



MONANEX Exchange

WHITEPAPER

Version 1.0

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1. IMPORTANT NOTICE

The purpose of this White Paper is to present MONANEX and the MNX token to potential token holders in connection with the proposed ICO. The information set forth below may not be exhaustive and does not imply any elements of a contractual relationship. Its sole purpose is to provide relevant and reasonable information to potential token holders in order for them to determine whether to undertake a thorough analysis of the company with the intent of acquiring MNX Tokens. Nothing in this White Paper shall be deemed to constitute a prospectus of any sort or a solicitation for investment, nor does it in any way pertain to an offering or a solicitation of an offer to buy any securities in any jurisdiction.

This English language White Paper is the primary official source of information about MONANEX and MNX Tokens. The information contained herein may from time to time be translated into other languages or used in the course of written or verbal communications with existing and prospective customers, partners etc. In the course of such translation or communication some of the information contained herein may be lost, corrupted, or misrepresented. The accuracy of such alternative communications cannot be guaranteed. In the event of any conflicts or inconsistencies between such translations and communications and this official English language White Paper, the provisions of this English language original document shall prevail.

This document and information contained herein may not be sent and or addressed wholly or in part, directly or indirectly, to any person in the United States, New Zealand or the People's Republic of China, or any other



jurisdiction in which it would be impermissible or restricted to offer, distribute, purchase, sell or retain cryptographic tokens.

2. SUMMARY

The buzz around cryptocurrencies is booming and accelerating more quickly than ever, with more major media outlets covering new developments every day. With daily exposure in nearly every major newspaper and television station, it is clear that cryptocurrency is fast becoming mainstream. Not only is the discussion growing larger, but the market capitalization and trading volumes are sky-rocketing at an exponential rate.

On January 1, 2017, roughly a year ago, the market capitalization of all cryptocurrencies was recorded at 17 billion USD, with 24-hour global trading volumes peaking at \$292 million USD. On December 31, 2017, the market cap reached \$610 billion USD and a 24-hour trading volume of \$33 billion USD, an increase of 3588% in market cap and over 10000% increase in trading volume in only one year! At the current rate of growth, the cryptocurrency market could overtake the market capitalization of every company listed on the Dow Jones by April 2018.

Although this boom creates an amazing opportunity for traders and startup projects, it also uncovers challenges to the cryptocurrency exchange infrastructure that supports them. Frequent outages and trading delays are being seen on exchanges unprepared to deal with swarms of new users, sometimes reaching over 100,000 per day. Trading platforms are also under

constant attack from hackers, experience stolen funds, and lack policy transparency, eroding the trust of their users. Just in July of 2017, over 50 million USD worth of stolen cryptocurrency was reported, and it can be assumed that that number does not include unreported thefts that may be occurring daily.

Additionally, many large cryptocurrency exchanges fail to service both the expert trader as well as the crypto novice, those who are just getting into the market. Simplified retail exchanges exist, but offer poor rates to their customers, and do little to educate their users. Full-featured exchanges are too confusing for a beginner to use.

The problems facing current cryptocurrency exchanges is at an all-time high. MONANEX is recognizing these issues and is positioned to address them head-on. Offering users a choice between advanced and basic trading modes, users of all skill levels are served with an optimal experience. Superb customer service, clear policies, and fully audited security standards create the necessary user trust, and an innovative copy-trading feature allows traders to seamlessly follow the portfolios of others automatically.

3. INTRODUCING MONANEX (MNX)

MONANEX is the next generation cryptocurrency exchange platform with 0 fee to maximize traders profits. MONANEX will enable users to buy or sell all major cryptocurrencies, and also the world's most widely used fiat currencies, in order to provide them with both high liquidity levels and maximum convenience. MONANEX have two components – Multi-currency blockchain wallet and fast and reliable exchange.

MONANEX exchange will also have a built-in cold storage feature, making all you blockchain based funds safe yet easy to access. Providing the opportunity to get into blockchain based currency is important to ensure the wider spread of this technology, especially in the parts of the world where traditional banking systems can't offer financial services accessible to all. The MONANEX exchange will support conversion to and from a wide range of digital currencies. We expect this list to include: Bitcoin, Ethereum, Dash, LiteCoin, Ripple, and other altcoins – more than 100+.

TOKEN DETAILS:

Token name: **MONANEX Token**

Token symbol: **MNX**

Token execution environment: **Ethereum platform**

Token standard: **Ethereum ERC-20**

Token decimal units: **18**

Token sales currencies: **Ether (ETH)**

Token emission standard price: **1 MNX = USD 0.10 = 0.0001 ETH**

Minimum sales target: **EUR 1,000,000**



Hard cap: **EUR 17,000,000**

Sales start date: **March 10, 2018. To be announced on www.monanex.com**

Sales end date: **To be announced on www.monanex.com**

Unsold tokens: **Burn**

MONANEX Token (MNX) is a fully audited Ethereum based ERC20 utility token that is used for exchange fees on the MONANEX exchange. As an ERC20 token, MONANEX Token can be traded on MONANEX Exchange as well as any cryptocurrency exchange supporting ERC20 based tokens.

4. PROBLEMS IN CRYPTOCURRENCY EXCHANGES

- SECURITY

Some of the largest exchanges currently in operation have a history marked with security breaches and stolen funds. Like MtGox, Coincheck hack, and many other exchanges have been compromised, having user data and funds stolen. Some eventually repaid the affected users, and some quietly closed up shop. Such amateur levels of security are unacceptable when dealing with user funds and personal data.

- WEBSITE SPEED

Extreme trade volume, a massive influx of new users, inadequate IT infrastructure, and poorly coded frameworks have been driving poor user experiences. Many exchanges started small, some as hobbies, never expecting the popularity they are faced with today, and therefore were not designed to scale to meet demand. Redesigning while operating is a lengthy, heavily involved process and poses significant downtime risks. Rebuilding these platforms from scratch may be their only option, but may never happen.

- DOWNTIME

Even worse than just a slowly operating exchange, downtime can cause significant financial loss to users unable to place or modify trades, especially during times of high market volatility. The inability to access an exchange holding user funds destroys trust in not only the exchange, but cryptocurrency as a whole. With huge wallet balances at stake, uptime must be comparable to the standards set by traditional global financial systems.

- CUSTOMER SERVICE

By far the biggest complaint users currently have with existing cryptocurrency exchanges is poor customer support. The issues are many and include long withdrawal times, login issues, unanswered support tickets, and nonexistent documentation. Horror stories abound with funds locked up for months due to something as simple as a 2 factor authentication reset with nobody there to help. When dealing with such large amounts of funds, users need a professional customer support experience.

- FEE

Most cryptocurrency exchanges fees are 0.3% - 0.1% per trade. We believe that a blockchain based, well automated exchange should have low costs and be affordable to all so we're here with vision to maximize trader profits and we offer 0.01% and 0% fee for trading with MNX token. And the best benefit for token contributors - coins to Fiat 0% fee with current market price. Standard users will be charged 2% fee.



MONANEX Exchange addresses these primary concerns in the current landscape by improving usability, scalability, and reliability while providing an innovative and stable environment for new traders, and a sophisticated and trustworthy experience for expert traders.

5. USER EXPERIENCE

As experienced cryptocurrency traders, the founders of MONANEX Exchange have noticed quite a few problems with the user experience on existing exchanges. With these in mind, the exchange has been designed from the ground up to offer a flawless user experience for both inexperienced and experienced traders. Two modes of use are available: Basic Mode, and Expert Mode.

- BASIC MODE

A smooth user experience for newcomers to the cryptocurrency world is something lacking on current exchanges. The market page is cluttered with order books, graphs, lots of scrolling numbers, and a complex order form. For an experienced trader who knows what all the numbers mean, this is fine, but for an inexperienced trader, someone just starting out, it might cause them to quit in frustration. Basic mode provides a simple user experience for novice traders in need of an easy to use interface. Simple order types and detailed tutorials on how to deposit funds and trade currencies are available. MONANEX removes the barrier to entry that is created through complicated order types and difficult to use interfaces. Instead, buying and selling are a one-click experience similar to how e-

commerce offerings work. This opens the market to more users, as well as educates a wider audience.

- **EXPERT MODE**

Expert mode offers the full breadth of functionality needed by professional traders. Detailed graphs allow the user to see historical market data in great detail. Live trades and ticker data are streamed and updated in real time. An advanced order form allows for trading with advanced order types, giving expert traders the control they need. While every notable exchange offers the same basic features such as historical charts, live-updating order books, market depths, and a live trade feed, most have some flaws that make the experience far from optimal. By surveying experienced traders, and consulting with user experience experts, MONANEX Exchange has designed an optimized flow that allows traders to log in, see the information they need quickly, instantly access markets they are interested in, and make trades.

- **MARKET RESEARCH PAGE**

One basic feature most current exchanges lack is the ability to do market research from within the exchange itself. MONANEX consolidates relevant information about each listed cryptocurrency in a market research page, easily accessible from the market page. Here users can find a detailed summary of the currency, links to social media profiles, whitepapers, community forums, as well as a live updating feed of recent news.

6. CUSTOMER SERVICE

Customer service on current cryptocurrency exchanges is becoming a primary concern as exponential growth leads to an ever larger backlog of issues. User trust is eroded when there is no reasonable expectation that a support ticket will be resolved in a timely manner, especially for time sensitive issues such as fund withdrawals and inaccessible accounts. User funds are often locked up for months without any answer from customer service. In an emergency, timely access to funds is essential, and these issues must be handled as expeditiously as possible.

The MONANEX online customer support team is ready to deal with any inquiries. All issues and inconveniences are handled by our team of dedicated professionals. Support will be accessible online and via mobile, ensuring the necessary communication channels are on offer when required.

We understand that continuous, high-quality support is the key to success, which is why we prioritise providing the very highest level of client support. Every user spreads the word about their product experience, and we want this word-of-mouth communication to be positive, encouraging more customers to join our community. We will dedicate all the necessary tools, resources and people to make this happen.

Our mission:

- Easy-to-use ticketing system
- Fully-staffed and well-trained support team
- Fast resolution for login/account issues
- Fast processing of withdrawals



7. FORK / AIRDROP POLICY

Recently there have been some substantial issues with current exchanges in regards to blockchain hard-forks and airdrops. In both situations, holders of a token are distributed a new balance of a different token based on their current token holding. For example, at the time of the Bitcoin Cash hard-fork, users holding the private keys for any Bitcoin balance now had access to an equal amount of Bitcoin Cash. If your tokens are being held on an exchange, the exchange itself holds the private keys for that balance, and they must decide what to do with the new funds.

The vast majority of exchanges and services holding user Bitcoin funds did not communicate their intentions at all before the fork. The only way users could be certain they would get the Bitcoin Cash tokens was to withdraw their Bitcoin to a wallet they held the private keys for. Of the few exchanges that did communicate their intentions before the fork, most stated that they would not be distributing the new tokens. This lack of clarity has led to much confusion and even lawsuits against one of the largest exchanges.

On the other hand, many new tokens are incorporating a fork or airdrop distribution into their business plan, hoping that users attempting to get "free money" will drum up support and force major exchanges to give them free press and volume. This is unfair to exchanges that now need to worry about being sued if they don't distribute tokens or refuse to comment on them at all.

MONANEX Exchange can't possibly support every potential split and airdrop, as there are many of them, and some are so insignificant that they should be considered spam. If the fork or airdrop is significant, the policy of MONANEX Exchange is to release a blog post detailing with 100% clarity the level of support for the new token. This will be done with adequate advance notice to allow users to act accordingly. Will the new tokens be distributed to users? In what timeframe? Will the new token be tradable on MONANEX? Immediately? These questions are all answered to avoid confusion and allow the users the opportunity to make the best possible decisions with their holdings.

8. PLATFORM

MONANEX Exchange is built on a modern technology stack using best practices from high-performance web application development and experienced developers from the financial sector. All trades and withdrawals are atomically safe transactions, and the system runs a full suite of unit tests and self-health checks once every hour. Every API function is load tested for speed and reliability, and the platform is deployed with proven auto-scaling technologies.

The unit test suite is comprised of over 1,000 individual spot-checks that ensure all API calls behave in a sane and predictable manner. A robust staging environment has been deployed with thousands of bots continually placing hundreds of orders per second (which is more order-book activity than is seen on 99% of live exchanges as of time of writing), matching and executing up to 1 million trade actions daily; every night at midnight, all the bots stop trading and account for their funds, and a management routine verifies every single transaction and account balance across the entirety of the system.



Trade and account balances are stored in a primary database which replicates in real-time to 3 secondary failover databases on discrete power and networking grids in nearby data centers. The live database states are then encrypted and backed up every 60 minutes to five additional data center locations around the globe. Once per day, the latest full copy is downloaded to military-grade tape media rated to survive a nuclear-grade electromagnetic pulse. Database outages in up to three of the four primary availability zones can recover in up to 10 seconds, but have been seen to have no service disruption in 90% of cases.

All web services run redundantly, and in the event of a total datacenter failure, have been tested to fully recover in secondary and tertiary sites in less than 10 minutes of outage (The median catastrophic web service outage recovery time is 3 minutes and 52 seconds). All DNS and static asset hosting are propagated through a network of over 100 global points of presence, all API calls terminate at load balancers strategically placed around the world, and all API calls are both SSL encrypted and cryptographically signed to ensure tamper-proof connections.

- SECURITY

Any online service responsible for handling user funds has the responsibility to be as secure as possible. In the past several years, security breaches have been widespread, causing losses of user funds from exchanges and cryptocurrency related services in the millions. While no system can ever be considered 100% secure (especially one connected to Internet), MONANEX Exchange has been engineered from the ground up with security in mind.

- STANDARDS COMPLIANCE

MONANEX Exchange aims to be fully ISO 27001 (and 27002) Information Security Standards compliant on launch. ISO 27001 is the standard for Information Security Management; it is part of the ISO 27000 family of standards which helps organizations keep information assets secure. Adopted by thousands of organizations across the world, its implementation puts in place a systematic approach to managing sensitive organizational information, ensuring it remains both secure and available. It is a broad standard which covers process, personnel, and physical and technical security.

ISO 27001 specifies the requirements for establishing, implementing, maintaining and continually improving an Information Security Management System (ISMS).

There are many clear business benefits in adopting ISO 27001, either as best practice or by formally certifying against it. Key benefits of this compliance are the improvement of IT security that provides an independent view on the state of the security of the infrastructure, and finally increases confidence in customers that their information is stored and handled in a secure environment.

- **COLD STORAGE OF FUNDS**

Considering that such large balances of cryptocurrencies are being stored on major exchanges, it is important to have a strong 'deep cold storage' system to keep user funds secure. In such a system, only funds that are needed immediately to process withdrawals are made available to the exchange systems. This balance is called a 'hot wallet' and is kept at a modest but adequate level at all times as withdrawals and deposits are processed. The remaining funds are locked in 'cold storage' wallets. Cold storage wallets have private keys that are generated offline with a strong security policy in place to prevent anyone other than authorized personnel from accessing the funds.

- **TWO-FACTOR AUTHENTICATION**

Two-factor authentication (2FA) is a requirement for any user wishing to withdraw funds from MONANEX Exchange. Without proper 2FA, logging into an account with stolen credentials and withdrawing funds is simply too easy. Setting up 2FA with services like Google Authenticator may be a bit advanced for the most basic user, and with this in mind, there is a simple tutorial in the Basic Mode version of MONANEX Exchange.

- **FIAT OPERATIONS**

MONANEX Exchange will have more than 15+ deposit and withdrawal methods. Including credit or debit cards, bank transfers. User will be able convert coins into fiat. ICO Contributors can convert coins into fiat or vice versa with current market price with 0 fee (Example: John want to convert 1BTC into USD. Current market price for 1BTC - 11,125 USD, then John

convert coin into fiat he receive – 11,125 USD. Same example for fiat to coin). Offer users will be charge 2%.

9. BUSINESS PLAN

- ENGINEERING & DEVELOPMENT 50%

The largest portion of the ICO funds will be allocated to the exchange development. An exchange requires a great deal of engineering and development work to function properly, and MONANEX Exchange has assembled a team of top talent to build the best platform possible. Features like margin trading are additional large undertakings that require a highly skilled development team.

- MARKETING 25%

In order to meet market share goals, large marketing pushes, both online and offline, will be required to bring in new users. The marketing team strives for the best and word of mouth alone will not be enough to make Monanex Exchange the most popular in the industry.

- SECURITY 20%

Security audits and penetration testing are both expensive and essential when being trusted with large amounts of user funds. Security sensitive part of the exchange platform. It consists of the Fiat Payment Processing Module, a Cryptocurrency Payment Processing Subsystem, an Accounting Module and Payment Workflow Engine. It is tightly linked with the other

Core system modules, like the Risk Management System for balance checking, the Clearing and Settlement system for trade booking and AML (Anti Money Laundering) system for transaction checking. The Fiat and cryptocurrency payment processing system consists of micro services providing the interfaces to be integrated with several third-party payment systems and cryptocurrency networks.

- **LEGAL 5%**

A thorough legal review is important to keep in line with ever-changing international regulations. MONANEX team will start operations from Europe and accept clients globally. Further development stages will involve representation outside Europe and investigation of country-specific regulations and licensing for physical presence

10. MONANEX FEES

MONANEX Exchange generates revenue by taking a small trade fee from all executed orders. These fees are taken from the buy order as well as the sell order and FIAT operations. The fee schedule is as follows:

- **ICO CONTRIBUTORS**

Market Maker Fee: **0%**

Market Taker Fee: **0%**

Fiat operations Fee: **0%**

- MNX TOKEN

Users trading with MNX token to alts will schedule is as follows:

Market Maker Fee: **0%**

Market Taker Fee: **0%**

- STANDARD USERS

Market Maker Fee: **0.01%**

Market Taker Fee: **0.01%**

Fiat operations Fee: **2%**

On MONANEX Exchange, each trade is made between a Market Maker and a Market Taker. The Market Maker has an existing order in the order book prior to the trade being executed, and the Market Taker places a matching order, removing it from the order book. Market Makers provide liquidity to the market, allowing higher volume on the exchange and more price competition, so they are rewarded with a lower trade fee. Market Takers have a higher trade fee, but their trade is executed at the best available rate.

- MARGIN TRADING FEES

Margin trading allows users to make trades using funds borrowed from other users backed with collateral funds. Margin traders can open long or short positions by borrowing funds and then either buying or selling. Traders can later close those positions and settle the loans. A lender is paid a lending fee by the borrower, and a percentage of that interest is taken by the exchange.

11. MARKETING PLAN

Before getting heavily involved in the cryptocurrency world, the founders of MONANEX Exchange were successful leaders in the marketing and advertising world. Bringing in a large user base is essential for any cryptocurrency exchange to thrive and have active markets. The strong execution of a well prepared marketing plan is the best way to ensure success. Outside of simple organic word-of-mouth growth, MONANEX Exchange has plans in motion for paid advertising campaigns, a lead generation based affiliate commission program, a generous "refer a friend" program, community outreach, and event sponsorships. Additionally, new users will be attracted by successful leaders in the social trading platform, as well as the potential success of the MNX Token.

- REFERRAL PROGRAM

In addition to the large-scale paid marketing pushes, a rewarding referral program has been implemented, giving bonuses to those who refer new users to the exchange. Not only are existing users rewarded for a referral, but the new users are also given a sign-up bonus for being referred by a current user.

- COMMUNITY OUTREACH

Conferences and meetups around the world are essential for the growth of the industry, and as such, sponsorships are in process for major upcoming events to not only help spread the news about the exchange, but to help fund the events themselves to make sure the cryptocurrency community grows as much as possible.

- **MONANEX TOKEN**

The MONANEX Token being generated for the ICO will be tradable on any exchange willing to list it, and certainly on existing decentralized Ethereum token exchanges. Each holder of MONANEX Token is involved with the success of the exchange, which will create a natural viral effect as more people buy, sell, or hold.

12. ROADMAP

- **2017 JULY 09**

Start of the company

- **2017 OCTOBER 06 – 24**

A new team members.

Has join 2 software, 2 Blockchain developers and 1 UX/UI specialist.

- **2017 NOVEMBER 14**

Monanex exchange

Started exchange development after few months of system architecture design.

- **2018 FEBRUARY 12**

Landing page & Social network

Lauch landing page with ICO system and created facebook / twitter social pages



- **2018 FEBRUARY 19**

Monanex token

Developed ERC20 Monanex (MNX) token with max supply: 200,000,000

- **2018 MARCH 10**

Token sale

1st Round token ICO starts. It will be 3 round. After ICO unsold tokens will be burned.

- **2018 MAY 20 – 24**

Web wallet & Tokens

After ICO web wallet will be ready for use by the general public. All tokens will be transfered to your wallet.

- **2018 MAY 25**

Token burn

Unsold tokens will be burned.

- **2018 JUNE 4**

Crypto exchange

Monanex (MNX) will be added in 2 major crypto exchanges.

- **2018 JUNE 1 – 30**

New team members

Expanding developer team with 3 - 5 new members.

Hiring social media and advertising expert.

3 new support team members.



- **2018 JULY 4**

Mobile / Desktop wallet

Mobile and Desktop wallets will be ready for use by the general public.

- **2018 JULY 20**

Crypto exchange

MONANEX (MNX) will be added in one more major crypto exchange.

- **2018 SEPTEMBER 3**

Starting marketing campaign

- **2018 SEPTEMBER 10**

Exchange Testing

Start testing MONANEX exchange by millions of orders in seconds. We will give opportunity to our token contributors earn more MNX tokens by testing MONANEX exchange system.

- **2018 OCTOBER 29**

Exchange Launch

MONANEX exchange launch. All new users register on launch day will be able to trade with 0 fee for 1 month.

- **2018 NOVEMBER 5 – 26**

New team members

3 - 4 new customer support members, for faster and better customer support.



- **2019 FEBRUARY 1 – 20**

Mobile App

Monanex will release Mobile exchange app.

13. RISK MANAGEMENT

When evaluating any investment, it is important to understand the potential risks involved. Cryptocurrency exchanges all have inherent risks, as demonstrated by numerous failures by previous exchanges, as well as current ones. Users are at risk every time they trust the exchange with their funds. Exchanges are at risk by simply being exposed to the internet. Crowdsale participants are at risk as soon as they trust the project with their own money. Minimizing these risks is an important part of the planning and development of MONANEX Exchange.

- RISKS TO USERS

The most obvious risk to a user of a cryptocurrency exchange is lost funds. As soon as funds are deposited to most cryptocurrency exchanges, there is the risk that the exchange will simply close and the funds will be lost. In 2014, Bitcoin worth more than \$6 billion USD at today's rates was lost when Mt. Gox, then the largest exchange in the world, unexpectedly closed its doors and filed for bankruptcy protection. Any time cryptocurrency funds are not in a wallet whose private keys are held by the user, they are at risk. Even with an established track record of quality service, there is no way to predict if an exchange will suddenly close and funds disappear. The best way a user can protect against this is by keeping funds they do not plan on

immediately trading in a wallet they personally control. MONANEX Exchange helps users with this by providing easy and timely withdrawals as well as information about setting up their own wallet. Remember: Balances you do not hold the private keys for are not technically your balances.

Phishing and malware are another large threat to users of cryptocurrency exchanges as well as cryptocurrency in general. Phishing attacks have been rampant, showing users fake login pages for exchanges, or fake web wallets asking users for private keys. Many millions worth of coins have recently been stolen this way. The best line of defense for this is a well-educated user. Checking the URL in the address bar and the SSL security certificate details is a good start, along with regular malware scans. Using a hardware wallet is also a great way to prevent keylogging malware. Less experienced cryptocurrency users can't always be expected to be aware of all these threats and how to mitigate them, however. There are several steps exchanges can take to help as well. Extended Validation SSL certificates allow the users to clearly see the company name in the address bar in most browsers, and having a notice on the login page for the user to always check for this is also helpful.

Two-factor authentication is another useful tool. Although it can still be attacked with phishing sites, malware keyloggers will be effectively stopped. Requiring verification of IP address range changes and email confirmation on withdrawals is another effective method to help reduce these risks.

In the same category as malware and phishing, account hacking is another risk. Hacked password databases are openly available, and it is easy to write a bot to attempt logging into a website with hacked credentials from another website. Weak passwords contribute to this risk as well. On the end of the user, a strong password policy is important, but most don't know how to implement one. An exchange can provide users with password policy suggestions and links to help with this. Two-factor authentication can also help mitigate hacking attempts. Email alerts on unsuccessful logins and logins from new IP ranges and requiring email verification link clicks to allow these logins are helpful, as are login attempt rate limits and the IP address blocking of attackers.

- **RISKS TO ICO PARTICIPANTS**

Participating in the MONANEX Token Generation Event presents its own set of risks that are mostly reliant on the success or failure of the exchange itself as well as on government regulation of tokens in general. If a participant puts his/her trust in MONANEX, the success of that participation relies on the exchange itself being launched and operating successfully. They are trusting that their contribution will be put to good use and not wasted. They're also hoping that a government body won't deem the token illegal or regulate it in such a manner that it would become useless or dangerous to hold and trade.

At present, it is unclear which governments consider which cryptocurrencies to be "securities" that fall under their legal regulation. Due to the decentralized nature of blockchain technology, the blockchains themselves do not reside in any particular country, making them a relative

grey area so far as regulation is concerned in most areas. Even so, there is a real risk that the government where a crowdsale participant resides declares all cryptocurrency tokens or specific ones illegal to trade. Although it is impossible to know what will happen in this regard in the future, it is possible to be as safe as possible. To this end, MONANEX Token's model has been designed as a "utility" token facilitating trades on the exchange and has been reviewed by an experienced legal team. While it is impossible to know what any government will do, MONANEX has done its best to decrease the likelihood of government scrutiny in the future.

As far as the success of the exchange is concerned, the largest participant risk is the project being of poor quality, being vaporware, or not being able to compete with current cryptocurrency exchanges, leading to the project failing. Luckily, the MONANEX team is full of experienced leaders who are well-versed in cryptocurrency, exchanges, and the challenges facing the industry. The engineering team has experience building large-scale, high-traffic systems, and the entire project has been designed to be as good or better than any of the existing competition. The founders have also dedicated significant time and funding to planning and developing the exchange, and are determined to see their dream become a reality.

What if cryptocurrency in general fails? Is there a chance that Bitcoin or Ethereum "die"? While those things are certainly possible, and almost a certainty that there will be both large gains as well as major devaluations in the value of different currencies, or the market as a whole, the likelihood of the entire industry dying seems rather low at this point.

What about decentralized exchanges? On the surface, this exciting emerging technology looks like it might make traditional cryptocurrency exchanges obsolete. So far, however, decentralized exchanges have failed to deliver an adequate user experience. Relying on a blockchain and smart contracts to execute every trade is both slow and expensive. Trades can take minutes to execute, if they get executed at all. Errors where the exchange technology is at fault that result in lost funds are not resolvable, as there is no customer service for a smart contract. Trading is also limited to a subset of all available cryptocurrencies. On Ethereum smart-contract based exchanges, only Ethereum based tokens can be traded, and only against ETH as the base currency. There are some ways around this involving 3rd parties creating tokens representing off chain currencies, but at that point, you might as well be using a normal cryptocurrency exchange. Centralized exchanges being made obsolete by decentralized ones may happen in the future, but the technology has a long way to evolve before that happens.

The MONANEX platform is not yet developed and is subject to further changes, updates, and adjustments prior to its launch. Such changes may result in unexpected and unforeseen effects on its projected appeal to users, possibly due to the failure to meet users' preconceived expectations based on this White Paper, and hence, impact its success. For the foregoing or any other reason, the development of the MONANEX platform and launch of MONANEX future business lines may not be completed and there is no assurance that it will be launched at all.

All MNX token orders are deemed firm and final. The Client acknowledges that they are fully aware that they will not be entitled to claim any full or

partial reimbursement under any circumstances whatsoever – No cancellation and No Refund. As the sale of the proposed tokens is strictly reserved for experienced professional clientele, the Client may not claim any right of return against MONANEX.

- **RISKS TO MONANEX EXCHANGE**

Running the exchange itself presents a unique set of risks due to the nature of cryptocurrency ledgers being permanent, and the large amount of money involved. There are constant attacks from all sides including hacking attempts and DDoS attacks, in addition to basic scaling issues and government scrutiny and regulation (discussed above).

Due to the large value stored by cryptocurrency exchanges, they have become prime targets for hackers over the past few years. Hacks have been responsible for losses of funds from some of the biggest players in the industry, which have caused some huge setbacks to adoption and trust. By adopting ISO 27001/27002 Information Security Standards, as discussed in the security section, MONANEX has done its absolute best to prevent loss of funds due to malicious hackers. A strict cold storage policy, and constant balance integrity checking and failsafe mean users funds are safe on the exchange.

Scaling and DDoS attacks are both huge risks that affect any exchange. Bad actors can launch DDoS attacks against central points of failure in cryptocurrency infrastructure in an attempt to make financial gains. Cryptocurrency exchanges are easy targets for this type of attack. A large influx of users can also cause heavy load on the exchange itself. If the

system infrastructure is not well engineered, this can cause enormous issues that many exchanges are currently facing with constant downtime and slow execution. MONANEX Exchange has been engineered from the ground up to be extremely scalable and resistant to DDoS attacks.

14. WHY MONANEX EXCHANGE?

MONANEX Exchange is built on a state-of-the-art modern technology stack using best practices for high performance web applications by experienced developers from the financial sector. The team has integrated a few key leading-edge tools that you won't find on many other exchanges. Basic mode, expert mode, a masterfully inventive market research page are just a few of the features that will help traders of all experience levels. In MONANEX Exchange users can trade anonymously - no identity or documents needed (*** Only for fiat operations**). Total privacy and anonymity ensuring your identity. No daily withdrawal limit.

On top of all this, the MONANEX team has been deeply immersed in the cryptocurrency community for years, and understands that it is an ever-growing ecosystem that is meant to reward you, the user.

- MONANEX ICO CONTRIBUTOR PRIVILEGES

MONANEX token holders will be eligible for several privileges

0% Fee on trading

0% Fee on fiat operations





www.monanex.com

