PWC Corion

Questionnaire

We have 2 coins under development. The stable coin is CorionPay. CorionX intends to be (not stable in price) the utility token of all other stable coins, and the whole stable coin industry. Follow us on https://www.corion.io/

Note: you can decline to answer certain questions (like marketing / go to market) which may be trade secrets and we will put in "declined to answer due to current trade secret".

    a. General
        i. **Which blockchain / DLT are you building on top of?**

        Ethereum, later own blockchain

        ii. **How does the stablecoin work?**

        CorionPay is backed to USD and backed by Fiat and other stable assets, released with demand based supply.

iii. **What is the purpose of your coin? What does it aim to achieve, and which problems does it solve?**

CorionPay's purpose is to be a useable payment asset which is stable in price. It solves the price volatility problem, which hinders the usage of coins in everyday life. It solves the liquidity problem (accepting businesses can cash out to Fiat). It solves the Fiat exchange and transfer cost and transaction duration problem. It aims to achieve usage by buyers and merchants, and providers and business like who are transferring huge amounts cross border.

CorionX stands for stable coins. It brings together the different stable coin projects, to introduce them to the world and supports building stable coin user community. CorionX creates the frame to spread, use and pay with different stable coins using one platform. It leads the movement to succeed in the paradigm shift and using stable crypto as payment.

CorionX is a "gas" for the stable price coin infrastructure and an utility asset to back CorionPay payment asset and later other stable coins. CorionX provides a lot of benefits in usage and trading of stable coins to its users.

iv. **When we say something is stable what do you think it means? And when it comes to monetary policy specifically?**

The coin is pegged to the certain Fiat currency (USD, EUR, YEN, etc). They daily volatility is less than 2%, the long term (quarterly) fluctuation is in a 5% band maximum.

There are special - Fiat or crypto backed, centralized or decentralized, community governed or algorithmic governed - monetary policies which keep the price stable compared to it's pegging currency.

v. **What is your revenue model?**

CorionPay: Exchange rates, wallet transaction fee (freemium), Earnings on asset management. CorionX Utility token: same like CorionPay, and increases in price as the demand raises for the services paid in CorionX.

b. Launch & marketing
   i. **What does the market need to be confident in the stability of your token?**

   Transparency (audit, publication of collaterals), Proof in usage that the price stability and the liquidity really works. Big partners are giving additional credit to it.

   ii. **How are you bootstrapping to that level of confidence?**

   Doing pilot projects, pilot merchants, encourage Community usage and businesses to accept it.

   iii. **What are your go-to-market strategies?**

   Focusing on potential accepting businesses, digital financial providers, and exchange partners. Spreading out our applications built for stable coins, like Wallet, Swap and Merchant Gateway. Providing bonuses to users and business partners. We re going to provide an easy cash in/out system to accepting businesses. We are planning to use bounties to raise community engagement in using stable coins.

c. Economics
   i. **What is your coin stable with respect to?**

   Corion Pay is stable to USD.

   ii. **How much volatility can this peg withstand? Is that the same for upwards and downwards pressure? How wide is the band of behavior it can support?**

   CorionPay can withstand completely to upwards and downwards pressure. The market distribution and trading behavior should be analysed continuously and fine tuned to avoid price fluctuation in peak times.

More than enough deposit should be hold on the Swap and on the exchange partner account to manage the liquidity.

iii. How easy is it to analyze the band of behavior from which it can recover?

Using our own Swap and dedicated exchange partner, it is quite easy to analyze the behavior of the supply and demand.

iv. How expensive is it to maintain the peg/stability mechanism?

At the beginning 2-5%, afterwards bellow 1% of the market cap.

v. How transparently can traders observe the true market conditions?

We are planning to give full transparency on that.

vi. Which monetary theory (theoretical) assumptions do you think are not true and how does your protocol account for that?

We think that the market is not ready yet for the crypto backed, full decentralised, governed by community tokens. Our protocol will be centralized at the beginning regarding the monetary policy, but decentralised in the transaction validation (Ethereum blockchain).

vii. Does your stablecoin supply scale in response to demand? If so, how?

Yes it does. On our Swap and on partner exchange, there will be always pre issued coins available to respond to higher demand.

viii. Who provides the capital to maintain exchange rate peg? How are they compensated / Why do you think they would continue to lock up capital, given other investment opps?

Corion Foundation the founder of CorionPay provides the initial capital for the backing. Foundation is fully committed to support and finance CorionPay stable coin project. Afterwards the system will itself back each of sold coins. The lock up is not an issue to us. What we need is a trustworthy financial, banking partner to make deposits and withdrawals fast.

ix. An eventuality plan in case of a "black swan" event.[1,2] The 1% case will happen eventually.

Yes, we have. We split the risk working with several partners. We track daily the demand and supply to adjust smooth liquidity.

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[1] https://en.wikipedia.org/wiki/Black_swan_theory

d. Tech

i. Are any novel consensus mechanisms used, over and above the underlying blockchain?

No, just the Ethereum blockchain.

ii. What transaction throughput can the blockchain currently handle and how does it plan to scale? Do its plans coincide with your plans for your estimated demand?

Like Ethereum.. After pilots before scale up we are going to observe starting an own blockchain or using other protocol which is able to manage the growing throughput.

iii. **What tradeoffs does your protocol make and why did you make those tradeoffs? (supply/demand, temporarily peg breaking) (censorship resistance) (privacy tradeoffs) (accuracy of present market data and ease of manipulation of the data feed protocol uses (responsiveness of market and ease of manipulation)**

Our protocol (swap, exchange) adjusts always the CorionPay/Bitcoin, CorionPay/Ethereum price to $1.

iv. **Are there any centralized components of your system? Would any of these be easy for govs to shut down?**

Yes, we are managing the backing. Some part of the funds will be deposited on bank accounts. Governments can make difficult the onboarding and acceptance,and even shut down. We are going to make everything in line with the regulations, like KYC, AML, etc., to avoid restrictions.

v. **Does your protocol require information outside the blockchain such as a feed of price data? If so, how does this oracle work? Who manages it, what are the incentives for managing it, and what happens if the data they provide has a glitch?**

Yes, Swap gets Bitcoin, Ethereum price data outside the blockchain, from other big volume exchanges whose platform is really stable and can not be compromised.

vi. **Which participants can see which transactions? What is the data and metadata available, and to whom? How does this impact privacy?**

CorionPay transaction are visible on the ETH blockchain. No additional data will be provided visible. No private data will be available public. Our Wallet will provide special transaction remarks and transaction history, just for users. We are making KYC and AML, we are going to be GDPR compliant too.

vii. **Are you doing anything with formal verification? Smart contracts used?**

Formal verification is done by Ethereum miners. We use simple smart contract.

viii. **What is the rebase period? (Length of time between currency adjustments.)**

What do you think here? As we are in Ethereum, we fully depends on that.

ix. **Can we make this automated?**
   1. **Do we use a smart contract, or network rules of the blockchain operators?**

Smart contract

e. Regulation
   i. **What are your perceptions of local and global regulation in supporting stable coin, asset backed token economies?**

Basic crypto regulation is still missing. As we will have this, asset backed token economies will raising, mainstream adoption will be starting.

ii. **What could be done to improve regulation in terms of speed, quality, value for your company?**

Basic crypto regulation worldwide. Same basic rules for better acceptance and spreading out different use cases especially stable coin payment platforms. Get easy e-money licences for crypto payment application, like Revolut, N26. Banks providing supporting services to crypto companies (custody, cash management, asset management, clearing, crypto accounts).

f. Testing
   i. **What kind of simulations have you done and what have they helped you learn? (simulating broad array of market conditions)**

1. **Mental models for simulations**

   This is how we start to build our protocol.

2. **Econometric models**
3. **Agent-based Modelling / Computer simulations**
4. **Other (Please describe)**

We did real practise with previous test token (Corion Experiment) and pilot merchants. We learned that to the adoption of stable coins - fast, secure, non fluctuating, no risk, easy cash (to Fiat) out - applications are needed. We have to test how much liquidity and in which currency should we provide. We learned that just the tests in real life environment work well, all others are just theories.