White paper for OTC Exchange – Platform for carrying out crowdsale campaigns

CHAPTER 1. CURRENT MARKET OVERVIEW

We live in an era of intensive development of information technology. The significance of this movement is hard to overestimate and as a result we acquire automated processes that help humanity. Over the past dozens of years, companies that have made a huge contribution to IT have acquired a certain status as a leader in the market and are actively incorporating the latest ideas in various areas of living. Undoubtedly they have a positive impact, but among other things reserve the right to decide which technologies the world will see, and which technologies will not receive support. Unfortunately, no development lasts long without adequate support and the technology does not reach the required state so that people can use it.
It's necessary to have money for development right away and after that the product will pay for itself and will bring income to support its developers and those who helped the project take place.

People have come up with a mechanism for crowdfunding, which solves this problem.

Hundreds of successful crowdfunding projects have already been conducted, which attracted from 1 to 270 million dollars and each of them is forced to have a developed technical base in the form of landing page, investor panels, integration with blockchains, to be listed in the project, and to keep track of bounties. The panel is necessary for the investor to be able to participate in crowdfunding, namely to transfer bitcoins or other coins from their address to the address of the project owners.

Total amount collected in 2016 through crowdfunding was $96,389,917

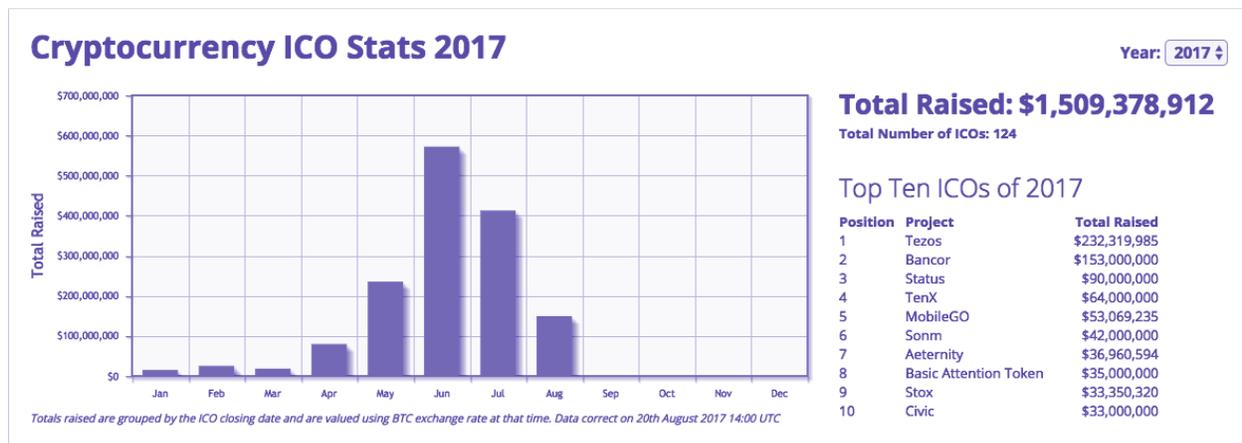## Cryptocurrency ICO Stats 2016

Year: 2016
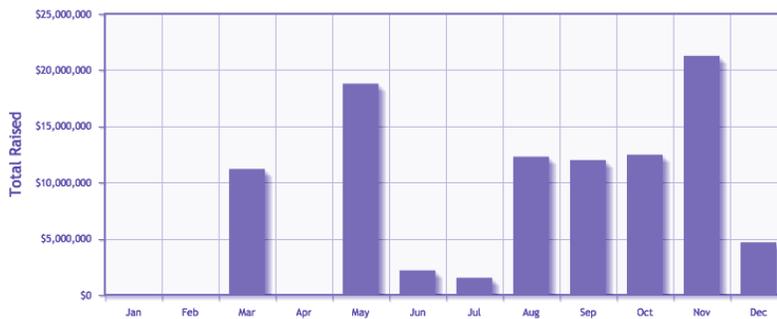
Total Raised: $96,389,917

Total Number of ICOs: 46

Top Ten ICOs of 2016

Position	Project	Total Raised
1	Waves	$16,436,095
2	Iconomi	$10,576,227
3	Golem	$8,596,000
4	SingularDTV	$7,500,000
5	Lisk	$5,700,000
6	Digix DAO	$5,500,000
7	FirstBlood	$5,500,000
8	Synereo	$4,700,000
9	Decent	$4,178,357
10	Antshares / NEO	$3,608,378

Note: Figures do not include "The DAO" that raised $168M but was refunded after the smart contract was hacked
Totals raised are grouped by the ICO closing date and are valued using BTC exchange rate at that time. Data correct on 20th August 2017 14:00 UTC

In 2017 the total sum collected through the crowdfunding was $ 1,509,378,912

Cryptocurrency ICO Stats 2017

Year: 2017

Total Raised: $1,509,378,912

Total Number of ICOs: 124

Top Ten ICOs of 2017

Position	Project	Total Raised
1	Tezos	$232,319,985
2	Bancor	$153,000,000
3	Status	$90,000,000
4	TenX	$64,000,000
5	MobileGO	$53,069,235
6	Sonm	$42,000,000
7	Aeternity	$36,960,594
8	Basic Attention Token	$35,000,000
9	Stox	$33,350,320
10	Civic	$33,000,000

Totals raised are grouped by the ICO closing date and are valued using BTC exchange rate at that time. Data correct on 20th August 2017 14:00 UTC

Taking into account the constant growth of the industry, each of the problems related to the preparation and conduct of crowdfunding becomes acute and requires special allocated resources for its solution.

The gap

There are platforms that allow you to create tokens and store them decentralized: Ethereum, Waves, BitShares, NXT, and NEO.

This platform is the key point in the ICO, but it is not enough for the ICO.

Since the ICO is not only the issue of tokens, but the whole process requiring people of different specializations and roles.
This process requires a long preparation of the team consisting of ideologists, marketers and IT professionals.

It's necessary to:
1. Prepare
2. Gather the money
3. Create the appropriate number of tokens
4. Honestly and transparently distribute tokens between contributors.

For this, it's needed to solve a number of technical problems within the framework of one system:

1. Creation of a company's landing page or profile.
2. Identification of the contributor.
3. Multi-currency support (BTC, LTC, ETH, WAVES, etc).
4. Writing several smart contracts under Ethereum.
5. Installation and integration with blockchains.
6. Integration with exchanges to obtain exchange rates.
7. Controlling Transaction Receipts.
8. Notification of the user by mail about the confirmation of their transaction
9. Conversion of transfers from currency to currency.
10. Optimization of all processes for a general reduction in the cost of transactions.
11. Ensuring complete system security.
12. Providing documentation and source codes for auditing companies so they can find problematic locations.
13. Configuring the server for stable high-load mode of operation.
14. Complete testing of the system for errors and security problems.
15. Create a bounty program and accounting for deposits.
16. Connecting monitoring systems.

Each task implies that you can admit dozens of errors in the process of execution and this can lead to investors' dissatisfaction, long and hard work of the team and eventually to a loss of funds.

This is only a technical issue of the ICO, which must be addressed in parallel with the technical issues of the project itself. Distracting programmers from the main project is not easy so it makes sense to use other programmers or ready-made solutions.

Problems of the existing solutions

Currently there are a significant number of tools for conducting and participating in the sale of tokens.
There are also several standard solutions for the technical crowdsale, offered by such companies as Ambisafe, Incent.

Existing	
Ambisafe	Website: https://www.ambisafe.co/wallet-website/. Github: https://github.com/Ambisafe Whitepaper: https://media.ambisafe.co/whitepapers/AmbisafeWhitepaper.pdf
Incent	Website: http://icotech.me/ Github: https://github.com/bokkypoobah/Blockswap Whitepaper: http://icotech.me/media/ICOme!.pdf
New	
KickICO	Website: https://www.kickico.com/ Github: https://github.com/kickico Whitepaper: https://www.kickico.com/whitepaper
ICObox	Website: https://icobox.io/ Github: https://github.com/icobox Whitepaper: https://icos.icobox.io/WhitePaper.pdf
Starbase	Website: https://starbase.co Github: https://github.com/starbaseco Whitepaper: https://starbase.co/whitepaper

Existing technical solutions

Ambisafe

Opportunities provided by the company:
- Opportunity to contact them for participation
- Make a deposit for participation
- Consultation
- Technical support, namely the provision of a wallet connected to the customer's site.
- Issue ERC 20 tokens

Ambisafe, for a long time remain leaders in providing a full-fledged technical solution for crowdsale. The advantages of the system is its multiple testing, the ability to accept any cryptocurrency from its website under the White Label and additional paid features.

As a shortcoming, it is worth noting their main focus on providing a full package of services (consulting, marketing, technical support). The technical solution just complements it and this results in a number of inconveniences associated with using the wallet separately.

Also a significant drawback is unclear pricing and the need to make a large deposit to start work, which can exceed the list of ordered services.

Incent

- An opportunity to apply to them for participation.
- Providing a wallet that supports different currencies.
- Issue of ERC20 and / or WAVES tokens.
- Reporting.

In particular, it was recently known about the attack on the Incent wallet used at the time by the Encryptotel project and this resulted in a loss of funds.

Private development

Some start-ups (such as aeternity, status.im) are developing their own ICO solution. This happens for the following reasons:
Not every start-up can afford an expensive solution, especially if it must go hand in hand with expensive marketing. It's quite possible that the project already has a loyal user base that is ready to support the project, and does not need additional expensive marketing to attract new people from outside.
The startup wants to have full control over the source code and understand fully what is happening in the technical solution that is behind the ICO. Perhaps the team members have expertise sufficient to create their own solution and they want to save money and have the time necessary for development.

New platforms for launching ICO

At the moment we're aware of several systems that decide or plan to solve the tasks of automation of the organization and conduct of ICO. Such platforms have just begun or have already raised funds for development and are currently actively engaged in the creation of the platform itself. Therefore, one cannot analyze the functionality of every such platform. The following information is mainly based on public information, which is available in white paper or the official blog of each such project.

KickICO

Features, which are available right now on the platform:
- Possibility to register and describe your ICO campaign (project name, detailed description in the HTML editor and specify a link to the video about the project).
- It's possible to specify the max cap of the project in ETH
- It's not clear how the corresponding smart contract for the release of tokens is created (if created at all) under ICO. In any case, such a feature was not found.
- From the shortcomings: it's not possible to choose other crypto-currencies that can be used to receive funds.

- In general, the description of the ICO campaign is pretty simple.
- It's not clear how scalable their system is: how many ICO campaigns can be run in parallel.

ICObox

The platform offers an integrated approach to the organization and conduct of the ICO, which consists of 3 main types of services:
- legal package of services;
- marketing package of services'
- a technical solution, which includes a smart contract, a smart contract management system, a booking system and consultations from technical specialists of the platform.

A full package of services costs 50 BTC (which at a rate of 4000 USD / BTC is 200 000 USD). A separate technical solution costs 25 BTC.

At the moment there is no public access to the technical solution and, accordingly, there is no possibility to analyze it. In white paper, there is also no detailed description of how their technical solution is arranged.

From the point of view of scaling, from publicly available information it is known that ICObox plans to run approximately 10 ICO campaigns per week.

Starbase

Having studied the publicly available information in the blog and white paper of the project, it's clear that the platform is planned to be launched in the fourth quarter of 2017. As a technical functional, they promise to provide the following opportunities:
- Startups will be able to create a standard ERC 20 token for their project by template.
- Investors will have the opportunity to purchase start-up tokens.

It is impossible to assess it since there is no public access to the technical solution yet.

General advantages

The goal of each platform is to significantly reduce the effort spent on preparing and conducting an ICO.

Each platform provides an understanding of the process and the necessary technical support. If you do not take into account the peculiarities of each system, the end user can conduct an ICO without going into the technical aspect of this process.

Disadvantages of launching ICO from current market leaders

The disadvantage of such solutions is a number of factors:

Marketing in an appendage to the technical decision

Companies are trying to sell you a comprehensive solution, which besides technical, also contains marketing services. Since companies that sell a technical solution together with marketing themselves do not act as a provider of traffic, then they make a large margin. Often the margin for marketing services is 100% or more. Considering the current huge demand for ICOs, this leads to the fact that the price of marketing is incredibly inflated.

Absence of full automation of processes and scaling

Current leaders have a limit on the number of simultaneously launched ICOs. Each ICO requires an individual approach, which entails recruiting additional people to manually configure the solution for each client. This process scales poorly because it directly affects the number of employees who work for a company that offers ICO services.

Other problems

Another problem that seems to be insufficiently covered in the security section: transparency and how much trust should be there in the collections of funds.

Given the possibilities of smart contracts, today it's possible to automate the collection and accounting of collected funds, as well as the distribution of tokens among the contributors.

However, if you look at the most successful of the last crowdfunding projects in the crypt, you will find out that only some of them used these opportunities to the fullest.

As a result, millions of dollars pass through unaudited centralized systems, and often the distribution of tokens occurs manually, which means that contributors can not always be sure of the fairness of said distribution. At the same time, when using automated centralized systems, hackers have additional bottlenecks for attacks. The problem is especially exacerbated if the funds are collected in several cryptocurrencies.

There are a number of precautions that should be taken into consideration when developing fundraising systems, we wrote about them in our blog - when using unaudited systems there is a danger that the developers did not think about it.

Previous research

What are the main tasks to be solved by the technical solution that is behind the ICO?
- Get money from investors who believe in a start-up.
- Issue tokens on one of the blockchain platforms that support the release of tokens. Such platforms include Ethereum, Waves, BitShares, NXT, and NEO.
- Distribute tokens between investors either during the crowdsale, and/or after it ends.

At the moment, the most popular platforms for the release of tokens within the above are Ethereum and Waves. The two platforms share the feature that they allow you to issue tokens

and write down information about how many tokens and who they belong to. The main difference between Ethereum and Waves (BitShares, NXT, NEO) is that for Ethereum it's possible to create smart contracts that ensure transparency and decentralization of carrying out crowdsales and releases of tokens. Ethereum is the only one to date, which allows a decentralized crowdsale.

Let's look at the situation when a startup wants to release its tokens on Ethereum. What types of contracts are needed for a full-fledged crowdsale? The following smart contracts interact among themselves in the course of the crowdsale and are therefore an integral part of the technical solution for an ICO:

- Crowdsale Contract - is required to receive funds and manage the sale of tokens to investor addresses. It's also responsible for monitoring the conditions for achieving a financial goal (max cap) or a temporary deadline for crowdsale.
- Token Contract - contains all the information on the token, namely: how many and to whom the tokens belong on the Ethereum platform. Also, this token contains the functionality of transferring tokens to a new owner.
- Multisig Wallet Contract - funds raised during the course of the crowdsale will be transferred to this contract.

In order to understand what features should be present in smart contracts for crowdsale, we analyzed a number of other smart contracts that were used during the well-known ICO campaigns of such projects as Storj, SONM, iEx.ec, Golem, Bancor, etc... We collected these smart contracts and put them in a single repository for greater ease of access. Below we will look at those elements that can already be considered standard for smart contracts:

- Initialization of tokens on the project account and the possibility of their further distribution.
- Receiving Ethereum platform tokens of the project account with a multi-signature and issuing the appropriate number of tokens.
- Receiving notifications according to incoming funds in other currencies and further distribution.
- The distribution of the remaining tokens between the project team and the reserve for payments by the bounty program.
- Crediting of bonuses according to the date of investments.
- Settings for the start date and the end date of the crowdsale.
- The minimum amount achieved to consider crowdsale successful, otherwise the mechanism for the return of funds.
- Blocking the ability to send and receive tokens during a crowdsale.
- Stop and resume the work of the crowdsale.
- Absence of other options for use not provided by the developer.

In order to properly conduct crowdfunding on the Ethereum platform from a technical standpoint, you need to have a reliable smart contract for the crowdsale. In order to avoid making a mistake

in smart contracts, you need to understand the work of contracts deeply, otherwise everything can turn into a loss of funds or an inability to accept them.

Let's take a look at the design and purpose of each of these contracts in more detail in order to understand what difficulties you are facing, and what you should pay attention to if you are writing a smart contract for crowdsale yourself.

Token Contract on Ethereum

A token contract is a smart contract that contains information about the total number of tokens on the Ethereum blockchain and how many tokens are owed to a particular address on the Ethereum network.

In addition, the smart token contract describes methods for sending the required number of tokens from one owner to another, and a method for obtaining a balance in the tokens at the specified Ethereum address. There is also another method, but we will not focus on it in this document.

ERC20 standard

By itself, the token does not make any sense, but when it can be used in other applications that also work with the Ethereum network, it acquires some financial or practical value. Such applications can be:
- Ethereum-wallets (Mist, MyEtherWallet, Parity, Jaxx, etc.);
- Crypto-exchanges (Poloniex, Bittrex, Liqui);
- BlockExplorers (etherscan.io).

For the above programs to know how to interact with the token and what information is available in it, a standard for a token called ERC20 was developed. Thus, the smart token contract must also comply with this standard, otherwise it will be just a useless record in the Ethereum blockchain. This standard is widely used by all well-known exchanges and this is a very important advantage of the tokens released on Ethereum in comparison with the tokens of other blockchain systems.

Additional information

In addition to the standard functionality, the token contract is also supplemented with information such as its full name (for example, "Super Mega Coin"), abbreviation ("SMC") and the number of decimal places (18 is often used, but it can be 9 as well).

Crowdsale Contract on Ethereum

The Crowdsale Contract is responsible for the distribution of the tokens. Unlike the Token Contract, at the moment there is no standard solution for the Crowdsale Contract. Nevertheless, this and that approaches to writing and building a crowdsale contract are already gaining popularity in the community.

Min / max cap

Min cap is the minimum financial goal for a crowdsale. Roughly speaking, these are the means that, as the startup team believes, will be enough to continue working on the project.
Max cap - respectively, the maximum desired financial goal. This is the money that the project (start-up) needs for development / progress / improvements of the product. In the opinion of the team, this money should be more than enough to successfully continue working on the project, and will allow it to develop until it reaches a net profit.

The start and the end of the crowdsale

The first step is to understand when the crowdsale begins and ends. If defining the beginning of the campaign is simple - you can start with a specific time or block number in the Ethereum network. Then with indications of the end of the campaign, things are a little more complicated. The crowdsale can end when one of two conditions is met:

By the time (dead line): the so-called deadline. Like the start date of a campaign, it can be determined both by time and by block number. Blocks appear with a certain frequency and you can calculate the required time of the end of the campaign.

Upon reaching the financial goal (max cap): for this reason all crowdsales take place. If, during the crowdsale, the max cap is reached earlier than the time limit for the contract, it will be correct to stop the receipt of funds immediately without waiting for the deadline.

Maximum number of tokens (total supply)

Another important property of the crowdsale contract is the management of the number of issued tokens. At the moment, the following two approaches have become the most widespread.

Number of tokens sold during the campaign

Even before the campaign begins, it's indicated that the startup wants to sell, for example 70% of all future tokens. Consequently, any number of tokens that will be sold during the time of the crowdsale at the time the campaign is stopped will be considered the 70%. It will be easy to calculate how many tokens will be needed to be left for the project team to make up the remaining 30%.

Max cap and the price per token

The next, no less popular, approach is the determination of the maximum number of tokens released before the start of the campaign. How can it be done? We take the amount that the project plans to collect during the crowdsale (say, 100 thousand ETH) and multiply it by the price for the tokens (for example, for 1 ETH, you can buy 2000 XYZ tokens). Thus, the maximum number of tokens users can purchase during a crowdsale is 200,000,000 XYZ.

Percent team and bounty / community

In most cases, at the time of crowdsale, 100% of the available tokens are not sold, although there are some exceptions. Part of the tokens (20-30%) the team reserves and distributes among the founders and first employees. A smaller part of the tokens (5-10%) is left to the distribution among the participants of the bounty programs. Therefore, the smart contract should contain logic that allows you to check that the team and the members of the bounty program receive their percentage of the tokens.

Bonus system for determining the price of tokens

In the course of the crowdsale, under certain conditions, investors can receive an additional number of tokens as a bonus. The bonus system can easily be programmed in a smart contract. A simple example of a bonus system of discounts when selling tokens:
- The first day the price of tokens is lower by 30%.
- Starting from the second day to the end of the week, it is lower by 20%.
- The third week it is lower by 10%.
- And further without discounts.

Useful variables for collecting statistics

For a better visibility of the progress / statistics of the crowdsale it will be useful to accumulate in the smart contract the following information:
- Total amount of collected money in ETH.
- Number of tokens sold.
- The number of completed sales (transactions to buy tokens).

CHAPTER 2. VALUE PROPOSITION

We analyzed the previous successful ICO, structured them and collected them in a single place OTCICO.DB
Also, we analyzed all the contracts that were involved and also collected them in one place. When developing the OTC Exchange Engine, we were guided by the requirements for the wallet.

Standardization

Based on the experience of successful crowdsales, it's possible to standardize and automate the process of a crowdsale constantly simplifying and improving it.
It's convenient for investors to get used to the same interface in order to easily invest in various projects. The description should be structured and on point. The investment panel should be understandable and simple. Now new original solutions are created for each ICO, which have their own specifics, although in fact they solve the same problem in different ways.

Technical requirements

ICO consists of several mandatory components that are marketing, technical part, advertising, public relations. The technical part is very important and it can't be done without it. Therefore, it is necessary to attract high paid programmers who will go through long and pricey development of an investor's panel or you can use the services of agencies that provide a wallet. These agencies, as a rule, don't provide just one technical part, but instead provide a set of services for a total cost of $100,000-300,000..

There is a need for the fragmentation of this process, because different people need different separate components. Marketing companies need only the technical part, when startups in fact need everything and on different conditions.

This task is complex, and includes a number of subtasks:

- Installing full node systems for each blockchain.
- Integration of full nodes with a single system for calculating the total amount.
- Integration of the system of counting with payment systems for receiving USD, EURO, which have their own peculiarities and rules.
- Obtaining exchanges for calculating the exchange rate based on BUY / SELL forks.
- Generating public keys for each investor and store private keys in a safe place, taking into account the specifics of the blockchain work.
- The ability to manage exchange rates and other static information without the need to attract investors.
- Total amount calculation.
- Counting amounts for each participant.
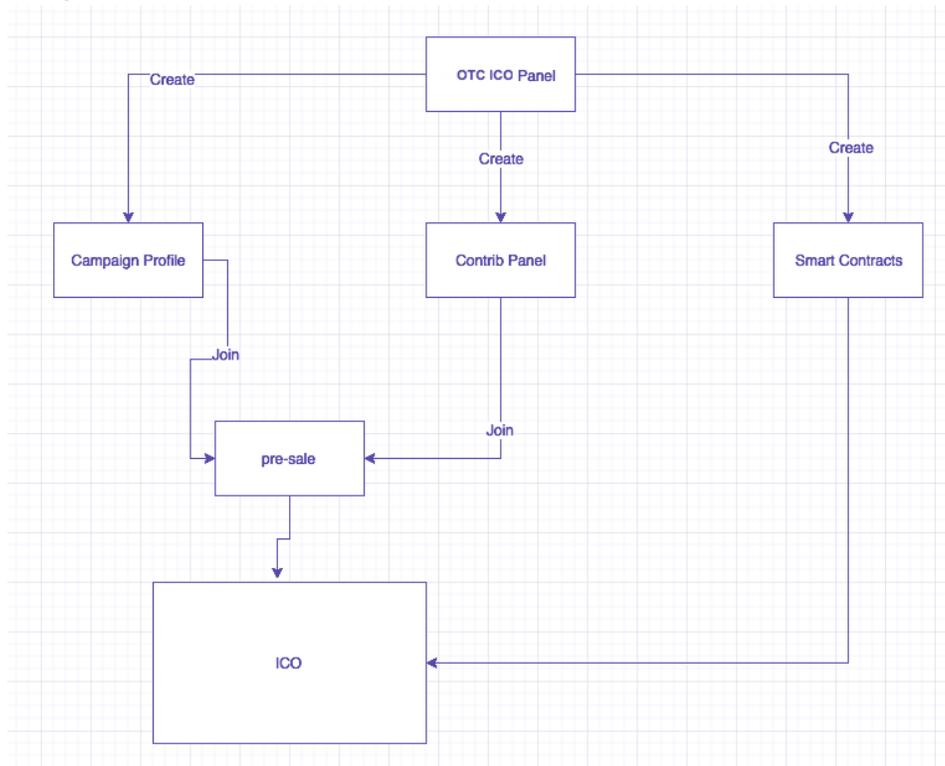
Integration (white label)

Not all companies want to run on someone else's platform, some of them need a wallet that will have a common style with their already created landing page, and will also be a continuation of the overall style. Consequently, the solution should be able to flexibly configure and integrate with the company's website.

This task is complex, includes a number of subtasks:

- Subdomain registration
- Configuring and Administering the Web Server
- Connecting a database for accounting registrations and synchronizing data between systems
- Development of common stylistics and functionality of the wallet
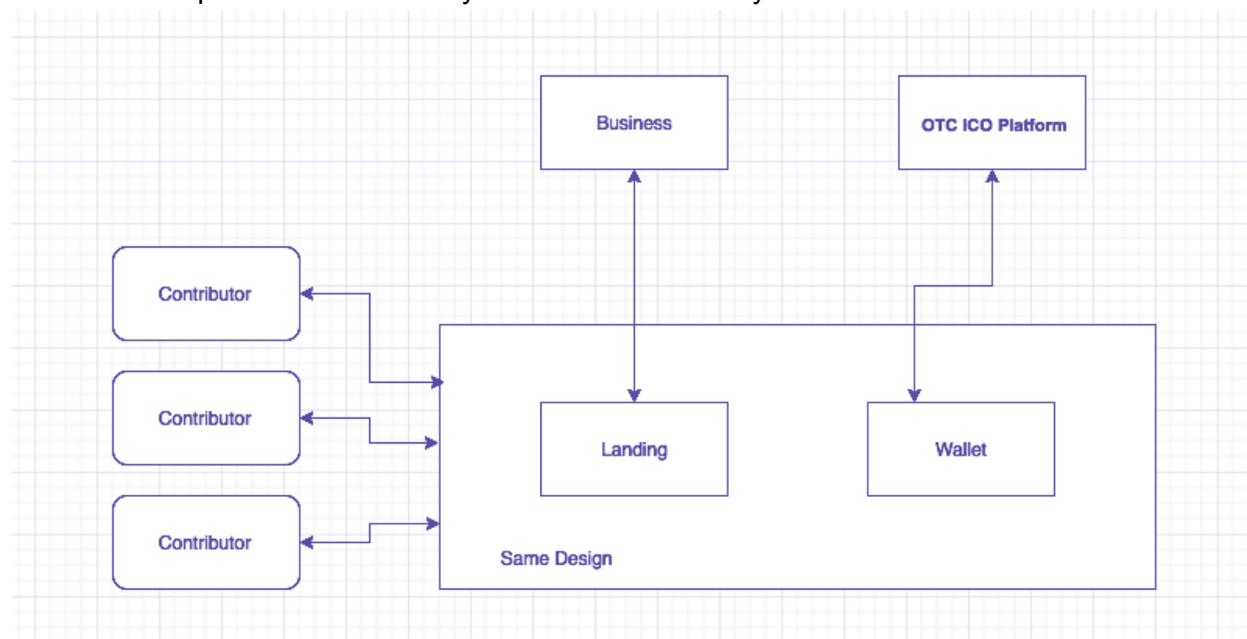
Scaling

Some companies want to run several ICOs in parallel for different teams, namely to solve marketing issues for them. Therefore, it's necessary to have one button that launches the investment panel and all work should already be done earlier and automated.

At the moment, you need to contact the companies and wait in the queue to start the ICO. The OTC Exchange takes away the human factor from this process so that it is possible to run several ICOs in parallel.
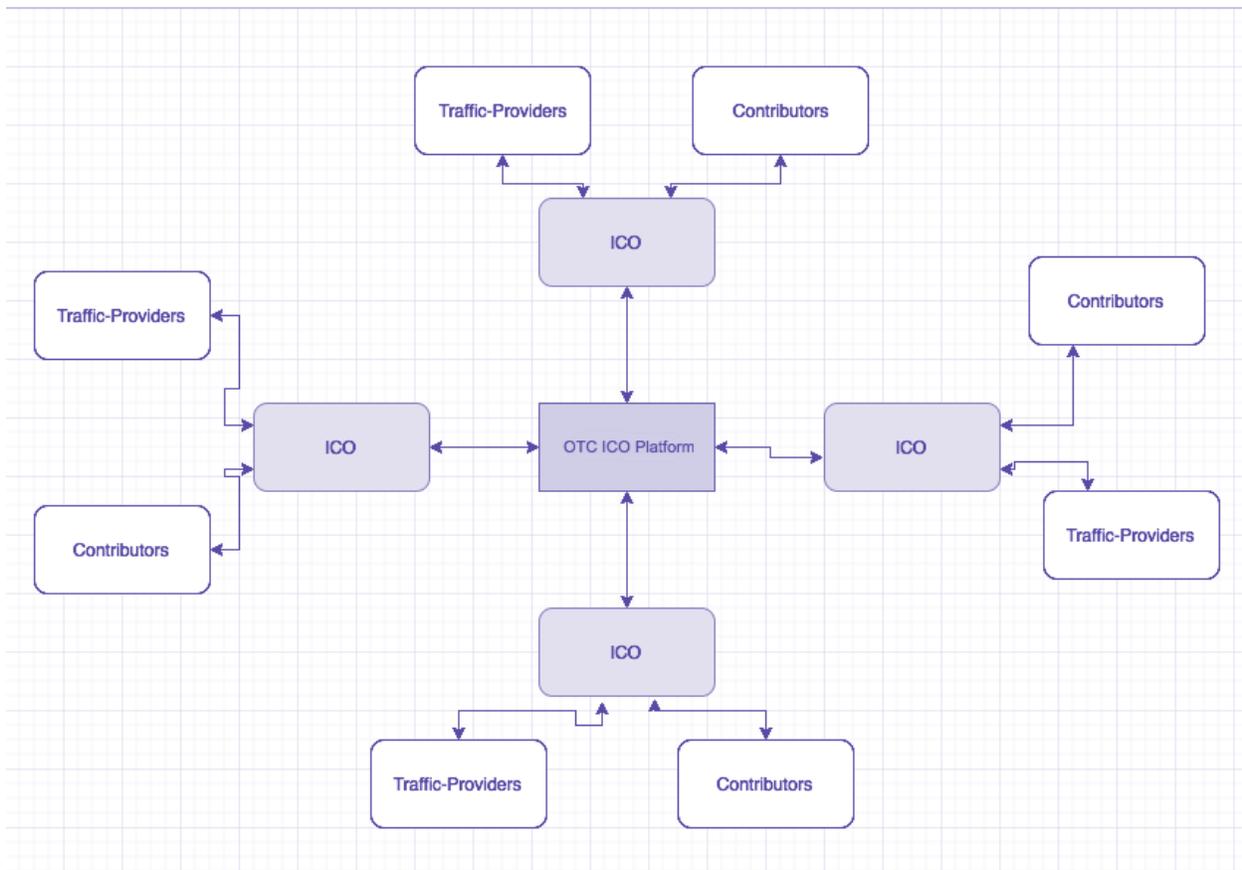
Safety

As practice has shown, the process of investing can be dangerous, and if the developers and investors are not paying attention, money can go to nowhere or be stolen. Therefore, quality testing and protection from fools are necessary.

OTC Exchange analyzed Smart contracts of previous ICOs and based on them built 3 unified contracts for Token Contract, Crowd Sale Contract, Multisig Contract, which allow creating ERC20 tokens for the project and distributing them through Crowd Sale Contract to the addresses of the contributors. The process is maximally decentralized and excludes the human factor, which improves the safety of holding an ICO on a OTC Exchange.
Also, the OTC Exchange tries to take away the need for user to trust the system to work with it. We conducted an audit and selected the best methods and principles of their work for building our 3 contracts

1. Presale/Crowdsale Contract
2. Token Contract
3. Multisig Contract

Our system already functions as a white-label right now. We have already passed the testing phase of the basic functionality and are engaged in improving UX.

The user can register at https://otcexchange.company/auth fill out the Campaign form and receive the project page at OTCICO.DB after our confirmation.

Also, the user can fill out the Contributor Panel form and connect the wallet to his Campaign to start raising funds.

Mission

The main mission of OTC Exchange is to provide a platform to automate and reduce the cost of creating the ICO on the technical side and make it available for use by small companies.

We provide a number of tools that fully cover the technical launch of the ICO, as well as invest in other projects and help other projects bring the project to the desired level.

Features of OTC Exchange

Campaign Builder

You have an idea for a startup or even a working MVP? Now it's time to describe it and show to the world. OTC Exchange introduces the Campaign Builder. Here you can describe on every detail of your startup from description and social links to team members, videos and the FAQ section. The final result will look similar to what you can see in profiles of other ICO campaigns on https://otcexchange.company.

Listing on OTC ICO DB

We analysed over 50 successful ICO campaigns because we wanted to find a structure that is common between most of the successful campaigns. We found such a structure. It's reflected in our site https://otcexchange.company. OTC ICO DB is a subproject of OTC Exchange. It is a listing of crowdsale campaigns where almost every campaign raised over 1 million of USD (by the current rate of crowdsale).

We want to create a great database of ICO campaigns that other start uppers could learn the best practices from their predecessors. Additionally, all campaigns that will be running on OTC Exchange platform will be automatically listed on OTC ICO DB.

Contribution panel (wallet)

Once you have listed your campaign, it's time to setup a wallet that will accept contributions from investors. Our contribution panel accepts different coins: Ether, Bitcoin, Litecoin, Dogecoin,

and Dash. It's backed by Nodejs lightweight server that is scalable by design and can be (re)deployed very fast. Wallet works in a cooperation with a crowdsale smart contract that controls processing of contribution transactions to the Ethereum platform.

Smart contract generator

OTC Exchange can generate smart contracts for token and crowdsale. We also can generate a multisig wallet for you as an option. Just fill out several fields of a form and OTC Exchange will generate a standard smart contract for your crowdsale.

Our smart contracts have been audited by a well-known white hacker from Ambisafe. Crowdsale smart contract can be notified about outside transactions (that happen in Bitcoin, Litecoin, Dash or Dogecoin) via a gateway functions, built into the smart contract itself.

Planned features

A listing of ICO campaigns and a contribution panel (wallet) is just the beginning of OTC Exchange. We don't want to be "just another crypto-wallet" as many of similar platforms have positioned themselves. We want to create real value for the crypto-community, so we have a lot of features that we plan on implementing. Let's go over them.

Bounty Manager

Tired of manual checking of bounty signatures on BitcoinTalk.org? We are going to automate this process. Have you ever thought of a tool that will let you manage all activities on your bounty tasks, give feedback and automatically distribute tokens based on a quality of a work made by bounty hunters? We're going to bring this solution to you. It's called the Bounty Manager.

Find team members

One on the main main key for startup to succeed is to have real professionals in a team. It's a common problem for early startups, especially in the crypto world where we don't have enough expertise comparing to a usual web development. At OTC Exchange we want to address this problem and implement a solution that will help you to find professionals that will compliment you skills in order to create a world class startup.

Blockchain events

Don't miss an important blockchain event in your city. A calendar of blockchain events will include the most full list of upcoming conferences, meetups, hackathons from different sites including Eventbrite, Meetup, and Facebook. Moreover it will be possible to post and promote your event on OTC Exchange platform.

Notifications

Don't miss a thing on in a crypto community. Subscribe to what you care about whenever it's a startup, a person or a blockchain conference. Get notified about updates to what you follow.

Referral system

You know someone who wants to develop a startup, and has a good idea but doesn't have enough funds? Refer them to OTC Exchange and get a reasonable reward in OTC tokens. Do you know lots of such people? Then we can consider you as an official sales partner.

Job board

A job board that is dedicated to blockchain startups. It will be very helpful to find your new employees right on OTC Exchange after successful ICO. You raised money and now you can afford to hire more professionals. Isn't it cool?

Roadmap

Done

Date	What has been done
April 2017	Define a standard structure for describing of ICO projects.
May 2017	Describe over 60 successful ICO campaign in a format defined by OTC Exchange. Every campaign that we described raised more than 1 million USD.
May 2017	Launch a catalog of successful ICO campaigns at OTC Exchange We made this information public, so other startuppers can go and learn how to describe their startup.
June 2017	Start to work with the first clients of OTC Exchange that want to run their ICO on our platform.
June 2017	Write the first version of the OTC Exchange whitepaper.
June 2017	Launch a landing at OTC Exchange.co
June 2017	Create a web form that allows a startupper to describe a crowdsale campaign. After filling the form campaign is available as a draft on our startup listing site https://otcexchange.company
July 2017	Functionality that generates standard smart contracts of token and crowdsale for Ethereum platform following ERC20 specification.

July 2017	Create a contribution panel (investor's wallet) for receiving transactions in different cryptocurrencies: ● Supported currencies: Ethereum, Bitcoin, Litecoin, Dash, Dogecoin, Waves. ● Generation of public addresses to different cryptocurrencies per each investor. ● Distribute tokens among contributors.
August 2017	Launch a blog of OTC Exchange team at otcexchange.company/blog
August 2017	Write the first articles in the team's blog. There we share our experience in development of smart contracts, contribution panel, security and vision on crowdsale in general.

Project economics and tokensale

Token

The OTC Exchange Token is called OTC. The Token will be released on the Ethereum platform and conform to the ERC20 specification. Why did we choose the Ethereum platform? Because tokens on this platform have found the maximum popularity and ease of integration with different wallets and crypto-exchanges.

Total supply

The total number of tokens that will be released for the platform is 100,000,000.
During the presale, we plan to sell about 10 million OTC tokens, which is 10% of the total number of tokens. Discounts will reach up to 40% when buying more than 200 thousand tokens.

The purpose of the token

The purpose of the token is to provide access to the functionality of the OTC Exchange platform. At first, the features, access to which can be received by OTC tokens, includes:

- Publication of the Crowdsale campaign at OTC Exchange.
- Creating a contributor panel that supports the reception of different crypto-currencies: Ethereum, Bitcoin, Litecoin, Dogecoin, Dash.
- Generation of smart tokens, crowdsales, and multisig wallet contracts, which are a decentralized controller of the crowdsale campaign.

The price of the token during the presale

At the moment, we estimate that carrying out the crowdsale campaign on our platform before the presale costs 100,000 USD or 100 thousand OTC. Thus, the price of the token is as follows:

- 1 USD = 1 OTC
- 1 ETH = 974.62 OTC, at the rate of 1 ETH = 974.62 USD. *As of February 15th 2018

Q1 2018 Discount	35.00%
Q2 2018 Discount	25.00%
Q3 2018 Discount	15.00%
Q4 2018 Discount	5.00%

Demand for OTC Exchange services

In the future, the following functionality will be developed and available on the platform:
- Ordering and publishing articles for startups.
- Bounty management.
- Search for cofounders and employees.
- Notifications about interesting events.
- Referral system as motivation to attract new users of the platform.
- Announcement and publication of events in the world of blockchain: specialized conferences, meetups, and hackathons.

Since over time the number of services offered by OTC Exchange will only increase, it will be possible to gain access to more functions for the same number of tokens. This directly affects the value that will be embedded in the OTC tokens.

Distribution of funds raised during a tokensale

We plan to spend the funds raised during a tokensale in roughly the following proportions:

- 50% on the development of the functionality of the OTC Exchange platform and its infrastructure.

- 30% on marketing and promotion. The more startups and project founders who want to launch an ICO for their project will learn about OTC Exchange, the more successful the OTC Exchange platform will become. This can directly affect the cost of platform tokens: OTC.

- 15% for operations and community. This includes organizing and conducting events and conferences on the theme of the crowdsails, ICO and other fundraising topics. Also participation in the events near the blockchain theme.

- 5% for legal support.

Launching ICO in examples

Holding an ICO without OTC Exchange: Do everything yourself

Imagine that Alice wants to conduct a crowdsale for her decentralized copywriter network project and issues a WriterCoin token. To do this, Alice explores possible options for how this can be done from technical side and marketing side. What can be the options:

This is the most difficult and long process. It consists of the following steps:

- Learn Solidity and learn how to write smart contracts for Ethereum.

- If there is a desire to accept other crypto-currencies, then you need to figure out how to work with their blockchains and wallets.

- In the meantime, you need to take care to prevent vulnerability in the security system of this solution. And so that it copes with the load and correctly processes critical situations when working with the API blockchains.

This solution can save a significant amount of money if Alice has a lot of free time and she understands programming. But the savings can be deceptive, because the time Alice spent on dealing with new technologies, she could spend it on finding a team to realize her idea, creating the service/product itself, and developing a community.

Benefits

- Full control and understanding of the solution created.
- Saving money by not buying a ready-made expensive solution, provided that Alice is a professional programmer and crypto-expert.

Disadvantages:
- A great chance to make a mistake in writing a smart contract.
- Impossibility to foresee all problem areas and vulnerabilities due to time and expertise limitations.
- Instead of spending time developing and implementing the idea of the project itself, Alice is engaged in an area not of her expertise.

ICO without OTC Exchange: Find a ready-made boxed solution

There are already a number of solutions on the market that provide a technical solution and can include a full range of services for marketing and promotion of the campaign in social networks and on media sites. Consequently, such solutions are quite expensive. The high cost of these solutions is due to a kind of monopoly, which happened because of the insufficient maturity of the crypto market.

Benefits

- There are more chances that there will be fewer vulnerabilities in the ready solution, because it is the company's specialty to create it and the company is interested in catching errors and security holes. But nevertheless, no one can guarantee complete security and lack of vulnerabilities.
- The solution can also include marketing support. This is important, because marketing is one of the key points for the successful Crowdsale.

Disadvantages

- The high price of the finished solution.
- If the solution is not adequately automated, it may be that the company that provides it will be very busy with other orders and will not be able to implement tech support at the proper level. This can be a very critical place, because if the solution is blocked, then the entire crowdsale campaign may be put in jeopardy.

Example of an ICO with OTC Exchange

Now let's imagine that Alice comes to the OTC Exchange site in order to conduct her own crowdsale.
- She describes her project and the crowdsale campaign: about the project, links to social networks, team members, publications in the press, links to the video - this information is placed in the catalog of the crowdsale campaigns on OTC Exchange.
- Next, Alice fills in the form of creating a token contract and the crowdsale contract. Enters following information:
    - Name of the token
    - Maximum number of tokens produced
    - The price of the token: how many tokens can be purchased per 1 Ether
    - Campaign start date
    - Campaign end date
    - Min cap
    - Max cap
    - Etc.

Benefits

- One doesn't need to dive into all the technical details and nuances of security. OTC Exchange did it for you.
- The cost of OTC Exchange services is much lower than market prices, because our solution is automated and we earn by scaling sales, and not at the expense of high cost of single sales.
- Since OTC Exchange is a platform for conducting ICO for campaigns, which will have a large traffic of the targeted crypto audience, then you automatically get more attention from the community.

Disadvantages

Just as with the purchase of any other boxed solution, you still have to trust our development. Although if you dig deeper, even if you develop your own solution, this does not guarantee that your software will not have errors and security holes, because you will still use some publicly available libraries for writing code which could contain errors. In the software world a whole lot is built on trust.

Team

Main Crew

We are professional public market and software developers with 20+ years of experience each. We worked in different organizations from United States public startups to large international corporations. All the projects we participated in are successful.

Now we are focused on a development of blockchain ecosystem. We consider OTC Exchange as a solution that can help other teams to bring their projects to life by helping them with raising funds and unifying them with global investment partners for their development

FAQ

Why do you use Ethereum as an ICO platform?

Even though there are other platforms that suit the requirements for an ICO, Ethereum is the most popular and demanded of them all. Additionally, ERC20 tokens that the platform employs are easy to list on different exchanges as the standard is supported by most exchange platforms today.

How do I integrate your solution?

You may host your ICO at OTC Exchange's website where you can activate a contribution panel. Alternatively, you may launch a standalone website for a crowdsale and use OTC Exchange's contribution panel as a white label. Thus, you may customize the entire appearance of the campaign to fit your company's visual identity.

How does OTC Exchange generate addresses for each investor?

Each investor has their own unique address that corresponds to the cryptocurrency they use. It is associated with a unique identifier. OTC Exchange supplies an open source software that a startup holding an ICO may use. This software generates private keys and public addresses. The system requires only the public address to allow a transaction.

How do you ensure the safety of investments?

OTC Exchange does not store private keys to the addresses generated for contributions. Therefore, in case the software is compromised or hacked, theft of investor funds is virtually impossible. OTC Exchange knows only public addresses of the investors, which is required for balance checks.

Does OTC Exchange accept other cryptocurrencies alongside Ether?

Yes. Aside from Ether, OTC Exchange also accepts Bitcoin, Litecoin and Dash, Still, it should be noted that no actual exchange takes place. The assets in their original cryptocurrency are stored at the accounts where investors have sent them. Further operations with those assets are within sole responsibility of the company that is holding respective ICO.

How an Ethereum smart contract account for transactions in other cryptocurrencies?

Ethereum knows no other cryptocurrency than its native token. Still, there are many companies willing to accept something else alongside Etherium. For that purpose, OTC Exchange notifies the campaign's smart contract of external transactions in Ether equivalent per Poloniex exchange rate or the rate specified by the company that is holding respective ICO.

What's the difference between investors and campaign wallets?

There are no profound differences as any transaction data is open due to the nature of blockchain technology. The only difference is that the campaign wallet offers stats and reports on the campaign.

How do I add my token to wallets like MyEtherWallet and blockchain browser Etherscan?

In order to make your token valid for different wallets and explorers, you have to confirm it has been issued by a real company. The procedure differs for each explorer and wallet.

For instance, in the case of MyEtherWallet you have to undergo the procedure described here. Etherscan.io has its own procedure for adding a verified token as described here.

Partnerships and future plans

The goal of OTC Exchange is to create a platform for the crypto community. To cover all needs, you need to create a diverse set of services and tools. It's obvious that at least in the early stages OTC Exchange will not be able to implement all the required functionality and it's unlikely that this is possible within the framework of one company.

For example, the first type of functionality on which OTC Exchange concentrated is the technical support for carrying out the crowdsale:
- Creating an investment panel for receiving crypto-funds.
- Generate token and crowdsale contracts for the Ethereum platform.
- Distribution of tokens among participants of the crowdsale.

But the crypto community has a number of other needs that need to be covered within the framework of the crowdsale:
- Marketing and PR for the project.
- Help in editing / writing white papers.
- Legal support.
- Implementation of works on design and programming.
- Audit of campaigns launched on the site.

To this end we plan to develop a partner network with specialists in their field, so that projects could find the types of services that they need directly on OTC Exchange. Such partnerships, as well as freelancers will form the internal market of services available at OTC Exchange.

OTC Exchange Inc.
Plantation Dr., Suite 100
Conroe, Texas 77303
United States

Phone:
+1 (214) 799-0542
Email:
otcexchange@gmail.com