

## What Is USDQ and Q DAO? Complete Guide from PLATINUM ENGINEERING

Mihail Kudryashev, a Front-end engineer at [PLATINUM ENGINEERING](#), wrote this article while seeking to raise awareness about [USDQ](#), a stablecoin his team is helping to develop. Among the biggest benefits, USDQ brings full decentralization and predictive capabilities. Soon there will be even more fully backed stable coins: JPYQ, KRWQ, SGDQ, HKDQ, CNYQ, RUBQ under Q DAO governance. Slowly learning more about blockchains, Mihail has been effective in transforming vague ideas into effective front-end solutions with strong UI/UX. Within his team, he's helped many crypto startups to make their voice heard throughout the emerging global crypto community. In this article, Mihail looks into the key benefits that users win from using USDQ.

*USDQ brings stability, with no need to engage legacy finance*

### How do USDQ and Q DAO coins work within the ecosystem?

**USDQ is decentralized stablecoin**, which uses algorithms to offer higher stability and reliability. It's backed by Bitcoin (another top 10 cryptocurrencies will be added in future). The elegant system places all transactions on the blockchain and empowers users to execute cross-border and disintermediated transactions at any time and from any place. It's pegged to the value of USD, i.e. 1 USDQ always equals 1 USD. The ecosystem's design borrows heavily from fractional banking systems. In the nutshell, USDQ is a customer-facing stablecoin and Q DAO is an internal "operational" coin; together they help create a stabilized safe haven for anybody who's looking to hedge against rampant volatility of crypto markets.

### Introduction to Q DAO and USDQ

There's a number of factors that prevent mass adoption of cryptocurrencies. The biggest factor among this is high volatility, seen in crypto. Bitcoin, the oldest and most popular coin, has been fluctuating with prices oscillating between 20,000 and 3,500 in just one year of 2018. No potential adopters, be it merchants or individuals, would be happy with suffering huge losses that such drastic changes can entail. And it's this high volatility that USDQ is set to address, bringing stability and convenience.

Tether (USDT) is probably the most well-known and widely used stablecoin. However, it has been embroiled in various controversies from the very start with no end to these in sight. Although the system is supposed to assure the 1-to-1 fiat reserves for all Tether units created, the website content has been recently changed to say that the issuer views not only cash in the bank, but also various loans to other companies, as the reserves. Both regulators and crypto enthusiasts have voiced concerns, which might bode ill for Tether in the months to come.

USDQ works differently. Here, the stablecoin is pegged to US Dollar and backed by Bitcoin (+top 10 other cryptocurrencies in future). It's similar to lending operations and fractional banking systems. Overcollateralization is used to mitigate potential unexpected changes in assets prices.

The USDQ ecosystem is highly transparent as all of the operations are recorded on the immutable Ethereum blockchain, open to review by anybody and at any time. The smart contracts bring automation to business processes and eliminate the need for middlemen to assure trust and prevent abuse.

In order to determine how viable USDQ will be in the future, we need to discuss the two tokens used within the ecosystem.

### **Review of Q DAO and USDQ**

Q DAO is governance token, entitles holders to participate in voting for new decisions. Importantly, holders are interested seeing Q DAO's prices growing and thus they are incentivized to thoroughly review proposals and deliver the best decisions. In this way, Q DAO imbues higher democracy and decentralization, on which many current crypto projects lag.

In addition, all the fees, charged for the system use, can be paid only in Q DAO.

In order to create USDQ, a user needs to transfer Bitcoins into a Collateralized Debt Contract (CDC). This will automatically trigger the smart contract to generate USDQ and send it to the user. In order to change USDQ back into crypto assets, users need to pay back the amount of USDQ they input and the fees, chargeable in Q DAO Tokens. Whenever this is done, USDQ is automatically destroyed and the Collateralized Debt Contract is closed.

In addition by getting USDQ directly at the company's website, users can trade in USDQ on secondary markets. It's as easy as trading Bitcoin or Ethereum or any other coin.

Traders can store both coins in their wallets, assuring higher security. The stability and ease of use for USDQ open up wide ranges of adoption for both businesses and end consumers alike.

### **What makes USDQ stand apart**

The main difference between projects like Tether and USDQ is complete transparency and openness in the inner workings of USDQ. All the data is easily accessible on the blockchain and there are no rumors or controversies as to the reserves held by the team, potential conflicts of interest or hidden agendas.

The CDC mechanics ensure that it's impossible to create fake units of USDQ, as smart contract can be activated only after an amount in Bitcoins is input. The development is being done completely transparent. Interested parties can review the smart contract, presented on the website. The audits and peer reviews were carried out to assure the highest quality of smart contract. The website-based scanner enables to track all the data about each and every transaction, including time, amount and collateral size.

In addition, should a "black swan" event occur, i.e. a drastic fall in Bitcoin prices, Q DAO is sold on secondary markets. Bitcoin value is liquidated to make a USDQ buyback procedure, which prevents any losses on the part of the system's users.

Additionally, PLATINUM BLOCKCHAIN ENGINEERING which is helping to develop the ecosystem is working hard to build up long-term partnerships with stakeholders in the crypto industry. The more liaisons the team wins, the better outlook for USDQ will be.

### **Why do we need stablecoins anyway?**

Different assets produce varying levels of volatility in prices, when compared to each other. For instance, the purchasing capacity of US dollar has reduced over time with 1 USD from 1913 equaling 24 USD today (2019). This happens due to inflation 3-10% per year. In comparison, Bitcoin almost tripled in value in 2018 and then fell down by as much. Thus, fiat currencies are more stable, when compared to cryptocurrencies.

Stablecoins don't attempt to fight inflation. Instead, coins like Tether and USDQ peg themselves to US dollar, bringing relatively higher stability to crypto trading communities. One of the most famous transactions with Bitcoin is when a pizza was bought with Bitcoin back in 2010. At that time, the pizza ended up costing just a couple of bucks, but today it costs millions. Although stablecoins continue to be impacted by inflation and exchange rates that come to them from fiats they peg themselves to, they are nowhere near the mindbogglingly high volatility of crypto assets.

One of the major use cases for stablecoins like USDQ is concluding long-term contracts. For instance, when using a popular decentralized platform Augur, users can bet on the price of oil in 5-10 years. The problem is that you won't only have to account for future changes in oil prices, but also for prices in Ethereum or Bitcoin that you use to make the bet. USDQ solves this problem elegantly and without much trouble. Using it, users don't have to consider future changes in Bitcoin prices and they can concentrate on what they've come here for - betting on future events. And they don't have to worry about technical details as it's easy to purchase USDQ and use for trader's purposes.

Betting industry is just one of the many use cases, where USDQ can bring benefits. It can be successfully used for any transactions done across borders and long-term financial contracts. Virtually, USDQ opens up new opportunities any time value is exchanged and volatility has a negative effect.

### **Bottom Line**

USDQ has a high potential to democratise transactions between companies and individuals globally, bringing fast execution and low volatility. The "PLATINUM BLOCKCHAIN

ENGINEERING" is working hard to enable and improve various features in order to help USDQ to take leading positions on crypto markets.

Here are the main ecosystem's features:

- The system uses two tokens (USDQ and Q DAO) in order to tackle volatility, while staying on the blockchain.
- USDQ is always pegged to USD 1:1. In order to come into line with as many national exchanges as possible and enter other markets, the company will issue other tokens pegged to the national currencies. For example, there will be CNYQ (for Chinese Yuan), KRWQ (for South Korean Won), as well as JPYQ (for Japanese Yen) at the early stage.
- USDQ brings higher decentralization, driving this important vector in the development of crypto industry.
- Q DAO holders are interested in seeing the coin grow and succeed, thus they will work hard to review and pick the best proposals for the system to move forward.

Taking into account these beneficial features, there's no question that [USDQ](#) will become a viable alternative to other fiat-backed cryptocurrencies like TUSD, USDT, GUSD, USDC etc. Competing with other stablecoins, both already operating and just being developed, [PLATINUM ENGINEERING](#) will roll out the new features and underlying tech solutions that'll help propel the coin.

**[USDQ](#) is decentralized stablecoin**, which uses algorithms to offer higher stability and reliability. Fully on-chain and monitored by high-speed AI robots, ecosystem offers reliable defences against malicious acts and attacks. First run in line of fiat-pegs, USDQ is brought by [PLATINUM ENGINEERING Team](#), looking to edge together innovative solutions in collateralization, using stabilizing mechanisms for high-endurance stablecoins. Soon there will be even more fully backed stable coins: JPYQ, KRWQ, SGDQ, HKDQ, CNYQ, RUBQ under USDQ brand. Fully anonymous, USDQ breaks limits out of this legacy world.

[PLATINUM ENGINEERING](#) values your opinion and welcomes you to continue the conversation on [Telegram](#) or [Facebook](#), where the company's development team is always ready to help you find solutions to pressing issues. Working on projects like [USDQ](#), Michael has gained an invaluable suite of skills and insights, enabling to roll out high-usability UI/UX with tight deadlines and lack of clear expectations as to user behaviors. The team has successfully produced [white-label wallets](#), [stand-alone fundraising platforms](#), as well as [integrated fundraising ecosystems](#). Any startup looking for a reliable partner to help execute a success-story will win from a free consultation with the PLATINUM ENGINEERING team about potential solutions to their needs and issues.

This overview may not be fully exhaustive and does not assess the viability of any project, nor its team legitimacy. Readers should conduct their own due diligence before using or

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