VALOBIT

WHITEPAPER

EXECUTIVE SUMMARY: VALOBIT - PIONEERING DECENTRALIZED INNOVATION:

Valobit is an avant-garde blockchain platform poised to transform the landscape of decentralized technologies, offering a paradigm shift in how businesses and developers engage with this disruptive realm. Our platform, founded on a Proof of Stake (PoS) consensus algorithm, delivers unmatched scalability, security, and adaptability, ushering in the next era of decentralized applications (DApps).

VISION AND MISSION:

At Valobit, our vision is nothing short of a truly decentralized ecosystem, empowering both users and developers to fully harness the extraordinary potential of blockchain technology. Our mission revolves around providing a robust, high-performance platform that nurtures innovation, accelerates adoption, and reshapes the decentralized application arena.

KEY FEATURES:

1. SCALABILITY: Valobit's sophisticated architecture can sustain up to 1,000 transactions per second, effectively addressing one of the most pressing limitations that currently plagues blockchain networks. This remarkable scalability ensures DApps can process substantial transaction volumes without compromising performance.

2. SECURITY: We prioritize security with a fervor, leveraging state-of-the-art cryptographic techniques. Valobit assures the highest level of security for transactions, data storage, and smart contracts, fostering an environment of tamper-proof integrity for all users..

3. INTEROPERABILITY: Valobit ardently embraces interoperability by seamlessly integrating with other blockchain platforms. This unlocks boundless opportunities for users to engage in cross-chain transactions and data sharing, ushering in a new era of innovative cross-chain applications.

4. DECENTRALIZATION: At the core of Valobit lies the essence of decentralization. We diligently distribute control among participants, effectively eliminating the need for intermediaries. This empowers trustless interactions within our platform, reinforcing the principles of blockchain technology.

DEVELOPER-CENTRIC APPROACH: Valobit champions developers, positioning them at the forefront of our ecosystem. By offering support for popular programming languages like Solidity, Vyper, Java, and C/C++, we embolden developers to craft intricate smart contracts and DApps catering to a diverse array of use cases.

DAPPS ECOSYSTEM: Our platform provides a fertile environment for DApps spanning various sectors, including finance, gaming, supply chain, and more, to flourish. Valobit Chain serves as the launchpad for developers to deploy their applications, nurturing the growth of a robust DApps ecosystem.

INNOVATION AND FUTURE ROADMAP: Valobit is steadfastly committed to perpetual innovation. Our roadmap boasts the launch of groundbreaking products such as a Decentralized Exchange Platform, DeFi Aggregator, Flash Loan, Arbitrage bot, Bridge, Multivendor Online Shopping System, and Blockchain Authenticator, each offering unique functionalities and value to our users. In addition, we actively seek partnerships, integrations, and scalability solutions to maintain our leadership in the dynamic blockchain technology landscape.

CHALLENGES AND SOLUTIONS IN THE BLOCKCHAIN INDUSTRY:

The cryptocurrency sector, known for its innovation and promise, has faced a spectrum of challenges over time. Here are some of these issues and how Valobit is tackling them head-on:

CHALLENGE 1: VOLATILITY

Cryptocurrencies are known for their rapid and unpredictable price fluctuations, which can hinder their use as stable stores of value and for traditional financial transactions

VALOBIT'S SOLUTION: VOLATILITY MANAGEMENT

We introduce VUSD, a Stablecoin backed by the US Dollar (USD). This strategic move stabilizes day-to-day transactions, enhancing predictability and reliability.

CHALLENGE 2: SECURITY CONCERNS

Cybersecurity is a major concern in the cryptocurrency world, with hacks, scams, and phishing attacks leading to substantial losses

VALOBIT'S SOLUTION: ENHANCED SECURITY

We combat this challenge with the Valobit Authenticator, a high-end security tool that fortifies access security. Our stringent security protocols, including multi-factor authentication and regular audits, ensure the safety of user assets. Our decentralized exchange platforms further reduce risks associated with centralized exchanges.

CHALLENGE 3: LACK OF ADOPTION

Despite their potential, cryptocurrencies face slow adoption due to usability issues, regulatory complexities, and limited merchant acceptance.

VALOBIT'S SOLUTION: INCREASED ADOPTION EFFORTS

Valobit pioneers the world's first Multivendor Online Shopping system, driving merchant acceptance of blockchain technology. We prioritize user-friendly interfaces to make cryptocurrency accessible to non-technical users.

CHALLENGE 4: ENERGY CONSUMPTION

Energy-intensive Proof of Work (PoW) consensus mechanisms raise environmental concerns due to their substantial computational power requirements.

VALOBIT'S SOLUTION: ENERGY EFFICIENCY

Energy-intensive Proof of Work (PoW) consensus mechanisms raise environmental concerns due to their substantial computational power requirements.

CHALLENGE 5: INTEROPERABILITY

Limited interoperability between different blockchains hinders seamless asset and data transfer across networks.

VALOBIT'S SOLUTION: INTEROPERABILITY ENHANCEMENT

Limited interoperability between different blockchains hinders seamless asset and data transfer across networks.

CHALLENGE 6: CENTRALIZATION CONCERNS

Certain aspects of the cryptocurrency industry have become centralized, raising concerns about concentration of power.

VALOBIT'S SOLUTION: DECENTRALIZATION STRATEGY

We implement a PoS-based mechanism with rotating Validators, ensuring a democratic voting system and preventing excessive concentration of power.

CHALLENGE 7: USER EXPERIENCE

Navigating cryptocurrency platforms and wallets can be complex, especially for newcomers.

VALOBIT'S SOLUTION: ENHANCED USER EXPERIENCE

We prioritize user-centric design, creating intuitive interfaces and platforms that welcome and guide new users, making cryptocurrency engagement accessible to all.

CHALLENGE 8: EDUCATIONAL BARRIERS

Understanding cryptocurrencies often requires technical knowledge, and limited access to educational resources hinders mainstream adoption.

VALOBIT'S SOLUTION: EDUCATION AND AWARENESS:

Valobit is committed to offering accessible educational materials on cryptocurrencies and blockchain technology, bridging the knowledge gap and fostering understanding.

The blockchain sector is continuously evolving, and Valobit, as an innovative blockchain entity, is pioneering solutions to overcome these challenges. Together, we are building a more secure, efficient, and accessible ecosystem that promotes widespread adoption and fuels innovation.

VALOBIT:

Valobit is built on a Proof of Stake (PoS) consensus mechanism and uses excellent architecture that allows it to be compatible with the Ethereum network while also providing faster transaction speeds and lower transaction fees.

Design Principles:

Outlined below are the core design principles of the Valobit chain:

Standalone Blockchain: Valobit (VBIT) functions as an autonomous blockchain, encompassing essential technical and business functionalities within its structure. This design enables it to operate efficiently without relying on external dependencies.

Ethereum Compatibility: Acknowledging Ethereum as a prominent and widely-used Smart Contract platform, the Valobit chain strives for compatibility. By aligning with the existing Ethereum mainnet, Valobit leverages the mature applications and vibrant community associated with Ethereum. This compatibility ensures that most dApps, ecosystem components, and tools can function with Valobit with minimal or no modifications. Running and managing a Valobit node requires comparable hardware specifications and skills as Ethereum, allowing for future upgrades to be incorporated.

Staking-Driven Consensus and Governance: Adopting a consensus mechanism rooted in staking contributes to environmental sustainability and enhances community-driven governance. This consensus approach is anticipated to result in improved network performance compared to traditional proof-of-work blockchains. Valobit aims for faster block times and higher transaction capacities.

Native Cross-Chain Communication: Valobit chain is designed to intrinsically support cross-chain communication with other evm networks. This communication protocol is characterized by its decentralized, bi-directional, and trustless nature. While emphasizing asset movement, the protocol considers minimal data exchange between the blockchains, with only a few specified exceptions.

The Valobit chain, guided by these principles, aims to provide a robust and forward- looking blockchain ecosystem that is technologically advanced, compatible with existing platforms, and designed for optimal performance, sustainability, and interoperability.

CONSENSUS AND VALIDATOR QUORUM

Derived from the previously outlined design principles, the consensus protocol within Valobit (VBIT) aims to accomplish the following objectives:

Reduced Block Time: The block time is set to be shorter than that of the Ethereum network, potentially around 5 seconds or even briefer.

Swift Transaction Finality: Emphasis is placed on achieving rapid confirmation of transaction finality, targeting a duration of approximately 1 minute or less.

Native Token Stance: The native token, VBIT, avoids inflation. Block rewards stem from transaction fees and are disbursed in VBIT.

EVM Compatibility: The protocol endeavors to maintain compatibility with EVM systems, ensuring seamless interaction and interoperability.

Modernized Proof-of-Stake Governance: The consensus mechanism embraces contemporary Proof-of-Stake blockchain network governance principles.

PROOF OF STAKE

Despite its effectiveness in establishing decentralized networks, Proof-of-Work (PoW) is marred by its environmental unfriendliness and the necessity for a substantial participant base to ensure security. In contrast, several blockchain networks like Ethereum and others such as MATIC Bor, TOMOChain, GoChain, and xDAI have embraced Proof-of-Authority (PoA) or its variants in various scenarios spanning testnets to mainnets. PoA mitigates 51% attacks, enhances efficiency, and displays resilience against a certain degree of Byzantine actors (malicious or compromised). It emerges as an appealing choice for foundational infrastructure.
However, PoA protocol is criticized for its lesser decentralization compared to PoW. This stems from the concentration of authority among validators, the nodes responsible for block production, rendering them susceptible to corruption and security breaches. To address this, other blockchains like EOS and Lisk have introduced Delegated Proof of Stake (DPoS) mechanisms, empowering token holders to vote for and elect validators. This approach elevates decentralization and promotes community-driven governance.

When utilizing the buttons for actions like removal, discarding pending items, or proposing a validator, the application will initiate an API request solely to the chosen node from the provided dropdown. Therefore, to add or remove a validator, it's necessary to individually select a majority of the existing validator pool and execute the vote API call by clicking the designated button. Additionally, please be aware that voting calls originating from non-validator nodes will not influence the overall consensus.

Upon proposing or removing a validator, the entry under the "Pending Votes" section will not be automatically eliminated. It is possible for each node to initiate a discard of the voting process, either during or after the validator has been successfully added.

Fig: - Shows the panel to propose and vote to add validator

Fig:- Shows the panel to discard the Proposed validator

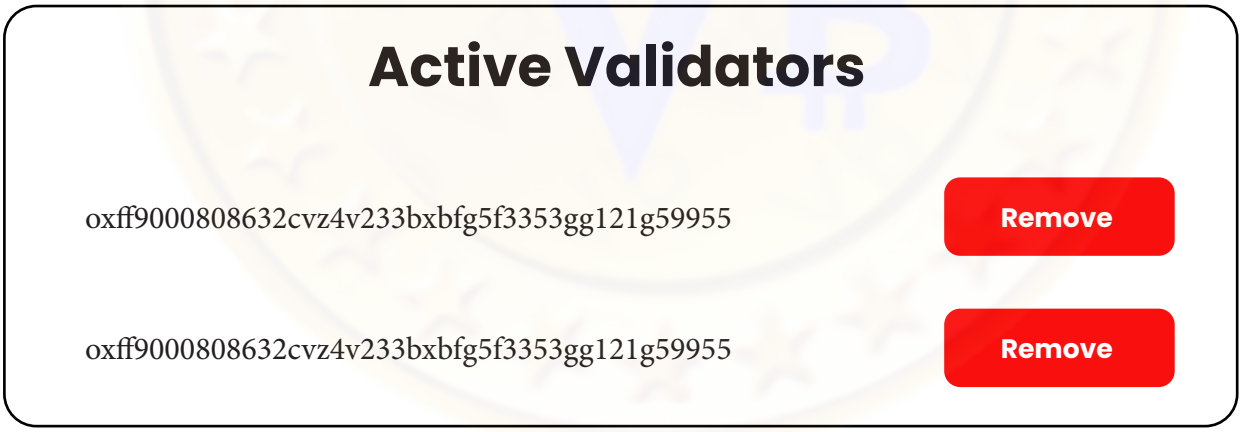


Fig:- Remove Validator by means of voting

Within this context, Valobit Chain (VBIT) proposes a hybrid consensus combining DPoS and PoA. This design incorporates the following elements:

1. A limited group of validators generates blocks.
2. Validators take turns creating blocks akin to Ethereum's Clique consensus model.
3. The validator set undergoes dynamic election based on staking-oriented governance.

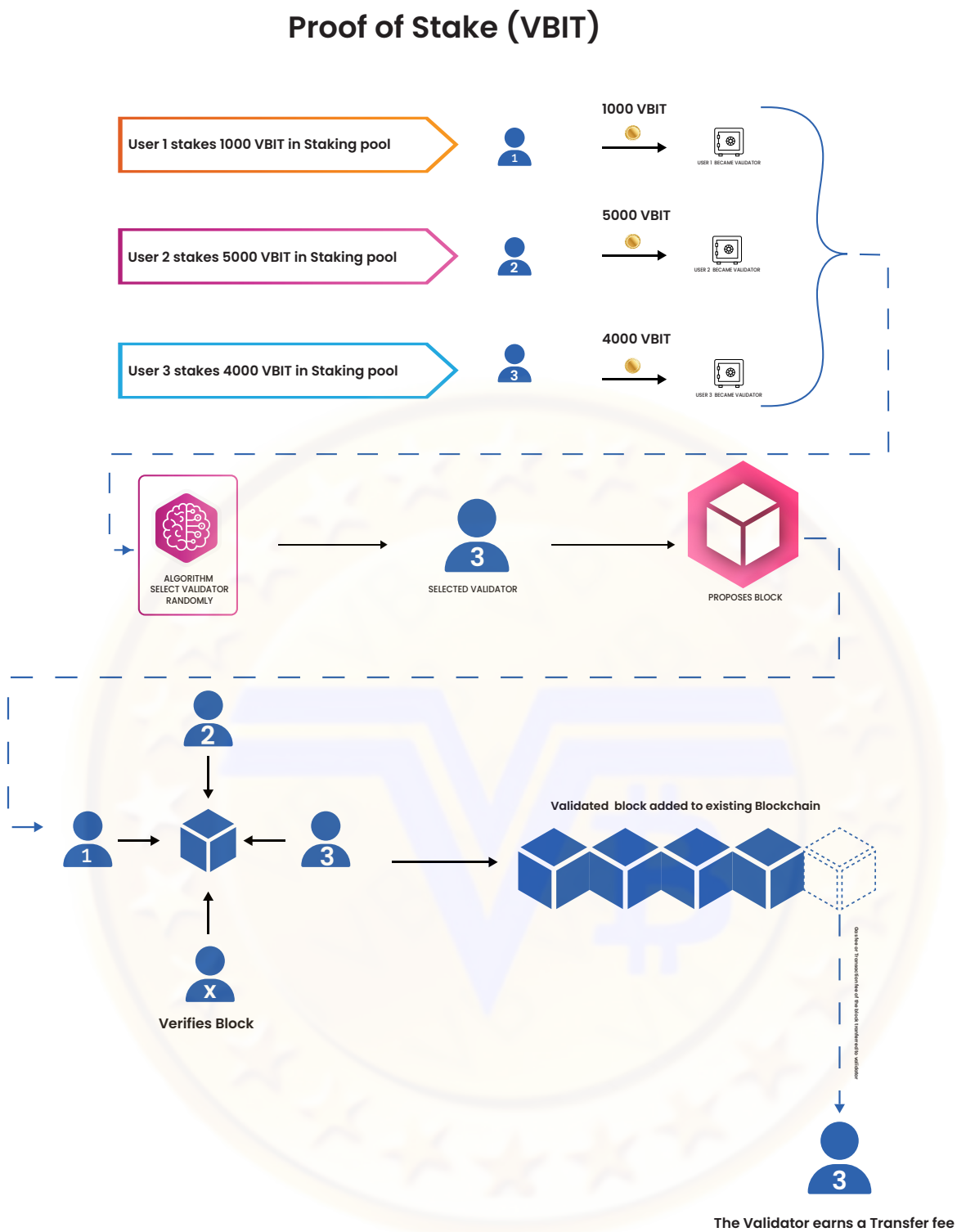
VALIDATOR QUORUM

In the genesis phase, a handful of trusted nodes assume roles in the initial Validator Set. Upon commencement of block production, any participant can compete as a candidate to join this set. Selection hinges on staking status, with the top 21 nodes holding the highest stakes forming the next validator set. This election process recurs every 24 hours.

The native token, VBIT, serves as the staking medium for VALOBIT Chain.

A dedicated staking module for Valobit facilitates VBIT staking by holders and calculates the most heavily staked nodes. At each UTC midnight, Valobit generates a verifiable message called ValidatorSetUpdate, notifying VAlobit chain to refresh its validator set.

As the Valobit validators continue producing blocks, they periodically check for incoming ValidatorSetUpdate message. Upon detection, they update the validator set after an epoch period—a predefined block count. For instance, if Valobit generates blocks every 5 seconds and the epoch period spans 240 blocks, the current validator set revises itself for the next epoch over a duration of 1200 seconds (20 minutes).



SECURITY AND FINALITY

For PoA-based networks to operate securely and effectively, it's essential that more than half, specifically ½*N+1, of the validators act honestly. Nevertheless, situations can arise where a certain number of Byzantine validators attempt to compromise the network, such as through the "Clone Attack." To ensure a level of security, Valobit advises its users to exercise patience until blocks sealed by over ⅔*N+1 distinct validators are received. By doing so, Valobit attains a comparable security level and withstands the influence of less than ⅓*N Byzantine validators.

In the context of 21 validators and a 5-second block time, obtaining the required ⅔*N+1 distinct validator seals necessitates a time frame of (⅔*21+1)*5 = 75 seconds. For critical Valobit applications, waiting for this validation threshold (⅔*N+1) becomes crucial to achieve relatively secure finality. In addition to this mechanism, Valobit introduces a Slashing logic to penalize Byzantine validators engaging in actions like double signing or being consistently unavailable. More details about this mechanism will be covered in the "Staking and Governance" section. The Slashing logic swiftly identifies malicious validators, significantly diminishing the viability and benefits of executing a "Clone Attack." With this enhancement, confirming most transactions becomes feasible with just ½*N+1 or even fewer blocks.

REWARD SYSTEM

Every validator being a part of the Valobit validator set receives rewards in the form of transaction fees denominated in VBIT. Unlike inflationary tokens such as those on the Bitcoin and Ethereum networks, VBIT doesn't generate mining rewards, instead it uses gas fee to reward validators. As VBIT also functions as a utility token

with other use cases, both delegators and validators continue to enjoy additional benefits from holding VBIT.

A portion of the gas fees also gets distributed as rewards to re-layers responsible for facilitating the transaction on next block.

TRANSACTION AND FEE

Each transaction recorded on the blockchain incurs the expenses of downloading and verifying it. To curb potential misuse, the establishment of a regulatory mechanism is imperative. Typically, this involves the application of transaction fees. In the Bitcoin network, the prevailing approach is to rely on voluntary fees. This hinges on Validators playing the role of gatekeepers and establishing dynamic minimums. This market-driven method allows prices to be determined by the equilibrium between supply and demand. It has garnered significant support from the Bitcoin community. However, this rationale contains a fundamental issue. Transaction processing is not akin to a marketplace. While it might appear appealing to view transaction processing as a service provided by Validators to senders, it necessitates that every transaction included by Validators undergo processing by all nodes in the network. Consequently, the majority of the expenses associated with transaction processing are borne by third parties, rather than the miner themselves. Consequently, the potential for tragedy-of- the-commons scenarios becomes quite likely.

TRANSACTION AND FEE

This shortcoming in market-based mechanisms becomes inconspicuous when an incorrect simplifying assumption is introduced. This argument can be summarized as follows:
Transactions lead to k operations. A reward of kR is offered to any Validator who includes it, with R set by the sender. Both R and k are approximately visible to the Validator prior to the transaction.
A single operation costs C per node (assuming uniform efficiency among all nodes). There are N Validators, each with identical processing power (i.e., 1/N of the total). No full-mining non-mining nodes are present.
If the expected reward exceeds the cost, a Validator will process the transaction. The anticipated reward for a Validator is 1/N, as they have a 1/N chance to process the next block. The processing cost for the miner is C/K. Consequently, Validators are inclined to include transactions where kR/N > kC or R > NC. In this context, R signifies the sender's per-operation fee, constituting the minimum advantage derived from the transaction. N denotes the overall network cost of processing an operation. This incentive drives Validators to incorporate transactions that yield greater total utilitarian value than the associated cost.

However, practical scenarios diverge from these assumptions in several significant ways:

Due to additional verification time impacting block propagation and increasing the risk of stale blocks, Validators are required to bear higher processing costs compared to other verification nodes.

Large Bitcoin block sizes face disincentives due to longer propagation times and a heightened risk of becoming stale.

High-gas-consuming blocks on D-Chain experience extended propagation durations owing to the need for lengthier transaction state transitions and validation processes.

The delay disincentive holds substantial weight in Bitcoin but less so in D-Chain due to the GHOST protocol.

Consequently, relying on regulated block limits offers a dependable foundation for stability.

DUAL ALLOCATION MECHANISM:

The Vbit Chain operates on a unique economic model where Validator rewards play a crucial role in maintaining the network's integrity and sustainability. Gas fees, incurred by users when executing transactions or interacting with smart contracts, serve a dual purpose in the Vbit Chain ecosystem.

When users engage in transactions or utilize smart contracts on the Vbit Chain, a portion of the fees associated with these actions is allocated to the network's validators. Validators are integral to the consensus and security of the Vbit Chain, as they are responsible for confirming transactions and producing new blocks. By rewarding validators with a portion of the collected gas fees, the Vbit Chain incentivizes their active participation and contribution to the network's operations. This allocation acknowledges their commitment to maintaining the chain's reliability and functionality.

However, the innovative approach of the Vbit Chain doesn't stop there. The other half of the gas fees collected from transactions takes a distinct path. Instead of being entirely allocated to validators, this portion is directed toward a burn address. A burn address is a specialized destination that is designed to permanently remove the tokens sent to it from circulation. In the context of the Vbit Chain, sending half of the gas fees to a burn address effectively reduces the overall supply of tokens in circulation over time.

By implementing this dual allocation mechanism for gas fees, the Vbit Chain achieves a delicate balance between incentivizing validators and promoting deflationary forces within its ecosystem. While validators are rewarded for their essential role in upholding the network's functionality, the reduction in token supply through the burn mechanism contributes to the potential appreciation of the tokens over time. This deflationary aspect can have various effects on the value and utility of the Vbit Chain's native tokens, influencing factors such as scarcity, demand, and overall tokenomics.

Native Token :

Similar to ETH functions as the native token of Ethereum, VBIT holds the position of the "native token" to Valobit network. In addition to its role in covering fees on Valobit Chain. VBIT plays a vital role in other aspects, including:

SMART CONTRACT DEPLOYMENT FEES: VBIT serves as the means to pay fees associated with deploying smart contracts on the Valobit network.

VALIDATOR STAKING AND REWARDS: Valobit chain alows Validators to stake by using VBIT and also issue VBIT as rewards.

CROSS-CHAIN OPERATIONS: Valobit supports cross-chain activities, allowing users to transfer token assets seamlessly between other EVMs

CROSS-CHAIN TRANSFER AND COMMUNICATION

The core of the community's ability to leverage the dual-chain structure lies in cross- chain communication. This empowers users to engage in various tokenization endeavors, establish financial products, and create digital assets on Valobit according to their preferences. Notably:

Token Circulation: Assets on Valobit can be freely traded and circulated leveraging the latter's advantageous features like stability, high throughput, rapid transaction processing, and user-friendliness.
Unified User Experience: Users gain the convenience of managing their activities within a unified UI and tooling ecosystem.

CROSS-CHAIN TRANSFER

At the heart of the interplay between two blockchains is cross-chain transfer, a mechanism enabling seamless communication. The process unfolds as follows:

TRANSFER-OUT BLOCKCHAIN: Assets owned by the source addresses are locked into controlled system addresses or contracts.

TRANSFER-IN BLOCKCHAIN: The locked assets are released from the system addresses/contracts and conveyed to designated target addresses.

For secure execution, the cross-chain transfer package message undergoes validation by both network involved. The validation verifies several critical aspects:

1. Sufficient tokens are withdrawn from the source address and locked in the system- controlled addresses/contracts on the source blockchain. Confirmation of this action takes place on the target blockchain.

2. Correct quantities of tokens are released from the system-controlled addresses/contracts and distributed to the target addresses on the target blockchain. Any discrepancies trigger verification, and if unsuccessful, the source blockchain confirms the failure, potentially leading to the release of locked tokens after deducting fees.

3. The total token circulation sum across both blockchains remains unchanged after the cross-chain transfer concludes, regardless of the transfer's success or failure. This stability maintains the integrity of the ecosystem's token supply.

In essence, VBIT's role as the native token ofValobit, coupled with the cross-chain communication framework, fosters a seamless user experience, promotes asset circulation, and ensures the secure and reliable movement of token assets between blockchains.

TIMEOUTS AND ERROR MANAGEMENT

Instances of failed cross-chain communication can arise due to various reasons, including coding errors in contracts. To address these scenarios, robust timeout and error handling mechanisms are in place.

Recognizable user errors, expected exceptions, or system errors should ideally trigger self-correction within the two networks. For instance, if A to B transfer encounters an issue, B responds with a failure event and Oracle Relayers orchestrate a refund on A. Conversely, a failed B to A transfer leads to A generating a refund package for Relayers to execute, thereby unlocking the funds.

However, unexpected errors or exceptions may still emerge at any stage of cross- chain communication. Should this occur, Relayers and Oracle Relayers identify a

stuck cross-chain channel within a specific sequence. Following a defined Timeout duration, they can initiate a "SkipSequence" transaction, which flags the stalled sequence as "Unexecutable." This prompts corresponding alerts and necessitates community deliberation to determine suitable resolutions. Potential approaches might involve reimbursement through validator sponsors or addressing the matter during a subsequent network upgrade.

ENHANCING CROSS-CHAIN USER EXPERIENCE

The ultimate aim is to provide users with a seamless experience across the two parallel chains, much like using a single chain. Achieving this level of fluidity necessitates the incorporation of more aggregated transaction types into cross-chain communication. However, this endeavor introduces complexities, tight interdependencies, and ongoing maintenance burdens. To strike a balance, A and B focus on implementing fundamental operations that facilitate value transfer during their initial launch. The bulk of user experience enhancements are offloaded to the client-side user interfaces, particularly wallets.

For instance, a sophisticated wallet could empower users to directly sell a token from B onto C's DEX order book, all while ensuring security measures are upheld. By adopting this approach, the networks simplify their core functionalities, minimizing the intricacies involved in attempting to unify every aspect of user interaction across the two chains.

CROSS-CHAIN CONTRACT EVENT (CCCE)

The Cross-Chain Contract Event (CCCE) framework introduces the capability for a smart contract to initiate cross-chain transactions directly from its code. This functionality is achieved through the following elements:

1.Standard System Contracts: Standard system contracts are provided to enable operations that can be invoked by general smart contracts.

2.Standard Events: Standard events are emitted by these standardized contracts.

3.Oracle Relayer Involvement: Oracle Relayers capture the standard events and trigger the corresponding cross-chain operations based on them.

4.Contract Address on Destinated Chain (CAoDC): A dedicated, code-controlled address (account) is established on Desitanted chain, accessible by contracts on the VBIT network. This address, referred to as "Contract Address on Destinated Chain," facilitates the interaction between the two chains.

STAKING AND GOVERNANCE: A DECENTRALIZED VISION:

At Valobit, our Proof of Staked Authority (PoSA) consensus mechanism is a testament to our commitment to decentralization and community engagement. This groundbreaking approach mirrors the best practices observed in networks like Cosmos and EOS, offering a solid foundation for a thriving ecosystem.

KEY COMPONENTS OF POSA:

Here are the core principles that define our PoSA consensus mechanism:

1. TOKEN BONDING:

Our platform empowers token holders, including validators, to "bond" their tokens through staking. This unique feature allows token holders to "delegate" their tokens to any validator or validator candidate. They do so with the expectation that the candidate may ascend to become a validator. Token holders maintain the flexibility to "re-delegate" their tokens to different validators or candidates, providing them with a sense of control and choice.

2. VALIDATOR RANKING:

In the spirit of transparency and fairness, all validator candidates are ranked based on the quantity of bonded tokens associated with them. This ranking system ensures that the most trustworthy and capable candidates rise to the top, becoming genuine validators.

3. REWARDS DISTRIBUTION:

Validators in our ecosystem have the remarkable ability to distribute a portion of their block rewards to their delegators. This practice promotes a sense of community and collaboration, as validators and delegators mutually benefit from their participation in the network.

4. SLASHING MECHANISM:

To maintain the integrity of our network, we've implemented a Slashing mechanism. This serves as a strong deterrent against misconduct such as double signing or operational instability, ensuring that validators act with utmost responsibility.

5. UNBONDING PERIOD:

Validators and delegators in the Valobit ecosystem adhere to an "unbonding period." This period is designed to safeguard the network's stability, even in the face of wrongdoing. During this duration, any implicated party may face token deductions as part of the penalty, reinforcing our commitment to accountability.

The synergy of these mechanisms within the Proof of Staked Authority enriches our network with decentralization and empowers our community to actively shape the network's governance and operation. While inspired by successful models in other networks, our approach is tailored to the unique needs and objectives of the Valobit ecosystem. This is not just a blockchain; it's a community-driven revolution.

STAKING ON VALOBIT:

1.Staking Token: Staking of minimum 1000 VBIT into the validator contract to become validator

2.Staking Actions and Records: Staking activities as well as their associated records will be recorded on contract.

3.Validator Set Determination: The Valobit validator set is determined through its staking and delegation logic. This mechanism is enabled by a staking module on Valobit, specifically tailored for Hack less environment.

4. Reward Distribution: The distribution of rewards occurs on VBIT around UTC 00:00 on a daily basis.

REWARD DISTRIBUTION

Both validator updates and reward distributions transpire daily at approximately UTC 00:00. This periodicity is designed to minimize the overhead of frequent staking updates and block reward distributions. Given that the blocking reward is accumulated on Valobit Validator contract and subsequently distributed to validators and delegators, a calculated delay is introduced to ensure fairness:

1.The blocking reward isn't instantly sent to validators but is aggregated within a contract.

2.Upon the arrival of the validator set update on Valobit, a series of cross-chain transfers is triggered to relocate rewards to custody addresses tied to corresponding validators. These custody addresses, controlled by the system, ensure that rewards cannot be spent until their committed distribution to delegators is executed.

3.To streamline synchronization and allow for slashing considerations, the reward for day N is exclusively distributed on day N+2. Following delegator rewards, the remaining portion is directed to validators' designated reward addresses.

INAVAILABILITY

The liveness of Valobit hinges on the timely block production of all participants within the Proof of Staked Authority validator set during their designated turns. Instances of missed turns can occur due to various factors such as hardware issues, software glitches, configurations, or network problems. This operational instability detrimentally impacts system performance and introduces unpredictability.

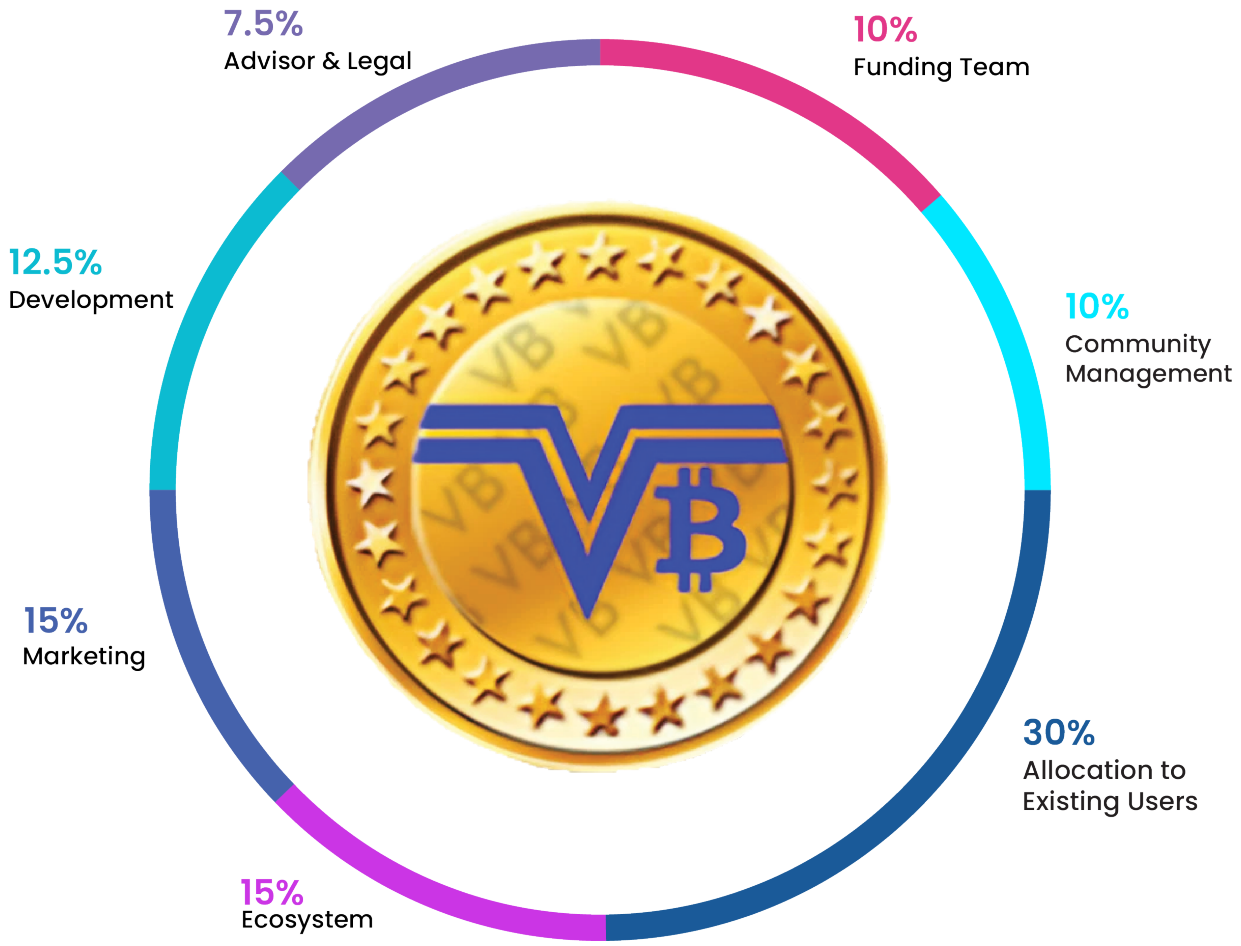
An internal smart contract is employed to record the missed block metrics for each validator. If these metrics surpass predefined thresholds, the blocking reward for the validator is not relayed on distribution. Instead, it's shared among better-performing validators. This approach gradually phases out poorly-operating validators from the set, as their delegators receive reduced or no rewards. If the metrics consistently breach a higher threshold, the validator is removed from rotation, with this information communicated. Consequently, a predetermined amount of VBIT is deducted from the validator's stakings as a penalty. Both validators and delegators do not receive staking rewards during this time.

GOVERNANCE PARAMETERS

Numerous system parameters regulate Valobit behavior, encompassing factors like slash amounts and cross-chain transfer fees. The Valobit Validator Set collectively determines these parameters through a proposal-vote process predicated on their staking.

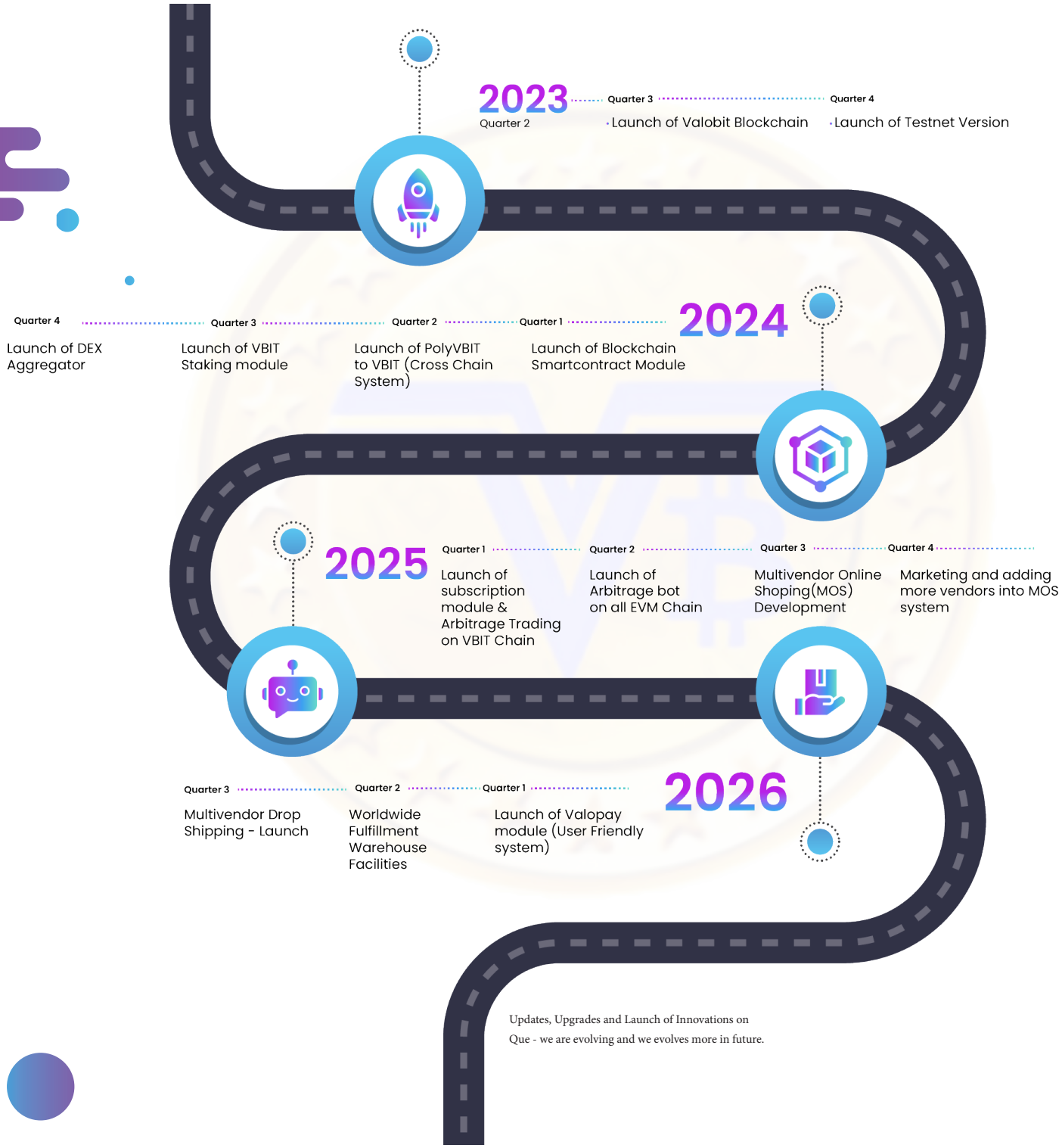
COIN ECONOMICS

Coin Name : Valobit | Ticker: VBIT | Coin Type: Utility Coin | Total Supply: 1.6 Billion (160 Crores)



TOTAL SUPPLY 16,00,000,000

ROADMAP



Updates, Upgrades and Launch of Innovations on Que - we are evolving and we evolves more in future.

UTILITY AND REAL-WORLD APPLICATION

Valobit's utility extends beyond the conventional, providing tangible benefits across finance, commerce, technology, and sustainability. By offering real-world solutions and fostering a dynamic community, Valobit is positioned to shape a future where VBIT becomes an integral part of everyday life. This white paper outlines the utility and real-world application of Valobit, a dynamic cryptocurrency designed to offer practical solutions and value to its users.

POLYVBIT TO VBIT:

Valobit, distinguished by its cross-chain compatibility and compatibility with the Ethereum Virtual Machine (EVM), facilitates the seamless conversion of PolyVBIT tokens from the Polygon chain. This conversion is achieved through the utilization of

a cross-chain bridge mechanism, enabling the transformation of PolyVBIT tokens into VBIT tokens on the Valobit chain.

VBIT STAKING MODULE:

VBIT presents a dedicated staking module, empowering users to securely stake their VBIT tokens. Through this module, participants have the opportunity to receive a substantial 200% return on their staked amount.

DEX EXCHANGE:

Valobit, a pioneering blockchain platform known for its cross-chain compatibility and innovative solutions, is set to revolutionize the trading landscape with the launch of its very own Decentralized Exchange (DEX) on the Valobit chain. This expansion doesn't stop at its native chain; Valobit's forward-thinking approach extends to supporting DEX operations across multiple chains as well.

The introduction of the Valobit DEX signifies a significant step forward in decentralized trading. With its decentralized nature, users will be able to trade directly from their wallets, eliminating the need to deposit funds onto an exchange and enhancing security. This user-centric approach aligns perfectly with Valobit's commitment to empowering its community.

Notably, Valobit's DEX will not be limited solely to its native chain. This visionary platform plans to bridge the gap between different blockchain ecosystems by supporting cross-chain swap mechanisms. This means users will have the ability to seamlessly trade assets across various chains, opening up a new realm of possibilities for asset diversification and portfolio management.

The cross-chain swap mechanism will enable users to efficiently exchange tokens between different blockchains without the need for intermediaries or extensive technical know-how. Valobit's dedication to ease of use and accessibility ensures that this mechanism will be user-friendly, even for those new to the concept of cross-chain trading.

With the launch of its DEX and the integration of cross-chain swap capabilities, Valobit is poised to reshape the way users perceive and engage in decentralized trading. By fostering interoperability and expanding its services across multiple chains, Valobit is not only embracing the future but actively shaping it by pushing the boundaries of what's possible in the world of blockchain-powered finance.

VALOBIT AGGREGATION PROTOCOL:

The Valobit Aggregation Protocol introduces a groundbreaking solution that streamlines and fortifies the process of swapping tokens. This protocol empowers users with the ability to execute swap transactions efficiently and securely, encompassing various liquidity sources within the Valobit ecosystem.

Central to this protocol is its capability to aggregate liquidity from diverse sources, resulting in a comprehensive pool of assets available for seamless swaps. Users can transact across multiple tokens without the need for intermediaries or complex processes, saving time and costs associated with navigating multiple platforms.

Security is a paramount concern, and the Valobit Aggregation Protocol addresses it robustly. Through its design, the protocol ensures that all swap transactions are executed in a trustless environment, minimizing risks and safeguarding users' assets.

Incorporating innovative technology, the protocol enhances price execution by utilizing advanced algorithms to determine the optimal routes for swaps. This minimizes slippage and maximizes the value users derive from their transactions.

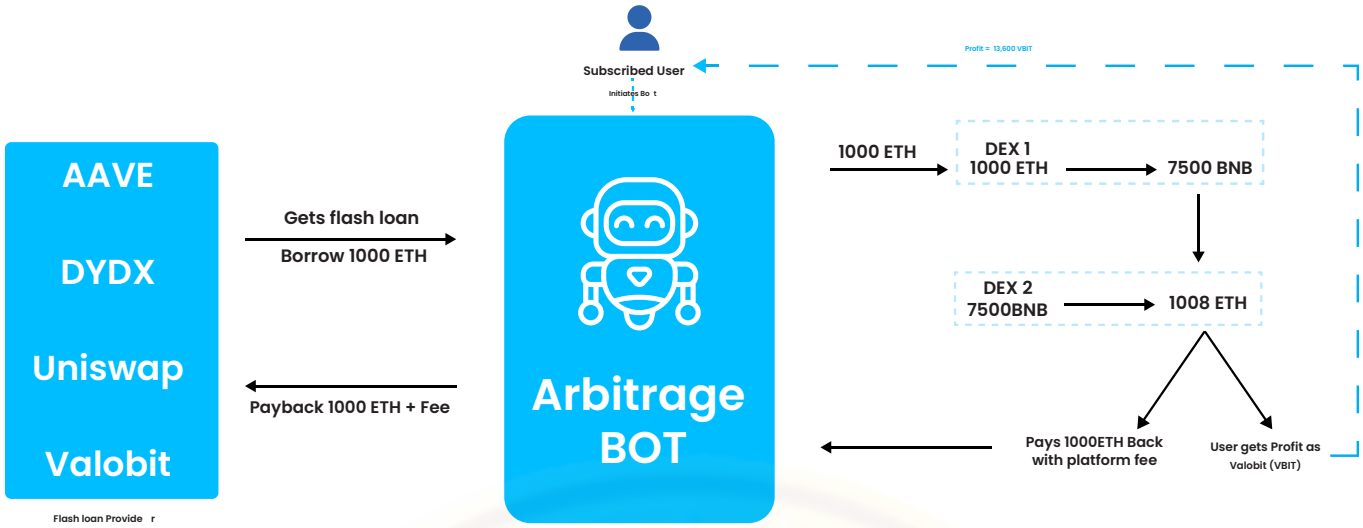
Ultimately, the Valobit Aggregation Protocol stands as a testament to our commitment to providing an intuitive, cost-effective, and secure trading experience within the Valobit ecosystem. By aggregating liquidity and prioritizing security, we're shaping a future where users can effortlessly navigate the dynamic landscape of token swaps while reaping the full benefits of their transactions.

VALOBIT FLASH LOAN WITH ARBITRAGE TRADING BOT:

In the realm of decentralized finance (DeFi), Valobit introduces a groundbreaking synergy between flash loans and an advanced arbitrage trading bot. This dynamic

combination presents a multitude of trading strategies, including simple arbitrage, triangular arbitrage, and multi-trade strategies, creating unparalleled opportunities for profit generation.

FLASH LOAN OF ARBITRAGE BOT



1. Simple Arbitrage Strategy:

The Valobit Flash Loan with Arbitrage Trading Bot unlocks the potential of simple arbitrage with precision and efficiency. The process involves:

1. Initiating a flash loan to acquire a substantial amount of funds.
2. Identifying a price disparity for the same asset across different exchanges.
3. Purchasing the asset from the exchange with the lower price.
4. Simultaneously selling the asset on the exchange with the higher price.
5. Repaying the flash loan along with a fraction of the profit, yielding net gains.

2. Triangular Arbitrage Strategy:

This strategy harnesses the power of three assets in a cyclical trading loop, optimizing price inefficiencies. The steps include:

1. Utilizing a flash loan to secure capital.
2. Converting Asset A to Asset B on Exchange 1.
3. Swapping Asset B to Asset C on Exchange 2.
4. Transforming Asset C back to Asset A on Exchange 3.
5. Repaying the flash loan, while retaining a portion of the profit.

3. Multi-Trade Strategy:

Valobit's arbitrage trading bot takes complexity in stride by facilitating multi-trade strategies. This involves a series of interconnected trades, executed swiftly and autonomously, to capitalize on a sequence of arbitrage opportunities across various tokens and exchanges. The steps encompass:

1. Deploying a flash loan to secure the necessary funds for multiple trades.
2. Identifying a sequence of favorable price discrepancies across different assets and exchanges.
3. Initiating a series of swift trades, exploiting each arbitrage opportunity within the sequence.
4. Settling each trade seamlessly and repaying the flash loan, accumulating profits.

The Valobit arbitrage trading bot takes customization to new heights:

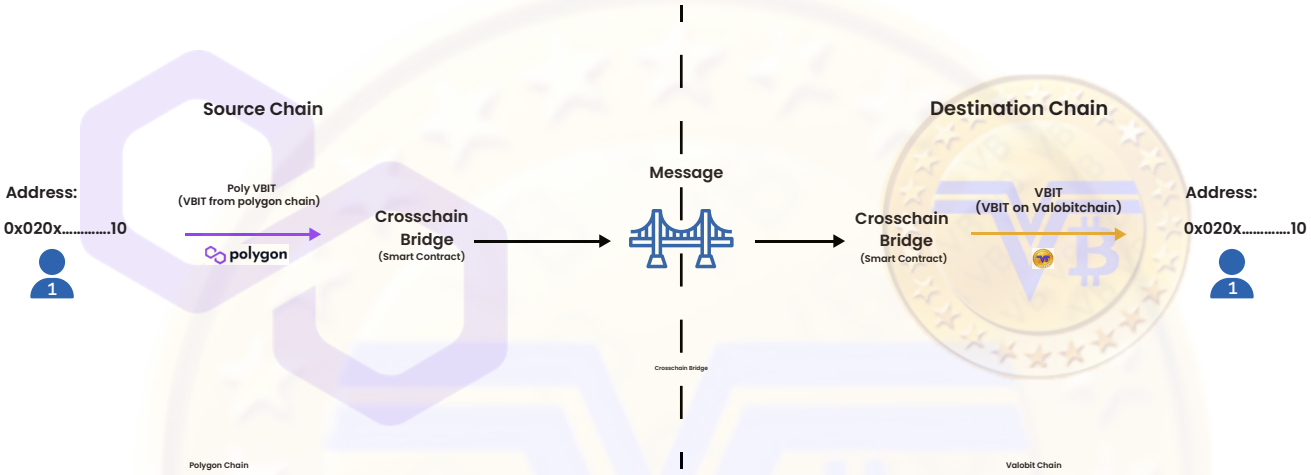
- Users can define their preferred trading pairs, exchanges, and profit thresholds.
- Real-time market data fuels the bot's decision-making process for optimal execution.
- Automated processes minimize latency, ensuring timely and precise trade executions.

By amalgamating flash loans with advanced arbitrage strategies, users gain access to a versatile toolkit that capitalizes on price inefficiencies across various assets and exchanges. This System will be available on all EVM's and will integrate almost all aggregator in the market. This dynamic synergy enhances profitability while maintaining a user-friendly and customizable approach. Valobit's innovation reshapes the landscape of arbitrage trading, empowering participants to navigate the decentralized finance world with confidence and success.

VALOBIT BRIDGE:

The Valobit Bridge is a groundbreaking technological infrastructure designed to bridge the gap between disparate blockchain networks, enabling seamless asset transfers and interoperability. Built on the principles of security, efficiency, and user- centricity, the Valobit Bridge empowers users to transact and exchange assets across different chains with confidence and ease.

CROSS CHAIN BRIDGE



Key Features:

1. Interoperability: The Valobit Bridge enables tokens and native coins to be moved seamlessly between different EVM blockchain networks, promoting interoperability and breaking down the silos that exist within the blockchain ecosystem.

2. Bidirectional Transfers: Users can initiate transfers of assets from Chain A to Chain B and vice versa, fostering a dynamic two-way movement of assets across blockchain networks.

3. Security and Trust: Security is paramount, and the Valobit Bridge ensures that asset transfers occur in a secure and trustless manner, safeguarding users' funds throughout the process.

4. Decentralized Custody: The bridge employs innovative solutions to ensure that custody of assets remains decentralized, preventing single points of failure and enhancing security.

5. Smart Contract Integration: Through the use of smart contracts, the Valobit Bridge orchestrates the movement of assets across networks, ensuring transparency and accountability in each transaction.

6. Efficiency: The Valobit Bridge optimizes the transfer process to minimize the time taken for asset movements, providing users with a seamless and swift experience.

7. User-Friendly Interface: Valobit prioritizes user experience, providing a user- friendly interface that guides users through the asset transfer process with clarity and simplicity.

8. Multi-Chain Support: The bridge supports connections to multiple chains, facilitating the movement of assets between a diverse range of blockchain networks.

Use Cases:

-Asset Cross-Movement: Users can move assets from one chain to another to access specific features or participate in different decentralized applications.
- Liquidity Optimization: Traders and liquidity providers can optimize their strategies by moving assets to where the best opportunities lie, capitalizing on yield farming and other DeFi activities.
- Asset Expansion: Projects can expand their token's reach by enabling it to exist on multiple blockchain networks, fostering broader adoption and utility.

Innovation and User Empowerment:

The Valobit Bridge showcases innovation by revolutionizing the concept of interoperability. It grants users unprecedented control over their assets, allowing them

to transcend the limitations of single blockchain networks and embrace the potential of a connected and versatile ecosystem.

VALOBIT AUTHENTICATOR:

The Valobit Authenticator is a cutting-edge security tool designed to fortify the authentication process within the Valobit ecosystem. This innovative solution aims to enhance user security and safeguard sensitive information while ensuring smooth access to various Valobit services and functionalities.

KEY FEATURES:

1. Two-Factor Authentication (2FA): The Valobit Authenticator adds an additional layer of security by requiring users to provide a secondary authentication code along with their regular credentials, mitigating the risk of unauthorized access.

2. Time-Based One-Time Passwords (TOTP): Utilizing TOTP, the Authenticator generates time-sensitive codes that users input during the login process, further reducing the likelihood of unauthorized entry.

3. Biometric Verification: The Authenticator leverages biometric verification methods, such as fingerprint or facial recognition, for added security and convenience.

4. Device Recognition: The tool identifies and records trusted devices, enhancing security by enabling seamless access from recognized devices while flagging unfamiliar devices for additional verification.

5. Recovery Codes: In case of lost devices or authentication methods, the Authenticator provides users with recovery codes, ensuring secure account retrieval.

6. User-Friendly Interface: Valobit prioritizes user experience, delivering an intuitive interface that guides users through the setup and usage of the Authenticator with ease.

Use Cases:

- Account Protection: By implementing the Valobit Authenticator, users can significantly reduce the risk of unauthorized access to their accounts, protecting their digital assets and personal information.

- Secure Transactions: The Authenticator can be integrated into transaction verification processes, adding an extra layer of security to sensitive operations.

- Access to Services: Access to various applications and its services and functionalities can be contingent on successful authentication through the Valobit Authenticator, ensuring that only authorized individuals can use the platform.

The Valobit Authenticator redefines security in applications where this authenticator is deployed. Through its multifaceted approach to authentication, it ensures that users can engage with confidence, knowing that their assets and data are shielded by state- of-the-art security measures.

MULTIVENDOR ONLINE SHOPPING PROVIDER

As globalization continues to rise, enabling individuals to purchase goods from distant countries, the integration of blockchain technology into multi-vendor shopping becomes imperative. This application will enhance both the speed of response and the security of the entire process. Valobit is addressing this need through two primary approaches:

UTILIZING BLOCKCHAIN FOR EFFICIENT E-COMMERCE

The process of order fulfillment acts as a vital bridge connecting product manufacturers and their customers. Within this framework, Valobit plays a pivotal role by receiving products from manufacturers, processing them, and subsequently dispatching these items to customers in accordance with their orders. To initiate this process, customers place their orders, which are then handled and executed by Valobit, culminating in the timely delivery of goods. The presence of dedicated warehouse facilities significantly expedites the delivery process, ensuring swift and efficient service.

1. Worldwide Fulfillment Warehouse Facilities: Valobit's warehousing facilities contribute to the swift distribution of goods to customers, bolstering the overall efficiency of the order fulfillment process. By having strategically located warehouses, Valobit ensures that customers receive their ordered items promptly, regardless of their geographic location.

2. Multivendor Dropshipping: In this innovative approach, Valobit collaborates directly with product manufacturers. Acting as an intermediary vendor, Valobit gathers customer orders and then communicates them to the respective product suppliers. Unlike the fulfillment option, Valobit does not physically handle the products. This strategy proves advantageous when the product supplier is in closer proximity to the customer than Valobit. Here, Valobit serves as an orchestrator, ensuring seamless order placement and fulfillment.

Empowering Global E-Commerce with Blockchain

Through the implementation of these two comprehensive services, Valobit seamlessly integrates the power of blockchain technology into the e-commerce landscape. The advantages are twofold: Owners of the Valobit coin gain easy access to a wide array of products from various corners of the globe, while product manufacturers benefit from a streamlined, blockchain-powered supply chain that enhances efficiency, transparency, and customer satisfaction."

WHY TO HODL VALOBIT (OR) ENHANCING VALUE AND COMMUNITY ENGAGEMENT:

Valobit's comprehensive strategy for enhancing the value its native coin VBIT and fostering an engaged and vibrant community. Valobit is committed to technological innovation, community building, adoption strategies, and effective communication to achieve these goals.

TECHNOLOGICAL ADVANCEMENTS

Valobit's technological development is focused on continuous improvement and innovation:

Innovation: We are dedicated to regularly upgrading our technology to provide enhanced functionality, security, and scalability to our users. Our aim is to address real-world challenges and offer unique advantages through innovative features.
Speed and Efficiency: Valobit prioritizes optimizing transaction speed and reducing fees, making it a practical and efficient cryptocurrency for everyday use.

COMMUNITY BUILDING

Valobit recognizes the importance of an active and engaged community:

Educational Initiatives: We are committed to educating our community through webinars, workshops, and tutorials about our technology, use cases, and benefits.
Engagement: Our vibrant online forums, social media groups, and communication channels serve as platforms for community members to connect, share knowledge, and collaborate.
Rewards and Incentives: Valobit offers a range of incentives to reward community participation and promote the cryptocurrency's growth.

VALUE ENHANCEMENT:

Valobit is introducing a controlled supply burn mechanism to increase its scarcity over time. Valobit will systematically reduce its total supply by 40% through controlled burns. A half portion of the validator fee will be directed towards the burn mechanism, facilitating a continuous reduction in supply.

Valobit's implementation of a controlled supply burn mechanism reflects its commitment to enhancing intrinsic value, increasing scarcity, and promoting sustainable growth. ThroughControlled Supply Burn Mechanism, Valobit is poised to establish itself as a forward-thinking and value-driven Blockchain.

ADOPTION STRATEGIES

Valobit aims to increase adoption and utility:

Merchant Adoption: We actively encourage businesses to integrate Valobit as a payment option, emphasizing benefits such as lower transaction fees and reduced chargebacks.
Partnerships: Collaborating with other projects and platforms will expand Valobit's ecosystem and practical applications.
Global Outreach: By partnering with local communities and platforms in different regions, we aim to increase Valobit's visibility and global usage.

COMMUNICATION AND MARKETING

Valobit is committed to clear communication and effective marketing strategies:

Clear Messaging: Our narrative highlights Valobit's unique value proposition, emphasizing its strengths and solutions to real-world problems.
Transparency: We maintain open communication with our community, providing regular updates on development progress, partnerships, and upcoming events.
Use Case Promotion: Real-world use cases and success stories will vividly demonstrate Valobit's practical applications.

GOVERNANCE AND DECENTRALIZATION

Valobit emphasizes decentralized governance and community involvement:

Community Involvement: We implement decentralized governance mechanisms that empower community members to contribute to decision-making, fostering a sense of ownership.
Proposals and Voting: Community members can submit proposals and participate in voting for important decisions related to Valobit's development and direction.

SECURITY AND TRUST

Valobit places a high premium on security and trust:
Security Audits: We conduct regular security audits to ensure the integrity of Valobit's code and protect against vulnerabilities.
Transparency: Detailed information about our security measures and protocols will build trust and confidence among our users.

SUSTAINABILITY

Valobit's economic model ensures long-term value and sustainability:

Economic Model: We have designed an economic model that ensures controlled supply, prevents inflation, and maintains scarcity, safeguarding Valobit's lasting value. Funding: We secure funding through various means, including community donations, token sales, and strategic partnerships, to support ongoing growth and development.

CONCLUSION:

Valobit is dedicated to creating a Ecosystem that offers both technological innovation and a thriving community. Through a holistic approach encompassing technology, community engagement, adoption strategies, effective communication, and governance, Valobit aims to enhance its value and establish itself as a prominent player in the Blockchain space. Valobit is poised to redefine the possibilities of blockchain technology by offering scalability, security, and interoperability in a decentralized ecosystem. With a developer-centric approach, a growing DApps ecosystem, and a commitment to innovation, Valobit is set to make a lasting impact on the way we envision and interact with decentralized technologies.
Join us on this journey as we pave the way for a new era of blockchain innovation.

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