

World Eco Money



WEM Coin

Eco-friendly, Layer 1 Stable Coin on WEM Blockchain

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ABSTRACT

Common Issues:

Let us shed a light on some of the most significant issues concerning major cryptocurrencies:

1. Unpredictable(i) and rather substantial(ii) **fees** that creep up quickly due to factors mostly beyond the user's control.
2. As the number of transactions increases, so does the **time**(i) it takes to confirm a block.
3. **Volatility** of native coins(i): Because most coins on the first layer has no fixed value and isn't linked to any tangible asset, its value is determined by the volatile cryptocurrency market.
4. Second Layer. Most stable coins on the market today are tokens, not actual coins. Tokens are smart contracts that don't have their own infrastructure, e.g. ERC20 compliant tokens can be deployed on any VEM blockchain unrelated to the token's owner.

Stable tokens are designed primarily for traders who need to fix their profits. Over time, few other use cases for them have been discovered.

While transactions can be processed much faster at the token level, most of them have one major drawback: By their nature, tokens are Smart Contracts that have an owner so this is another central authority and trusted party.

A Smart Contract is, by definition, a piece of code that must be audited before it can be even trusted. Owner of

the Smart Contract may or may not have access to functionalities like stopping and/or pausing transactions, blacklisting and/or other "features" of a similar nature.

To put it simply, a token is a Smart Contract that represents another trusted party and is not a cryptocurrency.

5. In some PoS protocol implementations, a higher "bidder" can gain 51% network control, posing a severe security risk to the integrity of the entire blockchain.

There are other issues as well, but even the ones stated earlier make peer-to-peer payments challenging enough.

Proposed Solution:

We want cryptocurrency to be:

1. Fast, (almost) instantly conducted transactions.
2. Stable, pegged to a physical asset or currency, such as real world hard currency.
3. Cheap to use, low, fixed, predictable commissions.
4. Layer 1, on its own blockchain.
5. Decentralized, allowing anyone to participate
6. Interchangeable, bridged to other networks

Point A:

To achieve most of the above goals, we can first try to reconfigure a current EVM-compatible blockchain implementation. Of course, this won't solve all of the issues mentioned, especially speed and scalability.

Point B:

To implement a fast cryptocurrency, we must build a brand new blockchain with near-instant transaction capabilities, as well as redesign how blocks are generated and indexed (see the WEMNIT protocol). Scalability also needs to be addressed.

To ensure a stable value for the native Stable Coin (WEM coin), we will design the blockchain as follows:

We create bridges to all major blockchains starting with Ethereum and Bitcoin.

The liquidity providers will be responsible for allocating appropriate crypto collateral (single or portfolio), but conversion must occur at the current USD rate.

WEM blockchain is designed to use low and fixed fees in the following ways:

- * The list of costs cannot be changed faster than X days (currently set to 90 days).
- * The smallest commission should be one cent.
- * The maximum commission may not exceed Y cents (currently set to 0.99 cents)

The Core Principles:

We believe in being fast enough, not necessarily the fastest. We strive to be affordable to the majority, not just the cheapest. And we prioritize providing a trust-less system that is open to anyone, rather than aiming to be the most trusted. Join us on this unique journey as we redefine success based on these three core principles.

Those essential trade-offs will be acceptable in most applications anyway, allowing us to focus on what matters most: resolving the blockchain trilemma of decentralization, scalability, and security.

1. Introduction

* WEM Coin

WEM Coin allows any two willing parties to transact directly with each other without the need for a centralized, trusted third party.

WEM Coin is intended to be a simple, fast, stable, decentralized, cheap, scalable, and environmentally friendly Layer 1 cryptocurrency that can be used for peer-to-peer payments.

WEM Coin has been created to challenge other StableCoins[5] that exist today mostly on top of Ethereum or other WEB3 blockchains smart-contract centralized tokens.

* Transaction completion time: 1 to 5 seconds max! depending on transaction value in simple 3 tiers. WEMNIT protocol processes transactions according on their value, with only three speed tiers: **transactions up to \$10,000 USD are limited to one second completion**, whereas transactions of \$1,000,000 or more may take a little longer because more validation cycles must be conducted.

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* Transaction fees: 0.01 cent to 0.99 cents max! depending on transaction value in simple 3 tiers. With just three tiers - 0.01 cent, 0.50 cents, and 0.99 cents - based on the transaction amount, we ensure that every transaction remains affordable without compromising on the quality of service.

4. Applications

For the End User:

- * Pay instantly for the goods anywhere around the globe with a single, stable currency by just using a mobile phone.

- * Keep your money safe.

For Merchants:

- * Increase sales by accepting an additional payment method.

For Traders:

- * Profits can be fixed in a StableCoin on Layer 1 decentralized network.

For Investors:

- * Participate in exciting sustainable projects while earning dividends on your investments.

5. Privacy

WEM blockchain blocks data stored in a public ledger. All blockchain transactions can be viewed theoretically by anyone with a wallet ID.

HD (Hierarchical Deterministic) Wallets[7] used by WEM Coin add a second layer of privacy by allowing funds to be (re)distributed among multiple differently looking wallet IDs associated with a single master account.

6. Conclusion

The payment system we've presented addresses a slew of issues with most major blockchains and coins such as BTC, ETH, and various other cryptocurrencies, allowing WEM blockchain and its native instrument WEM Coin to be used as it was intended, as real peer-to-peer money.

Due to some outstanding concerns, WEM blockchain developed in a somewhat different way than WEB 3:

1. Transaction speed has been significantly increased to roughly one second.
2. WEM Coin's volatility has been mitigated by linking it to real-world currency (USD) through the usage of other cryptocurrencies as collateral.
3. Transaction fees are predictable and kept to a minimum.
4. Layer 1 decentralized infrastructure doesn't call for any trusted third parties.
5. WEM blockchain bridges allows users to access other blockchains and decentralized exchanges and trade cryptocurrencies between them.

10. References

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