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Ekival Business Model

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SUMMARY

Ekival allows users to access transnational incomes without the need of using a traditional money transfer business. Ekival is also usable for goods, services and fundraising by allowing blockchain based escrow services.

STAKEHOLDERS

Providers of Liquidity, Goods & Services

The Hawala system relies on the availability of funds, goods or services. It is initially a supply-led model. Ekival improves on the Hawala model by implementing a P2P Escrow-based model.

Consumers of Liquidity, Goods & Services

Ekival end-users are considered to offer funds, goods or services of equal value to that provided by the initiator of the contract.

Distributors

Distributors are considered unrelated to both the Provider and Consumer, but have funds, services or goods which they seek to convert. Distributors are expected to be mobile transfer operators who will be joining the network to process transfer payments for users who do not have access to mobile money wallets.

CONTEXT

National borders, geographical distances and incomplete information can prevent two parties with complementary solutions to meet. In the case of remittance transfers, the lack of information makes senders and receivers of remittances rely on intermediaries whose main function consists in balancing IOUs between endpoints of a transfer corridor while charging high remittance fees.

Remittance fees are of particular concern for the African continent where an average fee of 8.2% of the transfer amount is charged for transfer to Sub-Saharan Africa. Intra-region transfers in Africa are even more expensive with fees amounting to more than 15% of the transfer value (Global Remittance Flows in 2021, KNOMAD & World Bank, 2021).

Globally, remittance fees constitute a burden on the most vulnerable and limit investments in developing nations. And these estimates do not take into account associated costs linked with retrieving remittances (transport, identification documents, missed labor, etc.).

PURPOSE

Ekival seeks to publish available resources for exchange and seek offers of equal value at the target location. By matching items of equal values, Ekival offers what could be compared to teleportation. The main benefit is the reduction in cost and time.

In the case of remittances powered by the Cardano Blockchain, transfer fees will be relatively low compared to traditional transfer services. Ekival aims to provide a competitive alternative while maintaining a vision to be profitable. Currently, the Testnet implementation accounts for a 2 Ada fee per transaction.

SCOPE

Ekival aims to facilitate transfer of funds initially. Money transfers through a Hewala system where a provider of liquidity aims to be matched with another provider of liquidity at the location of interest. On the blockchain, the currency of exchange will be Ada, though a stablecoin would better serve this purpose. This first phase consists in the currency-to-currency exchange. Later phases will introduce services-to-currency and goods-to-currency exchanges.

APPROACH

Crypto to Cash

Over 90% of remittances are received in cash. Ekival will on-board users who are willing to exchange crypto for cash.

Crypto to Other Digital (Mobile Money)

Crypto currencies and other forms of digital currencies may not yet be interoperable and Ekival aims to use Mobile money aggregators to offer the ability of users to exchange mobile money funds for Crypto.

RESPONSIBILITIES

Ekival offers an escrow service based on the Cardano Blockchain. This service is offered through a fee involving a minimum, a share of the commitment amount and a maximum. The need for a fee-based service is to ensure that users fulfill their commitments.

Ekival

Ekival's responsibility is limited to offering the Escrow service which holds the funds until users have reached the agreed outcome. In the case of money transfer involving cash, the application will offer users the ability to confirm the exchange and in the case of mobile transfers, Ekival is expected to validate the transfer and complete the transaction.

Providers of Liquidity, Goods or Service

The Provider is required to post a deposit which can either be the minimum, a proportion of the expected transfer or the maximum. At the time of this writing, a minimum of 2 Ada and a rate of 1% are envisioned. Given that transfer fees already cost more than 1%, we do not envision a case where a user would be discouraged to use the service as the deposit is refundable.
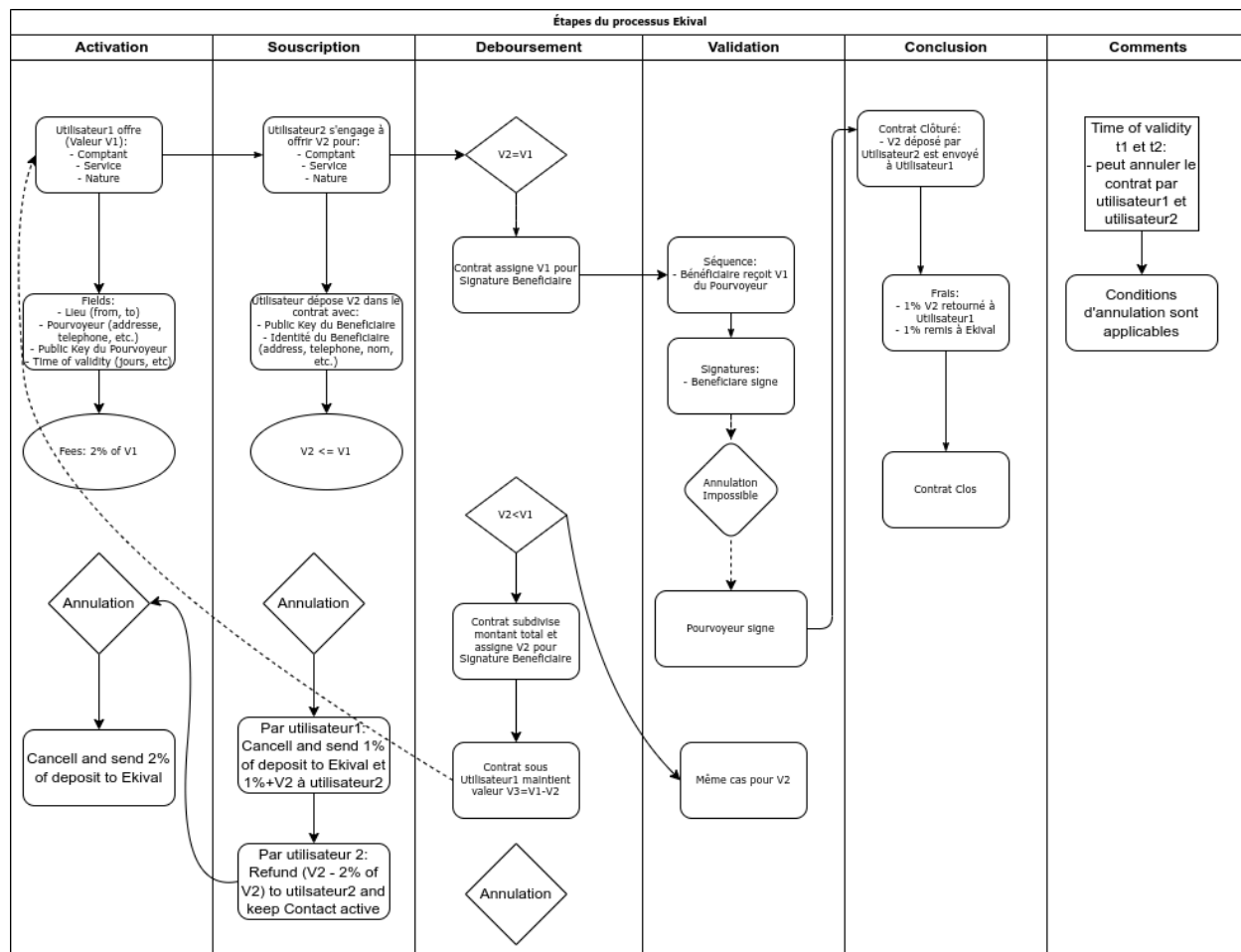
Consumer of Liquidity, Goods or Services

Consumers of Liquidity will be posting the required amount in escrow. They are expected to meet the Provider or their representatives within the expected timeframe once they have committed to consuming the liquidity, acquiring the goods or using the services provided by the Provider.

PROCEDURE

Ekival is a Hawala system on the Cardano Network. The following diagram shows how users interact to exchange funds, goods or services.

The diagram is in French and an English version will be added.

Order-book style P2P

Pure Hawala consists of one transaction fulfilling the total pledge by the provider of liquidity, goods or services.

In the Cardano UTXO model, there is only one UTXO per transaction both at creation, commitment and consumption.

Practical case: Someone would like to offer $800 in Goma and a user based in the USA deposits $800 (Ada equivalent or madUSDC) in order to have the $800 remitted to his relatives living in Goma.

Partial Transactions

Providers of liquidity may offer to split the total amount through tranches. In this case, multiple UTXOs may be created under the Provider's credentials to account for the total amount. Ideally, this would allow smaller denominations to be consumed.

Practical case: Someone would like to offer $800 in Goma and a user based in the USA deposits $400 (Ada equivalent or madUSDC) in order to have the $400 remitted to his relatives living in Goma. This would create two UTXOs with only one containing the value of $400 locked using both the Provider's and Consumer's credentials (Provider's credentials are required to receive a portion of the fees, should the Funder cancel the transaction).

RISKS

Several risks are considered, including:

- Equivalency: Goods and Services can be estimated to be of different value between the Provider and the Consumer. This risk is lower for money transfer given that exchange rates will be incorporated in the system and stable coins which are pegged to a currency will facilitate the exchange.
- Disputes: users may not agree that the exchange has happened (solutions are being implemented to have multiple signatures to complete the transaction).

REFERENCES

Find more at ekival.com

COMMENTS (Sections):

- 1: Intro at the first (blockchain and remittances) 1
- 2: Problems and Solutions (High cost, remittance services in Dev countries) - our solution (Escrow, Speed, Core Objectives) (2 pages)
- 3: Target Market (Canada, America and Congo) (1 visual)
- 4: Competition (World Remit - Exchange - Global landscape - Technology in Remittance - Celor); sub-section: Current remittance alternative (Yellow Card, Cellor, etc.)
- Deep on competition in the Blockchain (Revolut, Lightning,)
- Future competition (better than blockchain)

- Microloans (providers on request) (3 pages)
- 5: Tokenometrics (Staking, Loyal Systems, Yields): Agents can make more money in staking. How to motivate (Referral system, etc.) (1 page)
- Regulations: Yield providers (3 arrow Capital - B2B at 10% especially on StableCoins)
- Future Devs: Security and Fraud prevention, Business Model.
- 6: Case Study and Future Plans: Rural areas. (1 page)
- 7: Milestones on KPIs: How many customers and how much money (half)
- 8: Tokenomics (1 page)
- 9: Team, Partners, Advisors, etc (1 page)
- 10: Financial overview: Funds Usage (1 page) How much you need: Hire, marketing.

Start with a Deck (longer than a pitch Deck).

Graphics person on the team: make it more visual and modern.

Business Model:

- Money and non-monetary incentives (ranking, tiered access, etc.)

Branding:

-

Applications:

- Garanties
- Intérêt communs
- Objectifs commun dans un délais
- Non modifiable
- Est-ce que le produit sera équitablement réparti? Les partenaires seront-ils tous autant motivés?

TOKENOMICS

Why use a token?

Fidelisation:

- Referrals
- Ekival Token fee reduction (4 Tiers -Base, Silver, Gold, Platinum)
- Shared goal reduces forking incentives
- Sustainable development
- Staking

Funding Needs:

- Pre-Seed: 1$M (20%)
- Team & investors: 25%
- Community : 75%
- After: Development needs from profits generated and Reserve set.

Motivation:

- Testnet users benefit with airdrop in Genesis Launch on Mainnet

Geert:

- Age, business, type of people
- People to start using the service
- Businessmen,

Marketing for liquidity:

- Total available market: numbers of users in first month, number of users*transactions*fees
- Capture for market (15%)
- Recruit providers of liquidity: percentage of liquidity (interest rate from the bank)
- Fiverr: financial model, inputs and outputs
- 50,000 possibly 5%

Visualize: - map value chain

- Level of liquidity provision
- Interest from money transfer agents
- Storytelling about Ekival. How it works and prevent negativity on crypto affecting the service
- Try it (referral, for every 100$, you get 2$)
- 10M$/year and how much marketing
- 5000 reached and how many use the service