

# BXTB PLATFORM

**BXTB Platform Whitepaper**

**Version 2.0**

## 1 Executive Summary

BXTB Platform, developed and supported by BXTB Foundation (the “BXTB Foundation”), aims to unify the siloed systems of the online casino gaming industry and solve its payments and settlement problems once and for all. By joining BXTB Platform, casino operators, platform providers, and game providers can offer their customers a seamless betting experience while transparently transacting amongst themselves in a secure, reliable, and cost-effective manner, using the BXTB Platform Token (“CHIP”). In addition, the underlying BXTB Platform blockchain has been specifically designed to ensure stakeholders a defined path toward introducing their own tokens — one that is backwards compatible and fully preserves investments in the BXTB Platform.

Online gambling wagers are expected to approach USD \$1 trillion by 2021<sup>1</sup>, according to Juniper Research. The key to BXTB Platform winning this market is not technological; it is about adoption — getting the online casino operators to trust and participate on the platform.

The path to adoption is to offer the online casino operators a stablecoin that works seamlessly within their existing technology stack.

## 2 The Problems

### *Payment Processing*

For an industry that traditionally has had an easy time moving between fiat and its own virtual currency (i.e. cash to casino chips and back again) at its brick-and-mortar properties, it has had a tough time doing the same for its online properties, despite the fact that online gambling is legal in more than 85 countries<sup>2</sup>.

While credit card networks such as Visa and MasterCard technically allow gambling-related transactions, strict and inconsistent regulations have scared off many businesses and services. Banks, credit card companies, and e-wallets that handle transactions have been worried about running afoul of the Unlawful Internet Gambling Enforcement Act of 2006, UIGEA, which prohibits persons or businesses "from knowingly accepting payments in connection with the participation of another person in unlawful Internet gambling."

In turn, the related businesses that online gambling platform require have also been wary of the field, resulting in onerous customer adoption challenges and operational inefficiencies across the industry.

Payment processing remains the biggest problem.

More specifically, banks, credit card companies, and e-wallets often operate across multiple jurisdictions that have different regulations. For instance, the United Kingdom allows online gambling while the United States prohibits it. Instead of working with each region, companies often opt to simply prohibit gambling transactions across the board, making it difficult, if not impossible, for customers to

transfer funds to and from online casinos — even though those transactions are perfectly legal. Customers are forced to seek other, less attractive and often risky alternatives, such as buying prepaid gambling cards or resorting to opaque cash agents. Of course, this completely negates two of the major appeals of online gambling: the presumed increase in privacy and convenience. Bottom line: the issue is cutting into business very deeply and very painfully.

### ***Multi-Party Settlement***

Furthermore, online casinos are also having tremendous difficulties settling payments within their supply chains.

On the back-end, an online casino property might consist of:

1. An operator: the entity that holds the casino license and operates the domain name
2. A platform provider: the software vendor providing the gaming platform
3. A games provider: the software vendor providing the casino games
4. A payment processor: the software vendor providing the fiat on/off ramp, often by playing cat-and-mouse with the banks

On the front-end, the online casino might include a network of human agents as well as sub-agents and sub-sub-agents, etc., who act as intermediaries, handling cash to and from would-be bettors.

The traditional banking system is as reluctant to handle inter-party payments between operators and software providers as it is to handle deposits and withdrawals from end consumers. Again, this forces those inside the industry to resort to other means — usually cash — to settle payments amongst themselves.

Further compounding the problem is the fact that stakeholders are required to blindly trust each other on accounting and contract enforcement or resort to redundant reporting and onerous reconciliation.

## **3 The Solution**

Fortunately, the solution is clear: cryptocurrencies, smart contracts, and proof-of-capacity mining are ideal components for effectively solving these problems.

Using a cryptocurrency dispenses with the need to deal with traditional financial institutions. The smart contract inherent in the blockchain codifies and automatically settles payments between parties in a secure and reliable manner – all done transparently on the blockchain.

## ***The BXTB Platform***

BXTB Platform is a decentralized platform that allows for all parties in the online casino industry — from bettors to software providers — to interact in a fair and transparent manner.

BXTB Platform consist of the following components:

### **BXTB Platform Governance Token (BXTB)**

BXTB Platform itself will be governed by the BXTB Platform Governance Token (BXTB), serving as the proof of ownership for voting and royalty rights on of the platform.

Upon mining, BXTB has no rights on the platform until they are “staked” by their holders, which is done by adding US\$1.00 (via fiat or cryptocurrencies) to the BXTB Platform Reserves. Staking a BXTB causes the creation of a corresponding BXTB Platform Tokens (CHIP), with the two coins operating independently, but programmatically linked from that point.

Once a BXTB has been staked and a corresponding CHIP created, the BXTB is entitled to:

#### **Royalties**

Whenever its corresponding CHIP is used in a completed transaction, the BXTB holder will earn 0.0025 USDT (i.e. 0.25%) in royalties, pro-rated for partial CHIPS.

#### **Profit Sharing & Buybacks**

25% of net profits, if any, from the operations of BXTB Platform will be distributed on a quarterly basis via airdrop to all BXTB holders, pro-rata with their holdings.

#### **Voting**

From time to time, BXTB Foundation may pose certain governance decisions to its community of BXTB holders, and such holders may cast votes weighted by the number of tokens they control.

BXTB is mined via a proof-of-storage consensus mechanism and tradeable on cryptocurrency exchanges. Using proof-of-storage drastically lowers the barrier to entry for potential miners because of the relatively cheap cost for storage space as well as significantly reduced energy costs, compared to proof-of-work processing power. The added inclusivity promotes a more diverse, less concentrated group of miners who will all participate and have a vested interest in the growth of the token's key value drivers.

Total BXTB Token : 21,980,000,000 (All testnet mined tokens were transferred to main net)

Block Time : 4 minutes

Block reward reduces at a fixed rate of 1% every 21600 blocks after mainnet launch.

## **BXTB Token Activation – BXTB (ERC20)**

After BXTB tokens have been mined, they cannot immediately be sold on exchanges before first entering the BXTB Platform ecosystem. In order to fully activate the mined BXTB for trading purposes, they must first be staked in order to create a CHIP as described above, and then that CHIP must be used in a transaction on the BXTB platform. Only after this process is complete, BXTB (ERC20) token will be generated, BXTB (ERC20) token can be sold and traded on exchanges. This ensures a healthy ecosystem that is driven by real usage, and discourages large-scale dumping of the token on exchanges after being mined.

## **BXTB Platform Tokens (CHIP)**

Transactions on BXTB Platform will be conducted via the BXTB Platform Tokens (CHIP) facilitating payments and settlements between network participants. CHIPS are stable, secure, and frictionless — allowing instant value transfer without banking overheads.

Every CHIP is always backed by US dollars or USD equivalents held in the BXTB Platform Reserves and has a value of USD \$1.00. By pegging CHIP to the USD, consumers and casino operators will not only have all the benefits of cryptocurrencies, but also will have them with the ease of transacting in a known currency and peace of mind of transacting with known volatility.

In order to preserve the fixed value and integrity of CHIP as a transactional token on the BXTB Platform, they will not be offered on secondary market exchanges and BXTB Platform reserves the right to be the sole market maker for CHIPS.

Reserves for the CHIP system will be published on a BXTB blockchain.

## **BXTB ChipsNet Wallet**

The BXTB Platform Wallet is a secure, anonymous, web and mobile wallet designed specifically for CHIP to work seamlessly with the online casino partners and for end users with little or no crypto knowledge.

The primary features of the BXTB Platform Wallet are:

- Purchasing of CHIP from participating online casinos
- Purchasing of CHIP directly from the BXTB Platform Exchange
- Direct betting with participating online casinos (where all transactions are recorded on the blockchain)
- Bulk deposits and withdrawals with participating online casinos (where only deposits and withdrawals are recorded on the blockchain — for trusted casinos)
- Peer-to-peer transfers of CHIP and BXTB tokens
- CHIP/BXTB exchange at market rates

The BXTB Platform Wallet codebase is open source and auditable by anyone, including a community of security experts.

### **BXTB Platform API**

The BXTB Platform API is a complete payment toolkit for the online casino business. The BXTB Platform API is a full-featured payment API, but designed for ease of integration, eliminating needless complexity and allowing casino operators to integrate our payment solutions (and take CHIP tokens) in a matter of minutes. The BXTB Platform APIs are HTTP-based RESTful and implement the same security mechanisms that are used in the online banking industry.

### **BXTB Platform Exchange**

The BXTB Platform Exchange allows anyone to purchase CHIP from BXTB Platform directly via the BXTB Platform Wallet or on the BXTB Platform Portal.

The exchange also allows the transfer between CHIP and BXTB at market rates.

### **BXTB Platform Portal (CNP)**

The BXTB CNP is a web-based portal designed to bring the power of smart contracts to non-crypto-native users. The BXTB CNP provides a user-friendly user interface (UI) for defining contracts among the various parties: operators, platform providers, game providers, payment providers, agents. It also automatically generates and records a corresponding smart contract to the blockchain for execution.

The BXTB CNP also provides a familiar accounting UI for the parties to inspect and audit transactions. As operators incorporate more and more BXTB Platform functionality into their operations, BXTB CNP will increasingly be their main gateway for managing their platforms.

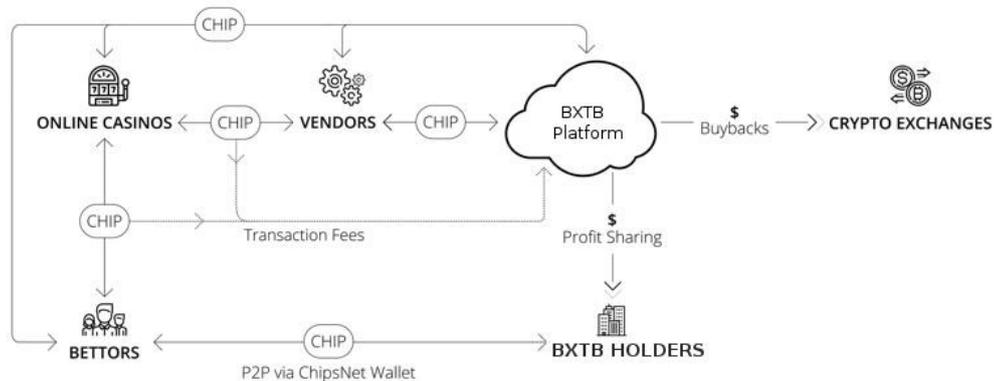
## **4 The BXTB Platform Economy**

CHIPs are the transaction token and BXTB is the governance token for the ecosystem.

Bettors will be able to purchase CHIP directly from participating online casinos, peer-to-peer via the BXTB Platform Wallet, or directly from the BXTB Platform Exchange for usage at participating online casinos.

As the clearinghouse for CHIP transactions, BXTB Platform will charge a transaction fee to validate transactions on its blockchain. The fee per transaction on the BXTB Platform will be 1.0%. The transaction fee will be charged anytime a CHIP moves through the network, and it will be essential to supporting the economic incentives of the ecosystem.

## **BXTB CRYPTO ECONOMICS**



In the future, BXTB Platform may add additional financial services, including lending, casino loyalty points, and possibly expand into offline casinos.

## **5 BXTB Platform Sidechain & Operator Token**

### **Offerings**

One need only look at consortium-driven standards like USB or the Internet, itself, to understand why it's necessary for competing casino operators to come together, at least initially, to support a common standard like BXTB Platform. Bettors demand trust and liquidity for their tokens. No single company will be able accomplish on its own what a consortium of companies would accomplish working together.

That said, BXTB Platform recognizes that participants — especially casino operators — will eventually want to offer their own tokens. The system has been specifically designed with interoperability and backwards compatibility to accommodate this shift.

Casino operators, platform providers, and game providers will be able to easily launch their own tokens on top of BXTB Platform via our sidechain mechanism, all while preserving their investment in BXTB platform. Furthermore, they would do this in a manner that would be seamless for their users, as the newly issued tokens would be compatible with CHIP.

BXTB Platform accomplishes this using a two-way pegged sidechain mechanism that enables the transfer of assets between different blockchains on the platform. This allows a participant to offer its own blockchain (i.e. tokens), while maintaining interoperability with the parent chain. Since any sidechains would rely on the BXTB Platform parent chain for the security and scarcity of its assets, any problems (cryptographic breaks) in a sidechain are confined to the sidechain itself and would not affect the parent BXTB Platform chain. This mechanism allows participants to easily offer their own tokens to their users — experiment with features, economic

models, etc. — while maintain compatibility with the BXTB Platform. In addition, since two-way transfers of assets are possible, participants offering their own tokens would have the ability to provide liquidity to their users via the BXTB Platform parent chain when needed.

Finally, any sidechain tokens built on top of BXTB Platform will be compatible with the entire BXTB Platform ecosystem — Wallet, API, Exchange, Portal — so investments in BXTB Platform and CHIPS are preserved, and end users have a seamless experience.

## **6 Why Introduce Our Own Blockchain-based Utility Tokens?**

### ***To Reduce Transaction Fees***

Major cryptocurrencies such as Bitcoin, have issues with scaling because each payment, no matter how small, incurs a transaction fee. That makes them impractical (and prohibitively expensive) for recording individual bets, which can occur 10 to 20 times a minute in a game of chance (e.g. at its peak, each Bitcoin transaction incurred a US\$34 transaction fee<sup>3</sup>).

### ***To Create a Stable Betting Unit***

Online casinos operators, software providers, and bettors need a stable currency in which to transact. Using our own token to underpin BXTB Platform allows us to anchor the token to the price of an accepted fiat currency, allowing online casino operators and software providers to price their services in terms they and their customers are already familiar with — and without the wild fluctuations of the crypto markets.

### ***To Create a Community***

Using our own token as a medium of exchange between online casino operators, software providers, and bettors creates a common language and value system for the platform. Ultimately, this becomes a rallying point, and existing users — casinos and bettors alike — will demand that non-participants join or lose their businesses. This, in turn, will create the network affect to make BXTB Platform truly ubiquitous.

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## 7 Project Roadmap

The roadmap below are estimations based on current plans, but are subject to change as the platform evolves.

Timeline	Key Milestones
Q4 2019	<ul style="list-style-type: none"><li>• Release of BXTB Platform whitepaper</li><li>• Launch of the BXTB Testnet with wallet</li><li>• Launch of the BXTB 1st game – Satoshi Dice</li></ul>
Q1 2020	<ul style="list-style-type: none"><li>• Release of BXTB Platform API (Beta)</li><li>• Release of BXTB Platform Exchange (Beta)</li><li>• Release of BXTB Platform Portal (Beta)</li></ul>
Q2/Q3 2020	<ul style="list-style-type: none"><li>• Release BXTB Platform v1.0 (MainNet)</li><li>• First integration of BXTB Platform with an online casino</li></ul>

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## 8 References

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<sup>1</sup> Juniper Research, [https://www.juniperresearch.com/press/press-releases/global-online-gambling-wagers-to-approach-\\$1-trill](https://www.juniperresearch.com/press/press-releases/global-online-gambling-wagers-to-approach-$1-trill)

<sup>2</sup> CardPlayer, <https://www.cardplayer.com/poker-news/20828-global-online-gambling-market-to-near-1-trillion-by-2021-new-research-says>

<sup>3</sup> Ars Technica, <https://arstechnica.com/tech-policy/2018/02/bitcoins-transaction-fee-crisis-is-over-for-now/>