

**SOLIDE DECENTRALIZED FINANCE
BLOCKCHAIN PROTOCOL
(DOING BUSINESS AS SOLIDE)**

**A PROTOCOL FOR BLOCKCHAIN
CAPITAL MARKETS AND BLOCKCHAIN
OF ASSETS.**

WRITTEN

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PRESIDENT CEO

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BLOCKCHAIN PROTOCOL
DOING BUSINESS AS SOLIDE**

ABSTRACT

It all began in the year 2021. Solide's whitepaper was published with the pseudonym Honoré Herbert, serving as a living document for the Solide protocol, defining the fundamentals of Solide as a decentralized finance blockchain protocol. This document serves to explain the protocol from the authority of my office as President and CEO of SOLIDE. SOLIDE can be used to represent the protocol or its business name.

The concept behind the Solide protocol is the use of smart contracts to facilitate financial transactions or agreements within a single party, two or multiple parties, or even fractional agreements using self-executing codes that keep details of those transactions on the blockchain, increasing transparency and making investments efficient and all assets represented on a virtual machine running on the blockchain.

The concepts of finance and the ability to facilitate investment from simple things like buying a piece of cake or a house to dealing with debt and ownership and the transfer of investments or property. This could be as equity, debt, derivative. The three basic financial instruments used by financial players.

The Solide protocol makes it open to participate on through the use of smart contracts to get financial ends met with a simple wallet or key used to sign transactions with out the burdens of traditional banking.

In lay terms, it's as simple as owning a numbered Swiss account (your key) used to control your financial assets. The difference is that with the protocol, there are no numbered accounts, and you don't need an account manager, and you can execute any sort of financial transaction efficiently and discreetly at convenience, just like making a cup of coffee. To find out more about execution, read the part on wallets.

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DECENTRALIZATION THE CONCEPT

Why decentralize finance?

It should be of note that this document shouldn't be treated as different from the first white paper, considering the fact that the previous and the present white papers are authored by the same individual. The difference in content and context is a matter of time.

I like to live in the future because it is a great space, and you have no competition when you are in the future because you stay ahead of time. The world changes rapidly, and functions have to change to suit the time.

Considering the German philosophy of zeitgeist, suggesting that that time-created event. To my understanding, every invention is a consequence of time, and every human is a consequence of time, and this so makes me a consequence of time.

I would have loved writing a political treatise if we could take back time 600 years, but I find myself writing about concepts that suit our time.

For this reason, with the power of my mind and the consequence of time, I find it stimulating and exciting to be a part of inventors creating exponential opportunities through decentralized finance and reshaping the way financial assets work and making finance more open and accessible to the unbanked and underbanked people of the world.

Finance should be decentralized, simple.

What is interesting about decentralized finance is the low cost of entry in inventing financial products that can be used by any person who has internet access in any part of the world without the restriction of borders or even credit checks, making it a superior and fairer financial system.

DeFi is like the next step to full globalization, uniting the world's people financially, just like social media was able to unite information.

SMART CONTRACTS

Smart contracts are the fundamental components of the Solide protocol. They are self-executing programs written in readable computer code that store data and include functions to manipulate that data according to the program's intended purpose. Essentially, they automate and enforce agreements or processes without the need for intermediaries.

Smart contracts are deterministic, enabling agreements between a single party and the protocol or facilitating multiparty agreements.

A smart contract can represent any logic that holds, stores, records, or manages value or data on the blockchain. The logic of a smart contract is predetermined and then uploaded to a virtual machine, making it tamper-proof. Additionally, it can be signed by multiple parties based on the authorization rules defined within the code.

Smart contracts are readable, much like computer code, and contain various functions to manipulate their data as needed. They can range from simple applications, such as GIS house registry contracts or name registry contracts, to intermediate ones like currency scripts, loyalty point systems, equity, debt, repos, and derivatives (e.g., stock derivatives, commodity derivatives, or energy derivatives). They can also extend to more complex contracts, such as vesting wallets, multisig wallets, yield farms (also known as dividend farms), and even decentralized exchanges.

Furthermore, smart contracts can be used for governance, voting systems, electoral systems, decentralized oracle contracts, and more the list is extensive. All of these applications can be engineered as smart contracts and left to execute autonomously. Different parties can interact with the contract based on predefined authorization rules encoded within the smart contract.

The basic building blocks of smart contracts on the protocol are defined by the smart contract language Solidity. What makes Solidity special is its Turing completeness the ability to create any logic that can be interpreted by a virtual machine. Additionally, Solidity features easily readable and comprehensible logic, making it accessible for developers

CONTINUITY

The concept of continuity is crucial for a protocol that services financial transactions and financial products. It is essential that a protocol dealing with value is safeguarded by measures ensuring continuity. This ensures trust, reliability, and long-term viability for users and stakeholders.

One of the key methods of preserving continuity is through the systematic publishing and retiring of contracts. This process involves deploying new contracts to the blockchain while retiring older ones when necessary. For instance, if a contract has been on the chain for a significant period and needs to be updated or replaced, it can be retired, and a new version can be published. This transition, however, must be carried out with due process to maintain the integrity of the protocol. Proper governance, transparency, and community involvement are critical to ensure that such changes are made responsibly.

By adhering to these practices, the protocol not only preserves its technical integrity but also enhances its social capital. Users and participants are more likely to trust and engage with a protocol that demonstrates a commitment to continuous improvement, accountability, and resilience. This, in turn, fosters a stronger ecosystem and ensures the protocol remains adaptable to evolving needs and challenges.

A straightforward plan for continuity involves using simple approaches to mitigate the effects of disruption. This is made possible by leveraging public blockchains, which allow public contract calls and the participation of various nodes. While the use of consortium blockchains and private blockchains utilizing the Proof of Authority model is technically possible, the protocol is not specifically designed for consortium or private blockchains. However, there may be exceptions to this, depending on the scope of business, which we do not publicly disclose.

Improving the social capital of the protocol contributes to enhancing its continuity. Publishing contracts and retiring outdated one's act as a buffer against bad actors. Since these contracts are published publicly and are accessible to anyone, the transparency ensures accountability and trust within the ecosystem.

LEVELS OF DECENTRALIZATION

Decentralization is a core principle in blockchain technology and decentralized finance (DeFi). It exists at multiple levels, each contributing to the overall resilience, transparency, and trustlessness of a protocol. Understanding these levels is essential for designing robust systems and empowering users. The key levels of decentralization include:

Node Decentralization: This refers to the distribution of nodes across a network. In a decentralized system, no single node or group of nodes has control over the entire network. This ensures that the system remains resilient to failures and resistant to censorship.

Smart Contract Decentralization: At this level, the logic and execution of smart contracts are decentralized. Once deployed, smart contracts operate autonomously on the blockchain, and

their behavior cannot be altered without consensus. This ensures transparency and trust in the protocol's operations.

Wallet Decentralization involves the distribution of control over funds and transactions. For example, multisignature wallets require multiple parties to approve transactions, reducing the risk of unilateral actions. Wallet decentralization is crucial for securing assets and ensuring collective decision-making.

These levels of decentralization exist at different stages and can be combined in various ways depending on the protocol's architecture. Different inventors and developers design systems based on their vision, goals, and the specific needs of their users. The flexibility of blockchain technology allows for a wide range of configurations, each with its own trade-offs.

A critical aspect of decentralization is determining who has access to key functions within a protocol. For example, access to smart contracts can be controlled through Solidity code, which defines ownership and permissions. This ensures that only authorized entities can modify or interact with critical components of the system.

The guiding principle behind this protocol is empowerment. By decentralizing control and ensuring transparency, users are empowered to participate in and trust the system. When smart contract codes are published, they contain all the information about the contract's behaviour and logic. These codes are often vetted by a community of developers who can read, write, and audit them. This collaborative process ensures that the codes meet established standards and are free from vulnerabilities.

Solidity, the primary programming language for Ethereum-based smart contracts, plays a pivotal role in enabling decentralization. Its Turing completeness allows developers to create

complex logic and implement a wide range of functionalities. This flexibility is what makes decentralized applications (dApps) and protocols like Solide possible.

For instance, Solidity enables features such as:

Fund Control whereby Protocols can be designed so that no single entity can unilaterally access funds.

Public Treasuries in which Funds can be managed through public treasuries, with transactions requiring a quorum for approval.

Custom Governance whereby Decentralized governance models can be implemented, allowing stakeholders to make collective decisions.

These capabilities are made possible by Solidity's robustness and the Ethereum Virtual Machine (EVM), which executes the code in a trustless and decentralized manner.

In the case of the Solide protocol, the levels of decentralization are carefully determined by the protocol architect. The design choices reflect a balance between security, usability, and empowerment.

For example:

Funds can be structured so that no single party has unilateral control.

Specific wallet functions, such as freezing assets, can be restricted or require multi-party approval.

Public treasuries can be created, with transactions facilitated only when a predefined quorum is reached.

These features are all achievable due to Solidity's Turing completeness, which allows for the creation of highly customizable and secure smart contracts. The merits of Solidity, including

its readability, flexibility, and widespread adoption, make it an ideal choice for building decentralized systems.

Decentralization is not a one-size-fits-all concept. It exists on a spectrum and can be implemented at various levels, depending on the protocol's goals and architecture. The Solide protocol exemplifies how thoughtful design and the use of powerful tools like Solidity can create systems that are secure, transparent, and empowering for users. As we move forward, the principles of decentralization will continue to guide the evolution of blockchain technology and decentralized finance.

REALIZATIONS

Designing this protocol and its architecture has been a journey filled with profound realizations. While I won't delve into the specifics of Solide's core businesses and competencies here, I want to share a bold vision for the future a future where Solide stands at the forefront of the blockchain revolution.

I firmly believe and many share this belief that most of the world's assets and property rights will eventually migrate to the blockchain. This seismic shift will redefine ownership, transparency, and accessibility on a global scale. In this new era, Solide is poised to emerge as a dominant player in the blockchain capital markets landscape. As the blockchain based Non-Bank Financial Institution (NBFI) of choice for growth companies, Solide will empower businesses to thrive in a decentralized economy.

Wealth is one of the few things that can grow exponentially, and blockchain technology will be the catalyst for this growth. As wealth expands, so too will the need to record wealth rights securely and transparently. These records will live on the blockchain whether on public chains,

consortium chains, or private chains used by corporations to manage assets and liabilities. Solide's architecture is designed to facilitate this transition, ensuring that wealth creation and management are seamless, secure, and accessible to all.

The decentralized finance (DeFi) industry is on a path to consolidation. In the coming years, only a handful of companies perhaps as few as five will rise to the top. Solide, with its strategic positioning and innovative verticals, is destined to be among the victors. Our protocol is not just a participant in this evolution; it is a leader, shaping the future of finance

The use of blockchain-based capital market products will explode, ranging from basic investment instruments to complex derivatives. Smart contracts, with their simplicity and low barriers to entry, will surpass traditional systems like NASDAQ in power and efficiency. Imagine a farmer in Kenya and an investor in London entering into a trade agreement with nothing more than a mobile phone. The transaction executes automatically, without human interference or credit checks. This is the future Solide is building a future where financial inclusion is universal

As blockchain technology reshapes the financial landscape, traditional institutions will scramble to adapt. They will come knocking with cash offers to acquire protocols like Solide. But cash alone cannot buy vision, innovation, or intellectual capital. The true value of a company lies in its ideas, its technology, and its ability to empower people. We understand this, and we are committed to building a legacy that transcends monetary value.

The blockchain will witness an unprecedented surge in capital, creating a new class of billionaires. These individuals will not just be wealthy; they will be pioneers of a new economic paradigm. Solide is at the heart of this transformation, enabling the creation and management of blockchain wealth. Our protocol is not just a tool it's a gateway to a future where financial empowerment is within everyone's reach.

The future of finance is decentralized, transparent, and inclusive. Solide is not just building a protocol; we are building a movement. A movement that challenges the status quo, empowers individuals, and redefines what's possible. The blockchain revolution is here, and Solide is leading the charge. The question is not whether this future will come it's whether you'll be part of it.

DIAGRAMS

The Solide Protocol is designed with a clear distinction between its technical architecture and its business processes. All executions within the Solide Protocol are carried out through smart contracts unless explicitly stated otherwise. This ensures transparency, security, and automation across the entire system.

Key Features of the Solide Protocol includes but not limited to the following

Smart Contract-Centric Design: Every operation, from transactions to governance, is executed via smart contracts. This eliminates the need for intermediaries and ensures trustless interactions.

Separation of Protocol and Business Processes: The protocol's architecture is distinct from Solide's business operations. This separation allows for flexibility in business applications while maintaining the integrity of the underlying protocol.

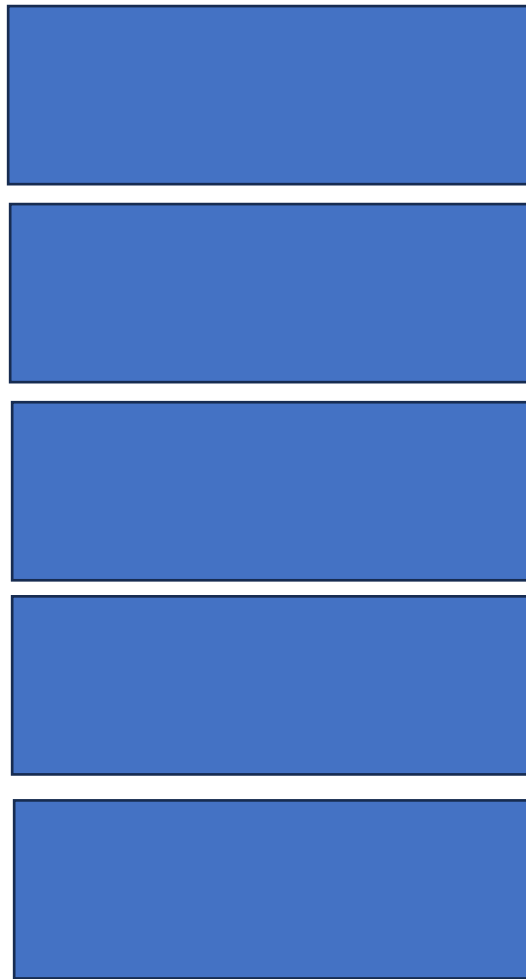
Decentralized Execution: By leveraging blockchain technology, the protocol ensures that all actions are decentralized, transparent, and immutable

Below is a simplified diagram illustrating the basic architecture of the Solide Protocol.

User Interface =====> Smart Contracts =====> Blockchain Layer

DApps, Wallets =====> Logic & Rules =====> Ethereum, etc

Here is a basic Defi Architecture.



From top to bottom as follows Aggregation Layer, Application Layer, Protocol Layer, Asset layer, Settlement Layer.

BASIC THEORETICAL SMART CONTRACTS

Smart contracts are self-executing programs that automate and enforce agreements on the blockchain. Below is a list of fundamental smart contract types, each serving a unique purpose in decentralized systems:

Vesting Wallet

A smart contract that locks tokens or assets for a specified period, releasing them gradually to beneficiaries. This is commonly used for employee allocations, stakeholder's rewards, or long-term incentives.

Multisignature Wallet

A wallet that requires multiple private keys to authorize transactions. This adds an extra layer of security and is often used for collective fund management or organizational treasuries.

Staking Contract (Dividend Mining Contracts)

These contracts allow users to lock their tokens in a protocol to earn rewards, such as dividends or interest. They are central to Proof-of-Stake (PoS) networks and decentralized finance (DeFi) platforms.

Repurchase Agreement (Repo)

A smart contract that facilitates short-term borrowing and lending, often using crypto assets as collateral. The borrower agrees to repurchase the asset at a higher price after a set period.

Governance

Smart contracts that enable decentralized decision-making. Token holders can propose, vote on, and implement changes to a protocol, ensuring community-driven development.

Voting Contract

A specialized governance contract that manages voting processes, ensuring transparency and fairness in decision-making.

Fixed Income

Contracts that provide predictable returns over time, similar to bonds in traditional finance. These are popular in DeFi for generating passive income.

Letter of Credit (NFT)

A smart contract that uses non-fungible tokens (NFTs) to represent guarantees or commitments, such as trade finance agreements. This bridges traditional finance and blockchain technology.

Currency Scripts

Smart contracts that manage the issuance, transfer, and redemption of digital currencies, including stablecoins.

Points Scripts

Contracts that handle loyalty or reward points, enabling businesses to create and manage incentive programs on the blockchain.

Commodities

Smart contracts that facilitate the trading and management of tokenized commodities, such as gold, oil, or agricultural products. These bring real-world assets onto the blockchain.

SOLIDITY

Recognition and honor must be given to Dr. Gavin Wood and his team of exceptional associates, who designed the Solidity programming language. Solidity is a highly readable and easily understandable coding language, specifically tailored for writing smart contracts on blockchain platforms like Ethereum. In my view, Solidity is one of the easiest programming languages to learn, rivaling even Python in its accessibility. Its merits lie in its readability, intuitive syntax, and smooth flow, making it an excellent starting point for finance professionals looking to delve into algorithms and blockchain technology.

One of the most significant advantages of Solidity is that most of its scripts are open-source. This openness has enabled individuals like myself to create innovative products without the need for massive investments in research and development (R&D). Unlike larger competitors such as JP Morgan or IBM, which rely heavily on financial capital, Solidity empowers creators by prioritizing intellectual capacity over monetary resources. This democratization of technology levels the playing field, allowing anyone with the right skills to build groundbreaking blockchain-based Non-Bank Financial Institutions (NBFIs).

Solidity brings to life the concept of self-executing real estate in the form of smart contracts. In this context, "real estate" refers to algorithms that reside on the blockchain and autonomously execute market activities without human intervention. These smart contracts act as digital assets, managing transactions, ownership, and other functions seamlessly and transparently.

Solidity's Turing completeness is a game-changer. It allows the language to host any kind of self-executing algorithm, enabling developers to implement various forms of control within contracts. This flexibility makes Solidity ideal for creating complex financial contracts. For

instance, a large decentralized exchange (DEX) can exist entirely as a smart contract, facilitating trades in equities, bonds, derivatives, foreign exchange (FX), and even commodities. All of this is achieved through computer code written in Solidity code that is simple, transparent, and accessible to parties worldwide, transcending geographic limitations.

It's important to clarify that Solide was not invented to rival traditional capital markets like Nasdaq or national stock exchanges. Instead, its purpose is to be self-regulatory and to complement these existing systems. By leveraging Solidity smart contracts, markets become more unified, and the principles of comparative advantage can play out naturally. This synergy between traditional and decentralized finance creates a more inclusive and efficient global financial ecosystem.

Solidity is more than just a programming language; it is a catalyst for innovation in the blockchain space. Its readability, open-source nature, and Turing completeness make it a powerful tool for building decentralized financial systems. Solide, built on these principles, represents the future of finance a future that is transparent, self-regulating, and accessible to all.

INFRASTRUCTURE

The Solide Protocol infrastructure is fundamentally based on existing open infrastructures, most notably the Ethereum Virtual Machine (EVM). This does not preclude the use of other infrastructures when they align with business objectives. Through the protocol, Solide provides financing for Blockchain Infrastructure as a Service (IaaS) and Blockchain as a Service (BaaS) verticals. However, it is important to clarify that this whitepaper does not delve into

Solide's business activities. Instead, it focuses on outlining the basic architecture of the protocol and the foundational functions of smart contracts.

Building on open architecture offers significant advantages, including ease of participation and accessibility for newcomers. Open systems lower barriers to entry, enabling a broader range of participants to engage with the protocol. This inclusivity is a core principle of Solide's design philosophy.

Utilizing multiple blockchains for financial contracts can be likened to switching between personal computer operating systems. Each transition involves a learning curve, and such implementations are only pursued when they align with business and market requirements. While Solide primarily leverages the EVM, the protocol remains flexible to adapt to other blockchain ecosystems as needed.

On the business side, Solide may employ private chains for certain implementations. These chains are not publicly accessible and are typically used for proprietary protocols, joint ventures, or intellectual property that is not shared with the public. The use of private chains is determined by specific business needs and strategic considerations.

It is worth noting that there are other easily deployable blockchain infrastructures, such as the Cosmos SDK, which enables the creation of application-specific blockchains. While Solide does not currently build on Cosmos, this is not a reflection of its capabilities. Cosmos is a highly innovative and agile blockchain framework, and we recommend it for organizations seeking rapid scalability and flexibility. Our choice to build on the EVM is driven by its widespread adoption and robust ecosystem.

The Ethereum Virtual Machine (EVM) is widely regarded as the standard for blockchain applications due to its large user base, extensive developer community, and rigorous vetting processes. Most decentralized finance (DeFi) applications operate on Ethereum's open

architecture, making it a natural choice for Solide. While the protocol is capable of operating on closed architectures, such decisions are made based on specific business needs or client requirements.

The Solide Protocol is designed to leverage the strengths of open architectures like the EVM while maintaining the flexibility to adapt to other infrastructures when necessary. By prioritizing accessibility, interoperability, and scalability, Solide aims to create a robust and inclusive ecosystem for blockchain-based financial solutions. This approach ensures that the protocol remains adaptable to evolving market demands and technological advancements.

WALLETS

Wallets are best understood as a user-friendly gateway to the blockchain. They are simple applications that store your private key the critical access code that proves ownership of your wallet and generate public addresses used to send and receive transactions. While your public address can be shared openly (like an email address), your private key must never be shared or revealed. Think of it as the digital key to your bank's safety deposit box or the password to your email account. Wallets make it easy for anyone to interact with the blockchain, even without technical expertise. They provide a Graphical User Interface (GUI) that simplifies blockchain interactions, making the process as easy as reciting the ABCs.

Wallets come in various forms, including Mobile Wallets Apps for smartphones, Desktop Wallets (Applications for PCs), Hardware Wallets (Physical devices that store private keys offline for enhanced security).

Most wallet applications are developed and maintained by companies in the Blockchain Infrastructure as a Service (IaaS) sector. The best part? Most wallet providers offer their

services free of charge (or so they claim). While using a wallet and interacting with the blockchain is free, executing transactions incurs a cost known as gas fees. These fees are paid in the native currency of the blockchain (e.g., ETH for Ethereum) and compensate miners or validators for processing transactions

A simple example of how gas fees work.

John lives in New York and wants to transfer 5,000,000.00 USDS to Pratt in Tokyo for a business transaction. When John initiates the transfer, he is charged a gas fee of 0.00005 ETH. This fee is the cost of processing the transaction on the blockchain, regardless of the amount being transferred.

This concept applies to most blockchains. While some blockchains offer fee-less transactions, the majority charge gas fees for executing transactions. The fee structure may vary depending on the blockchain network being used.

Note

Wallets are essential tools for interacting with the blockchain, providing a simple and secure way to manage your assets.

Private keys must be kept secure, while public addresses can be shared freely.

Gas fees are transaction costs paid in the blockchain's native currency (e.g., ETH for Ethereum).

While wallets are free to use, executing transactions on most blockchains incurs a cost.

Wallets are the bridge between users and the blockchain, making it easy for anyone to participate in the decentralized ecosystem. By understanding how wallets work and the role of gas fees, users can navigate the blockchain with confidence and efficiency.

DUE DILIGENCE

Due diligence in decentralized finance (DeFi) is straightforward and easy to understand. In my opinion, the two most critical factors for any DeFi protocol are

Brand Equity (The trust and reputation of the protocol). Sound Smart Contracts (Well-written and secure code) Everything else is secondary.

Solide Protocol ensures transparency by publishing the addresses of its smart contracts. These addresses act as a public record, allowing anyone to verify which contract they are interacting with.

Smart contracts can serve various purposes, such as Currency Scripts (For managing digital currencies), Decentralized Exchanges DEXs (For trading assets), Yield Farms (For earning rewards through staking or liquidity provision), Multisignature Wallets (For secure, multi-party fund management), Vesting Wallets (For locking and gradually releasing tokens).

Every smart contract has a unique contract address, which starts with 0x followed by a long string of alphanumeric characters. This address is like a digital fingerprint for the contract.

To ensure you are interacting with the correct smart contract; Obtain the address from the protocol's official sources.

Paste the address into a blockchain explorer (e.g., Etherscan) to verify its details.

If unsure, you can ask the protocol managers for the verified contract address. They may provide it to confirm you're interacting with the genuine contract.

Brand Equity and Sound Smart Contracts are the pillars of trust in DeFi.

Solide Protocol promotes transparency by publishing smart contract addresses

Always verify contract addresses using a blockchain explorer or by requesting confirmation from the protocol team.

PHILOSOPHY ON GOOD FAITH

The invention and use of the Solide Protocol are rooted in good faith, aiming to create a net positive outcome for society and humanity at large. While it challenges the status quo of traditional financial systems, its primary goal is to bring greater value and efficiency to the world of finance.

Decentralized finance (DeFi) is daring and innovative, but it is not designed to usurp traditional economic systems or undermine established financial principles. Instead, it complements and competes with traditional finance, offering new ways to represent and conduct economic activities. DeFi has not altered fundamental economic principles though I am not a proponent of rigid financial dogma but it has made finance fairer, more transparent, and accessible, especially through the use of public blockchains.

A core principle of the Solide Protocol is self-regulation. This means adhering to the rules it establishes and avoiding actions that could undermine its integrity. For example, the protocol was not designed to accept deposits in the traditional sense. While functionalities like vesting and liquid staking can be implemented via smart contracts, Solide does not operate as a bank or engage in deposit collection or management. Instead, it functions as a Non-Bank Financial Institution (NBFI), leveraging blockchain technology to achieve international reach and influence without the need for the extensive human capital typically required by large NBFIs or investment banks.

The Solide Protocol was not created to support or finance non-state violent actors or any illicit activities. My intent is purely to make the world more efficient by providing agile, accessible financial products that transcend geographical barriers. By democratizing access to financial tools, Solide aims to empower individuals and businesses worldwide, fostering inclusivity and innovation in the global economy.

DECENTRALIZED EXCHANGES

Economic participants often seek ways to access liquidity for their assets, invest, or trade for other financial products. This could involve entering the market, exiting positions, or rebalancing portfolios. Traditionally, these services were provided by brokers, exchange houses, or bourses (such as centralized crypto exchanges and national stock exchanges). However, decentralized exchanges (DEXs) have revolutionized this process by eliminating the need for intermediaries.

The exciting aspect of decentralized exchanges is that they operate without traditional intermediaries. Whether it's a buy order, sell order, or transfer order, the logic is built into smart contracts, which power the exchange. The foundation of most decentralized exchanges is the concept of Automated Market Makers (AMMs). In an AMM system, participants pool their assets into liquidity pools, enabling seamless trading and earning fees in return.

Using a decentralized exchange is simple and unites global markets. For example, someone in Finland and someone in Uganda can access the same exchange and execute trades instantly, often without requiring Know Your Customer (KYC) procedures. Transactions can be completed directly from a user's wallet in a matter of seconds, with no limits on the amount

traded. However, if a liquidity pool is drained by large trades, it may need to rebalance to function effectively again and maintain fair market rates all without human intervention.

The AMM model has several advantages over the traditional Central Limit Order Book (CLOB) system. While both have their strengths, the AMM model is more accessible and user-friendly. It allows users to execute trades effortlessly, without leaving their homes or sharing personal identification with brokers or exchanges. This aligns with the Solide Protocol's decentralized finance (DeFi) approach, which leverages the AMM model for its markets.

Decentralized exchanges eliminate the need for intermediaries, enabling direct peer-to-peer trading.

Automated Market Makers (AMMs) are the backbone of most DEXs, allowing users to pool assets and earn trading fees.

DEXs provide global access, enabling users from different countries to trade without KYC requirements.

The AMM model offers ease of use and privacy, making it a preferred choice for decentralized finance.

Decentralized exchanges, powered by smart contracts and AMMs, represent a significant shift in how financial markets operate. By removing barriers and intermediaries, they make trading more accessible, efficient, and private. The Solide Protocol embraces this innovation, offering users a seamless and secure way to participate in decentralized finance.

CENTRALISED DERIVATIVE MARKETS

Derivative markets

The Solide Protocol is not primarily focused on derivatives or centralized markets that utilize the Central Limit Order Book (CLOB) model. Its core design emphasizes decentralized, transparent, and user-friendly financial solutions. However, if there is a strategic shift in the future, it could potentially serve as an execution-only platform for derivative products, provided it aligns with business objectives and user needs.

The cryptocurrency derivatives market is a significant and rapidly growing segment of the digital asset ecosystem. While derivatives such as futures, options, and swaps are often associated with speculation and risk management, they also play a crucial role in demonstrating cash interest and liquidity in crypto markets. It is important to note that the rise of derivatives does not diminish the importance of the spot market. Instead, it complements the ecosystem by providing additional tools for investors and traders to hedge, leverage, and manage their exposure.

Derivatives markets often act as a barometer of market sentiment and liquidity depth. This dynamic interaction between spot and derivatives markets strengthens the overall crypto economy, making it more robust and versatile.

The Solide Protocol's focus on spot markets aligns with its mission to create a decentralized, transparent, and accessible financial ecosystem. Spot markets, where assets are traded for immediate delivery, are foundational to the crypto economy. They provide a straightforward way for users to buy, sell, and transfer assets without the complexities associated with derivatives.

By prioritizing spot markets, Solide ensures that its users can engage in direct peer-to-peer trading with minimal barriers. This approach fosters inclusivity, allowing participants from all over the world to access financial products without relying on intermediaries or complex financial instruments.

While the Solide Protocol is not currently designed for derivatives trading, it remains open to adapting to market demands. If the need arises, the protocol could integrate derivative products as an execution-only platform. This would involve providing the infrastructure for users to trade derivatives without taking on the role of a market maker or assuming counterparty risk. Such a move would be driven by business considerations.

It is worth noting that any integration of derivatives would be carefully evaluated to ensure it aligns with Solide's core principles of decentralization, transparency, and user empowerment. The protocol would also prioritize maintaining a clear distinction between its spot market offerings and any derivative-related services.

OTC MARKETS

Over-the-counter (OTC) markets are a form of decentralized trading where two parties agree to execute transactions directly, without the need for a centralized exchange. In these markets, assets are transferred directly between the buyer and seller based on mutually agreed terms. While OTC markets offer flexibility and privacy, they come with inherent risks, the most significant of which is counterparty risk (the risk that one party may fail to deliver the traded assets or fulfill their side of the agreement).

OTC markets play a crucial role in the global financial ecosystem. In fact, the majority of trading in financial markets, including bonds, derivatives, and even certain equities,

occurs over the counter. Investment banks and financial institutions often act as brokers or dealers in these markets, facilitating transactions between buyers and sellers. These institutions typically provide user interfaces or platforms to streamline the trading process, making it easier for participants to negotiate and execute deals.

For example, large institutional investors or high-net-worth individuals often prefer OTC markets for executing large trades that could disrupt prices if conducted on public exchanges. Additionally, OTC markets are commonly used for trading customized financial products that may not be available on centralized exchange.

The primary challenge with OTC markets is counterparty risk. Since transactions are conducted directly between two parties, there is no central authority to guarantee the fulfillment of the trade. This risk is particularly pronounced in markets where trust is limited, or where the assets being traded are illiquid or complex. To mitigate this risk, participants often rely on credit checks, collateral agreements, or third-party guarantees. However, these measures do not eliminate the risk entirely, making OTC markets less secure compared to centralized exchanges.

The Solide Protocol is not inherently designed to support OTC markets, as its focus is on creating a transparent, decentralized, and trustless financial ecosystem through blockchain technology. OTC markets, while decentralized in nature, lack the transparency and automation that blockchain-based systems provide. However, if there is a compelling business case, the Solide Protocol could potentially integrate OTC-like functionalities. Such integration would likely involve the use of smart contracts to mitigate counterparty risk and ensure the secure execution of trades.

For instance, smart contracts could be used to automate the settlement process, ensuring that assets are only transferred once predefined conditions are met. This would combine the flexibility of OTC markets with the security and transparency of blockchain technology.

CONCLUSION

Solide Decentralized finance blockchain protocol doing business as Solide a Blockchain capital markets executor acting as a NBFI protocol of choice for growth companies and for persons who wants to participate in the next stage of globalisation through decentralised finance and decentralised capital markets execution.

Solide is a decentralized finance (DeFi) blockchain protocol operating as a Blockchain Capital Markets Executor. It functions as a Non-Bank Financial Institution (NBFI) of choice for growth companies and individuals seeking to participate in the next stage of globalization through decentralized finance and capital markets. The Solide Protocol aims to make finance more inclusive, breaking down geopolitical barriers and providing access to financial tools for people worldwide.

While decentralized finance (DeFi) is exciting and transformative, it is not designed to replace traditional economic systems or undermine established financial principles. Instead, it serves as a modern implementation of financial products, leveraging blockchain technology to enhance efficiency and accessibility. For example, tasks like investment banking bookmaking, which traditionally take significant time and resources, can be executed in minutes using smart contracts. These contracts can automate complex processes, such as determining sale dates, identifying buyers, and managing data parameters through UNIX epoch time.

The Solide Protocol is designed to be an investment banking house, operating without using the term "bank." Instead, it functions as an NBFI, providing innovative financial solutions for growth companies and individuals globally. By leveraging blockchain technology, Solide ensures transparency, efficiency, and inclusivity in capital markets.

This whitepaper outlines the foundational principles and architecture of the Solide Protocol without delving into specific product implementations or functions. It serves as a guide to understanding how Solide aims to revolutionize finance through decentralization.

At this point, having shared the core vision and purpose of Solide, I take a moment to reflect on its potential impact. Solide was created to be a trailblazer in decentralized finance, a protocol that inspires and empowers. Its existence is a testament to the power of innovation, and its legacy will be defined by its ability to make finance more inclusive, efficient, and accessible for all.

At this juncture having not exhausted my ability to write further I have decided to take a bow to leave the existence of Solide to history as Solide was invented to be envied.

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DOING BUSINESS AS SOLIDE
EST 2021