

A U D A X

Digital Currency

Version 1.0.0

Introduction/Abstract

The AUDAX Project is a coordinated and dedicated push towards the enablement of the mass adoption of cryptocurrency in ecommerce, in order that the potential benefits of digital payments become a reality to both merchant and buyer alike. The project's main tool in this venture is its cryptocurrency, AUDAX.

AUDAX brings fast, secure digital payment to the ecommerce industry, without negative disruption to how merchants receive their funds or how buyers access, acquire or spend cryptocurrency.

At the same time, AUDAX provides incentives to owners of nodes that support its network, including special incentives for owners of special nodes ("Masternodes") which play a greater role in the security, stability and functionality of the network.

This paper attempts to acquaint the reader with the specific problems that the AUDAX Project seeks to solve, particularly in the area of ecommerce.

WE, THE DEVELOPMENT TEAM OF AUDAX, HEREBY ASSERT THAT THE CONTENT OF THIS WHITEPAPER IS ITS WORK, EXCEPT FOR CONTENT THAT IS CONTAINED HEREIN FOR THE PURPOSE OF REFERENCE. WHERE THESE OCCUR, CARE HAS BEEN TAKEN TO ENSURE THAT THE SOURCE OF SUCH CONTENT IS INCLUDED AND ACKNOWLEDGED, AND NO CONTENT HAS BEEN INTENTIONALLY INCLUDED AND NOT ACKNOWLEDGED.

The Challenge

According to Transparency Market Research (<https://www.transparencymarketresearch.com/pressrelease/cryptocurrency-market.htm>), the value of the global cryptocurrency market was US\$574.3 million in 2017, and this is expected to rise to US\$6702.1 million by the end of 2025, with a Compound Annual Growth Rate (CAGR) of 13.3% during this period.

This growth is mainly hinged on the development of blockchain technologies that offer a trustless option for payment systems, as well as extremely low transaction fees (in some cases, none) in cryptocurrency transactions. Compared with fees in traditional currency transactions, this is a huge boost for commerce. Additionally, blockchain-based transactions offer a high level of cryptography-backed security as well as the fact that there is a greater degree of transparency of transactions - and though some would argue against it, there is the immutability of data on the blockchain.

The global ecommerce industry, on the other hand, is expected to hit \$4.8 trillion USD in sales by 2021, with an estimated 2.1 billion shoppers expected to purchase goods and services online.

By 2021, ecommerce will account for 17.5% of total global retail sales (<https://www.statista.com/statistics/534123/e-commerce-share-of-retail-sales-worldwide/>).

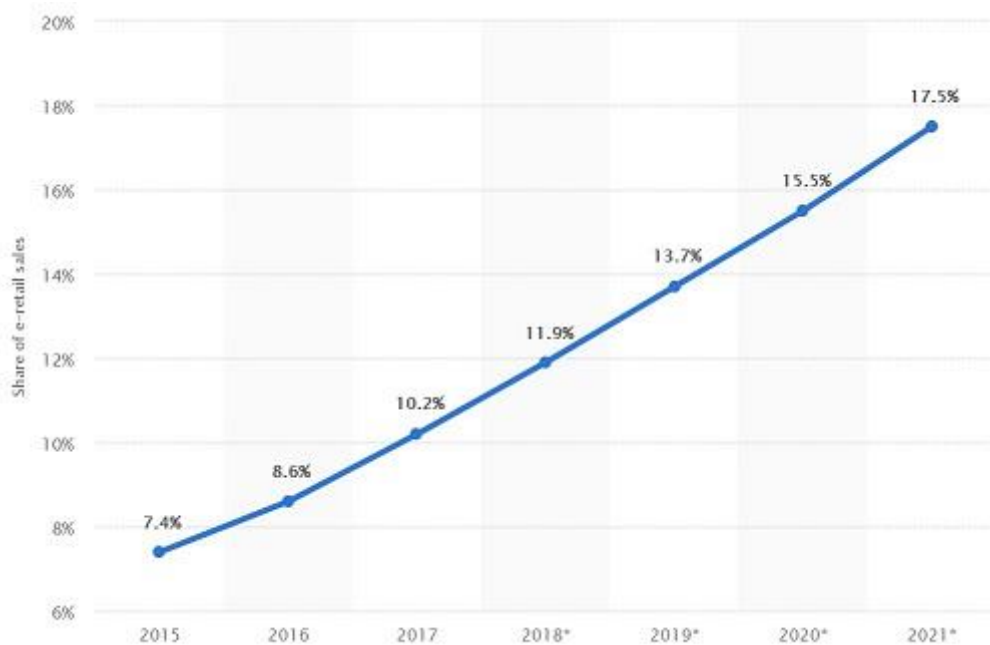


Fig. 1: E-commerce share of total global retail sales from 2015 to 2021

Courtesy: <https://www.statista.com/statistics/534123/e-commerce-share-of-retail-sales-worldwide/>

Most payments for goods and services in the ecommerce industry are done using credit cards or other services such as PayPal, Apple Pay, Stripe and an increasing number of others. No matter the actual payment method, one thing they all share is the fact that these traditional methods of payment charge higher transaction fees, when compared to cryptocurrency payments. As examples, Visa and Mastercard charge an amount that includes a fee + a percentage of the purchase, with Visa charging 1.51% + \$0.10 for a swiped consumer credit card. PayPal charges 2.9% + \$0.30 per transaction. Stripe charges merchants a 2.9% + \$0.30 fee (after first \$1 million), and a \$15 chargeback fee.

Compared to cryptocurrency transactions, the merchant and consumer stand to save a lot more by paying much lower fees.

The AUDAX Solution

While offering a viable payment alternative, AUDAX restricts disruption only to the method of ecommerce payments and not to merchant routines, or preferred end-currency. In other words: while providing merchants with a new method of payment collection which is cheaper and more secure than traditional methods, AUDAX ensures that in so doing, merchants do not need to go through a steep learning curve. Furthermore, the AUDAX roadmap item of an ecommerce

marketplace will ensure that merchants can continue to receive payments in their preferred way in the back-end, while upfront, they are exposed to millions of potential buyers who are willing and happy to pay for their goods and services with cryptocurrency.

On the consumer side, the consumer side, the AUDAX marketplace will offer buyers an opportunity to purchase goods and services from a huge array of sellers who are happy to take advantage of lower fees and accept cryptocurrency.

The AUDAX Marketplace

A major milestone in the AUDAX roadmap is development and implementation of an ecommerce marketplace. This is a key component of the AUDAX vision to facilitate and encourage the adoption of cryptocurrency in ecommerce.

Once fully implemented, the AUDAX marketplace will have both buyers and sellers exchange goods and services for cryptocurrency, in addition to fiat. However, for buyers who choose to make payment using the AUDAX currency, there will be significant discounts on items sold in the marketplace.

For the sellers, their choice of currency for their final settlement will remain their own preference - while facilitating the acceptance of cryptocurrency on the front-end, the marketplace will ensure that this payment is translated to the merchant's currency of choice in final settlement, ensuring there is no disruption to final settlements, while disrupting the traditional concept of fiat-only payments.

AUDAX Masternode Sharing

Another milestone in the AUDAX roadmap is a service to enable AUDAX holders to own shares of Masternodes and receive a portion of the rewards paid out to those Masternodes. The required collateral for running an AUDAX Masternode is 150,000 coins. For those users who own only a portion of this, they will have an opportunity own a share of a Masternode for as little as 3,000 coins and receive rewards according to the percentage of shares in a Masternode that they own.

This will be a web-based, fully-automated service, which could at some point in the future, be scaled up to include offering masternode-sharing services for other coins. However, the primary focus of the service will always be towards holders of AUDAX.

AUDAX Specifications

AUDAX is a Proof-of Stake (PoS) digital currency. Other than the regular nodes that make up the its network, AUDAX also offers incentivized ownership of

special nodes (referred to as Masternodes) that more specially complement the security and stability of the network.

- **Consensus Protocol:** 100% Proof of Stake 3.0
- **Hash Type:** SHA256
- **Block time:** 60 seconds
- **Difficulty Retargeting:** Every block
- **Maturity:** 50 blocks
- **Minimum Staking Age:** 3 hours
- **Max supply:** 200 million
- **Block reward:** 20 coins
- **Masternode reward:** 8 coins
- **PoS reward:** 8 coins
- **Governance/Development:** 4 coins
- **Masternode Collateral:** 150,000 coins

Initial Distribution

There will be a total premined amount of 3.25% of the total supply. 1.975% of the total supply will be made available at launch to investors interested in staking or owning masternodes to help support the network. 1.275% of the total supply will go to the Audax Development fund.

Emission/Inflation

Coin emission will be at a steady rate of 10,520,000 coins per year. AUDAX is a new coin and there is no "swap" with any existing coin, so at the end of the first year the existing supply will be 10,520,00 coins. Because of this fact, inflation will be high initially but steadily reduce year after year - as stated above, the emission rate is fixed until the maximum supply is reached.

On-Chain Governance

Using blockchain-based social consensus, Masternode owners will be able to vote on the disbursement of funds in ways that are beneficial to the AUDAX network and eco-system. Approved funds are allocated directly to the initiators of proposals in a decentralized manner.

Proposals for changes are submitted in monthly cycles, at a cost to the proposer of 25 AUDAX per proposal. Once a proposal is submitted to the blockchain, Masternode owners can vote on such proposals, and proposals that have total net yes votes (total "yes" votes - total "no" votes) greater than or equal to 10% of the total number of Masternodes are funded, or in the case of proposal for code changes, those changes are queued to be implemented.

- **Budget cycles:** 30 days
- **Blocks per cycle:** 43,200
- **Proposal submission fee:** 25 AUDAX
- **Proposal finalization fee:** 25 AUDAX

Credits/References

- *Transparency Market Research:* <https://www.transparencymarketresearch.com/pressrelease/cryptocurrency-market.htm>
- <https://www.statista.com/statistics/534123/e-commerce-share-of-retail-sales-worldwide/>