MONETA
DIGITAL

MMXN

White Paper

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ABSTRACT

The advancement of blockchain technology has allowed verifiable and cryptographically secured ledger to become the preferred method to borderlessly store and transact digital assets. Asset-Backed token issuers and other market participants can benefit from blockchain technology, along with the underlying consensus structure, to transact in similar fashions, less volatile digital currencies and assets. In order to establish trust, maintain accountability, and to ensure stability in the overall market price, we propose a method to maintain a one to - one reserve ratio between a digital stablecoin, called MMXN, which is pegged to the Mexican Peso. This method uses multiple blockchains, including Ethereum & Tron blockchain (ERC-20 & TRC-20) with Proof of Reserves (attest by top global accounting firm), and other auditable methods to prove that the minting and burning process are risk-free at all times.

In this white paper, as we introduce MMXN, a new digital stable asset that is fully collateralized one-to-one to the Mexican Peso (MXN), issued by Moneta Digital Company and custodied by Delchain and Deltec, which are approved, regulated and licensed under the Securities Commission of the Bahamas. With the above mentioned, MMXN will bring global financial markets to transact in a trusted and secured, Mexican Pesos-backed digital asset with the benefits of blockchain technology and the guidance of financial regulators.

We firmly believe that MMXN will bring significant advancement in digital assets for the LATAM market, leveraging the blockchain infrastructure and bridge the gap between traditional financial systems and cryptocurrency. In this white paper we focus on applications wherein the fiat value is stored and transmitted with infrastructure that is open source, cryptographically secure, and uses distributed ledger technology.

INTRODUCTION

Stablecoins have taken the advantages of the fruition of Blockchain technologies, with real use cases to solve real world pain points. It offers better use cases than fiat in almost every function. It is easier to store, transfer and exchange; it maintains the same unit of account, and provides a comparable store of stable value. Our goal is to become the one and only stablecoin pegged to Mexican Pesos, and to effectively achieve Mexican Pesos on/off ramp to digital asset platforms, store and transfer of stable value, borderless remittances, digital financial products and payments for the mainstream users.

MMXN is designed to utilize the innovations of blockchain technology to transform the function of fiat money in terms of storage and payment. MMXN is administered by Moneta Digital, along with its legal and compliance partners, overseeing technical, compliance and financial standards for MMXN. It is further supported by the regulated institutions such as licensed banks, law firms and third-party audit firms that ensure its legitimacy and trustworthiness. In other words, as a self-regulated digital company issuing a token backed by Mexican Peso reserves, MMXN can offer a token that fuses the trust and stability of fiat currency with the characteristics of digital assets.

Additionally, MMXN will bridge the gap between the fiat and cryptocurrency space, by reducing the friction within the global financial markets, to seamlessly increase the speed and decrease the cost of transferring digital assets. Specifically, MMXN is designed to lower transaction fees, allowing commerce and trade to occur more efficiently, borderlessly. This borderless revolution alone to the current system could unlock billions in foreign exchange fees.

Fully collateralized by Mexican Pesos and supported by a regulated financial institution, MMXN is available swiftly to facilitate settlement against fiat and cryptocurrency. It is truly borderless, so it can be anywhere at any time.

Various types of users can either acquire MMXN directly from Moneta or from our service providers such as crypto exchanges or other digital wallets that support MMXN trading pairs. Users can also transact and store MMXN with any ERC-20 or TRC-20 enabled wallet (other public chains to follow). In addition, users can use their MMXN to participate in various products within the DeFi space. As we progress forward, Moneta will implement MMXN into more public chains to further strengthen our ecosystem. Other exchanges, wallets, and merchants are encouraged to reach out to us about integrating MMXN as an alternative for traditional fiat payment methods.

KEY PRODUCT FEATURES AND BENEFITS

- MMXN tokens are issued and redeemed by Moneta Digital. Moneta issues MMXN directly under the supervision of our partnered banks and auditors. Together with blockchain technology, our business model enables more efficient operations, including fast speed, lower fees and shorter redemption windows;

- Initially built on the Ethereum and Tron blockchains (with other public chains to follow), the system is coded on a fully audited smart contract, ensuring that it operates under the code of law. Both the integrity of the data and the fidelity of procedure executions are ensured by the distributed consensus protocol of the underlying Ethereum and Tron blockchains;

- Certik, our third-party smart contract security auditor, accredited us with the highest score ever given to a similar project, giving our users the peace of mind while using MMXN;

- Moneta has engaged Armanino LLP to attest to the accuracy of Mexico Pesos reserve balances that back MMXN in circulation;

- MMXN can be sent to or received by anyone with an Ethereum and/or Tron address (other public chains to follow). Currently, all transactions operate according to the rules of a smart contract on the Ethereum and Tron platform following the ERC-20 and TRC-20 protocol (other protocols to follow);

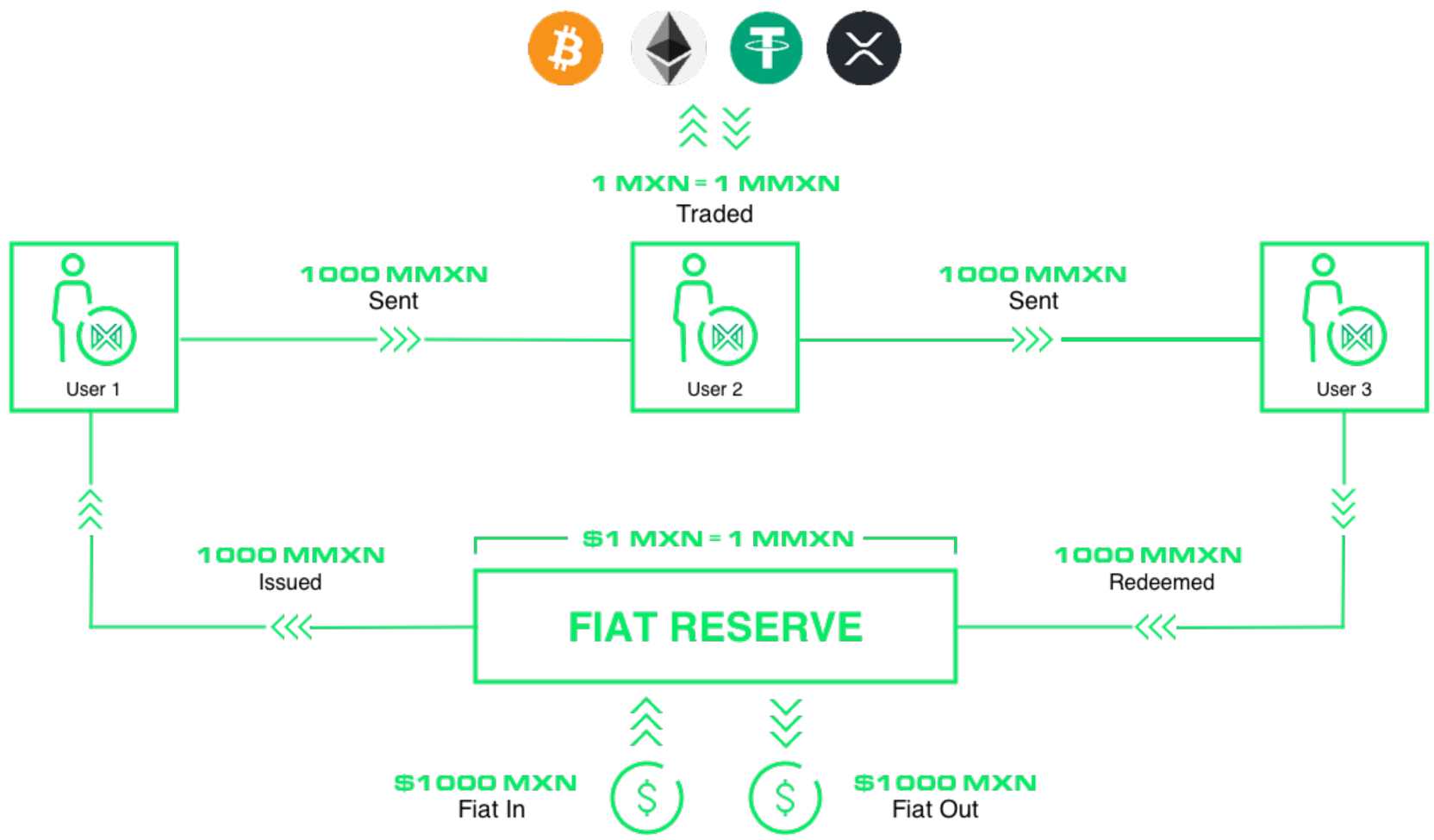
- MMXN is to be listed on exchanges around the world. Since it is backed by the Mexican Pesos, it can be used as a proxy for understanding the value of the Mexican Pesos as compared to other digital assets;

- MMXN is available swiftly to facilitate settlement against various types of crypto -asset and fiat payments.

TECHNOLOGY

MMXN model is intuitive and easy to understand. For every Mexican Pesos deposited into the reserve, we will issue one live MMXN respectively, no less, no more. Similarly, on the redemption side, one MMXN can be redeemed for one Mexican Pesos. Upon redemption, MMXN is immediately burned from the supply; MMXN is only in active existence when the corresponding Mexico Pesos fiat is in custody. The exchange will always be one-to-one.

There are five key steps in the life cycle of MMXN from the below diagram.



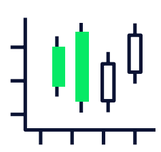
The flow of funds

All transactions for issuance, redemption and burning of tokens of MMXN occur on the smart contracts written on ERC-20 and TRC-20 (others to follow), relying on the providence of the blockchain network rather than any middleman.

The MMXN ERC-20 & TRC-20 smart contract codes are out in the public view for all to review, you can access it at https://github.com/moneta-digital/mmxn-specs/blob/main/mmxn.sol. We also hire independent third-party smart contract security audits to give assurance that the implementation is sound and secure.

USE CASES

Various stablecoins are built for users to participate in the volatile cryptocurrency space while maintaining the stability of their fund. However, most stablecoins are pegged to USD rather than the fiat for the regional market, so regionalized mass adoption where USD is not commonly used can be extremely difficult. MMXN aims to target the Mexican market, pegged to MXN, use cases for MMXN are endless. From fiat on-ramp and off-ramp to buy, sell and trade crypto currency, from borderless remittances to payments, from store and transfer of stable digital value to financial products. The list goes on and on. We truly believe the use cases for MMXN will be quickly recognized and adopted throughout Mexico and globally.



Buy, Sell and
Trade Cryptocurrencies



Store of
Value



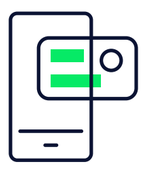
Global
Remittance



Financial
Products



P2B, P2P
Payments



Defi
Applications

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GLOSSARY

Digital Assets

A digital asset is any resource that exists in digitized form and that someone can own, or that represents content that someone can own, and therefore has an associated right to use.

Blockchain

As the name implies, blockchain is a chain of blocks, which contain encrypted information of a transaction on the network. And, being interlinked (hence the word chain), they allow the transfer of data (or value) with a fairly secure encryption through the use of cryptography. To illustrate this idea, it would be convenient to imagine a ledger in which all the inflows and outflows of money are recorded.

Token

A token is "a unit of value that an organization creates to govern its business model and gives more power to its users to interact with its products, while facilitating the distribution and sharing of profits among all its stakeholders." William Mougayar, author of the book 'The business blockchain.

Stablecoin

This new type of cryptocurrencies are 'tokens' that are associated to the value of a fiat currency (such as MXN, USD or EUR), to tangible assets such as gold or real estate, or to another cryptocurrency.

Proof of Reserves

The process by which the issuer of any decentralized asset-backed digital token demonstrates cryptographically/mathematically that all tokens that have been issued are fully reserved and backed by the underlying asset.

Fiduciary

Fiduciary money or inorganic money is money that is backed by the trust of a society. In other words, fiat money is not based on the value of precious metals but on the general belief that such money has value. It is also known as paper money or inconvertible money.

GLOSSARY

Token burning

A strategy followed by cryptocurrency projects to influence the price of a token, or coin, in the market. This is done by permanently removing some tokens from circulation.

dAPPs

These are decentralized applications that use blockchain to allow users to interact directly with each other and close deals without a central entity managing the service.

DeFi/Decentralized Finance

Decentralized Finance (commonly referred to as DeFi) is an experimental form of finance that does not rely on central financial intermediaries such as brokerages, exchanges, or banks to offer traditional financial instruments, and instead uses smart contracts on blockchains, with Ethereum being the best known.