

# MONEDA WHITE PAPER

## \$MEX



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## **Abstract**

The original cryptocurrency, Bitcoin, was designed to be a trustless, peer-to-peer electronic cash system. Unfortunately, some unforeseen problems arose from Bitcoin's use and popularity. Among these problems are speed, economy, stability, and scalability, which were all compromised with the expanded use of the coin. In addition, virtually all other cryptocurrencies suffer from at least one, and usually more than one, of these deficiencies.

Only a cryptocurrency which is stable and can provide the necessary speed, scalability, and cost effectiveness elements will prove suitable for use as an everyday currency.

The primary objective of the Moneda Finance project is to develop a stablecoin which can be used in everyday commerce, including for micropayments of \$1 or less and international money transfers at lightning fast speeds with miniscule fees. The token is designed to maintain a steady value pegged to the Mexican Peso. It is backed by tangible global assets controlled and managed by Moneda Asset Management SpA. and will be redeemable for its face value at any time directly from the company or on Decentralized Exchanges (DEXs).

In short, this token – Moneda – will deliver all of the features a cryptocurrency would need in order to be considered as the favored medium of exchange for global electronic transactions and, therefore, it will be a prime candidate for mass adoption.

Built on the incredibly fast Matic Network and powered by the Ethereum Blockchain, Moneda will enjoy all the advantages that the combined platforms have to offer, including low cost transactions, swift and secure transfers, conversions from one currency to another, security and stability.

Our initial plans are the establishment of a global electronic funds transfer network with a primary emphasis on remittances, which are at this point in time a global market worth in excess of \$700 billion and growing. A web application alongside a mobile app will be built for this venture to deliver a seamless user experience in addition to speedy and economical transfers and transactions.

# Moneda \$MEX

## An Asset-Backed Stablecoin Pegged to the Mexican Peso

### Introduction

Since Bitcoin was made available in 2009, there has been a growing shift away from traditional, fiat currencies and financial systems towards digital payments systems based on cryptography, which offer the ability to store and transfer funds in a trustless and secure manner.

In order to function effectively, a cryptocurrency must be easily transferable, economical, stable, and offer swift, secure transactions. Unfortunately, the increased latency, exorbitant fees, and lack of both stability and scalability Bitcoin suffers from have confirmed that it will ever be able to serve as an everyday currency.

In some respects, Bitcoin has been a failure because it has not become what Satoshi intended it to be in the original whitepaper. In essence, it is largely useless in commerce and has become the total opposite, a speculative and highly volatile store of value. This is not only true for Bitcoin, but also for most of the cryptocurrencies in circulation today.

In this paper we introduce Moneda, a cryptocurrency which, unlike Bitcoin or virtually any other cryptocurrency, is backed by tangible real world assets. Moneda has been designed to overcome the problems with cryptocurrencies which have become evident with the widespread use of Bitcoin and Ethereum, among others. In addition, Moneda has been designed to provide the incentive for both users and merchants to accept it by instilling a stable value to the currency.

Built on the Matic Network and secured by the Ethereum Blockchain transactions using Moneda will be processed within seconds and at a fraction of the cost other blockchains charge per transaction.

Because of these advantages offered by Moneda, it is a cryptocurrency suitable for everyday use and a model for mass adoption.

## **Problems with Existing Cryptocurrencies**

Popular cryptocurrencies which rely on blockchain technology, most notably Bitcoin, have proven unsuitable for use in everyday commerce for a number of reasons. Primarily, Bitcoin's transaction costs and lack of scalability precludes micropayments, which range in value from \$5 USD to \$1 USD or less. In addition, increased use of Bitcoin has caused its system to become slow and inefficient due to the ever-increasing amount of data which must be confirmed for each transaction. The confirmation of such data is also a wasteful and expensive proposition due to the great amounts of energy needed to verify, or mine, these transactions. Finally, stability is a major concern for almost all cryptocurrencies, including Bitcoin, whose market price can swing by 10% or more in a single day.

Merchants are reluctant to accept such coins and tokens because unlike most fiat currencies, which for the most part are considered stable, cryptocurrencies that are created for use on typical blockchains can, and often do, have wild swings in price, rendering them inefficient for daily commerce and transfers of value.

Because of the slow, expensive, unscalable, unstable nature of cryptocurrencies, which are the natural result of blockchain technology, none of those cryptocurrencies can serve as an everyday medium of global exchange.

## **The Solutions**

For a coin or token to be considered as a viable currency for everyday use, it should have certain qualities:

1. It must be stable. No currency that has significant swings in value can possibly be used for ordinary commerce or global remittances.
2. It must be scalable. Any currency that cannot be used to settle micropayments will ever be universally accepted as a viable medium of exchange.
3. It must be economical. Tokens that cannot perform without charging significant fees will neither be desirable for use by customers nor accepted by merchants.
4. The design of the currency and the platform that enables it must provide a method of swift, secure transfer.
5. It must have a tangible value.
6. It must maintain a stable value regardless of market conditions.
7. It should be redeemable. Any entity that issues currency should honor it by making it redeemable for an alternate currency of equal value.
8. It should serve as a store of value.

No known cryptocurrency in use today can claim all of the qualities that it would need to be considered for use as an everyday medium of exchange. However Moneda, a new, innovative token built on the lightning-fast Matic Network, can.

1. Moneda will be stable. Because it is backed by tangible global assets valued at over \$10B USD, the redemption price will always be maintained at or close to the market price of the Mexican Peso. Fittingly, there should be no significant swings in price, making it desirable to all who use it or accept it as payment.

2. Moneda will be scalable to the extent it can easily enable micropayments. Anyone who wishes to make a payment of even less than a dollar will be able to do so with a fraction of a penny fee to the user and only a few cents transaction charge to the merchant.

3. The use of Moneda will be extremely economical. Moneda is built on the Matic Network and the fee charged by Matic to make a transaction is a tiny fraction of a cent. Moneda's fee for an international transaction is only 0.5%. For example, an international money transfer of \$200 with another carrier would cost a total of approximately \$14 in most cases, but Moneda's fee will be \$1, about 90% less. Affordability is one of the great benefits of building on the Matic Network and having access to its many advantages.

4. In addition to great savings enabled by Matic Network, transactions on Matic are processed at remarkable speed. A remittance, for example, could provide a P2P international exchange in just a few seconds.

5. Moneda is backed by a portfolio of tangible assets which have proven to steadily appreciate in value over time. Assets including real estate, financial instruments such as traditional stocks and bonds, cryptocurrency holdings such as Bitcoin and Ethereum, precious metals and cash reserves held in USD. The objective will be capital preservation with a rate of return that at the very least will keep up with monetary inflation.

6. Moneda will enjoy a steady influx of revenue from the fees charged on the transactions.

7. Moneda will be redeemable for a stable price giving token holders a choice of either redemption on the platform or on the exchanges. Moneda will also provide extra liquidity in the event of a thinly traded market.

8. the value of Moneda should function perfectly as a store of value. This is only possible when a currency has a stable value which is actually supported by the value of the investments and assets used to back the currency.

Bitcoin and other blockchain cryptocurrencies which employ mining as a method of reaching consensus on transactions can never become currencies suitable for everyday use in commerce. Barring a breakthrough in technology, they will continue to get evermore slower and costlier. Eventually, people will look for faster, cheaper, more flexible alternatives of transferring funds. When they do, we will ensure they look toward Moneda as a solution.

## Redemption of Tokens

Holders of Moneda tokens will have the option of redeeming directly from the Moneda app..

Making Moneda redeemable accomplishes a couple of important things.

First, it provides liquidity. Moneda holders will never have to worry if there will be a buyer for their tokens.

Second, it promotes stability of token price. Because Moneda tokens will be redeemed at a specific price, which will at all times be the equivalent to the price of the Mexican Peso, those who buy and sell on the exchanges will have a built-in reference of what the approximate market price should be. Because token holders will have the option of redeeming their tokens directly from Moneda, there should be no significant difference in price between the open market and the redemption price, although tokens traded on the open market could be slightly higher due to the algorithms employed by certain exchanges.

Tokens redeemed through the Moneda app will incur a .5% trade fee, regardless the size of the redemption.

As the price of the Mexican Peso fluctuates, so will the redemption price for Moneda tokens. As the redemption price rises, the market price should follow suit.

Stability of price is a necessary element for a token to be accepted for everyday use in commerce. It is likely that the better known cryptocurrencies, such as Bitcoin and Ethereum, will never be stable enough to fill that role. That is because there is no mechanism that either of them can employ to have a stabilizing effect on their respective currencies. Price stability is one of the central tenets of Moneda and a compelling reason to believe that the token can serve as a universal currency for international transfers and day to day commerce.

## **Matic Network**

Matic Network brings massive scale to Ethereum by providing scalable, secure and instant transactions using sidechains based on an adapted implementation of Plasma framework for asset security and a decentralized network of Proof-of-Stake (PoS) validators resulting in a solution for faster and extremely low-cost transactions with finality on the main chain.

The system ensures liveness using PoS checkpoints which are pushed to the Ethereum mainchain. This enables a single Matic sidechain to theoretically achieve  $2^{16}$  transactions per block, and possibly millions of transactions on multiple chains in the future.

## **The Moneda System**

What It Is and How It Works.

The Moneda system will consist of our native token, Moneda, a decentralized application (dApp) which is integrated with the Matic Network on the Ethereum Blockchain and our mex.eth ENS domain name. Although either the token or the dApp could exist and thrive independently, we believe they will work best when used in conjunction with each other. The Moneda app will be user friendly and designed for use by those who speak either Spanish or English.

A mobile version of the dApp will offer access to iOS and Android users alongside the webapp for PC access. The dApps will enable anyone to deposit funds, which can be either fiat or other accepted cryptocurrencies such as ETH, DAI or USDT, etc. Deposits can be made by debit card, credit card or transfer of cryptocurrency. Those who already hold Moneda can use them for transfers.

The deposit will be converted to Moneda tokens and before being forwarded to the blockchain, the transaction will be processed in the dApp where Moneda's fee will be extracted. The Moneda tokens then arrive at the recipient's wallet who can decide if they wish to convert to their fiat of choice or not.

Because of the speed and efficiency of the Matic Network, this entire process only takes a few seconds.

With our ENS domain name, mex.eth, we will allow users to create their own usernames using subdomains such as elchapo.mex.eth. This will simplify the transfer process by allowing users to send/receive funds to easily human readable accounts rather than the long and complex hash addresses that are randomly generated and issued by the blockchain.

Moneda will also be available for use in commerce where Moneda is not a party to the transaction. For example, if a merchant accepts Moneda as payment, any user can buy goods or services from that merchant and make payment in Moneda. The dApp will enable the merchant to do this.

The merchant can then redeem the tokens in the web app. The Moneda dApp converts the Moneda into the fiat currency of the merchant's choice, extracts the transaction fee and returns the balance of fiat to the merchant. At the planned Moneda transaction fee of .5%, subject to a ten cent minimum, the merchant is at a great advantage compared to usual credit card charges of 3% or more. Moneda will not charge merchants any other fees including monthly charges or fees for software, providing yet more incentive for merchants to accept Moneda.

Because Moneda will be available to anyone in the world, we project that there will be a demand for the token by those who wish to protect their savings from loss due to monetary inflation or negative interest rates.

Central bankers around the world have been involved in a race to the bottom with interest rates actually falling into negative territory in many places around the globe. Combine that with the fact that many countries have seen their respective currencies experiencing high rates of inflation and you have a scenario wherein it has been nearly impossible for people to save money without it resulting in a loss.

What is needed for these savers is a true store of value – a financial vehicle which could negate both negative interest rates and high rates of monetary inflation.

Some Venezuelans, during the financial upheaval created by the socialist dictatorship of Nicolas Maduro, turned to Bitcoin in an attempt to preserve their wealth. Unfortunately, despite claims to the contrary, Bitcoin failed as a store of value because of its inherent instability. Those who purchased Bitcoin for nearly \$20,000 per coin saw the value of the cryptocurrency drop by as much as 80%. Although it has returned to even higher values, several years have gone by where the average person was unable to hold their Bitcoin for that long and were forced to actually realize those losses.

Because Moneda is a stablecoin, it is able to serve as a true store of value. This gives the holders of Moneda tokens the expectation of preserving the value of their wealth against losses from inflation or negative interest rates.

Moneda will benefit from redemption fees ranging from .5%.

Billions of dollars worth of foreign currency has been pouring into the U.S. in search of safety from negative interest rates now prevalent in Europe. In other parts of the world, high inflation is the destroyer of wealth. What we have done with Moneda is design a cryptocurrency which will combat both of these enemies. This is in addition to Moneda's ability to serve as a medium of exchange for remittances and day to day purchases. This makes our token a valuable instrument on a world-wide scale and a model for mass adoption.

What Moneda offers these individuals is a type of "safe deposit box" for their wealth. But unlike cash stored in a bank, Moneda stored in a wallet offers what bank accounts with negative interest rates, along with the unfavorable terms and expensive fees associated cannot deliver. In addition, those who lose value in savings accounts due to monetary inflation will experience the same benefits when they utilize Moneda as a store of value.

Finally, the Moneda token can be utilized by those who need a short-term "park" for their investment funds, much like Tether (USDT) is used now. One of the major – and important – differences is that Moneda are pegged to the Mexican Peso according to 100% of the value of our assets while Tethers are pegged to USDs based on a fractional reserve. What that means, in essence, is that if every single one of the Moneda in circulation were redeemed at once, Moneda would have the cash equivalents to redeem them all. Tethers are estimated to be only backed by 75% of the amount needed to redeem them all, resulting in a 25% shortfall – or loss – by those holding that currency.

## **Remittance Statistics**

Remittances to low- and middle-income countries, despite a global pandemic, reached a record high in 2020 according to the World Bank's latest Migration and Development Brief.

The Bank estimates that officially recorded annual remittance flows to low- and middle-income countries reached \$554 billion in 2019, an increase of 4.5 percent over the previous record high of \$529 billion in 2018. Global remittances, which include flows to high-income countries, reached \$714 billion in 2019, up from \$689 billion in 2018. Among countries, the top remittance recipients were India with \$82.2 billion, followed by China (\$70.3 billion), Mexico (\$38.7 billion), the Philippines (\$35.1 billion), and Egypt (\$26.4 billion).

In 2020, remittance flows to low- and middle-income countries are expected to reach \$597 billion, to become their largest source of external financing.

The global average cost of sending \$200 remained high, at around 7 percent in the first quarter of 2019, according to the World Bank's Remittance Prices Worldwide database. Reducing remittance costs to 3 percent by 2030 is a global target under Sustainable Development Goal (SDG) 10.7. Remittance costs across many African corridors and small islands in the Pacific remain above 10 percent.

Remittances flows into Latin America and the Caribbean grew 8 percent to nearly \$100 billion in 2019, supported by the strong U.S. economy. Mexico continued to receive the most remittances in the region, posting about \$38.5 billion in 2019, and 40.6 billion in 2020. Colombia and Ecuador, which have migrants in Spain, posted 16 percent and 8 percent growth, respectively. Three other countries in the region posted double digit growth: Guatemala (13 percent) as well as Dominican Republic and Honduras (both 10 percent), reflecting robust outbound remittances from the United States.

## **Moneda and the Remittance Market**

Because there is evidence of an underserved remittance market, we will embark on a mission to use the Moneda system to compete for a section of that business.

According to statistics supplied by the World Bank, the average \$200 remittance is subject to approximately 7.1% in fees, more than \$14. The Moneda system, enabled by the Matic Network, will be able to transfer the same \$200 anywhere in the world in a matter of seconds, at a cost of \$1, approximately 90% less. With regard to the problem of cost, Moneda is obviously the solution.

Our first foray into the remittance market will most certainly be USD - MXN. The most recent statistics show that the total amount of USD sent to Mexico in 2020 as remittances was over \$40 billion. A mere 3% market penetration would translate to nearly \$1.2 billion in business. Based on Moneda's fee schedule, that would yield revenues of approximately \$6 million. This is the immediate goal.

This is but one market ripe for the Moneda token. Others include parts of Central and South America, India, China, and sections of sub-Saharan Africa. Marketing efforts will be of great importance to the success of this model. With this in mind, Moneda intends to use the bulk of available operating capital to educate individuals on the value of the Moneda system. As part of an overall marketing plan, media outlets where those who are most likely to remit funds to Mexico will be identified and utilized.

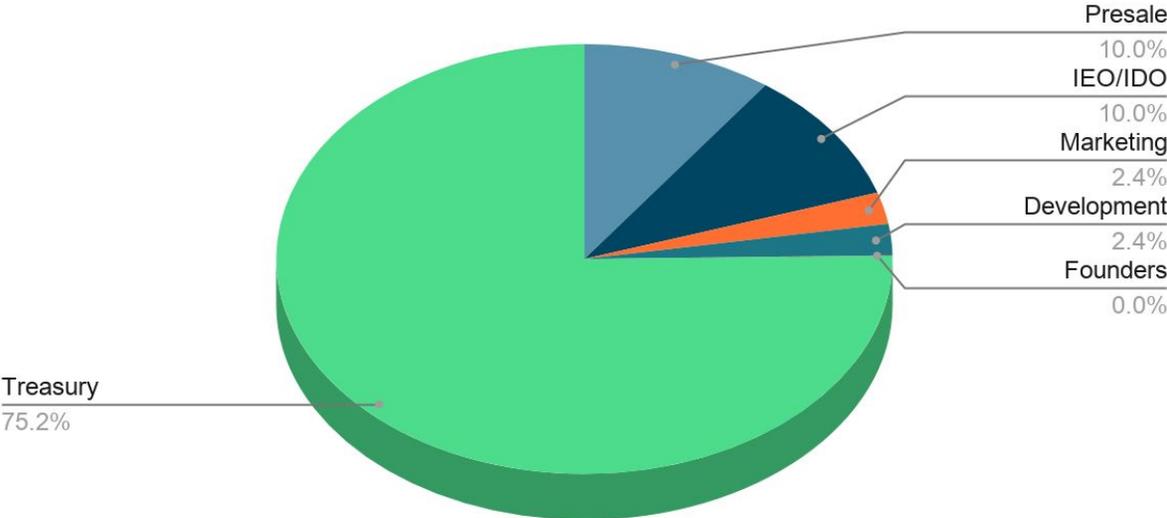
# Moneda Tokenomics

Blockchain:	Ethereum
Protocol:	ERC20
Name:	Moneda
Symbol:	MEX
Supply:	21,000,000,000 (21 billion)

# Token Distribution

Treasury:	15,800,000,000
Presale:	2,100,000,000
IEO/IDO:	2,100,000,000
Marketing:	500,000,000
Development:	495,000,000
Founders	5,000,000

Moneda Token Distribution



## Moneda Token Presale

Platform:	Bounce.finance
Start Date:	March 1st, 2021
Start Time:	12:00 AM EST
End Date:	March 31st, 2021
Format:	Fixed Price
Token Amount:	2,100,000,000 MEX (2.1 billion)
Price:	1 ETH : 200,000 MEX (~\$0.20MXN/\$0.01USD)
Total Raise:	10,500 ETH

## Funds Allocation

Redemption Reserve:	6,500 ETH
Platform Development:	1,000 ETH
Marketing:	1,000 ETH
Exchange Listings:	1,000 ETH
DEX Liquidity:	1,000 ETH

## Presale Funds Allocation

