



## Trade.io Liquidity Pool FAQ

If any of your questions are not addressed on this FAQ please contact us on live chat, Telegram, or email [support@trade.io](mailto:support@trade.io)

### What Exactly Is The Liquidity Pool?

- trade.io's Liquidity Pool (LP) is a lending facility. Participants will use their Trade Tokens ("TIOx") as an access key to enter the Liquidity Pool ("LP"). After the LP has been launched on October 9th, 2018, the participants can loan their TIOx to the LP.
- In return for the TIOx that are contributed to the LP, [trade.io](https://www.trade.io) will pay back interest to reward these users for their participation. Participants will receive their original principle of TIOx back once they choose to exit the LP.
- Interest is paid in any cryptocurrency that trade.io has excess in after utilizing the loaned TIOx for that day. This means your interest could be remunerated in BTC, ETH, TIOx, or any other cryptocurrencies at trade.io's discretion.

*\*It is important to note that trade.io has full discretion on the assets that are paid for the interest distribution. It is likely that TIOx interest distributions will not occur until the price of TIOx has matured.*

### What is TIOx?

- TIOx is the ticker symbol for Trade Token X which is trade.io's native cryptocurrency. TIOx is a utility token and is used to access the LP. TIOx is also used to transact with trade.io's consulting business and will be utilized in other business units that are in trade.io's product pipeline such as the education and angel investors platform.

### How Do I Buy TIOx? Where Can I Get TIOx?

- If you wish to purchase TIOx to participate in the LP, please register for an exchange account with trade.io. Registration only requires you to enter your email address and create a password. You can then transfer your crypto assets to your exchange wallet and trade/exchange those assets for TIOx.

### How Do I Calculate My Interest Distribution?

- Your interest return is based on a tiered structure and the amount of TIOx you have contributed to the LP. Please visit <https://www.trade.io/en/liquidity-pool> to see the tiered chart and determine your payout level. The formula to calculate your interest return is:
- $(\text{Return of Utilized TIOx} \times 50\%) \times (\text{My Loaned TIOx} / \text{Total Pool TIOx}) \times \text{Tier Multiplier \% in chart.}$
- For example, if you loaned the minimum TIOx amount of 2500 to the LP on a given day and that day's utilized TIOx yielded a return of USD 800,000 and assuming that the total TIOx in the pool was 5,000,000 TIOx, you would yield a return of USD 20 which would be paid in the equivalent in cryptocurrency at trade.io's discretion.

## How Does The Pool Generate Interest For The Participants?

- Participants lend their TIOx to the LP for the company to make markets and provide liquidity via the balance sheet associated with the loaned value of the TIOx in the LP.
- 50% of the funds generated from the operations of the utilized LP TIOx, will be distributed to the participants in the form of interest.
- Interest will be distributed to participants of the LP in the form of the various assets that have been generated from the utilized loaned assets in the LP on the trade.io Exchange platform. This includes BTC, ETH, TIOx and other altcoins depending on the accumulated assets during that day's LP loan utilization.
- A high water mark will be established to ensure participants are paid interest based on positive performance of the loaned TIOx.

## How Often Is My Interest Distribution Paid?

- Interest distributions are paid on a daily basis whenever the LP yields a positive return from the utilized loaned TIOx. On days when the LP yields a loss or no return, there will not be a distribution.

## What Are The Requirements To Access The LP?

- All LP participants must have their exchange account verified in order to access the LP. To verify your account please login to your exchange account and click on the profile icon/logo. You will be prompted to submit your KYC (Know Your Client) information as required by AML regulations. If you have any questions or concerns regarding your account verification please email [compliance@trade.io](mailto:compliance@trade.io) for further assistance.
- After the trade.io compliance team has verified your account you will see the “Liquidity Pool” tab in the exchange become accessible (initially this tab will be greyed out and you will not be able to access it).
- Upon accessing the LP tab for the first time you will need to read and agree to the terms of service of the LP. After you accept the terms of service you will then be able to lend your TIOx to the LP.

## How Do I Loan My TIOx To The LP?

- Once you have accessed the LP tab in the exchange you will need to navigate to the “TIOx Lockup” widget. Here you will be able to enter the amount of TIOx you wish to lend to the LP. There is also a percentage allocation feature available for your convenience that you can use to determine how much of your exchange TIOx account balance you want to use to lend to the LP.

## Do I Need To Transfer My TIOx From My Exchange Account To The LP?

- No, the “TIOx Lockup” widget will do this for you automatically. The TIOx from your exchange account balance will be debited once you lock your TIOx into the LP. You will **NOT** be able to trade or exchange the locked in TIOx until you exit the LP. Upon exiting the LP you will be given back the same amount of TIOx that you have locked in and your exchange account balance will be credited. Once your exchange account balance is credited you are free to trade or withdrawal the TIOx at your discretion.

## Why Are My TIOx Locked In When I Lend Them To The LP?

- Each time you perform an action in the LP (lend tokens or withdrawal tokens from the LP) they will be locked for a minimum of 24 hours but not longer than 47 hours 59 minutes 59 seconds. This is to prevent anyone from manipulating the LP by entering into the LP for less than 24 hours to receive a full day's interest distribution. We have designed the lock in period to be fair for all users.

## When Is The Cutoff Time To Lock In My TIOx To The LP?

- Each days cutoff time for a LP participant to lock their TIOx into the LP will be no later than midnight GMT (24:00:00). All users who enter the LP before midnight GMT will be eligible to receive the following day's interest distribution.
- If a participant opts in at midnight (24:00:00) that participant will be included in the following day's distribution as they did not make the GMT 23:59:59 cutoff time to opt into the LP.

## When Will My TIOx Be Unlocked?

- A LP participant must be locked into the LP for a full calendar day **BEFORE** that participant is eligible to receive any interest distribution. The easiest way to describe this is by looking at the following example:

9-Oct	10-Oct	11-Oct
00:00:01 GMT Locks TIOx in LP	-	Locked in until 00:00:01. Receives distribution from the 10th - User can opt out at any time after 00:00:00
12:00:00 GMT Locks TIOx in LP	-	Locked in until 00:00:01. Receives distribution from the 10th - User can opt out at any time after 00:00:00
23:59:59 GMT Locks TIOx in LP	-	Locked in until 00:00:01. Receives distribution from the 10th - User can opt out at any time after 00:00:00

The above example shows three (3) separate LP participants who all locked their TIOx at various times throughout the day on October 9<sup>th</sup>. You will note that all users locked in before midnight GMT which is the cutoff time in order to receive the interest distribution for October 10<sup>th</sup>. On the day of October 10<sup>th</sup>, the LP participants will continue to be locked in.

On the first second of October 11<sup>th</sup> (GMT 00:00:01) all three LP participants will have their principle TIOx unlocked. The participants can then decide to exit the LP or remain in the LP for future interest distributions. If no action is taken by the participant and remains in the LP for the full 24 hours on October 11<sup>th</sup>, that participant will receive the October 11<sup>th</sup> interest distribution on October 12<sup>th</sup>.

Participants will need to lock in their TIOx each time upon entering the LP. After the initial lock up period the participant is able to exit the pool at **ANY TIME**. Meaning, if a participant enters the LP on October 9<sup>th</sup> and is unlocked on October 11<sup>th</sup>, there will be no subsequent locking periods assuming the participant continues to stay in the LP.

It is important to note that if a participant exits the pool at any point in time after the initial lock in period (i.e. at any point in time after the first second of October 11<sup>th</sup> in the example above) then that user **WILL NOT** receive the interest distribution for that day. The LP does not allow pro-rata interest distributions so please be sure you do not exit the LP accidentally or inadvertently as this will result in not receiving any interest distribution for that day.

Even if a participant enters the pool at GMT 00:00:01 and exits the pool at 23:59:59 that participant will not receive the interest distribution for that day. All participants must be staked in the LP for a full calendar day in order to receive any interest distribution for that day.



Upon exiting the LP the TIOx will be automatically credited back to the balance of your exchange account balance and you will be able to trade/exchange or withdrawal your TIOx at your discretion.

## Where Will I See My Interest Distributions From The LP?

- Interest distributions will be allocated daily on the following day they are earned. Interest distributions will be credited the LP participants exchange account balance for the respective asset(s) that are earned in that distribution. Allocation of the interest distribution are done randomly throughout the day to ensure no one asset is exploited on the exchange. Once a participant's exchange account balance has been allocated that participant can choose to trade/exchange or withdrawal that asset at their discretion.

## What Happens If The Price Of TIOx Increases Or Decreases Significantly While I am Locked In The LP?

- The price of TIOx has no bearing on your interest distribution. Any price appreciation or depreciation of TIOx is the participant's risk for entering the LP. The participant will receive their loaned TIOx principle back in their exchange account upon exiting the LP.

## Will I Be Able To Automatically Convert My Interest Distributions Into TIOx?

- The auto-conversion feature will be available after the launch of the LP. Once trade.io is satisfied with the core functionality of the LP, we will implement the auto-conversion feature which will allow LP participants to automatically exchange the various assets they receive from the LP into TIOx, via a market order, and contribute those TIOx to the LP. This will make it easier for LP participants to advance to the next tier and maximize their future interest distributions.

*\*This FAQ will be updated once the auto-conversion feature is available.*

## What Are the Risks of Lending My TIOx?

- The high water mark is to protect lenders of TIOx - meaning no distributions will be made until that high water mark has been reached.
- If the exchange makes a loss, **nothing** will be deducted from your exchange account and you will not lose your principle loan amount.
- The opportunity cost by locking in your TIOx to the LP for the lock in period.
- Insolvency of [trade.io](https://trade.io)