

Introduction

Volatility is great for traders and exchanges, and volatility in cryptoassets has driven huge growth for all trading platforms over the past year. This growth has created a need for scalable and stable cryptoassets for both traders and exchanges to trade against. Existing solutions involve significant centralization or have struggled to scale to meet demand. Haven solves both of these issues through the creation of a decentralized payment network. A stablecoin that scales while avoiding the risks of centralized off-chain assets will be a huge benefit for the entire trading ecosystem. It will provide fast interexchange settlement, stable trading against ERC-20 assets, and a safe place to park value without the need to settle into fiat. Haven has made significant progress in deploying our network since the completion of the token sale (the largest in Australia at USD\$30m) in February 2018. The network is built on the Ethereum blockchain and it employs two tokens, both of which are ERC20 compatible. The Haven network has been released as an open source protocol so that anyone can integrate with it, including exchanges and decentralised platforms.

Mechanism

Creating a stable cryptocurrency presents numerous challenges, but the most difficult aspect is scalability. A stable asset with a circulating supply of less than \$50m is effectively useless for major exchanges.

Haven solves the scaling problem with the same approach used by closed loop payment networks, which involves charging fees on transactions as well as hedging fees for idle balances. These fees are paid to users who collateralise the network and provide stability.

The reason this approach is more scalable than other asset backed solutions is that the fees from the network provide a direct incentive for users to stake their haven tokens to issue nUSD (the haven stablecoin). This means that as transaction volumes grow, the value of the haven token increases, which allows for the issuance of more nUSD. Using network fees to create a virtuous cycle has been successful in the past, with examples ranging from American Express to Paypal. The difference between these proprietary systems and Haven is that there is no requirement for a central authority within the Haven network.

In order to issue nUSD, haven holders must first lock their haven tokens into a smart contract. This ensures that users transacting with nUSD have confidence that the system is fully collateralised at all times. Because both havens and nUSD are cryptoassets on the blockchain, users are able to see the current state of the system with full transparency. This also ensures the network is protected from censorship and that seizure of the collateral is impossible. For more details on the Haven mechanism please see our white paper.

Use Cases

There are many use cases for a decentralised stable cryptocurrency. Such a system has the ability to essentially replace every form of value transfer. Volatile currency is problematic for any time based contracts, positions or even general crypto payments. The use cases in these categories include crypto trading, insurance contracts, decentralised wagering, short term hedging, eCommerce and remittance. Looking at the benefits in more detail we can highlight some obvious benefits. Any form of remittance could use a stablecoin, but it is particularly important for cases of global remittance (e.g. B2B remittance), as the larger the transaction amount, the more the counterparty is exposed to price risk. E-commerce is another industry that would greatly benefit from a stablecoin, as it would continue to grow the existing relationship between cryptocurrency and online payments. Several online payment platforms have already accepted bitcoin in some cases, but many of them ceased this practice once it became clear that its value was too volatile for many everyday uses.

The cryptocurrency ecosystem also has a critical need for a scalable stablecoin. There are several specific industries within the ecosystem that struggle to function efficiently without one. These include platforms like decentralised wagering. In wagering, any fluctuation in the cryptocurrency price may erase gains made on the wager. Any platform that requires an initial locking up of value and the potential for a future release, such as wagering or insurance, requires protection from volatility. Additionally, ICOs are usually funded in BTC or ETH, which both have dynamic values. This is not ideal because a protocol could raise funds in an ICO that dramatically reduces in value soon afterwards, creating an undesirable discrepancy between value contributed and value retained.

Token Sale Details

Successfully reached hard cap of USD\$30m

USD\$26m raised in pre-sale, 26-27 February, 2018

USD\$4m raised in token sale, 28th February, closed in 90 minutes

Investors include BlockTower, Blockasset, GBIC, Alphablock, Astronaut Capital, Divergence Digital Currency Fund, Alphacoin, XBTO, Tokenstack, Block0, YouBi Capital and OGroup

Australia's largest token sale

120,000 members in Telegram during the sale (largest crypto Telegram community in the world)

Over 24,000 whitelisted for the sale

Compulsory KYC/AML through Tokensoft.io on all participants in the sale

Token sale purchasers were capped at USD\$5000

All tokens were distributed within two weeks after the sale

Post Token Sale

Since the sale we've focused on technical delivery, new partnerships, and engaging our community. We have committed to delivering on the milestones outlined in our roadmap. Within a week of distributing tokens, a trial version of nomins was launched on Ropsten testnet. Within two weeks of distributing tokens, havvens (HAV) were listed on several exchanges, including KuCoin, QRYPTOS, CoinSpot, and Radar Relay. We have announced partnerships for haven-backed nomins (nUSD) to be used on a variety of protocols, including MARKET Protocol, intimate.io, Swapy, and more. The first iteration of nomins, ether-backed nomins (eUSD), was released on 11 April. The Haven eStore provided a proof of concept for the use of nomins to purchase goods online, demonstrating a tangible use case for a stablecoin. The launch of nUSD on 11 June, the issuance of which is initially limited to the Haven Foundation and key partners, demonstrates our focus on executing quickly to enable rapid adoption.

2018 Roadmap

The incremental launch of nUSD will allow the Haven team to extract data that will assist in the continuing rollout of the network, specifically around market dynamics and the implementation of the stability mechanism. It is anticipated that the issuance of nUSD will be expanded to all haven-holders in Q3 2018, and that once the full release of nUSD is complete, exchanges and other platforms will be able to integrate with the Haven network. By the end of the year, once the nUSD system has proven stable, the foundation will seek to enable multi-currencies. The additional currencies are likely to be nEURO, nKRW, nAUD, nJPY, and nGBP.

The Team

The Haven team is a multidisciplinary group with proven ability to deliver complex solutions in both traditional and crypto businesses. In addition to founding Haven, Kain Warwick is also the Co-Founder and CEO of blueshyft, a retail payment network of over 1200 locations across Australia. blueshyft has become the largest cryptocurrency payment gateway in Australia, processing tens of millions of dollars in transaction volume.

Conclusion

Haven is well positioned as one of the most likely projects to create a scalable stablecoin in 2018 and beyond. Haven's unique stabilisation mechanism and project momentum will provide significant competitive advantages over other projects in the space.