

CazzPay Whitepaper

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Introduction

CazzPay is a platform that helps sellers in allowing customers to pay in crypto BUT receive the payment in fiat. It consists of a DEX, with token-pair pools consisting of pairs of well-known tokens and our fiat-backed stablecoin. Liquidity providers are rewarded from the platform fees, and are free to withdraw their liquidity at any time.

There's still a major population of people who are apprehensive of the crypto-space, and the services they can avail. Cazz aims to onboard such people, bridging their trust from fiat currencies to cryptocurrencies, so they too can take advantage of crypto while still using fiat.

Overall structure

The overall structure of the ecosystem can be divided into 2 sides, with one side for crypto, the other side for fiat.

The crypto side consists of a DEX, with token-pair pools, consisting of well-known tokens paired with our fiat-backed, over-collateralized stablecoin - \$CZP. Liquidity providers provide liquidity to this pool and earn from platform fees. It is this pool, containing \$CZP, that is responsible for 'conversion' of a crypto-token to its equivalent \$CZP amount, which, since it's pegged to a fiat currency, allows the 2nd side (described below) to release fiat payments to the seller.

The fiat side is a reserve containing a fiat currency, and backs the \$CZP token. LPs need to first purchase \$CZP by depositing some fiat, then use that to provide liquidity to the DEX.

When a buyer makes a payment in a cryptocurrency, it actually is treated like a token swap. The buyer is supposed to get the equivalent \$CZP (actual equivalent \$CZP - fees), but since the aim is to complete the transaction in fiat, the DEX burns this equivalent \$CZP, and releases the equivalent amount of fiat from the fiat side to the seller, thereby completing the purchase.

Liquidity providers are minted \$UNI-V2 tokens (LP ERC20 tokens minted by Uniswap V2) to track their liquidities, the value of which rises over time, because the platform fees result in a greater sum-total of tokens after arbitrating/trading than before arbitrating/trading, provided that trading and buyer-selling transactions keep happening simultaneously.

Liquidity providers are free to withdraw their liquidity at any time, and are free to withdraw the fiat they provided by exchanging the redeemed \$UNI-V2.

The flowcharts below highlight all the processes happening in the ecosystem, in a sequential manner, that show the flow of tokens/fiat. Note, that even though the flowchart is sequential, the processes happen in simultaneous flows, so influx/outflux/swaps of tokens/fiat keep happening always.

Flow diagrams



