



Whitepaper-HCX

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1. Introduction to Conventional Remittances:

The business on this digitized world happens mostly with financial intermediary in place. Internet commerce has come to rely almost exclusively on financial institutions serving as trusted third parties to process electronic payments. For most of the transactions, the system works well, but it still suffers the weaknesses of the trust-based model. While the system works well enough for most transactions, it still suffers from the inherent weaknesses of the trust-based model. Complete non-mediation by financial institutions is not possible since there will always exist some chance of reversibility of transaction. The mediation cost increases transaction costs, limiting the minimum practical transaction size and cutting off the possibility for small casual transactions, and there is a broader cost in the loss of ability to make non-reversible payments for nonreversible services. The need for trust spreads with the possibility of reversal. Merchants must be wary of their customers, hassling them for more information than they would otherwise need. Fraud to a certain extent can be accepted as unavoidable. These costs and payment uncertainties can be avoided in person by using physical currency, but no mechanism exists to make payments over a communications channel without a trusted party.

The electronic payment system needs cryptographic proof instead of trust, thus allowing any two willing parties to transact directly with each other without the need for a trusted third party. Transactions that are computationally impractical to reverse would protect sellers from fraud, and routine escrow mechanisms could easily be implemented to protect buyers. In this paper, we propose a solution to the double-spending problem using a digital asset to generate computational proof of the chronological order of transactions. The system is secure as long as honest nodes collectively control more CPU power than any cooperating group of attacker nodes.

2. Blockchain Technology

Companies in financial sectors are exploring and experimenting innovative ways to execute transactions quicker for an enhanced customer service, ensure cost efficiency in its operations, and assure transparency to customers and regulators. With large volumes of data getting generated regularly owing to digitization of records, it becomes important for every organizations to effectively manage the security threats and achieve significant cost efficiencies. This is where Blockchain, with its promises of decentralized ownership, immutability and cryptographic security of data, is catching the attention of the C-suite executives. Multiple use cases are also getting explored across industries as everyone has started realizing the disruptive potential of this technology.

3. HCX- The crypto on HC Network:

HCX forms the native assets on HC NET. Asset is defined as an item value that is stored on the ledger. One HCX forms the unit of digital currency like any other digital currency such as Bitcoin. The HCX, forms the medium to move money around the world and to construct transactions between different currencies quickly and securely.

HCX is further fragmented at the base level in units called JOTs. A JOT can be defined as the one -tenth million of HCX, i.e., 10 millionth of HCX equals to a JOT.

The HC NET platform offers all of the innovative features of a shared public ledger on a distributed database—often referred to as *blockchain* technology. The native asset of HC NET, HCX broadly serves two purposes:

- a. HCX will play a small antispyam role
Each transaction costs a minor fee—0.0001 HCX—associated with it. The fee is levied to prevent users with malicious intentions to flood the network. HCX works mostly as a secured token, mitigating attacks which attempt to generate large numbers of transactions or consume large data space in the ledger.
Additionally, the HC network requires all accounts to hold a minimum balance of 20 HCX. This requirement ensures that accounts are genuine and which facilitates the network maintain a seamless flow of transactions.
- b. HCX may facilitate multi-currency transactions.
HCX sometimes facilitate trades between pairs of currencies between which there is not a large direct market, acting as a bridge. This function is possible when there is a liquid market between the HCX and each currency involved.

Transacting using HCX:

The HC NET is free to use. If a person has to trade on the live network, the person needs HCX or the native cryptos to ensure coverage of the base fees of the transaction. Eventually, transaction on HC NET platform is very low.

The initial HC network will hold 100 billion HCX at its root account. Then there will be allocation to different exchanges with an initial amount of say 1million to each exchange across geographies. For instance, say 1 million HCX is funded initially to exchanges like PayBito India, PayBito US, Kraken etc. One should be aware at this point about the risk associated with all digital currency including complete loss of value.

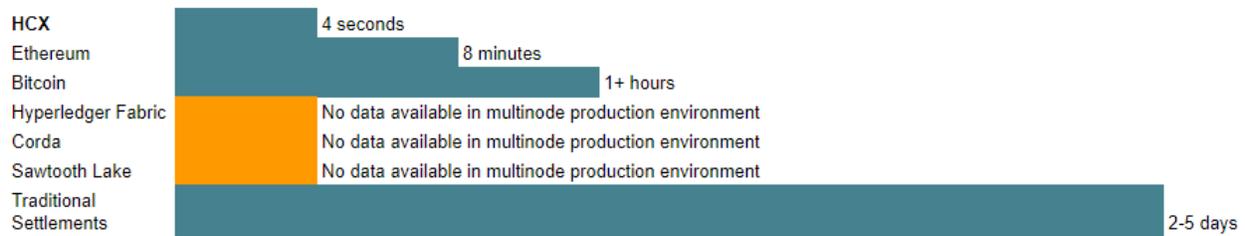
When a transaction is initiated on the HC NET using HCX, the transaction draws HCX from HC NET, leaving the transaction fee in terms of JOT to HC NET platform. The transaction then reaches to an exchange, for instance, PayBito India or PayBito US where the traders trades. Based on the reserve of HCX the exchanges are holding, and the position of the traders, the demand in the market will determine the value. When the majority of the traders take a long position in the market, there will be reduction in HCX in HCX reserve in the exchanges and consequently the HCX value will be more. On the contrary, if there are more short positions in the market, that is, the traders are selling more HCX cryptos, there will be more HCX cryptos available in the market with the exchanges and eventually the value of HCX will reduce. The value of HCX is determined by the market mechanism.

HCX Distribution:

Let us analyze the use of HCX in organizational purpose. HCX can be used in banks, currency exchanges, Corporate houses and wallet providers, payment service provider, E-commerce merchant icon. On looking into deeper aspects, with HCX, Banks do cross-border settlements in real-time at a lower cost without the need for locking funds in Pre-funded Nostro Accounts. With HCX, Currency Exchanges manage liquidity efficiently, settle funds in real-time for their customers and discover new remittance corridors. The corporate can benefit with the HCX, PSPs can operate on this network without the need for an acquiring bank. For the E-commerce merchants, With HCX, merchants can cut down the cost of receiving payments considerably and receive money instantly.

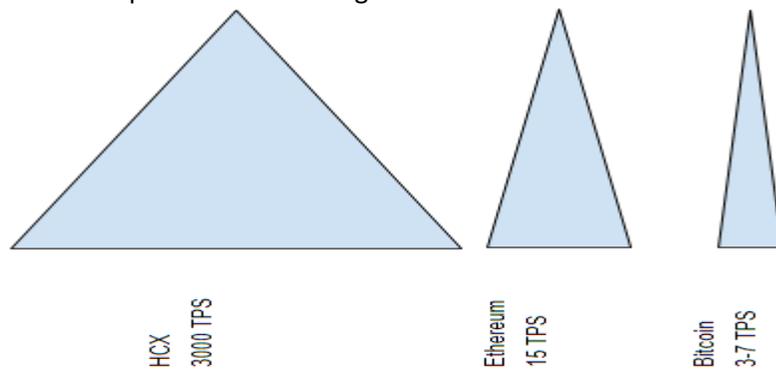
HCX provides a uber efficient, ultra-low cost, zero turnaround time alternative to conventional settlement methods.

Why HCX- as an alternative digital crypto?



The other points which differentiates HCX and makes it more tradable are the following parameters:

- I. Real time Settlement: HCX settles payments in 2-4 seconds in 1000+ node environment
- II. Scalable: HCX can handle 3000 concurrent transactions (transactions per second) and 100+ million transactions a day. At 75,000 transactions per second, the network scalability exceeded the throughput of current payment networks such as Visa, in a test environment, with the implementation of SegWit.



- III. Wide Applications: HC products which operate on HC NET are used for Remittance, Corporate Payment, Trade Finance, Commerce and Forex deal. These are mainly: HC Remit, HC Trade, HC Market Makers and HC Commerce.
- IV. Wide Acceptance: HC Products are used by Global Banks, Currency Exchanges, Payment Service Providers, Corporate Houses and E-commerce Merchants.