

Buy/Sell & Exchange Cryptocurrency

Regulated Exchange
Nasdaq Based Technology



Buy / Sell

Exchange



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PRK000039, PVR000051

NASDAQ

Community

Who We Are

What We Stand For

DX Community

DX Outreach

FAQ's

ICO

Cryptocurrency

Listing

Fiat Exchange

ICO KYC

ICO Wallet

Features

Exchange

Crypto Trading

New Tokens

DX Secure Wallet

Deposits & Withdrawals

Crypto Coin Payments

Education

Wallets

Nasdaq Partnership

Investing & Trading

Safety, Security and

Privacy

Pricing

Partnerships

Refer A Friend

Affiliates

IB Brokers

White Labels

ICO

Market Makers

ex change
Coins.Exchange
my way



odtiro

Key Partners



Regulatory Bodies

Current Licenses

Estonia

Number FVR000051

Number FRK000039

Pending Licenses

Cyprus (Cysec)

UK (FSA)

U.S.A. (SEC/ CFTC)

Hong Kong (SFC)

Japan (JFSA)

Executive Summary

CX Exchange will be an open and transparent marketplace for Retail Clients, Institutions and Brokers to buy and trade Cryptocurrencies and derivatives on an exchange, in regulated markets around the globe.

The Problem

The number one concern by new investors is questioning whether they will be able to get their money back out after converting to crypto. This is mainly due to the fact the industry is very fragmented. You need a crypto wallet which usually requires a difficult and confusing sign up process. You then need to sign up to a "Money Exchanger" to buy Ether or BTC etc. Only to then have to transfer it back to your wallet or to an exchange (another sign up process) if you want to use that crypto to purchase other tokens. This process is a nightmare scenario for regulatory bodies as the crypto space moves towards mainstream use and regulations therefore are making it hard for banks to approve crypto to fiat deposits for institutions and consumers alike.

Our Solution

We will provide a one-stop ecosystem, allowing investors to come in and leave using FIAT money or Cryptocurrencies. We will provide seasoned traders with an innovative Exchange trading platform, in addition to allowing investors who prefer so to use a more simplified Buying and Selling process through our Change. By doing so, CX will provide investors with a full solution whether they wish to buy, trade or store their Cryptocurrencies and FIAT, all in a regulated and trusted environment.

“Coins Exchange is the world’s first open and transparent marketplace for Retail Clients, Institutions and Brokers to trade Cryptocurrencies and Derivative Products on an exchange, in regulated markets around the globe”.

- **Daniel Skowronski Co Founder and CEO Coins.Exchange**

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1 Cryptocurrencies and Derivatives Trading

1.1 Cryptocurrency trading

Cryptocurrencies have been making their way to the center stage of the financial world in the last few years, and igniting the imagination of investors. Major Crypto currencies have made tremendous leaps in value, led by the Bitcoin which has peaked at \$20,000 and is now trading back around \$8,000. The media is creating a lot of hype regarding cryptos and their volatile nature, and dedicated exchanges such as Binance, Bitfinex, Bitstamp, and GDAX have begun to emerge. A vast number of Companies and Projects have started raising capital through Initial Coin Offerings (ICO's), creating a huge demand from these companies for listings and trading on Crypto Exchanges.

1.2 Derivatives trading

Derivatives are financial instruments which prices are derived from underlying assets. In the Over the Counter (OTC) world, a derivative contract is usually between a client and his broker. This creates a conflict of interest where one party will profit from their mutual contract, and the other will lose. Brokers trading against their clients is the core problematic issue. The broker needs the client to lose money in order to remain in business.

Trading on the CX Exchange will feature a contract between two market participants, where neither have control over the funds involved, eliminating the conflict of interest and enabling a secure trading environment.

2 CX Offering

2.1 Cryptocurrency Buying and Trading

2.1.1 Cryptocurrency Trading

Cryptocurrencies are traded on Exchanges with physical delivery. Traders can enter the exchange with cryptocurrencies in their position, and exchange them to other cryptocurrencies that are offered on the same exchange.

We will be offering established and popular cryptocurrencies, as well as listing new ICO tokens on our exchange, providing an exciting portfolio mixture for our traders' benefit.

In addition, we will also enable traders to deposit and withdrawal FIAT currencies to CX exchange, by offering trading on Crypto/Fiat assets, while holding a license to hold client's FIAT funds in addition to storing their cryptocurrencies.

2.1.2 Cryptocurrency Buying and Selling

CX will offer a simple process and User interface that will allow customers to buy and sell crypto currencies using FIAT money, without needing to trade on the exchange.

2.2 Derivatives

2.2.1 CFDs

CX will offer a simple process and User interface that will allow customers to buy and sell crypto currencies using FIAT money, without needing to trade on the exchange.

2.2.2 Vanilla Options

A Vanilla Option provides the right to buy or sell, an underlying asset at a specified price and time. We will be introducing to the exchange a novel approach by allowing the ability to trade vanilla options with intra-day expirations.

2.2.3 Digital Contracts

Digital contracts are speculative financial instruments, where the trader predicts if the market direction an asset will rise or fall, by a defined strike price and expiry time. Digital contracts are extremely marketable for their simplicity.

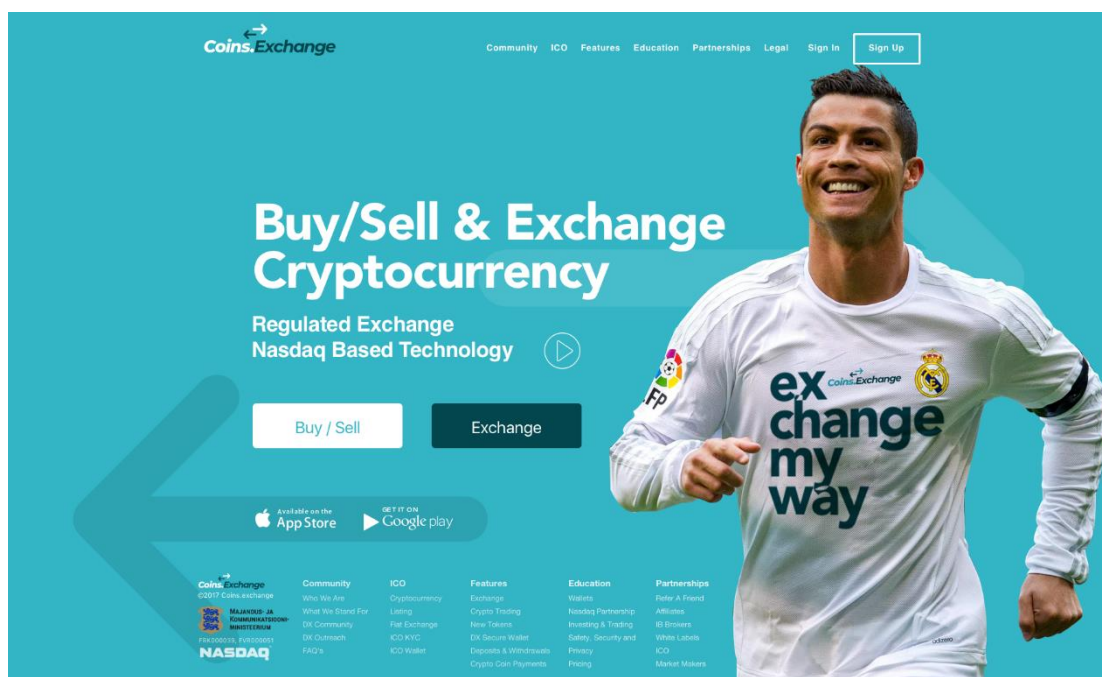
3 Market Size

3.1 Europe

The OTC Forex and CFD market in Europe is estimated to be 1.5M retail clients (41% trading Forex) with an estimated annual revenue of \$2 – \$2.5 Billion. The Binary Option market in Europe was growing strong until the regulations became too strict and industry participants left the market. At its peak less than a year ago, the estimated revenue coming from Binary Option brokers in the EU was just over \$1 Billion. Today that estimate has gone down to \$650M. The most frequently traded instruments are: DAX, SP500, FTSE, OIL, EUR/USD, USD/JPY & GBP/USD

3.2 United States

The United States is dominated by exchange trading and hence the exchange concept will be familiar and well accepted. The OTC Forex market in North America is estimated at about 100,000 retail clients with an estimated annual revenue of \$125M - \$150M. Prior to the CFTC cracking down on American retail clients trading Binary Options offshore, the market size was estimated to be at 20,000 retail traders with an approximate annual revenue of \$15M.



4 Business Model

4.1 Market Participants

4.1.1 Retail traders

- *Deposit directly with the exchange*
- *Performs trades on the CX5 platform with direct access to exchange*
- *Coins change for Crypto currencies*
- *Clients may also trade VIA their broker*
- *Deposit and withdrawal FIAT*

4.1.2 API Traders /HFT/ Direct Market Access

- *Deposit directly with the exchange*
- *Performs trades on the CX5 platform with direct access to exchange*
- *Usually Trade VIA broker account*

4.1.3 Market Makers

- *Supply liquidity to exchange –must meet contractual obligations*
- *Trade for the own account*
- *Trade rebates for volume*
- *Connect via API fixed protocols*

4.1.4 Brokers & Institutions

- *License white label & provide CX5 trading platform*
- *Bring traders to CX through automated sales system provided by CXPlus**
- *Build relationships with clients*

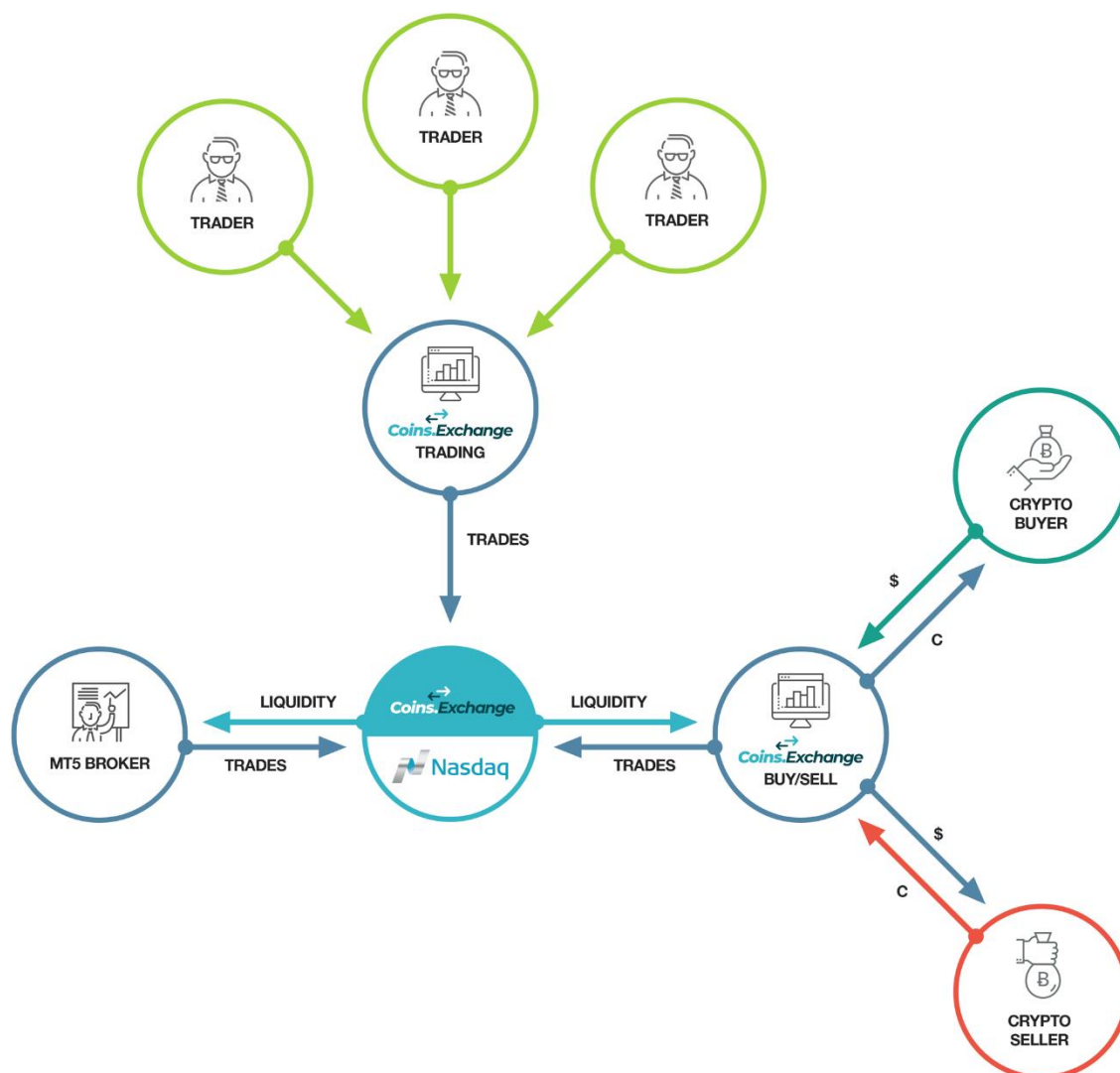
4.1.5 ICO's

- *Listing their token to trading in the exchange*
- *FIAT change for ICO during the crowd sell*
- *Promoting the token to exchange clients*

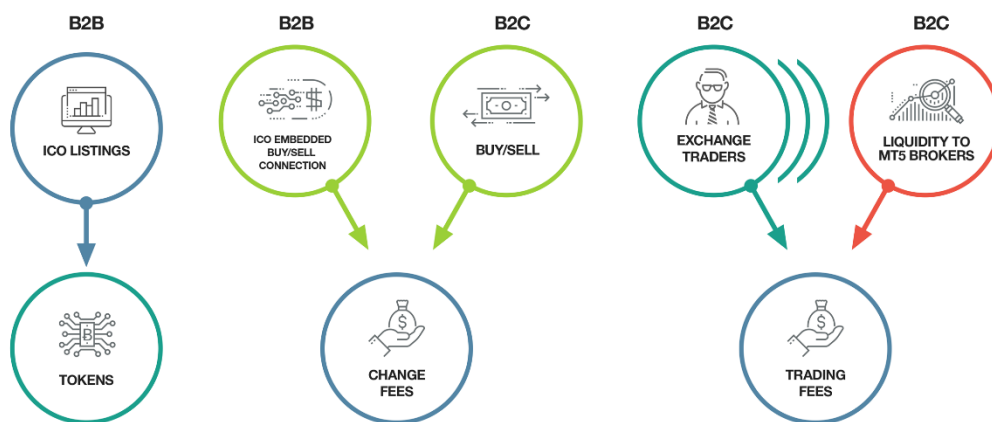
4.1.6 MT5

- *Liquidity to MT5 brokers of non-delivery operation (CFD)*
- *Liquidity to MT5 brokers of delivery operation*
- *Liquidity provider to 3rd partied liquidity providers*

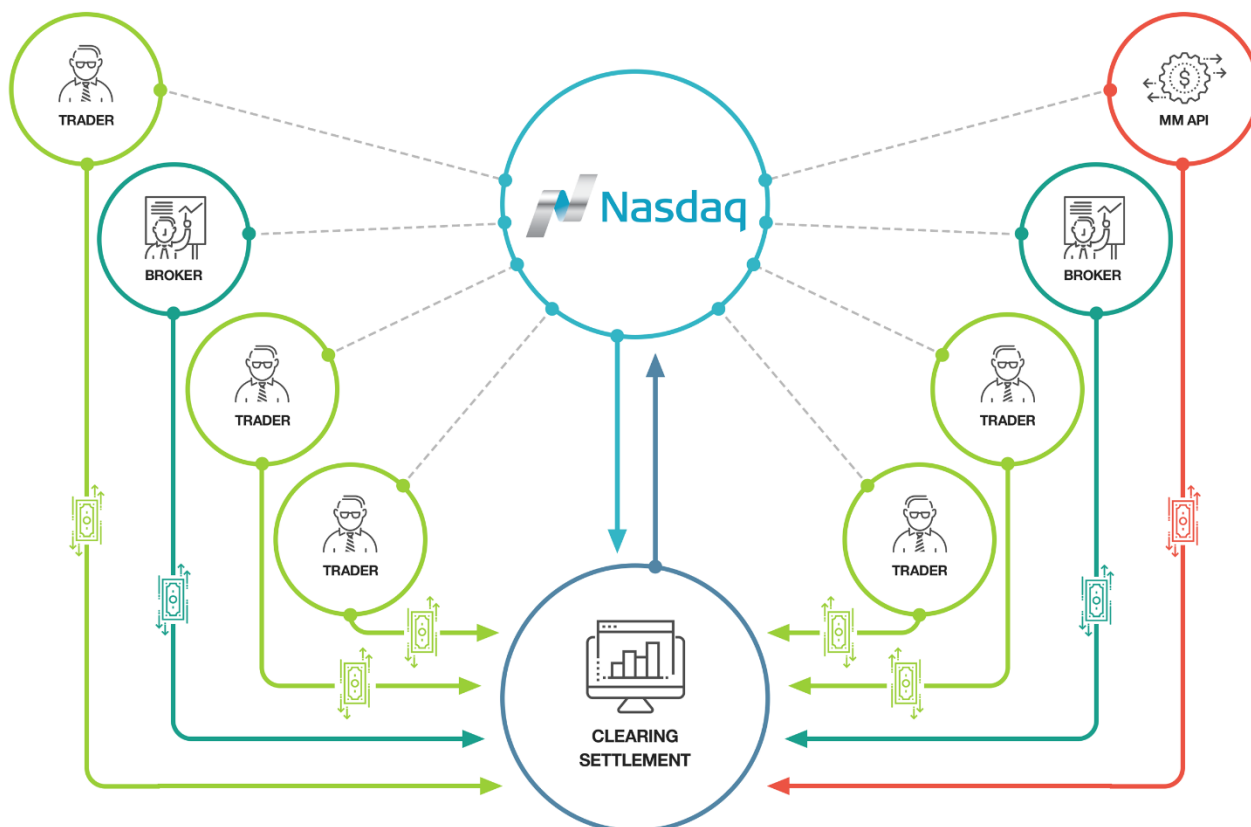
4.2 Crypto Exchange Flow



4.3 Crypto Revenue Flow



4.4 Derivative Exchange Flow



5 Technology

5.1 Platform Matching Engine (ME)

The purpose of the NASDAQ platform and ME is to receive Buy and Sell orders from parties trading on the exchange through a FIX protocol, manage the order-books and match between orders. Once two orders are matched, a trade is created and its details are sent to the clearing system. CX Exchange and NASDAQ have completed a design study that has detailed all the changes and customizations to comply with Cryptocurrencies and Derivatives trading.

5.2 Wallet Structure (needs adding)

5.3 Security (needs adding)

5.4 CX5 Trading Platform

To trade on the Exchange, Investors need to use a trading platform, enabling them to see the available products, instruments and order-books, as well as submitting, canceling and amending orders.

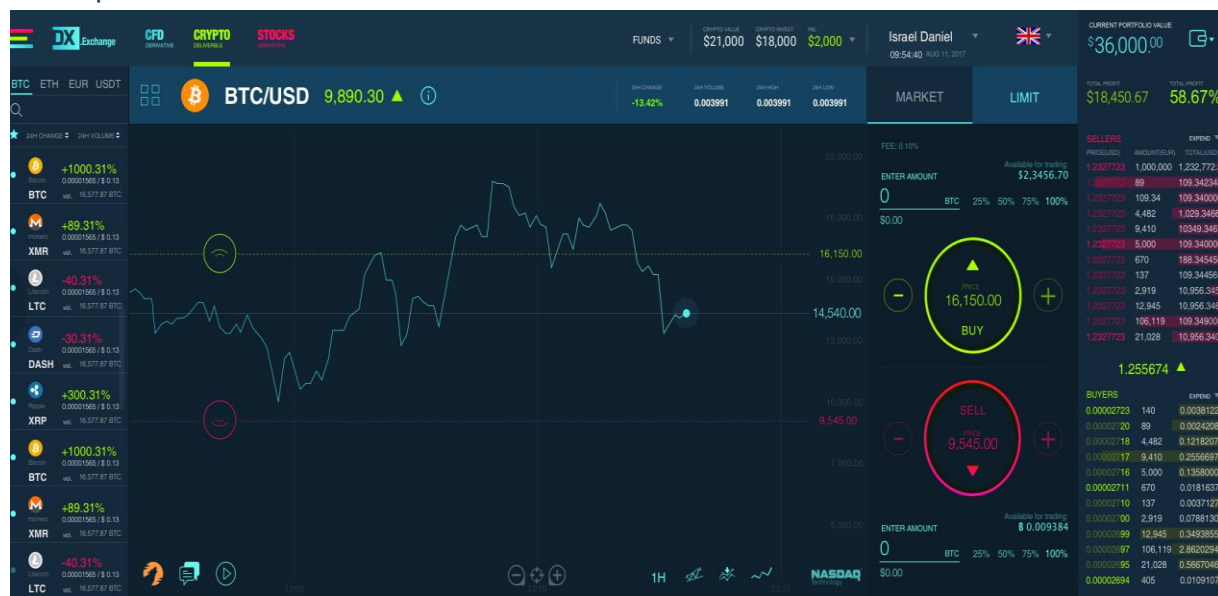
CX Exchange developed and supports a platform called CX5, which will support all products offered on the exchange.

CX5 is a multi-platform solution, web-based, desk-top, downloadable, social, and mobile app, offering its users a full trading solution.

5.5 WEB Application

The Web platform, is a JavaScript one-page responsive application that provides desktop like performance for traders on both regular and mobile browsers. The CX5 is provided with a default CSS responsive theme and allows white-labeled brokers to create various custom themes matching brand style and design

concepts.

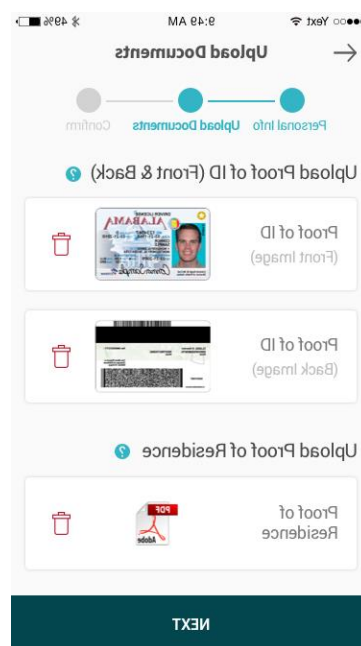
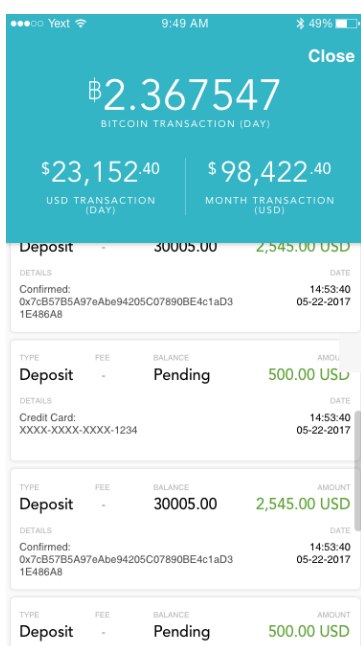
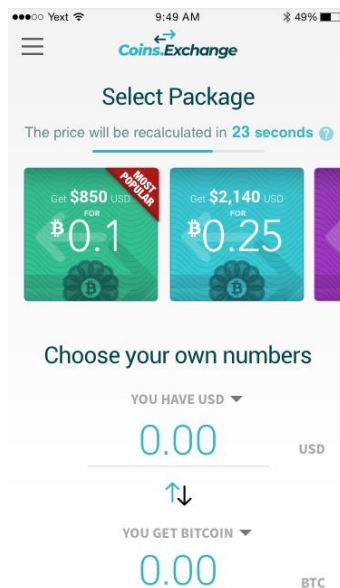


5.6 Data streaming

One of the important aspects of CX5 is the immediate dissemination of all types of trading data information onto the Web, Mobile, and Desktop platforms. All important information such as asset quotes, order books, position results and, trading logs are presented live to the client.

5.7 Mobile Application

CX5 comes with both iOS and Android native applications, with the same functionality as Web and Desktop platforms and design adapted for mobile.



5.8 CRM

CX5 is also accompanied with an efficient CRM that is tailored made to support the brokerage business. The CRM provides all the tools necessary to cover all aspects of client management and back office tasks and to operate in a 24/7 continuous mode.

5.9 Clearing

CX Exchange is developing our own proprietary Clearing system to ensure quick, safe, clearing and payment process. The Clearing system is responsible to ensure that all trades will get settled in an accurate manner, and that all trading parties' accounts are credited and debited in accordance with their trading activities.

5.10 Risk Management System (RMS)

The RMS ensures the stability and safety of the clearing system while clearing derivatives, by performing calculations based on current and theoretical exposure. The risk model will be based on proven market models, such as SPAN and VAR.

The main purpose of the RMS is to prevent default situations following unexpected market moves, and to always hold suitable collateral from trading parties on the exchange.

5.11 CX Plus

The CX+ is an automated sales and marketing system, constructed with cost efficiency in mind. It will allow brokers to reach a much larger target market, in much less time. It eliminates the need for a call-center.

6 Marketing Strategy CX Exchange

6.1 MARKETING STRATEGY

The B2B and B2C marketing strategies are completely synchronized. Where the B2B strategy is purely focusing on acquisition and connecting the ICO community with the Coins. Exchange community, the B2C strategy is based on putting the name out there and retaining the clients. The trust the B2C creates through their community, blogs and branding will be of great influence in the conversion rate and lifetime value of the visitors of B2Bs' clients.

6.2 B2B

6.2.1 Target group

Major target group are companies planning their ICO or just finalized their ICO. The focus lies on security tokens and utility tokens.

6.2.2 Major Unique Selling Propositions

- *Complete package including:*
 - *Payment widget*
 - *KYC registration flow*
 - *Trading platform*
- *Full regulation*
- *NASDAQ Technologies*

6.2.3 Marketing strategies

Contacting companies that are planning their ICO or just finalized their ICO. Calendars on cointelegraph, tokenmarket, etc. will be used to do research on the next ICO.

6.2.4 Strategy time overview

- *Direct marketing 65%*
- *Conferences, Tradeshow 25%*
- *Sponsorships events, teams 10%*

6.3 B2C

6.3.1 Target group

The target group is a hip upwardly mobile 25-45-year old's. Single men and women, college educated, who want to join a community.

6.3.2 Psychographic

According to two separate researches done by Coindesk and Forbes, this target group would cover over 65% of the total bitcoin buyers. It also states that the main majority are male, but the female part of the target group is growing rapidly.

The age exists out of 2 groups whereas the "Crypto buyers" are in the younger part of the age group and often even younger than 25. The "Crypto traders are believed to be in the older part of the target group. Due to the synergy of the buying and trading part of the platform, we're targeting them mainly as one.

6.3.3 Demographic

The location of the target group is in the US and Europe. Based on the number of reachable nodes, this should cover between 60% and 70% of the target groups location.

Since 70%+ of Northern EU is speaking English, the targeting language is English.

- *Tier 1 | English speakers: US, UK, SE, DK, NO, FI, NL, SG, MY, HK*
- *Tier 2 | Major countries Not English speakers: DE, AT, CH, FR, JP, RU*
- *Tier 3 | Minor countries: Other*

6.3.4 Platform

Keyword research states that the target group is very mobile savvy as 60 % of the clicks come from a mobile device and 40% from desktop

6.3.5 Major Unique Selling Propositions

- *Fully regulated*
- *Credit Card payments*
- *NASDAQ technologies*

7 Marketing approaches

Due to recent ban of Cryptocurrency advertisement on major bidding platforms like: Facebook, Twitter and Google, the main advertisement strategy is pushing out content and building a SEO network. The major parts of SEO are: Content creation, Link building, Social media, web development and Analytics.

The minor and other marketing strategy activities are Media buying and Affiliation.

7.1 Competitor analysis

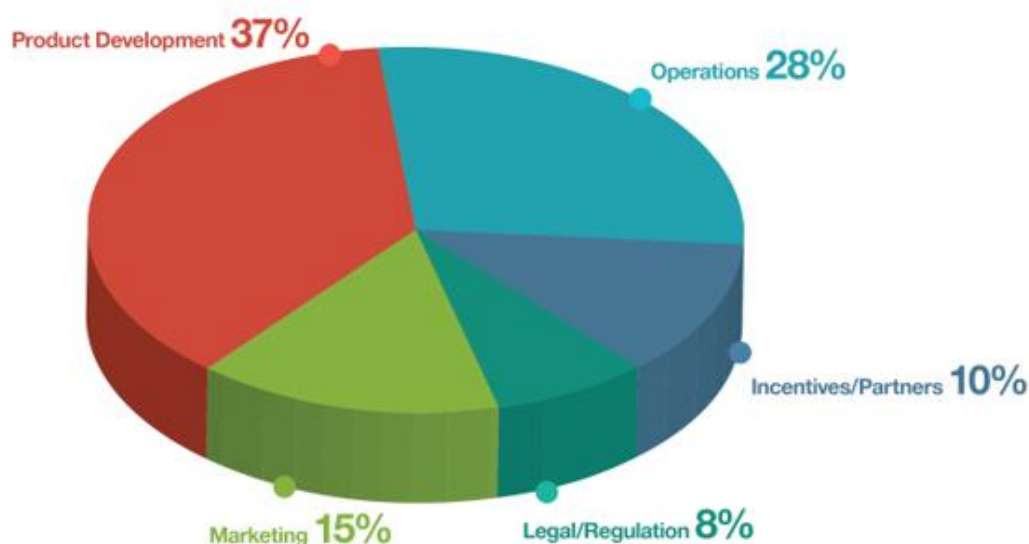
ACQUISITION	Bitfinex	Gdax	Binance	Bitstamp
Affiliate Program	Refer A Friend	Refer A Friend (Coinbase)	Refer A Friend	None
standard deal	10% of fee	CPA \$10	20% of fee	N/A
visits December	59M	64.2M	101M	31.4M
Countries (top 5)	1.DE 2.TR 3.BR 4.RU 5.US	1.US 2.UK 3.DE 4.ES 5.FR	1.US 2.TR 3. VT 4.JP 5.UK	1.US 2.UK 3.DE 4.SI 5.IT
Traffic sources	Direct 45%, Links 39%, Search 11%, Social 3%, E-mail 2%, Display 0%	Direct 65%, Links 20%, Search 13%, Social 1.5%, E-mail 0.8%, Display 0%	Direct 46%, Links 40%, Search 7.6%, Social 4%, E-mail 2%, Display 0%	Direct 23%, Links 49%, Search 14%, Social 5%, E-mail 7%, Display 0%
Social	YouTube 42% Facebook 25% WhatsApp 7.8% Reddit 7.8% Twitter 7%	YouTube 30% Reddit 29% Facebook 20% Twitter 14% WhatsApp 1.5%	YouTube 38% 2. Facebook 27% 3. Twitter 15% Reddit 12% WhatsApp 3%	YouTube 37% Facebook 30% Reddit 15% Twitter 7% WhatsApp 4.5%

Source: Similar-web, SEMrush

7.2 Strategy time overview

- SEO 60%
- Telegram 10%
- Media buying 15%
- Affiliation 5%
- Refer A Friend 5%
- Conferences, Tradeshow 5%

7.3 Use of Funds



Product Development: A considerable amount of time and resources has gone into the development of the CX5 Trading Platform, the Development of the Platform Matching Engine and integration of the product mix. Investment into the Exchange and CX proceeds will be used to fund continued development, integration and employee costs.

Marketing: ICO Token listings will bring a significant number of new users and traffic to the exchange. Most marketing spend will be as listed in the “Marketing” section and through Sponsorships and brand building. The Exchange has an exclusive license from CX to utilize the auto marketing tool called DX+, an

automated system for sales, marketing, and retention purposes that takes out the manual element and replaces call centers.

Incentives/Partners: DX Exchange has set aside a part of the investment proceeds for strategic partners and future incentive programs for our market participants.

Legal/Regulation: There is a considerable amount of time and work on the legal side that needs to be completed. Making sure that the Exchange is compliant with regulatory jurisdictions is a necessity. Once again, USA (CFTC), UK (FCA) and Cyprus (CYSEC) Hong Kong (SFC), and Japanese(JFSA).

Operations: Day-to-day business expenses such as employee salaries.

* The Exchange may modify the allocation to their discretion at any time.

8 Regulations

8.1 Global Outlook

8.1.1 Background

Global Regulators are beginning to take a very firm stand against Crypto and OTC trading products and brokers. The financial commissions in North America the as well as European Securities and Markets Authority (ESMA), the Pan-European Commission, have issued quite a few guidelines to regulate the industry and protect the traders. China has outlawed all forms of Crypto products and trading.

We are actively pursuing licenses in the for Crypto and traditional derivative products.

8.1.2 Estonia & Cyprus

Two operating licenses have recently been granted to CX by the Estonian Regulator

- *Number FVR000051*
- *Providing services of exchanging a virtual currency against a fiat currency*
- *Number FRK000039*
- *Providing a virtual currency wallet service*

With an option to add a Cypriot Investment Firm License (CIF) will enable us to hold FIAT currencies

- *We are currently in the procces of purchasing a CySec CIF license tha will enable us to hold FIAt currencies.*

8.1.3 Cyprus

- *We are currently in the process of purchasing a CySec license that will enable us to hold FIAT currencies.*
- *License for Multilateral trading Facility*

8.1.4 U.S.A

- *License from CFTC for a derivative contract markets*
- *(DCM) and derivative clearing organizations (DCO)*
- *License for Broker dealer and Alternative Trading System (ATS) (ICO may be deemed as Securities)*

8.1.5 Hong Kong

- *Type 1 – Dealing in Securities (ICO may be deemed as Securities)*
- *Type 2 - Dealing in futures contracts (Derivatives)*
- *Type 7- Automated Trading Services (Exchange)*

8.1.6 Japan

- *Currently studying feasibility of obtaining a Japanese Financial Agency (JFSA) Registration*

9 Roadmap

Milestone	Milestone date	Responsible
NASDAQ Contract Signature	11/27/17	Completed
Start NASDAQ Development	12/07/17	Completed
ME Integration to platform	02/18/18	CX
DX Exchange website launch	04/15/18	CX
Beta Testing on DX Exchange	05/01/18	NASDAQ/CX
<u>Go Live Phase 1 DX Exchange Crypto Exchange</u>	<u>06/15/18</u>	<u>CX</u>
CYSEC Approval	07/01/18	CX
Hong Kong SFC Approval	08/01/18	
CFTC/ SEC Approval	10/31/18	CX
DX Exchange CFD and FX integration Complete	10/15/18	NASDAQ/CX
<u>Go Live Phase 1 DX Exchange CFD and Binary EU</u>	10/25/18	CX
CFTC/ SEC Approval	10/31/18	CX
FCA Approval	11/01/18	CX

10 Founding Team Members



Pinhas Patarkazishvili – Founder

Pini has been a serial entrepreneur since the mid-nineties. Starting in his early days with Financial Institutions and then moving into more Technology related Start Ups with the growth of the internet. One such company, SUKKU was one of the first VOIP providers to make telephone calls over the internet using just your laptop. In 2009 Pinhas founded SpotOption LTD one of the pioneers in providing technology in the Binary Market space. SpotOption LTD was so successful that it practically created the 1 Billion plus Binary Options Market. Pinhas is married and a father of six children living in Israel.



Daniel Skowronski – Co-Founder

Experienced leader in the Fin Tech industry with over 20 years' experience. An entrepreneurial executive with extensive experience in financial services, digital marketing, mobile banking, mobile payments, call center management, operations and technology. Daniel has worked throughout his career in companies such as CSFB, HSBC, BofA, Currenex, Alpari and OANDA. His passion for Artificial Intelligence Machine Language Learning lead him to start YIPO Technologies in 2015. Daniel also is a serial investor in a number of startups with seed capital.

11 Partners

