



BBOD WHITEPAPER 2020

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About BBOD

BBOD offers cryptocurrency derivatives trading, that consists of a secure and transparent marketplace to trade Bitcoin and a wide range of altcoin futures contracts with a stable coin collateral (TUSD).

We are already live and welcoming new clients. BBOD opened for business on December 10th, 2019, with three markets: ZERO-fee, leverage (listing 20 perpetual futures contracts) and spot.

Team and Technology

Since 2018, BBOD's brand belongs to a Seychelles registered company. We are a team of 30 people, of which 20 are developers, based in Poland, UK, Spain, Brazil, India, Korea, Nigeria. Our programmers have been passionate about coding since their young years of childhood, and continue to bring this spirit into the BBOD products. Some of them have been familiar with cryptocurrencies since their launch. Part of the developers team worked as traders and for Fortune 500 financial institutions, which gives a unique combination of experience in both coding and trading.

BBOD partners with Trusttoken, the most transparent stablecoin company, to offer TUSD-settled perpetual futures contracts with up to 50x leverage.

Another one of BBOD's strengths is using a fast matching engine that was adapted for BBOD's unique trading solution, by GMEX – a reputable provider of electronic exchange solutions worldwide.

Problems in the Crypto World

Crypto Exchange Hacks

During the past decade when crypto exchanges started to build their names, they unfortunately, have also faced quite few major hacks. Between 2011 and 2019, more than \$1,600,000,000 has been stolen from crypto exchanges. To fight this, crypto exchanges offer storing their clients' funds on cold wallets. Nevertheless, some need to be stored on hot wallets because these exchanges operate on the web.

Lack of Transparency

One of the main problems cryptocurrency exchanges face, is their lack of transparency. On most exchanges, traders need to deposit their assets on one large wallet that is held by the owners of the exchange, therefore offering no transparency and less security for their clients' funds.

Transparency primarily involves proof of solvency, which is critical, because investors need to know if in an extreme case, an exchange may meet all withdrawal requests. In other words, an exchange needs to prove its assets' equal liabilities.

Expensive Trading for High-Frequency Traders

One of the downsides of Bitcoin and other cryptocurrencies is the high transaction fees for high-frequency traders. The problem with charging commissions on trades is that most active trades are penalized and the exchange is cashing in more money on these users than it does from the regular mid or long-term investors.

Lack of Marketplace to Trade Altcoins with Leverage

If you search for a reliable marketplace where you can go long / short on a wide range of altcoins with high leverage, there are not many options to explore. Bitfinex offers trading on a wide range of altcoins, but limits their leverage to a maximum of 3.3x. Bitmex offers contracts on 9 major underlying digital assets with relatively high leverage (20-33x). Currently, the most diverse crypto derivatives market is FTX with perpetual contracts on 25 underlying assets.

Separate Margin Wallets for each Contract

Collateral needs to be posted separately for different coins: BTC for BTC/USD futures, ETH for ETH/USD futures. This solution requires traders to hold separate margin wallets for each trading pair which is tiresome to operate and results in the invested capital fragmentation across many distinct coins and margin wallets.

How is BBOD solving these issues?

Security

If you hold coins at any derivatives exchange (Bitmex, FTX, Bybit), please be advised that the owners of the exchange have full control and responsibility to keep the coins safe. The owners hold private keys to your assets.

At BBOD, custody of cryptocurrencies is completely separate from the exchange. As a result, we do not hold private keys to the client's balances, instead each client holds their funds in a smart contract account. No private keys are created, therefore, the keys cannot be stolen by hackers.

Transparency

All user balances are updated daily and can be visible on the Ethereum blockchain (for example via etherscan.io). This means that every day a user's off-chain balance matches the on-chain balance.

The public can monitor:

- The total amount of funds at the exchange as a sum of all other balances
- The number of users registered as a number of contract accounts created
- Daily amount of funds settled on the blockchain (realized PnL, fees, funding payments)

- All user balances

This design allows BBOD to pass proof-of-solvency and proof-of-reserves audits using solely publicly available data.

ZERO-fee Leveraged Trading

On BBOD's ZERO-fee crypto futures trading there are no transaction fees (ZERO) on the BBD-settled futures market (e.g. BTC/BBD or ETH/BBD perpetual contract). On this market, traders need to use BBD as collateral. Balances and PnL are also denominated in BBD. The price of ZERO fee BTC/TUSD contract is calculated in the same way as traditional TUSD settled BTC/TUSD perpetual future, leverage is up to 50x. The difference is that the user can earn and lose BBD and pay no trading fees.

Leveraged Altcoin Trading

Many crypto exchanges do not offer altcoin trading on high leverage (10-25x), due to low volume and high volatility. However, at BBOD we applied our proprietary smoothing technique in the index calculation which greatly reduces unnatural price spikes related to liquidity drainage. Our index calculation algorithm allows us to be more diverse, liquid and reliable as a marketplace to trade altcoins on high leverage.

At the moment, BBOD offers 20 different contracts (including trading altcoins on up to 25x leverage). By the end of 2020, we are planning on having 100 perpetual futures contracts. Our clients will have a say in what contracts they would like to trade in, as they will also be chosen by the BBOD community.

TUSD Stable Coin Settlement

Nowadays, on most exchanges, traders need to post different collateral to be able to trade a whole range of products. Bybit is a good example of this, as it offers four collaterals (BTC, ETH, LTC, EOS), or Deribit, which offers BTC and ETH as their collaterals. This is often causes complications as these currencies are highly volatile.

BBOD offers something completely different. Here, our clients can trade futures contracts that are settled in USD-based collateral (TUSD stablecoin). This means that profit, loss, account balance and margin requirements are set in a stable currency. All the underlying assets may be traded using one universal collateral.

BBOD Green Trading

The BBOD team believes in 'Healing Corporations' – i.e. making the world a better place through business and their profits, as we are strongly convinced that business should be the catalyst for a better world. We decided to donate up to 15% of all our trading fees to selected foundations. BBOD traders will automatically participate in the contribution just by trading on our platform. We will organise a monthly poll on our Twitter and Telegram to ask our community to pick a charity organisation, which will receive

donations from BBOD. In the beginning of our journey we would like to support two foundations that truly touched our hearts; Plant-for-the-Planet and One Humanity Care.

BBOD Trading Features

Spot and Futures Markets

BBOD offers:

- Perpetual futures markets TUSD-settled (e.g. BTC/TUSD) → already launched
- Perpetual futures markets BBD-settled (e.g. BBD/TUSD) → already launched
- Spot markets BBD/TUSD, BBD/ETH, ETH/TUSD → already launched
- API interface → to be launched in Q2/2020
- Ladder trading → to be launched in Q1/2020

Vanilla Futures Contracts

The bulk of existing derivatives exchanges (Bitmex, Deribit) offer inverse futures – a futures contract quoted in one currency (e.g. USD) and settled in another (e.g. BTC). This approach complicated the PnL calculation and selecting the size of the contract. BBOD offers vanilla futures contracts quoted and settled in one currency – TUSD. This makes the PnL calculation straightforward: (Exit Price – Entry Price) times the number of contracts in the base currency.

Multi Assets Platform

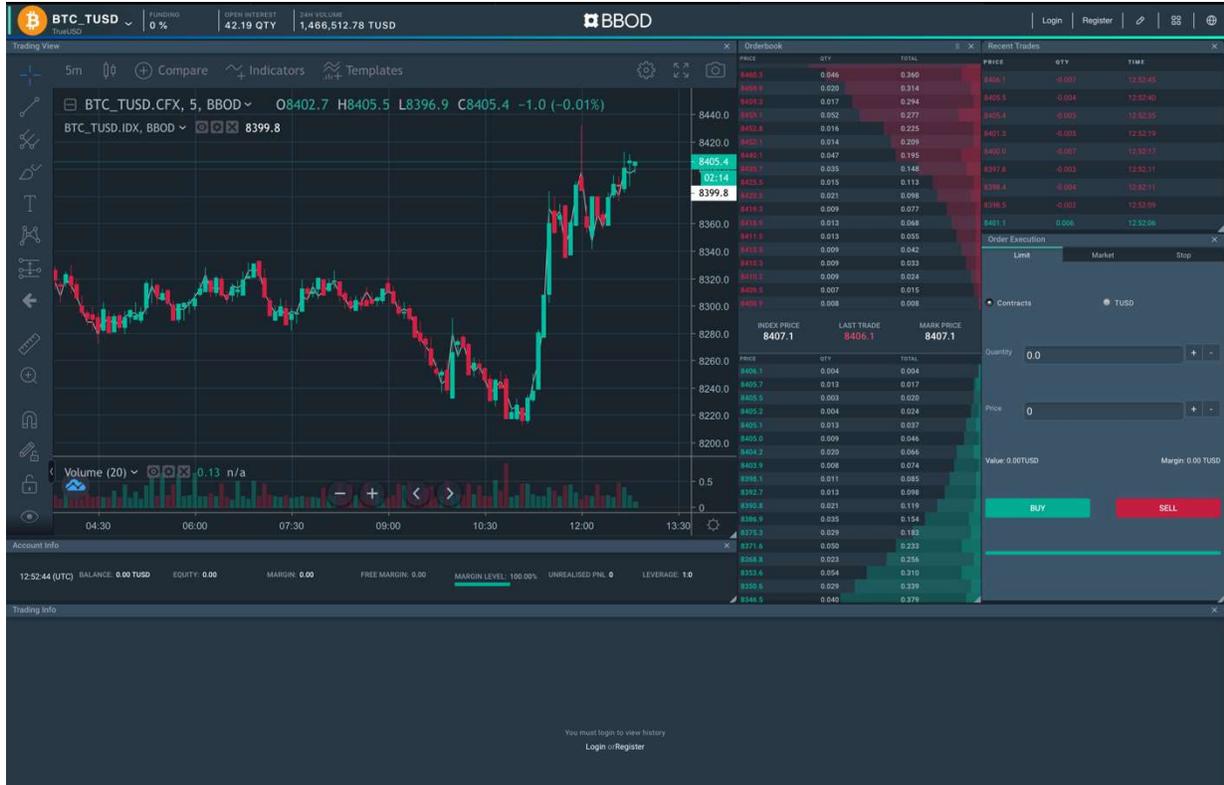
In the first stage BBOD has listed the following perpetual contracts on 20 cryptocurrencies: Bitcoin, Bitcoin Cash, Ethereum, Ripple, Litecoin, Binance Coin, EOS, Stellar, Cardano, Monero, Miota, NEO, Digibyte, Cosmos, Dash, Chainlink, VeChain, Tezos, Ontology, Verse. All these contracts are set vs. TUSD.

In the next stage, BBOD will offer traditional equity, fixed income, commodity and currency futures.

Platform and Connectivity

Currently, we offer a desktop and mobile-friendly website. In the next stage we will offer native Android App and native iOS App in Q4/2020. REST and WebSocket APIs will be offered in Q2/2020.

Platform UI



Version: v_1.1.370 as of January 24th, 2020.

BBOD vs. other Exchanges

Below is an overview of top derivatives exchanges features.

	BBOD	Bitmex	Deribit	FTX	Binance Futures
Crypto Futures	✓	✓	✓	✓	✓
Leverage	25-50x	Up to 100x	Up to 100x	Up to 100x	Up to 125x
Collateral	TUSD, BBD	BTC	BTC, ETH	USD Stablecoin	USDT Stablecoin
ZERO fee trading	✓	X	X	X	X
Non-custodial accounts	✓	X	X	X	X
Transparency	High	Low	Low	Low	Low
Proof-of-Solvency	✓	X	X	X	X
# of underlying assets	20	9	2	25	10

Below is a comparison of **specifications of BTC/USD perpetual contracts** at other exchanges.

Exchange	BBOD	Bitmex	Deribit	Bitfinex
Min. Tick size	0.1 TUSD	0.5 USD	0.5 USD	0.1 USD
Min. Contract size	0.001 BTC	1 USD	10 USD	0.001 BTC
Settlement	TUSD	BTC	BTC	USD
Taker Fee	0.075%	0.075%	0.075%	0.075%
Maker Fee	-0.025%	-0.025%	-0.025%	-0.025%

The table below represents **trading fees comparisons** for Bitcoin/USD contract across top derivatives exchanges.

Exchange	BBOD	Bitfinex	Deribit	Kraken
Maker fee	-0.025%	-0.025	-0.025%	-0.025%
Taker fee	0.075%	0.075%	0.075%	0.075%
Taker fee (10% discount)	0.0675%	-	-	-
Taker fee (20% discount)	0.0600%	-	-	-

BBD Token

BBD Overview

BBD is the exchange token of BBOD. BBD is an ERC20 token. You can find it on etherscan <https://etherscan.io/token/0xb79fc5505ea4f3b920ee7e3349de064226692717> . BBD tokens are listed on BBOD since 10th December 2019.

- Total supply: 204,094,259 (1081 addresses)
- Max. supply: 275,803,582 BBD

Note: Max. supply is higher than total supply because BBOD executed a 'token migration' in 2018. BBD token-holders migrated the tokens from the old contract address to the current contract address. As a result, BBD token-holders received BBD tokens with a ratio 100-for-1.

Below is an overview of **top exchange platform tokens**:

Exchange	Type	Volume Spot (billion)	Volume Derivatives (billion)	Token	Price (\$)	Max Supply (mln)	MarketCap (billion)
Binance	Spot / Futures	1.760	2.390	BNB	17.08	187.54	3.2
Huobi	Spot / Futures	0.145	5.349	HT	3.11	500	1.55
Bitfinex	Spot / Futures	0.246	0.0539	LEO	0.87	999	0.869
Okex	Spot / Futures	0.145	5.361	OKB	2.97	300	0.891
FTX	Spot / Futures	0.015	0.589	FTT	2.28	347	0.791

*Offered acquisition price 0.1USD/1BBD gives the market capitalization 27.5 million USD (calculated with maximum supply 275 million)

**Market data from coinmarketcap.com (spot, token) and coingecko.com (derivatives) as of 19 January 2020, 15:00-16:00 UTC

BBD Token Utility

- **Zero-fee trading:** There are no transaction fees (zero) on the BBD-settled futures markets (eg. BTC/TUSD perpetual contract).
- **Trading competition:** traders taking part in trading competitions need to buy BBD tokens, they will be rewarded in BBD tokens, they will have access to further levels by holding BBD tokens, etc.
- **Fee Discounts:** Users pay reduced trading fees on the TUSD-settled futures market based on their BBD balance and daily trading volume. Staking tokens slows down the velocity of the coin and increases its value.
- **Collateral:** BBD is used as collateral for margined positions on the BBD-settled futures market (eg. BTC/BBD perpetual contract).

Our discounts are one of the most attractive in the crypto derivatives industry. Up to 20% discount, and the minimum needed to get a 10% discount is just 500 BBD (\$130 worth / \$0.65 per BBD).

If you are an active trader (+\$100,000 volume/day) and you purchased 10,000 BBD tokens during the public sale for 10,000 * \$0.26 = 2,600 TUSD you can enjoy a life-time discount of 20% off the fees and expect that the BBD token's value will increase vs. USD.

If you are a less active trader, e.g. you trade once a week, then you can buy 500 BBD tokens for 500 * \$0.26 = 130 TUSD, enjoy a life-time 10% discount on fees and expect that the BBD token's value will increase vs. USD.

For comparison, you will need \$1,300 of funds – that you can't trade – in OKB (at Okex) just to qualify for a reduction in taker fees from 0.075% to 0.072% (4%).

The table below represents the current **fee discount structure**.

Level	Daily Trade Volume		BBD Holdings	Discount
0	≥ 0 TUSD	Or	≥ 0 BBD	0.00%
1	≥ 0 TUSD	And	≥ 500 BBD	10.00%
2	≥ 10,000 TUSD	And	≥ 1,000 BBD	12.50%
3	≥ 20,000 TUSD	And	≥ 2,000 BBD	15.00%
4	≥ 50,000 TUSD	And	≥ 5,000 BBD	17.50%
5	≥ 100,000 TUSD	And	≥ 10,000 BBD	20.00%

BBOD Roadmap

2018 – Q3/2019

- BBOD founded and development began
- Private Beta launch

Q4/2019

- Official launch
- ZERO-fee trading
- Spot exchange launch

Q1/2020

- 20+ underlying cryptocurrencies
- Ladder trading

Q2/2020

- API release
- Multi-currency deposit

Q3/2020

- 50+ underlying cryptocurrencies

Q4/2020

- Mobile App (Android, iOS)
- Adding forex, commodities, equities
- 100 underlying cryptocurrencies
- Vanilla options