

Dirham Crypto White Paper

Edition 3

By Dirham Crypto



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Abstract

Dirham Cryptocurrency is a decentralized blockchain-based Cryptocurrency which aims to further goals and strengthen the economy of the world through circulation of a unique Cryptocurrency. It will expand and facilitate the use of digital financial tools among all nations as well as other nations. Dirham Crypto is a platform for Bonds in the blockchain ecosystem. Dirham Crypto aims to create a fully backed stablecoin combining the two worlds of fiat money and Cryptocurrencies based on Bonds contracts. While other stablecoins distribute the profit earned by the custody of fiat money to stakeholders, Dirham Crypto enables all the clients to have a share of that profit, which is at least 4% APY. It means anyone who holds any amount of Dirham in his/her wallet will receive at least 4% interest on specified maturity dates without staking or locking the fund in any third party vault. Dirham coin is a fully backed stablecoin and each coin equals one AED (United Arab Emirates' Dirham), and is redeemable to fiat or other Cryptocurrencies by brokers in a number of countries around the world.

Transferring and saving funds are without any fee on Dirham Crypto platform.

Dirham Crypto is governed by Drachma DAO with a token called Dor that enables the DAO members to contribute to DAO decisions.

Introduction

There are a lot of traditional assets in the world such as Gold and fiat currencies which people freely choose as a store of value, a medium of exchange, or an investment; however, obstacles such as centralization, accessibility, trustworthiness and lots of other major problems in our modern world prevent us from using these assets. Cryptocurrencies have brought about a revolution in modern economy by solving these problems through the adoption of new, digital payment methods that could bring significant benefits to customers and society. Some of their advantages are listed below:

- low transaction costs
- faster transactions compared to banks
- international, borderless transferability and convertibility
- trustless ownership and exchange
- transparency
- open access
- freedom from problems of legacy banking systems

First generation cryptocurrencies like Bitcoin implement a rule under which tokens are created through time without considering the rate of their demand. Thus, changes in their demand result in the volatility of their price. This is partly due to the fact that their new tokens are awarded and are impossible to be eliminated. Stablecoins, however, should have an algorithm that makes a flexible creation based on demand. Whenever there is more demand for them, stablecoins should be able to create new tokens in order to prevent an induction of price. On the other hand, if the demand is low, in order to avoid a decrease in price, they ought to have the ability to eliminate some of their existing tokens. This procedure sets the supply amount relative to demand.

Dirham Crypto is a powerful, stable and widespread financial means suitable for storing value as well as trading internationally. It is a reflection of ancient Dirham’s power. Dirham was used in many Asian and African countries for centuries. Arabic governments, Ottomon and Persian Empires were among Dirham’s major publishers and users. Today, Dirham is still one of the most demanded international currencies and is used as a means for international commerce in many countries.

To revive Dirham as a common currency used in international business, a decentralized blockchain-based Cryptocurrency called Dirham Crypto has been developed. Creating a powerful currency to facilitate financial and economical interactions, betterment of social growth, reduction of poverty as well as making use of the technical opportunities of blockchain ecosystem are among main goals of developing Dirham Crypto.

As the table shows, UAE had the third position in ICO fundraising in 2019. This great achievement motivated us to go forward and introduce a cryptocurrency based on Dirham to the world. We believe UAE can have a key role in developing cryotocurrency knowledge in the western Asia, i.e. the Middle East.

Rank	Country	Total Amount Of Absorbed Funds In 2019 (million dollars)
1	Hong Kong	1009
2	Islands	238
3	United Arab Emirates	149
4	Singapur	110
5	England	98

Dirham is a fiat and crypto collateralized stablecoin pegged to AED and follows the same mentioned approach to keep the price stable. Unlike some stablecoin projects

which distribute the revenue earned by the accumulation of fiat money to the stakeholders and investors, Dirham Crypto distributes this profit as interest to all Dirham holders. The interest is added to Dirham holders' wallets on a weekly basis.

Dirham Crypto Project

Dirham Crypto introduces Bonds in blockchain ecosystem. Everyone can purchase Bonds and earn annual profit without staking funds in blockchain environment. The bonds are also traded by Dirham Crypto brokers in a number of countries around the world.

To guarantee customers' profits, Dirham Crypto makes use of bonds. After investors have paid through smart contract mechanism, they receive tokens.

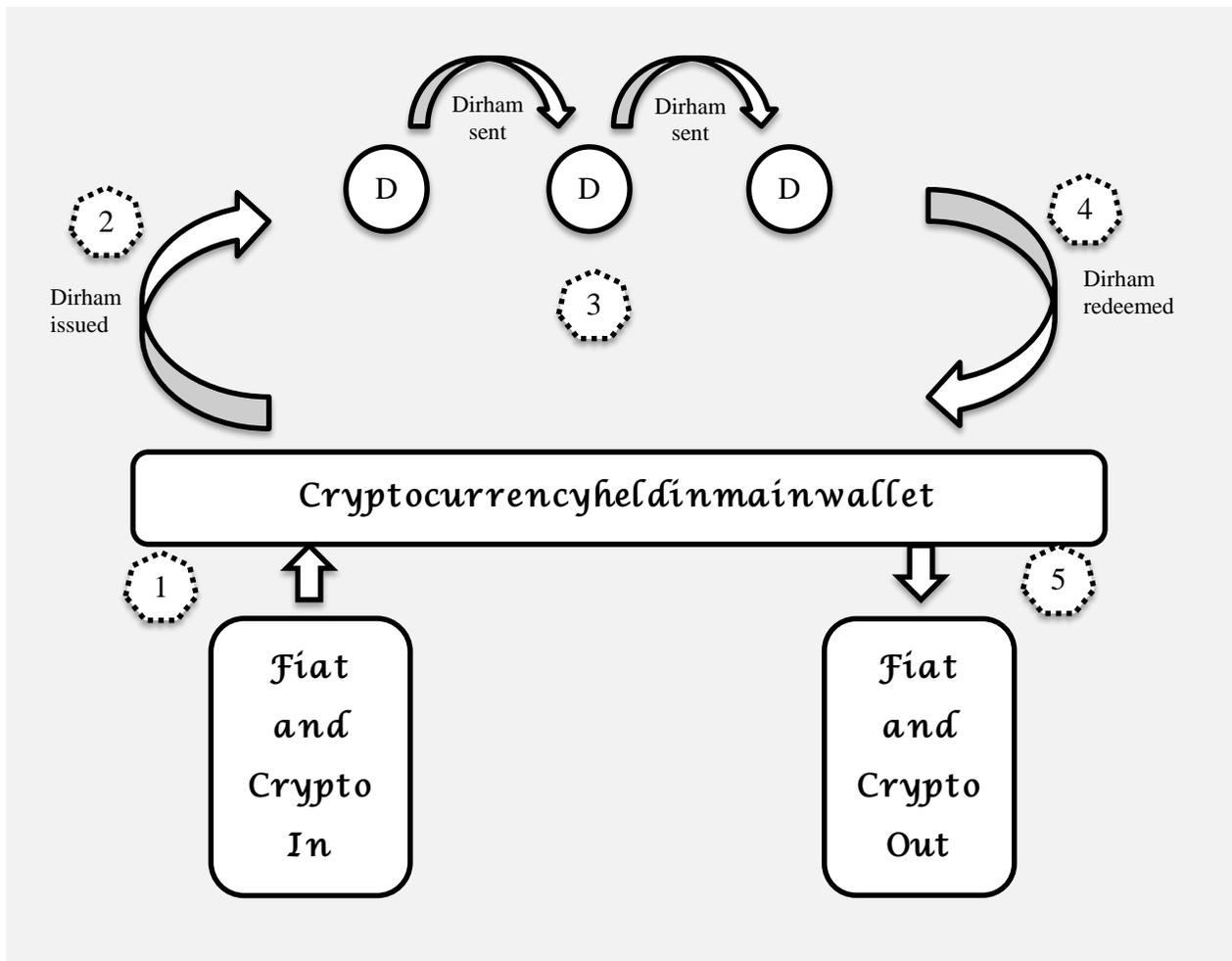
Based on the decisions made by Drachma DAO members, an interest will be paid to Dirham holders on a weekly basis, which is necessarily at least 4% annually. This interest is provided by investing bond sale revenues in Mutual Funds.

Through Dexes on the network, Dirham holders can sell their Dirhams in secondary markets or exchange them with other currencies. They can also return their Dirhams to the project and receive their equivalent instable coins or fiat money.

The rest of investment profits will be given to Dor holders on an annual basis with the approval of Drachma DAO members.

Dirham Bond and Stablecoin

A Dirham Crypto Bond is equivalent to one million UAE Dirhams (AED), which is in turn equal to 272294.07 US Dollars (USD). Each bond is divisible by one million Dirham coins and is always equal to \$0.2722 US which is 3.6725 AED per USD. They can easily be traded on various exchanges like Uniswap and other DEXes.



What is a bond?

A bond is a fixed income instrument that represents a loan made by an investor to a borrower. A bond could be thought of as an I.O.U.¹ between the lender and borrower that includes the details of the loan and its payments. Bonds are used by companies or firms to finance projects and operations. Owners of bonds are debtholders, or creditors, of the issuer.

¹ An IOU, a phonetic acronym of the words "I owe you," is a document that acknowledges the existence of a debt.

Bond details include the end date when the principal of the loan is due to be paid to the bond owner and usually include the terms for variable or fixed interest payments made by the borrower.

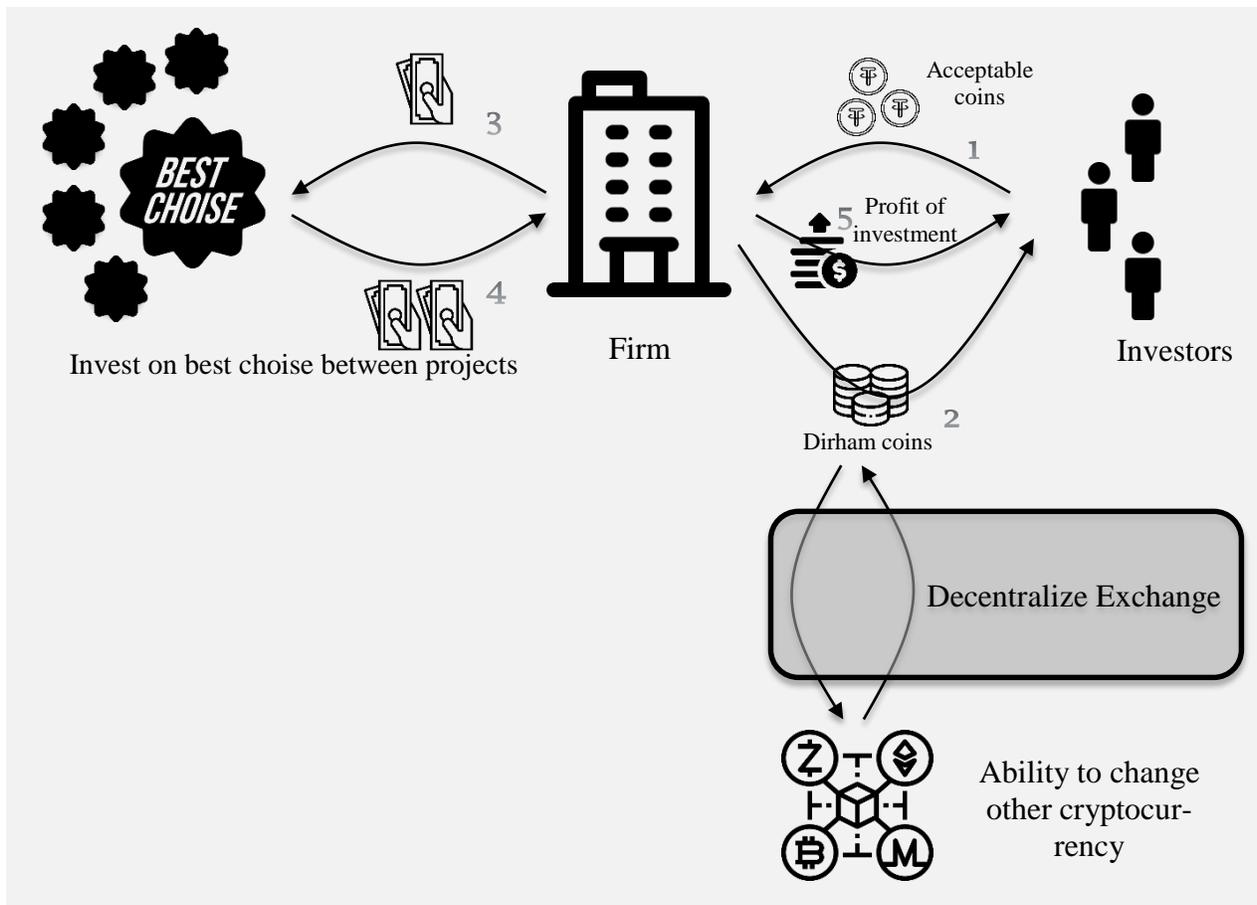
What is put option?

A put option is a contract giving the owner the right, but not the obligation, to sell a specified amount of an underlying security at a pre-determined price within a specified time frame. This pre-determined price that the buyer of the put option can sell at is called the strike price.

Put options are traded on various underlying assets, including stocks, currencies, bonds, commodities, futures, and indexes.

What is happening in Dirham crypto?

What we are planning to do in Dirham Crypto is giving bonds to investors in exchange for cash; investors will also be granted the bonds' sales authority. In other words, investors receive Dirham coins through smart contract mechanism, and are able to sell them at any time at the day's price. A million Dirham coins equals one published bond. As the following diagram illustrates, Dirham Crypto first collects cash from investors and gives them Dirham coins in return. It then invests the absorbed funds in profitable projects and pays an interest of at least 4% to its customers from the profits made. Meanwhile, if an investor is willing to sell/exchange his or her coins, he/she can refer to centralized or decentralized exchange platforms.



Advantages of this model include:

- Investors can redeem their coins through smart contract mechanism at any time.
- The organization guarantees the liquidity of the tokens.
- There is no need for staking the Dirhams one owns; token holders receive their interest periodically, according to the smart contract.

Dirham Crypto, Features and Mandates

Dirham Crypto has some features that distinguish it from other similar projects. The most important of these are:

Transparency

The mutual fund's capital inflow is announced transparently every quarter.

Governance

Dirham Crypto is run by a decentralized organization made of Dor holders. The Drachma DAO members cannot issue bonds unless enough funding inflow is ensured in the mutual fund.

Digital Cash

Dirham Crypto turns cash to digital, divisible, and easily tradable Bonds. Divisibility enables Dirham Crypto to be equated in AED currency, which can serve to satisfy the global demand for this universal currency for international trade.

Secure and Reliable

Dirham Crypto is a blockchain-based platform, which makes it safe, transparent and reliable. In addition, since the decision-making process is decentralized and distributed, and since decisions and supervisions are done

through its DAO, the probability of abuse is zero.

Censorship resistant

Dirham Crypto complies with international standards and regulations while providing highly secure monetary transactions for the consumers. Unlike most of stablecoins, the privacy policy designed by the co-founders, disables creating blacklists or endangering ownership rights.

Inclusive and Simplified

Our brokers in all corners of the world securely transform your assets to simply transferable Bonds that are guaranteed to be bought back.

Investment interest

Dirham Crypto is currently the only stablecoin that distributes the revenues of Mutual Funds among Dirham holders on a weekly basis.

Stable

One can buy and use Dirham at a stable price. When using Dirham, you never

need to worry about fluctuations of the Crypto environment.

Fast

Regardless of amount or destination, Dirham transactions are fast.

Censorship-resistant

Dirham crypto complies with international standards and regulations while

providing highly secure monetary transactions for the consumers. Unlike most of stablecoins, the privacy policy designed by the co-founders disables creating black-lists or endangering ownership rights.

Dirham is mostly used by four user groups

Individuals

Due to the extension of Dirham, individuals can use it as a payment method and at the same time earn weekly profit from it.

Merchants

Merchants use Dirham for fast and limitless international transactions and exchanges at much lower fees.

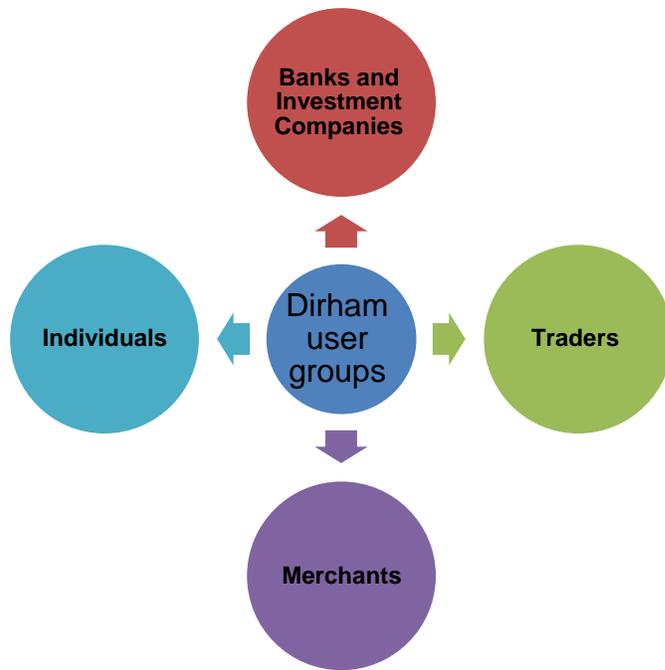
Traders

Traders use Dirham as a stablecoin, as a medium of exchange for their daily

trades and as a means to earn profit periodically. Moreover, there is not any fund freezing and other kinds of limitations in Dirham.

Banks and Investment Companies

The main advantage of Dirham Crypto bonds over other bonds is its divisibility, simplicity in transfer, market liquidity, and fast transactions. These features enable banks and investment companies to use our bonds more efficiently.



How Is Dirham Crypto Governed?

Dirham Crypto has a decentralized governance structure. Anyone who holds its governance token, Dor, can participate in the decision-making process of its DAO called Drachma. To accomplish the goals of the company, and maintain its appropriate expansion, and to avoid destructive deviations from its goals, 10% of Dor tokens are held by the core team who will assist train the new commers and direct them toward the goals.

DrachmaDao is a decentralized and autonomous organization founded and run on Aragon platform, which makes it possible for Dor holders to make suggestions and vote for against proposals. Therefore, what will happen in the organization depends on the votes from the majority of Dor holders. In addition, Dor holders supervise the management of mutual funds and receive an annual interest from their activities. Dor holders also decide the amount of this profit. DAO managers do not have the ability to burn DHS; they can only burn the tokens that they hold in their wallet. Anyone who holds DOR can participate in Drachma DAO. To ensure the security and safety of transaction operations, the DAO authorizes some elected individuals as delegates.

Dor total supply is 1,000,000 and these tokens will be distributed among individuals, based on the Tokenomics and Drachma DAO members' decision. Not only will Dor holders have the ability to participate in governing the DAO, but they will also be given profits on an annual basis. All activities and decisions are made by the DAO members, some of which are as follows:

- Minting and burning the tokens.
- Custody, control and the observance of the accumulated funds.
- Setting up mutual funds

- Determining specified maturity dates to distribute the profits
- Changing profit rates

	Fiat Collateral Back	Crypto Collateral Back	Hybrid Collateral Back
Prominent Project	USDT	DAI	DIRHAM
Solution	Fiat back	Crypto back	Fiat & Crypto back
Organizational Benefits	Tether company	MKR holder	All people who hold Dirham
Earning Profit	Trust a third party	Trust a third party	No need for a third party

How Does the Project's Smart Contract Work?

The contract implemented in Dirham Crypto is an upgradable contract with a rebase function and those who manage the project can change the contract for a better functionality to reach the ultimate target of the project. According to this smart contract, Dirham Crypto are not allowed to freeze or burn any fund in any wallet. All the minting and rebasing functions are done by a Gnosis safe which is a multi sig wallet and is owned by individuals elected by the Drachma DAO members to ensure the security and safety of the transactions and the smart contract. Transactions need at

least 51% approvals by the safe owners. Dirham Crypto pays interests to DHS holders weekly. To make this happen with no additional costs like gas fee and unnecessary transactions, we use a rebase function. Through a positive rebase, additional tokens are minted as interest, which are distributed to Dirham holders by the observation of the Drachma DAO members' delegates.

Dirham Creation Process



Glossary of Terms

Dirham: The stablecoin of Dirham Crypto Project that equals to 1 AED.

DHS: The term Dirham is officially abbreviated "AED", while unofficial abbreviations include "DH" or "DHS."

AED: The AED is the currency abbreviation for the United Arab Emirates dirham.

Dor: Dor is the governance token of Dirham Crypto.