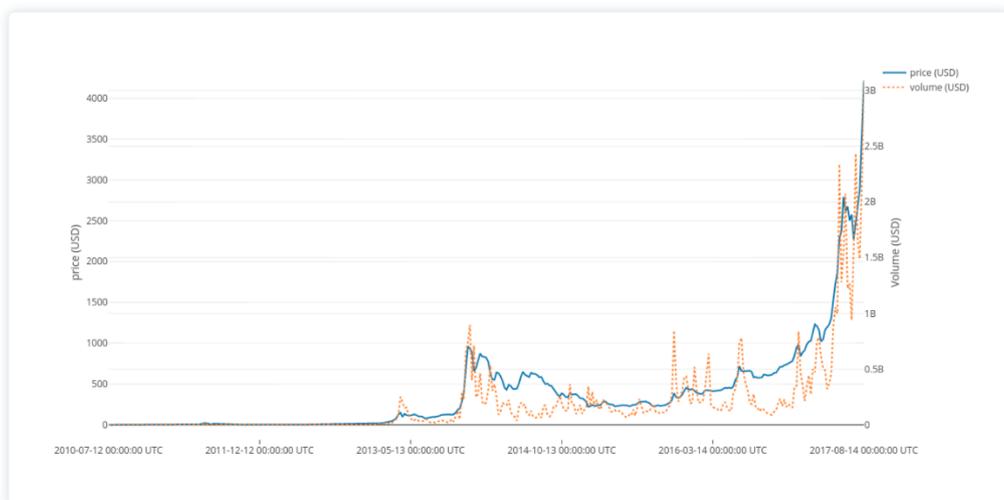


Figure 4: BTC price & volume correlation.

Given the historical behavior of bitcoin, a correlation coefficient between price and volume is calculated as follows:

$$\text{correlation}(p, v) = \frac{\sum_{i=1}^n (p_i - \bar{p})(v_i - \bar{v})}{\sqrt{\sum_{i=1}^n (p_i - \bar{p})^2} \sqrt{\sum_{i=1}^n (v_i - \bar{v})^2}} = 0.9123 \quad \text{where } n \text{ is the number of samples}$$

Because of this **high correlation between trading volume and bitcoin price**, the transactional volume of the network is used as one of the main factors to determine a SDT price reference. High transaction volume means high liquidity; the higher the network’s liquidity, the easier it will be to exchange the currency for another asset or digital/fiat currency.

Another factor is the circulating supply. The number of units in circulation directly affects the market cap and the measure of liquidity on a particular asset. The projected supply and vesting model projections are explained in detail in the [Send SDT Token Economics document](#).

3.2 Economic foundations

The Bretton Woods system⁹ led to an increase in production and trade globally by establishing a global reserve system choosing the *American dollar as the backbone of international exchange*.¹⁰

The lessons learned from Bretton Woods drove the conceptualization of the Send (SDT) token in the digital economy: to achieve a sustainable monetary system, the ratio between the reference currency and the reserve must be maintained without changing the rules. Thus, when the market expands, the reserve should also expand to maintain the original ratio. In the case of SDT, transactional volume growth within the network leads to increased market liquidity and a resulting increase in token price.

Even though Bretton Woods proved to be stable for a couple of decades, it failed due to key decisions made exclusively by one nation.¹¹ With Send price consensus, we are proposing that control and performance of, as well as responsibility for operations be driven by the network. To achieve sustainable consensus, a system of indicators must be established to allow participants to understand the rules and plan future financial decisions accordingly.

The transition of the SDT token from a digital asset to “money” requires a reinterpretation of Mises regression theorem.¹² The stages for this transition are 1) formation of price (the token distribution process), 2) formation of liquidity (the interactions of the community), 3) medium of exchange (using SDT as a token of exchange) and 4) critical mass (the growth of the ecosystem). In the proposed model, liquidity is upheld through the network effect generated by the price consensus system, thereby transforming the asset into money.

The Send Consensus Network will compute Consensus Prices weekly based on the network’s liquidity indicators. This mechanism doesn’t mean a fixed exchange rate economy, since outside of the *Send Consensus Network*, SDT is not subject to any price restrictions¹³. Establishing a minimum exchange rate based on the network’s overall liquidity could eventually lead to arbitrage opportunities. In this scenario, as long as there is enough liquidity in the *Send Consensus Network*, arbitrage will act as a stabilizing influence, restoring economic equilibrium and bounding price within a range established, in part, by such arbitrage.

3.3 The Send token (SDT)

The token is a digital asset designed to represent a stable and dynamic price consensus generated from a liquidity discovery process.

Unlike other digital assets that are governed by floating prices defined by unregulated markets and very susceptible to speculation, demand manipulation, and high volatility, SDT is tied to a price consensus mechanism that defines its representative value within the *Send Consensus Period*.

⁹Bordo, M.D. and Eichengreen, B. eds., 2007. A retrospective on the Bretton Woods system: lessons for international monetary reform. University of Chicago Press.

¹⁰Chowla, P., 2011. Time for a new consensus: Regulating financial flows for stability and development. Bretton Woods Project. .P.6. <http://www20.iadb.org/intal/catalogo/PE/2012/09688.pdf>

¹¹Chowla, P., 2011. Time for a new consensus: Regulating financial flows for stability and development. Bretton Woods Project. <http://www20.iadb.org/intal/catalogo/PE/2012/09688.pdf>

¹²Surda, P., 2012. Economics of Bitcoin Is Bitcoin an Alternative to Fiat Currencies and Gold.

¹³The *Send Consensus Network* is composed of recognized marketplaces, associated financial systems, and applications that recognize the reference price as a minimum SDT trading price

Initially, the SDT token is expected to implement the ERC20 token standard and exist on the Ethereum public network. SDT will serve as the reference token for the Send community. The Send Foundation maintains the right to migrate to a completely new blockchain protocol that reinforces SDT and *Send Consensus Network* features.¹⁴

During the liquidity discovery process with the ERC20 token the *Send Foundation* will assume the following responsibilities:

- Monitor and report about the conditions to join the *Send Consensus Network*.
- Audit *Consensus Network* members in order reduce the risk of price manipulation.
- Publish, maintain and update the price consensus formulas and algorithms.
- Use the rewards pool to incentivize the use of the Send (SDT) token through a system of open and public rules.

The SDT token will implement special features that will enable a fully transparent transactional ecosystem. SDT implements the ERC20 standard and can be burned by token holders.

3.3.1 Feature - Signing transactions



Figure 5: Exchange rate issuing.

Verified addresses will provide a transparent mechanism to show *Consensus Network* liquidity to the world. *Consensus Network* members will have whitelisted addresses authorized by the *Send Foundation* that will allow them to sign transactions with an exchange rate.

Similarly to the ERC20 standard allowance mechanism, this logic also increases user's privacy, as user 1 doesn't need to know the address or identity of user 2.

3.3.2 Feature - Built-in escrow system

Send escrow will allow third-party applications to build safe transactional applications that protect user funds. In an escrow transaction users lock a certain amount of tokens into an escrow contract for a particular transaction in order to protect both parties from fraud. Locked tokens will be released only in two cases:

With authorization of a third party address: The escrow arbitrator, based on application's internal logic can resolve the escrow at any time, sending the tokens to the recipient or unlocking them in the origin account.

¹⁴The Send Foundation is responsible for issuing the SDT tokens, developing the Send Blockchain Protocol and encouraging its use.

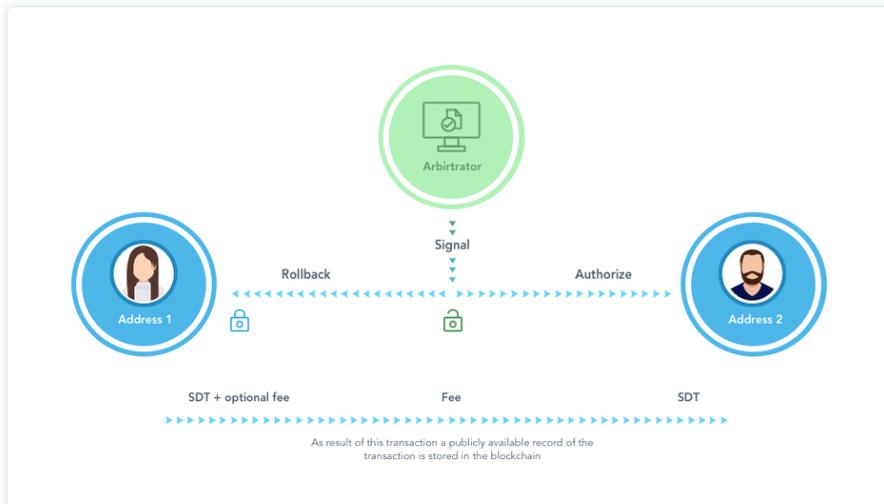


Figure 6: Escrow mechanism.

Claiming tokens back after escrow time has expired: In order to prevent loss of tokens due to human mistakes, users can unlock their tokens once the escrow has expired if the arbitrator didn't take any action.

Transactions made through the escrow system can be signed with an exchange rate if the escrow address is a verified address in the *Send Consensus Network*.

In order to execute escrow-based transactions, the arbitrator has to create a new record in the escrow contract specifying the amount to transfer as well as the origin and destination address. Then the sender funds the escrow with the right amount rendering it active.

3.3.3 Feature - Voting mechanism

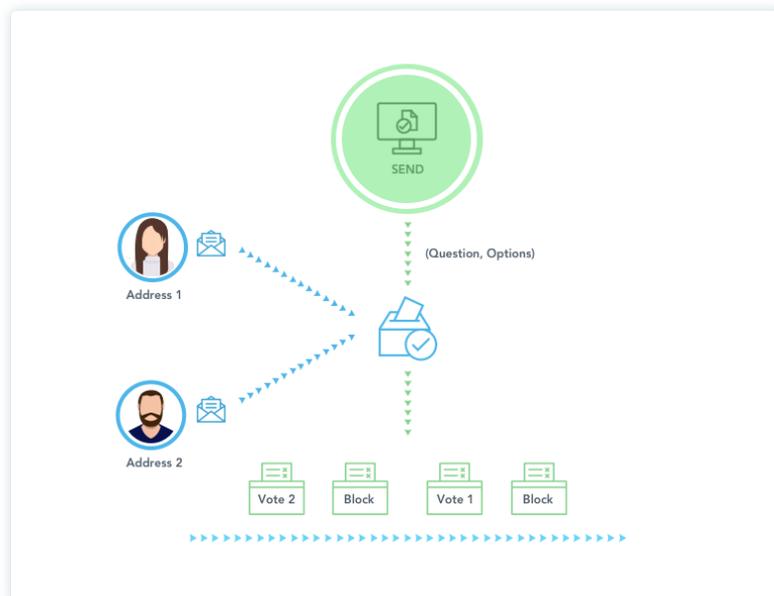


Figure 7: Voting mechanism.

Send's address can create a poll, giving a timeframe and a minimum amount of tokens required to vote. Any user that meets the condition can vote during the timeframe. All votes are logged to the blockchain and can be retrieved with a simple query. This mechanism is designed to empower token holders to vote on relevant issues for the *Send Foundation* and other organizations.

In order to provide a safe mechanism and avoid manipulation, the token will create a snapshot of accounts balances when there is an active poll, this snapshot is only updated when a user votes or executes a transaction, this minimizes the gas cost of computing and storing snapshots.

3.3.4 Feature - Vesting mechanism

In our system, token supply is modeled through a vesting model where total token supply will be archived after seven years. This means there is a limit to how many tokens a wallet can retrieve from the vesting contract over time. If an address gets 10 SDT tokens vested to 10 months, this address will be able to retrieve 1 token after first month, 5 tokens after 5 months and 10 tokens after 10 months. If you want to learn more about Send's vesting models please refer to the [Send SDT Token Economics document](#).

3.3.5 SDT supply

The maximum supply of SDT is 700 million tokens, and valuation projections were computed based on this coin supply. However, the actual coin supply once the token is circulating will depend on the results of the Token Distribution Process as unsold tokens from the Token Distribution Process will be burned.

Therefore **the actual token supply will remain unknown until the Token Distribution finishes, with 700 million tokens being the upper bound.**

3.4 Send method for token valuation

3.4.1 Liquidity discovery mechanism

The mechanism discovers a stable price, based on *Send Consensus Network* transactional growth and liquidity indicators¹⁵

3.4.2 Consensus Network

SDT represents liquidity within a network of liquidity providers and the SDT value represents the reference price for exchange during a consensus period. The *Send Consensus Network* is composed of recognized marketplaces, associated financial systems, and applications that recognize the reference price as a minimum SDT trading price. The price defined for each Consensus Period is conditioned to seven calendar days, starting each week on Monday at 00:00 EST and ending on Sunday at 23:59 EST. Members of the *Send Consensus Network* receive tokens from a pool of funds available for third-party participants¹⁶

3.4.3 Consensus price

The Consensus Price is computed based on a logarithmic function and the network's liquidity measure, in order to regulate the weight of each price change, we computed a constant based on our target market capitalization.

Assuming an actual trading price to be above our Consensus Price, we have established the middle point between the previous Consensus Price and the average measured trading price as the maximum possible increment; This way we will never establish a Consensus Price that is higher than or equal to the actual accepted price.

V - Total transactional volume from last week (USD)

S - Circulating coin supply from new week

P - Consensus price from last week

k - Adjustment constant

V_g - Volume growth from past week

P_g - Price growth from past week

¹⁵To know more about the Token Distribution Process check [Send SDT Token Economics document](#).

¹⁶To know more about the size of the pool you can read the details in [Send Token Economics document](#).

$$Increment = \begin{cases} \min\left(\frac{k*V*log_2(1+P)}{S*P}, \frac{P*P_g}{2}\right) & \text{if } P_g > 0 \text{ and } V_g > 0 \\ 0 & \text{otherwise} \end{cases}$$

Where the volume growth is measured based on the most recent week's volume relative to the previous one, and price growth is measured as the average of the last week relative to latest consensus price. The supply of tokens is given by the vesting model described in [Send SDT Token economics document](#). The term $\frac{V}{S*P}$ is the turnover rate¹⁷ (how many times a token is expected to change hands in a given period), a measure of network's liquidity used as an indicator of acceptance of a new price. Ceteris paribus, a higher turnover rate will mean a higher price increment.

The constant K is computed based on a target market transactional volume once all token vesting times have expired and an expected transactional percentage of market cap. Our projections expect the world's remittance market will move around 1.78B USD per day in 2024. Assuming a daily transactional volume of 0.54% of market cap (as major cryptocurrencies historic average), the expected SDT market cap needed to move the world's remittance market would be around 329.7B USD.

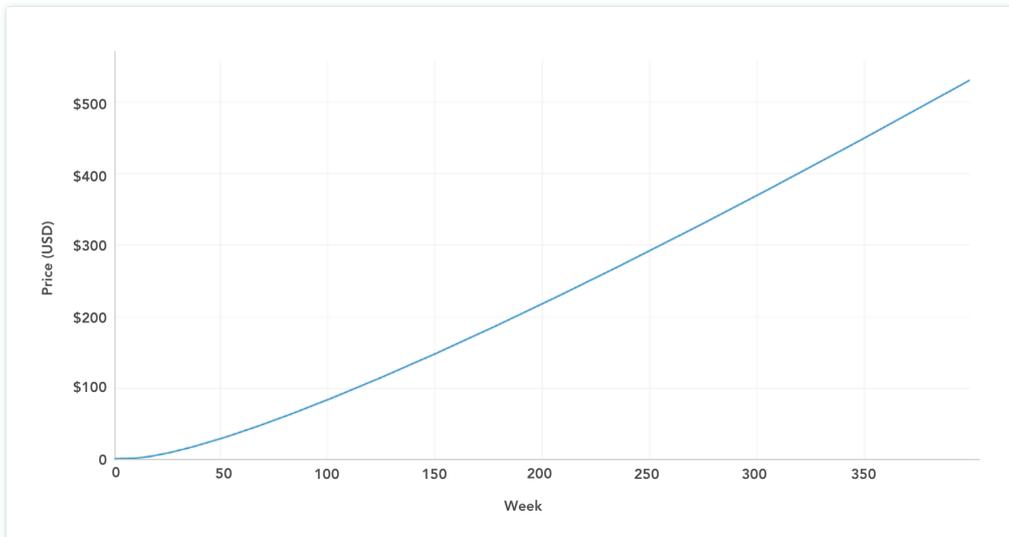


Figure 8: SDT price simulation.

In this scenario, the constant K is numerically computed as 4.906902181, giving us an SDT price projection of 475.88 USD in 7 years in the ideal scenario of a constant trading price above consensus price (high enough to let formula define the increment) and a constant transactional volume in relation to the market cap with price increments every week (See Figure 8).

Even though SDT price is designed to minimize big price changes, it's still highly susceptible to the demand/supply relation. For example, running the same simulation with BTC weekly transactional volume as a percentage of market cap and an arbitrary constant k from January 2012 to August 2017, SDT price projection curve looks like Figure 9

This price valuation mechanism for the reference price will only start to be applied after the first week with a transaction volume equal or higher than 3.78% of the collected token proceeds amount in USD. In this scenario, a new reference price will be set based on an incremental formula. This decision is considering the expected volume relative to market cap and means price increments won't start until the network has enough liquidity to support the first price safely.

4 The Power of Community

The key to Send success is community participation. As SDT tokens increase in price and become a widely recognized and accepted exchange instrument, new individuals and organizations are expected to adopt the SDT token and join the *Send Consensus Network*, providing new services to the community and creating a more solid foundation to determine the SDT reference price.

¹⁷We developed the mechanism inspired by the "Measuring liquidity in financial markets" IMF Working Paper# (f).

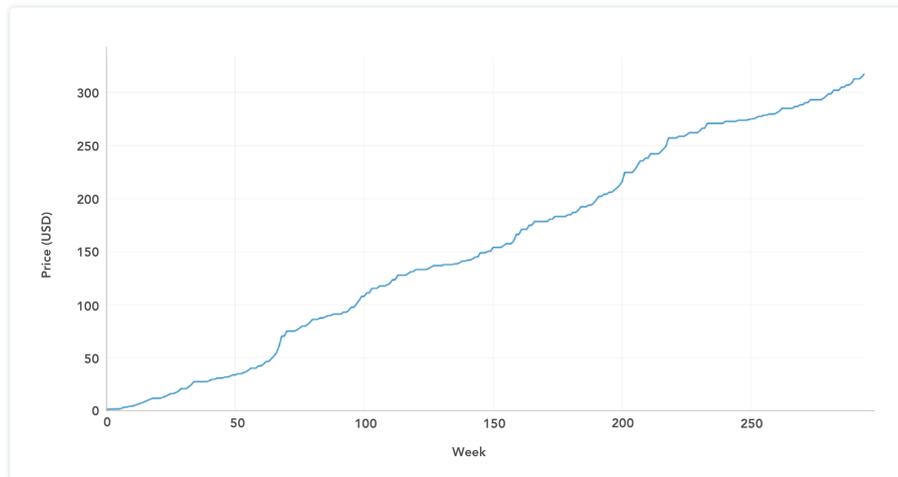


Figure 9: SDT price simulation with BTC data.



Figure 10: SDT ecosystem.

The Send ecosystem is composed of everyone that uses the token including exchanges, third-party apps, and peer-to-peer transfers that use the SDT token to fulfill their operations. The *Send Consensus Network* integrated by the liquidity providers through the trusted exchanges and third-party applications serves the necessities of the community; in order to become part of the *Send Consensus Network*, an organization has to set the reference price as a minimum price for its operations in USD. A bigger *Send Consensus Network* means greater support for SDT's value model and will act as a regulator agent for the ecosystem as a whole.

According to the principles of George Akerlof's information asymmetry, diverse markets have unequal information distribution, meaning one participant has more information than other participants. Those with more information have an unfair advantage when they act upon their available information. The Send ecosystem reduces information asymmetry by increasing price transparency to all participants. ¹⁸

Therefore, we are going to develop a system of indicators that will show the price status of

¹⁸Akerlof, G. A. (1970). The market for "lemons": Quality uncertainty and the market mechanism. The Quarterly Journal of Economics, 488-500.

the token with reference to the liquidity available within the community. Everyone will know how healthy the price of a specific transaction is with respect to the weekly consensus price. This allows users to prepare their strategies instead of getting surprised by sudden changes.

The first member of the *Send Consensus Network* will be WeSend. **WeSend Marketplace**¹⁹ will use SDT as an exchange instrument to allow faster, safer capital movement between fiat and digital currencies, regardless of geolocation or financial platform. Features of the marketplace include: a user-friendly platform built for the masses, a distributed identity verification system, and escrow protection. A technical description for how the marketplace works can be found [here](#).

WeSend is a technology interface to interact with Ethereum blockchain and connect with local buyers and sellers. WeSend will never hold users private keys, freeze or forfeit any virtual currency, nor have any control over user's funds. Therefore it does not require money transmission license to operate. The Send Foundation will promote the addition of other similar providers who are properly licensed in jurisdictions that regulate such activities.

5 Using SDT

Send (SDT) is designed to generate stability, liquidity, and ease of exchange for the mass public during each Consensus Period. Its features are intended to convert a peer-to-peer digital asset into a predictable currency of increasing value with low risks of volatility. As a digital currency and exchange instrument with liquid value, it will facilitate efficient money transfers, currency exchange, savings, and payments.

5.1 Send for cross border transactions

In 2016, more than 230 million people around the world sent a combined 575B USD in remittances and there is a real need for better systems to reduce expensive transaction fees which decrease migrant purchasing power.²⁰ The 2016 remittances markets for Latin America and East Asia/Pacific were 73B USD and 126B USD respectively.²¹ In countries dealing with currency exchange restrictions, hyperinflation, and social unrest, sending money has become very complicated. Fortunately, many migrants have found bitcoin as an alternative solution, using marketplaces to exchange cryptocurrencies for local currency.

Venezuela is a strong example of this trend, yet when we compared total annual remittances with the volume of cryptocurrency exchanges in the country, we discovered that only 14% of the total remittances market uses bitcoin. As shown in the graph below, market exchanges using bitcoin show weekly growth when compared to exchanges using Venezuelan Bolivars (VEF)²²

The transaction volume using bitcoin highlights the global trend of using cryptocurrencies to replace established systems dominating the remittances market. However, liquidity providers have been negatively affected by cryptocurrency volatility and as referenced on page 3 of this document, a recent survey shows that 88% of the businesses who perform exchanges between bitcoin and local currencies have had to increase their transaction fees, thus negatively impacting users²³

Our objective in replacing bitcoin with an anti-volatility digital currency solves this problem. When SDT is used as a remittances tool, the weekly Consensus Price keeps the price stable so liquidity providers can rely on a fixed exchange rate to perform their transactions. When using SDT, people will have the benefit of knowing the value of the transaction using cryptocurrency without fearing a sudden value change.

5.2 A liquid asset is a good saving instrument

The practice of using digital assets as part of a savings strategy could help support the growth of the shared economy as it fosters trust among participants. Savings value will increase even though

¹⁹The WeSend Marketplace will be designed, developed and deployed by the Wesend Corporation.

²⁰Apergis, N. and Cooray, A., 2018. Asymmetric real exchange rates and poverty: The role of remittances. *Emerging Markets Review*.

²¹McCracken, S., Ramlogan-Dobson, C. and Stack, M.M., 2017. A gravity model of remittance determinants: evidence from Latin America and the Caribbean. *Regional Studies*, 51(5), pp.737-749.

²²Calculations made taking the estimated remittances market for Venezuela (Remittances to Latin America and the Caribbean in 2016, Manuel Orozco – THE DIALOGUE, Leadership for the Americas: <http://www.thedialogue.org/wp-content/uploads/2017/02/Remittances-2016-FINAL-DRAFT.pdf>) and the average transactional volume in LocalBitcoins Venezuelan Marketplace

²³Survey to 1,000 users of our ATM network during the period of June-July 2017.

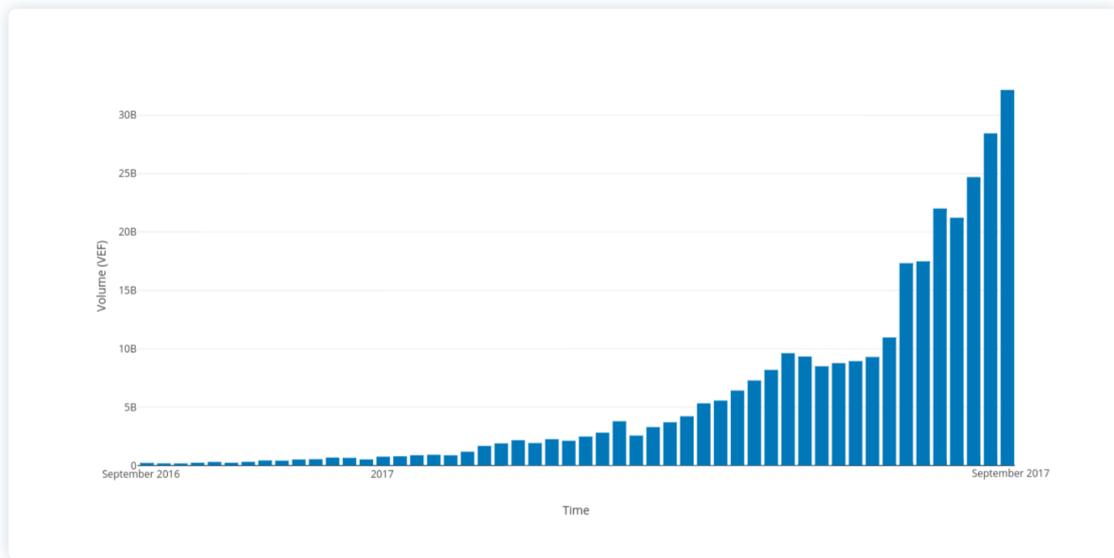


Figure 11: LocalBitcoins Weekly volume (Venezuela). [Source](#)

participants decrease the percentage of their income allocated to it. In this way, a diversified savings strategy including cryptocurrencies could boost local economies and increase investment in more projects. For the case of China, if 1% of all the current savings went to cryptocurrencies it could amount to more than 60B USD per year of a completely new market²⁴

6 Send as Money

In the last stage, SDT will be a massive, globally accepted currency with low speculation and a solid price foundation, evolving into money when three characteristics are met:

- **Medium of exchange:** Medium of exchange: Widely accepted intermediary for trading of any economic asset that serves the function of a measure of value. In order to effectively measure the value of two unrelated economic items, a medium of exchange has to be common and accessible, divisible, easily transportable, and have a low preservation cost — properties that comprise the core of SDT.
- **Unit of account:** A widely known and used currency eventually serves to represent the reference value of any economic item i.e., goods, services, assets, liabilities, income and expenses. In this context, the price of a particular item could eventually be measured based on its exchange rate against our currency. SDT achieves this by serving as a payment method and exchange instrument for all kinds of products and services worldwide with a solid community and recognized by the mass public.
- **Store of value:** A highly liquid currency with a predictable price will become an ideal instrument to store value because it retains purchasing power and can be easily exchanged for another currency, product, or service. SDT achieves this by establishing both a transparent reference price mechanism and a strong community that provides liquidity and sustains token value over time.

6.1 SDT Roadmap

- **SDT as a concept:** Price consensus mechanism design and setup.
- **SDT as an asset:** SDT tokens will be released to the community through the Token Distribution Process. The WeSend Marketplace will serve as the first liquidity growth agent on the *Send Consensus Network*, connecting people with supply and demand to fill a need

²⁴Saving rate. China. OECD. <https://data.oecd.org/natincome/saving-rate.htm>



Figure 12: Our roadmap.

and giving the token real utility value. This will help to establish an SDT price supported by network liquidity.

- **Power of community:** With a widely-accepted, low-speculative asset, third-parties will start joining the *Send Consensus Network*. Different applications providing all types of products and services will use the SDT token as a safe payment and exchange instrument. During this stage we expect to join forces with major actors in the *Send Consensus Network* and liquidity providers in order to establish an independent Send Blockchain Protocol that focuses on network transparency, scalability, transaction speed and a green-friendly approach as well as any other requirement identified during community adoption.
- **Mass adoption:** A new protocol, a predictable price, and a solid community of third-party apps and users will lead to massive adoption. During this stage we expect the number of users to grow exponentially as SDT becomes a globally recognized currency in different markets.
- **SDT as Money:** Massive adoption, a predictable price, and a solid protocol will finally lead to SDT being considered as a globally-recognized unit of account. Products and services are given an SDT-based value. In this final phase, other currencies will appreciate or depreciate against SDT as their local economies evolve, without affecting the valuation of other currencies against SDT.

6.2 Be part of the Send community

Technologies, community involvement, and increased volume are required for the SDT token to become viable currency. In the milestone plan below we describe how the Token Distribution Process helps in the process of developing the required elements to build the Send ecosystem.

Every milestone requires that we reach a minimum weekly transactional volume. In this manner, the growth of the community depends on the liquidity in the ecosystem.

The Send team will conduct a Token Distribution Process to fund the activities outlined in the product roadmap. From a total of 700 million tokens, 33% (231 million) will be released following a two stage process:

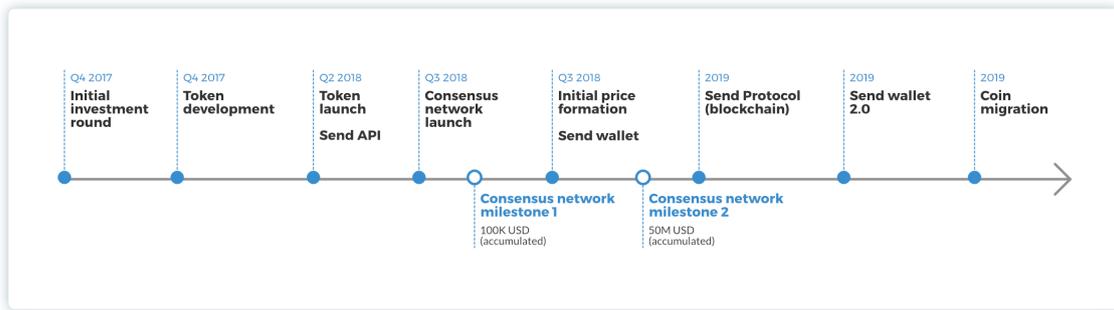


Figure 13: SDT detailed Roadmap.

7 Token Distribution Terms

- Total token supply: 700,000,000 SDT
- Public distribution cap: 231,000,000 SDT

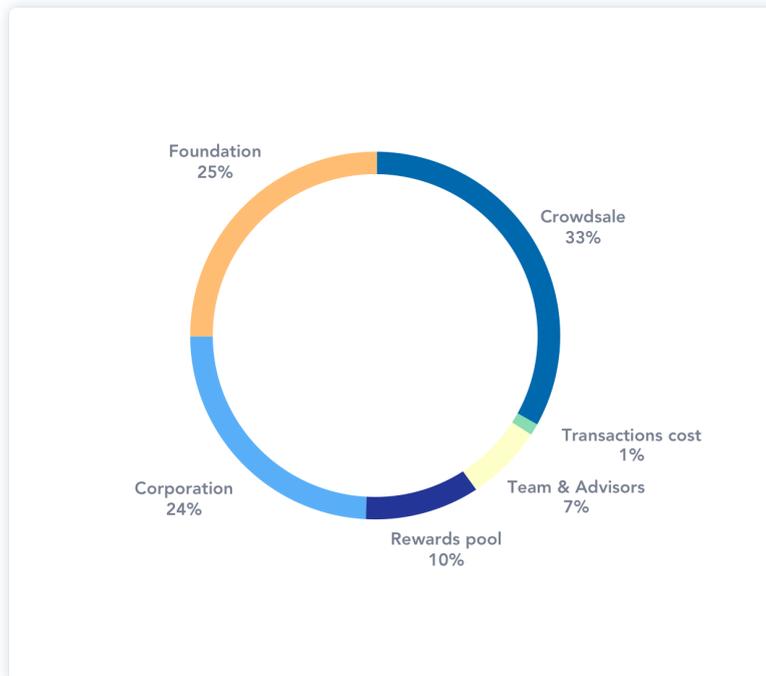


Figure 14: Token allocation.

7.1 Distribution Stage 1 - Pre-sale

- Cap: up to 70,000,000 SDT
- Timeframe: Runs on Q2 2018
- Price: Tokens sold at a fixed price 0.14 USD/SDT + F&F bonuses
- Vesting: 3-month vesting.
- Coins accepted: Ethereum (ETH)
- Unsold tokens burned

7.2 Distribution Stage 2 - Continuous supply offering

- Cap: 161,000,000 SDT
- Timeframe: Runs for 365 days, starting on Q2 2018
- Price: Dynamic; starts 0.20 USD/SDT and sold at SDT Consensus Price Formula
- Vesting: New token pool vests every day (441095.89 SDT/day)
- Coins accepted: Ethereum (ETH)
- Unsold tokens will be burned at the end of each day (23:59:59 EST)

Remaining tokens will follow the vesting model outlined below:

- **WeSend Foundation:** 7 year linear vesting.
- **WeSend Corporation:** 7 year linear vesting.
- **Team:** 4 year linear vesting.
- **Advisors:** 3 month linear vesting.

7.3 Potential risks

The major risk we face is a failure in the *Send Consensus Network* to acquire enough liquidity to support the consensus price. In this scenario there will be no arbitrage price regulation and the real SDT price won't follow the reference price. In order to mitigate risk, our transparency principle empowers us to develop a system of indicators showing the status of volume, price, and liquidity with the aim of reducing speculation. In order to incentivize people and organizations to become active members of the *Consensus Network*, we will deploy a pool of tokens as rewards for participants who increase network liquidity through the development and implementation of third party applications.

8 Overview

As described in this Whitepaper, the objective of achieving massive adoption within a 7 year period requires joint effort by all Send community members and member organizations. The three main problems of volatility, speculation and a lack of user-friendliness for current crypto currencies can be tackled with the correct implementation of the three elements of the Send ecosystem.

- The SDT token using a price consensus mechanism supported by the interactions of the individuals and organizations who comprise the community.
- The organic price growth incentivizes individuals to start using cryptocurrencies as part of their daily lives and include them in their savings strategy.
- The Send Ecosystem holds all types of applications including ATMs, wallets, blockchain and third-party solutions, to make cryptocurrencies easy to use. We invite you to be part of the Send community and join a new wave for crypto.