

Ettle Litepaper

Ettle – Australian Dollars on the Blockchain

Ettle is launching a fully reserved Australian Dollar cash-backed stablecoin. The Ettle infrastructure comprises a secure and compliant treasury framework to manage the cash backing each stablecoin on issue, as well as an API technology that can be used by both the evolving blockchain and fintech industries globally to develop and build products and services that don't rely on the legacy banking network for payments.

By replacing legacy financial systems with blockchain technology, huge cost efficiencies and instantaneous payments are made possible. The efficiency and speed of blockchain technology and the flexibility of the Ettle infrastructure provides a foundation for the next generation of finance and disruption in many mainstream use cases.

Ettle Stablecoin Infrastructure Key Features:

- 100% cash-backed and redeemable digital currency on multiple blockchains – AUDE
- Fully banked and audited treasury reserve
- Treasury held independently by a third-party licensed custodian and regulated trustee
- API infrastructure that can be used by platforms to incorporate highly efficient and secure payments
- The ability to use regular cash in smart contracts and decentralised applications as opposed to volatile cryptocurrency
- Instantaneous minting and real time redemption via API driven architecture

AUD Stablecoin Infrastructure

The Ettle AUD (AUDE) stablecoin infrastructure will incorporate a robust and highly scalable business model. AUDE will be based on a transparent and regularly audited treasury bank account that is government regulated where funds will be held in trust and retain a 1:1 cash backed status at all times. Stablecoin holders can redeem for face value from this account in a highly efficient and secure manner.

The Ettle stablecoin API will interact directly with the treasury infrastructure account providing an automated process for the minting and redeeming of coins. Further to the earnings that can be realised by a growing cash treasury, Ettle will charge subscription fees to other platforms for minting and redemption via its white label API. The automation and scalability within the infrastructure based model enables revenue growth in both subscription fees and treasury earnings with minimal impact on operational overhead relative to the treasury and transaction volume growth.

An Exponentially Scalable Business Model



Partnership with Multiple Banks – A Unique Value Proposition

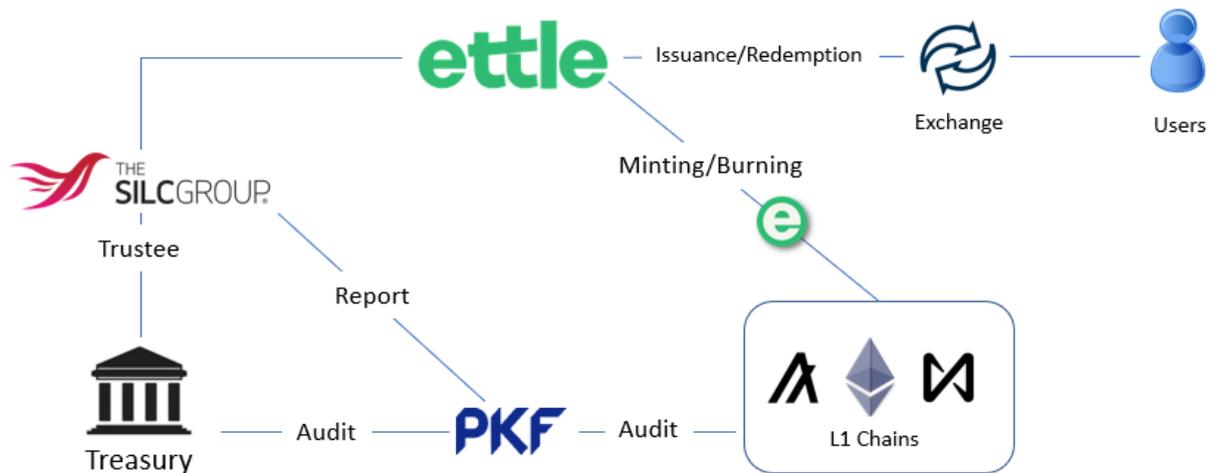
By partnering with multiple licensed banks, Etle will be able to offer its stablecoin users access to government regulated treasury accounts with fast and efficient redemption capability. Storing the treasury with authorised deposit taking institutions will ensure that stablecoin users can access their funds with the speed and efficiency of a 1:1 liquid treasury which is fully compliant and will offer API based automated redemption. This will place Etle in a unique category of being one of the very few service providers globally to be able to offer a fully reserved stablecoin.

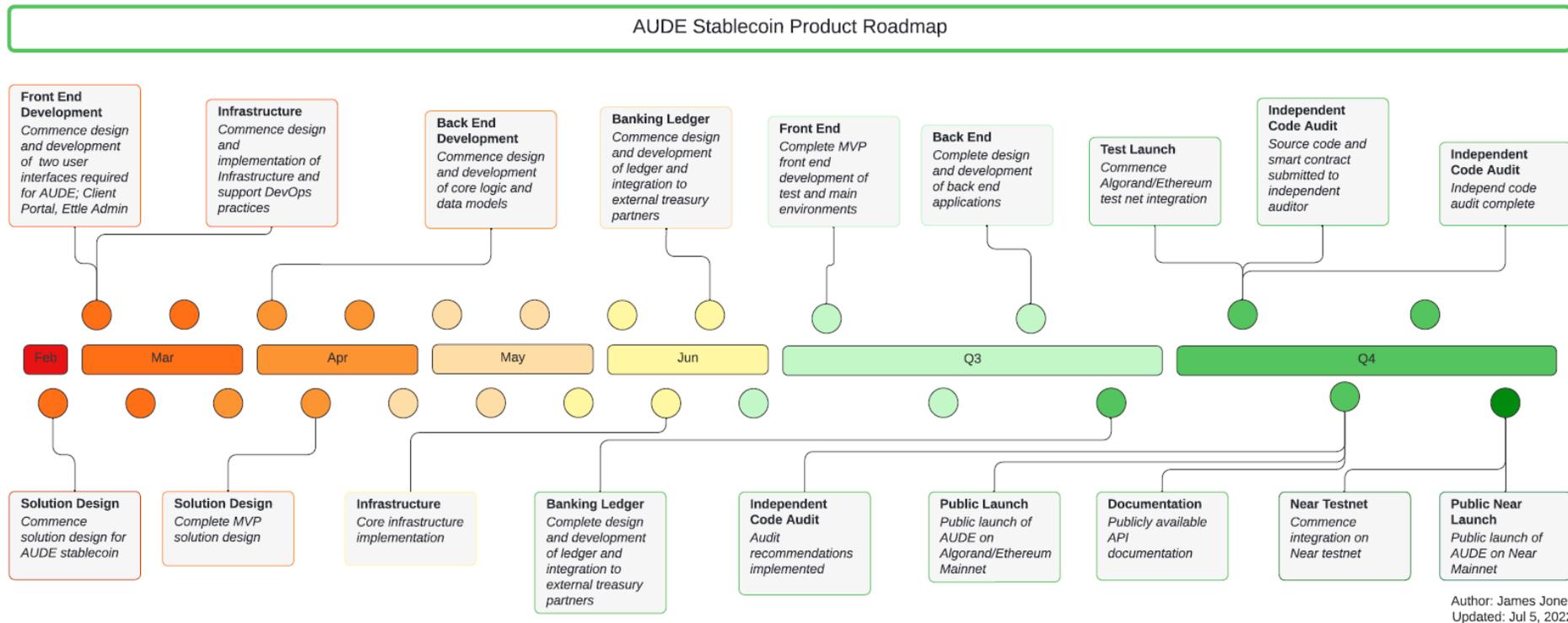
A Chain Agnostic Infrastructure

AUDE will initially be minted on Algorand, Ethereum, and NEAR with more chains to come in the future. By minting AUDE on multiple chains, Etle can truly democratise Australian Dollars on the Blockchain and make the best use of its off-chain infrastructure. This ensures AUDE accesses the broadest use cases within both the rapidly evolving decentralised finance ecosystem as well as existing remittance infrastructure.

Fully Compliant and Audited Treasury

The Ettle stablecoin infrastructure will include a government regulated treasury account managed independently by a third party licensed and regulated trustee (The SILC Group). In addition, Ettle has also secured the services of a reputable audit firm (PKF Perth) to provide regular attestations on the treasury balance ensuring AUDE holders have the 1:1 cash backing of their tokens at all times. This ensures that the flow of funds between token holders and the treasury never passes through Ettle and is always under the scrutiny of both the auditors and the Trustee.





Product Roadmap

AUDE will initially be launched on the Ethereum, Algorand and NEAR blockchains from November 2022 with more blockchains to come in 2023. In addition, Etle is building out its white label minting infrastructure which will provide a cash onramp/offramp for decentralised applications and platforms. This will be launched in Q2 2023.

A Plethora of Use Cases

The democratisation of the Australian Dollar on the blockchain ecosystem will open the door to a multitude of uses cases and benefits that only the blockchain can provide. The broader uses cases for cash-backed stablecoins are well documented however some specific use cases that are well advanced for Etle include the following:

FOREX and International Payments

Exchanging value on the blockchain offers a highly efficient and cost-effective means of sending and receiving funds internationally without the need for a bank or money transmitter. Existing networks for interbank settlement are old, inefficient and result in significant cost and lengthy settlement timeframes. International money transfers can incur costs upwards of 10% once fees and a spread on the exchange rate is applied by banks or money transmitters. The ability to exchange digitised currencies bypassing the banking network offers a near instantaneous solution at a mere fraction of the cost. The value of this market alone is in the trillions of dollars.

As a cash backed and redeemable stablecoin, AUDE is perfectly suited as a platform trading partner for blockchain based international FOREX exchanges that prefer to utilise robust cash-backed coins as their means of settlement. Evolving layer 1 chains like Algorand and NEAR offer near instantaneous and low-cost settlement that is well suited to FOREX markets. Currency trading pairs such as USD/AUD are well suited to this evolving technology and a huge potential market (the 5th most traded pair on earth and accounting for 7% of all global currency transactions¹)

Cash On-Ramp into the Decentralised Finance Ecosystem

The defi market is one of the fastest growing economic ecosystems in the world and provides a highly efficient means of trading on a global scale. By offering a cash on-ramp via AUDE, traders will be able to access this ecosystem by converting cash into AUDE tokens. In addition, they are also able to offramp this ecosystem back into cash via the use of Etle API based redemption functionality. This will open the ecosystem to millions of new users who currently have no means of accessibility without an existing balance of tokens. By minting across multiple chains AUDE can also offer users a simple means of bridging between chains in a secure, robust and efficient way.

Digital Payments with Programmable Money

Smart contracts are a key technological aspect of blockchain that enables the execution of ordinary contracts and payments to be programmed removing the need for a third party or intermediary. This reduces cost, provides unmatched security and removes the need for trust amongst parties. Typically, unstable cryptocurrency is required to fund a smart contract, however, cryptocurrency is inherently volatile making it a poor choice for transmitting or receiving payments or as a reliable store of value. Further, commercial enterprises remain dependent on cash to satisfy ordinary obligations such as tax, payroll, suppliers etc.

Ettle solves this problem by making it possible to use cash on the blockchain via a fully collateralised, audited and transparent treasury. The ability for recipients to redeem the underlying cash from the treasury through a seamless process to fulfil financial and commercial obligations is fundamental to enabling the adoption of blockchain as a transaction medium for traditional commercial transactions.

Using cash with smart contracts opens the door to a new age of automated payment systems and processes that could benefit from the security, efficiency and immutability of blockchain transactions. For example, programmable escrow payments, trust accounts, settlements, annuity payments etc. can utilise smart contracts that can be programmed to execute automatically, removing the fees charged by third party custodians.

In addition, the payment of goods and services tax – now applicable to NFTs - can be fully automated at the point of sale reducing the administrative burden on business entities and providing a highly efficient and scalable platform for growth.

Decentralised Applications (DApps)

By enabling the use of real cash on the blockchain, Ettle eliminates the problem of volatility that is synonymous with cryptocurrency and makes it possible for the vast benefits of blockchain technology to be realised by fintech platforms and their users. AUDE is the critical bridge between traditional commerce and the emerging blockchain economy.

Thousands of decentralised applications (DApps) are either in development or now going live. The ability to execute smart contracts on the blockchain with guaranteed, programmable and immutable outcomes has inspired a generation of innovators to establish disruptive technologies in all industries and aspects of life. However, adoption of DApps is still limited to the crypto-savvy and the full benefits and potential are yet to be fully realised.

Cash on and off ramps (to the Blockchain) are necessary for broader level adoption of DApps. The ability to pay platform fees, centralised partners and execute smart contracts using cash removes a key barrier for new entrants. Further, the ability to use a stablecoin in smart contracts eliminates volatility exposure for participants within a decentralised network where incentives and payments are typically offered in volatile cryptocurrency.

Summary

Ettle is poised to become a critical pathway for new users entering the blockchain ecosystem and through the use of AUDE can offer Australian investors accessibility to global trading platforms and applications without the need to hop-scotch across multiple exchanges, bank accounts and tokens.

Partnering with fully regulated Australian banking institutions places Ettle in a unique position as one of the very few cash-backed stablecoins with a fully bank reserved treasury. The Terra collapse has highlighted how critical it is for cash-backed fully reserved and audited stablecoins to operate within the blockchain ecosystem. Ettle is well positioned to service this fast-growing need.