FSHares DEX: Trusted digital asset trading platform

Transparent, Safe, Cross-chain, Transaction-fee-free

Version: V1.0.1

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Background

As the underlying technology of cryptocurrency system such as Bitcoin, blockchain has attracted a lot attention in recent years. Blockchain is a huge decentralized distributed ledger database. And cryptocurrency is playing an increasingly important role in financial industry due to its features of decentralization, non-tampering, openness and transparency. One characteristics of the digital currency is that trading is not subject to regional restriction, which makes transaction can be completed fast and efficiently, but it also makes cryptocurrency, the result of the decentralized technology, gradually controlled by centralized trading platform. Therefore, its disadvantage is also obvious: Unsafe capital security, controlled data transparency, high transaction costs, bad trading experience...

If we say mining pools and centralized exchanges are the leading role in the early stage of blockchain time, then it is likely to say that DEX(Decentralized Exchanges) will really bring internet value to various fields. With great transparency and risk prevention ability, decentralized exchanges will become the real leading role in the blockchain time. FShares DEX came into being under this demand, and FShares DEX is committed to building a transparent, secure, fee-free, and trusted digital asset trading platform. The assets and transactions of all users on the chain are completely transparent. The platform technology public chain FShares also breaks the limitations of the traditional exchanges perpendicular to the mainstream public chain tokens, and supports the major backbone cryptocurrencies and their derived tokens. All currencies are easy to achieve cross-chain transactions.
I. FShares DEX Introduction

FShares DEX is a non-profit decentralized trading platform based on DPOS PBFT consensus public chain technology. The realization of the full-currency cryptocurrency transaction can be permanently traced, the transaction can not be falsified, and the three-party trust relationship between the trading platform party, the blockchain project party and the cryptocurrency investor is solved, so that every transaction of the cryptocurrency investor can be found. Real decentralized community play to absorb quality projects. We adhere to the principle of fair, open and fair service, and take the benign development of quality projects and the safety of users’ investment.

II. FShares DEX Features

1. **No transaction fee.** The platform does not charge any C2C transaction fees, requiring only the platform tokens that values 1/10 of the transaction as a mortgage to obtain a trading limit.
2. **High account security.** The platform does not host user's wallet private key, user holds their own asset account, digital wallet P2P transaction.
3. **Transparent transaction.** All transactions are contract transactions on the chain. Every transaction considers liquidation. Each transaction is recorded on the chain and cannot be tampered with. The platform is unable to modify data or infringe users’ assets.
4. **All token crosschain transaction.** FShares DEX supports major cryptocurrencies and their derived tokens, making it easy to trade across all chains.
5. **Fast and efficient.** Based on the high performance consensus of DPOS+PBFT, fork chain capacity enlargement is supported, and up to one million TPS.

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6. **Convenient experience.** 12-bit custom readable account system, certain amount of transactions can be paid without entering a password through the smart contract.

7. **Trading mining.** Users contribute to the depth of the transaction and get the corresponding FSC rewards

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**III. FShares Dex & FShares technology**

**How FShare Dex works**

FShare DEX realizes the value flow between tokens based on FShares VEP (Value Exchange Protocol) and the matchmaking engine. After the transaction matching is successful, the transaction will get recorded on the chain, and the transactions between the buyer and the seller are all P2P wallet transfer on the chain according the smart contract.

**Introduction to FShares**

FShares is a commercial public blockchain platform based on EOS. Developers can use FShares to issue Token, smart contract in a simple, fast and safe way. FShares is committed to building a commercial blockchain system of global information exchange, value interconnection and trust exchange. The technical mission of FShares is to build a commercial blockchain system that requires no trust.

- **How Fshares works**
When interaction is needed between chains, the connection is established by means of registration information, and information interaction and value exchange are realized under the VEP framework. VEP is similar to the DNS service of the Internet, which is responsible for registering information, updating information and providing access services.

**FShares intelligent contract implementation**

Traditional intelligent contracts are limited to the input and output of data on the chain, which can only support some simple application scenarios. For this reason, in addition to the data on the chain, FShares allows data on or off the chain to interact with each other and supports event responses to changes in the state of the data on or off the chain. Most business applications are very complex, and this complexity is reflected in data structures and logical rules. Therefore, a complete programming language and virtual machine are required to express and execute smart contracts. WASM (WebAssembly) is a portable underlying bytecode technology, and its stack-like virtual machine has been customized and optimized for the blockchain environment to run smart contracts at a speed close to the local machine code. The benefits of WASM also lie in standardization and widespread industry support, enabling programmers to develop smart contracts in familiar languages such as C, C++, Golang, Rust, significantly reducing learning costs and improving development efficiency.

Therefore, FShares chooses WASM as the execution code for the smart contract. The life cycle of a contract in a blockchain network can be divided into **five stages**:

1. Select the programming language and create the source code;
2. The compiler compiles the source code into WASM bytecode;
3. Register the smart contract with FShares;
4. Call open-sourced API for contract;
5. Upgrade or destroy the contract.

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Token consumption is required for contract registration, invocation and upgrade in the life cycle above. On the one hand, the implementation of the contract must consume CPU, memory, hard disk and network bandwidth, and resource providers need to be rewarded. On the other hand, it also uses economic means to raise the threshold of cyber attack so as to reduce the risk. The open source API for the smart contract is exposed to users with RESTful API, and the content of HTTP requests is encoded in JSON format. Users can generate and send requests through a browser or mobile APP. The FShares RESTful API plug-in receives and determines if the request is an API from the smart contract, and upon confirmation passes the request to the WASM virtual machine’s intermediary. The media transcodes the request content into the bytecode of WASM, then calls the corresponding API for the corresponding contract, and finally returns the API execution results to the user.

- **FShares VEP**

VEP is the standard protocol for connecting different blockchain networks. There are only so many applications that a network can support, but the networks that are connected to each other can form a larger network, and the value they can add up to is greater. Let’s start by looking at how individual network nodes trust each other. The greatest advantage of blockchain network is that it can provide reliable information query, which is reflected in distributed ledger and distributed consensus. Blockchain network is a community formed by many participants according to some consensus, and the nodes form mutual trust relationship under the action of consensus and incentive. By extension, such a consensus mechanism is also needed to treat a blockchain network as a node and form connections between multiple blockchain networks. Because of the equality, credibility and interest demands of different networks, it is difficult to cooperate on the network, and there are always bad nodes in the network. Therefore, pre-set rules for collaboration are particularly important. Just as cross-organizational collaboration in human
society requires legal, contractual, and moral constraints. VEP sets guidelines for how to collaborate. It records the registration information of each chain and provides services to the chains in the trusted list for query and connection requests. VEP supports two application scenarios: cross-chain node interaction and cross-chain contract invocation. The former makes use of the state change of the data stored on the node and the data not on the node, indirectly causing the interaction between the contracts and generating new information.

For example, an outstanding loan due under a contract will affect an individual's credit. Loan records can be stored in blockchain A, while credit data can be stored in blockchain B, and personally identifiable information may come from an external public database. The latter is a mutual invocation of contracts, the simplest example being the exchange of tokens between two chains, leaving the total value unchanged.

IV. FShares Coin (FSC)

FSC is an ecological token based on FShares, with an initial issue of 150 million, of which 100 million are operated by the Futuredex trading platform and 50 million by the FShares chain. In the following year, 5% of FSC operated by FShares chain in the previous year (not including the 100 million FSC token operated by FSDEX) will be issued additionally to motivate the 15 super nodes, producers and to promote the community's benign development.

FSDEX Distribution Plan
30% : Platform users receive FSC awards according to the volume of transactions;
30% : Private equity;
20% : Angel investment. It will be calculated one year after the platform goes online, the highest lock time is 3 years, the first year unlocks percentage will be 40%, the second year unlocks 30%, and the third year unlocks 30%;
10% : Founding team. It will be calculated one year after the platform goes online, the highest lock time is 3 years, the first year unlocks percentage will be 40%, the second year unlocks 30%, and the third year unlocks 30%;
10% : Introduce new forces for ecological construction, etc.

- **Ecological operations on the FShares chain**: 50 million of them were initially issued.
- **The principle of the exite bonus award principle**: the more the transaction is to be followed, the more the prize will be, the more the prize pool will be in a certain period of time, the greater the depth of the transaction, the greater the excavation difficulty.

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- **Inflation and the principle of distribution of rewards:** 5 percent inflation per year on the main network. Inflation distribution: 20% reward block nodes (super nodes), 30% reward voting nodes, 50% reward community excellent developers and excellent projects.

### Producer

1. There are 15 producer nodes.
2. Each registered node can accept the vote of registered voters of the whole network.
3. The registered node must declare its voting reward distribution ratio at the time of registration. The distribution ratio is based on all the rewards obtained, including block reward and voted reward.
4. The distribution ratio node can be modified, but there is a modification limit. The floating ratio is limited by the distribution ratio, such as increasing the distribution ratio without limit, reducing the distribution ratio to no more than a certain percentage, and adjusting the distribution ratio limit, such as once every seven days, to make mandatory distribution of voting incentives.

5. Nodes registered as miners need to load node information and heartbeat plug-in. Node hardware and software information is fed back to the block browser through plug-in. In the plug-in, heartbeat regularly requests the contract to realize heartbeat counting. Regularly collect the health data of all nodes in the community. If the requirements of the main network are not met, remind the nodes to upgrade their hardware and software. If they do not comply, they can enter the community governance to freeze the node (more than half of the nodes agree).
6. To improve the participation of the node, the node needs to get its own...
reward regularly, otherwise the reward of the node will be returned to the reward pool by the contract and shared by other active nodes. In this way, the voting users who have supported the node will not get the bonus of the node, and the users will switch to other nodes.

**Voter**

1. The voter obtains the number of votes by mortgaging the main chain currency;

2. Voters can cast more or fewer ballots within seven days;

3. Each vote can only be cast on one node;

4. There is no voting agent, and the voters vote by themselves, and according to the voting age (voting time ~ reward allocation time) and the votes allocation reward, let the voters vote more get more, vote less get less, increase the strength of the main network.

**Transaction**

1. Account category identification, user can buy memory whether there is a limit. Regular users are limited by the window period in buying and selling memory, and the purchase amount is increased by 1K every 10 minutes. The maximum purchase amount within 7 days is 1M, and the total purchase amount of the account is 10M. The closing fee is five thousandths.

2. Advanced users buy and sell memory is limited by the window period, the window period is 1M times /10 minutes, the buying and selling fees follow the exponential function, the benchmark is 5%, the highest is 50%. The total purchase amount of the account is 1G.
3. Regular users need to get the consent of more than half of the super nodes to upgrade to advanced users, and the super nodes can get the bonus of sharing fee.

4. Advanced user malicious hype memory, super administrator has the right to freeze the account.

5. Regular user memory is bought and sold according to 1K as the benchmark unit, and the window period of 1K memory is 10 minutes.

6. The user's memory sales are delayed to the account, and the selling unit is 1K. The window period of 1K memory is 10 minutes, and it is not allowed to sell until the end of the window period after buying memory.

V. FShares Coin (FSC) Application Scenarios

1. The platform does not charge any transaction fees, requiring only the platform tokens that values 1/100 of the transaction as a mortgage to obtain a trading limit, when the user does not use the transaction can be relieved mortgage discount.

For example: 100FSC=1BTC value, the user holding 100FSC will get 100BTC trading quota, the trading volume of buying and selling on the same day shall not exceed 100BTC trading quota, if the trading quota exceeds 100BTC trading quota, the trading quota shall be reset every 24 hours.

2. Trans-fee mining, the difficulty of mining is affected by the trading depth of the trading platform. The more transactions, the greater the difficulty of mining, and the less transactions, the lower the difficulty of mining. The total amount of the transaction mining quota is 30% of the

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transaction platform quota, namely 30 million, using the halving method 15 million FSC in the first year, 7.5 million FSC in the second year, and 3.75 million FSC in the third year... And so on. The total amount of mining each month shall be equal to 10% of the total amount of FSC held by users. If the mining quota is exhausted in the current month, more FSC shall be added to expand the mining quota or restore the quota in the next month.

3. The projects release air drops, fortune wheel, trade rankings and all the activity is initiated by the project's self-fsc bidding. All platform activities are developed by smart contract, and the platform cannot violate the interests of the project party and users.

4. Listing vote, the project is publicized in the community. In the first round, 15 producers vote, and more than half of the producers vote will enter the second round of community users vote. The project will be landed on the platform successively in descending order according to the number of community users vote. Every voting is contract voting, which can be checked on the chain to ensure the whole process of listing voting is fair and open.

5. FShares producer voting, community users vote through FC to select 15 quality producers.


VI. FShares DEX key mechanism of platform operation

Community self-listing

Global quality projects can be registered online by registering the FShares DEX platform and certifying the project side.
After the submission of the information, the platform will conduct a preliminary review of the authenticity of the project information.

The data is perfect and true, and 15 super nodes will be voted by the producers. The producers will agree to enter the community and vote.

During the user voting period, the project can add the project dynamics in the background, but not limited to the project weekly report, news report, project cooperation, etc. to provide the decision basis for the voters. The top ten project participants will go online according to the voting date on the second working day after the community vote is over.

**Contract transaction "0" commission**

The platform does not charge any transaction fees, requiring only the platform tokens that values 1/100 of the transaction as a mortgage to obtain a trading limit, when the user does not use the transaction can be relieved mortgage discount. For example: 100FSC=1BTC value, the user holding 100FSC will get 10BTC trading quota, the trading volume of buying and selling on the same day shall not exceed 10BTC trading quota, if the trading quota exceeds 100BTC trading quota, the trading quota shall be reset every 24 hours.

**Trans-fee mining**

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Trans-fee mining profit formula Important variables are as follows:

- \( \text{day} = 365 \) // 1 year 365 days;
- \( \text{FSC}_y = 1,500,000 \) // total mining amount in the first year;
- \( \text{person} = 1,000 \) // 1000 people;
- \( \text{month} = 30 \) // 1 month for 30 days;
- \( \text{year} = 12 \) // 1 year for 12 months;
- \( \text{FSC} = 0.3 \$ \) // opening price USD 0.3;
- \( \text{incomeRate} = 10\% \) // income rate

Complete formula:

\[
\text{FSC}_{\text{sum}} = \frac{\text{FSC}_y}{\text{person}} \times \text{day} \times \text{month} \times \text{year}
\]

Such as:

Amount of total FSC available in 30 days:

\[
\text{FSC} = \frac{\text{FSC}_y}{\text{day}} \times \text{month} \approx 1232877 \text{fsc}
\]

If there are 1000 people trading and mining at the same time, the maximum return per person for 30 days (fsc):

\[
\frac{\text{FSC}}{\text{person}} \approx 1233 \text{fsc}
\]

If you put in $1,000 a month, the maximum income would be:

- First month = \( \frac{1000}{0.3} \times \text{incomeRate} \approx 333 \text{fsc} \)
- Second month = \( \left(\frac{1000}{0.3} + 333 \text{fsc}\right) \times \text{incomeRate} \approx 367 \text{fsc} \)
  ...
- Twelfth month = \( \left(\frac{1000}{0.3} + 333 \text{fsc} + \ldots + n\right) \times \text{incomeRate} \approx 864 \text{fsc} \)

The annual maximum yield of $1,000 is:

\[
X \times 12 \approx 236\%
\]

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Project Activity

The projects release air drops, fortune wheel, trade rankings and all the activity are developed by smart contract, and the platform cannot participate in any airdrop rewards. The event schedule is conducted in terms of contract bidding.

Stable currency trading

Set up stable currency trading pair, stabilize the exchange rate of digital currency slightly higher than legal tender currency, profit margin precipitation, and share commission with the third-party private bank or private fund.

FUSDT: is based on the topup amount of USDT on the Future Dex exchange, and is anchored to the platform stable coin issued by usdt1:1. The platform will open the FUSD trading zone.

FCNY: the platform deposits an open and transparent amount of money into the bank account of a third party private enterprise, and anchors the stable currency issued by the platform 1:1. The platform will open an FCNY trading zone.

VII. FShares DEX Incubator GEM

FShares DEX is the crowdfunding section of the initial incubation of the FShares DEX platform for premium start-up projects where the project can be launched for the first time. The FShares DEX platform will conduct a rigorous review and screening of all GEM projects. A well-performing project will also

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get an online opportunity for the FShares DEX mainboard. The FShares DEX Incubator section online project must meet the following basic conditions:

- Candidate project tokens are available for the first time worldwide;
- The project itself has certain innovation and obvious market competitiveness;
- The project information is completely true, and the team members' resumes are real and no fraud;

FShares DEX Incubator crowdfunding and unlocking are performed by intelligent contracts. This section is designed to provide a showcase and crowdfunding platform for more quality start-up projects. It also gives FShares DEX users the opportunity to early lock in premium potential projects.