WHITEPAPER

ZkGap - Decentralized Finance Ecosystem Based on Algorithms Proof of Burn

https://ZkGap.com/

Abstract: In the rapidly evolving world of cryptocurrencies, integrating Blockchain and DeFi technologies into user activities has become of paramount importance. However, ensuring fairness in token distribution to the community is a top priority for the benefit of cryptocurrency investors. ZkGap was established with the objective of addressing one of the most critical challenges in the cryptocurrency trading space - enhancing the user experience. We have built an ecosystem that combines Web 3 applications, Social Fi, Artificial Intelligence, and Blockchain technology across products such as Wallet, DEX, Perpetual DEX, Lend & Borrow, and AI Trading Bot. ZkGap offers a token mining mechanism through the Proof of Burn algorithm, ensuring equitable token distribution based on user contributions. The fusion of practical applications, Artificial Intelligence, and Blockchain technology creates a decentralized, secure, and transparent trading environment, empowering investors at all levels. ZkGap is not only transforming the way people engage with cryptocurrencies but also ushering in new opportunities for the development of the cryptocurrency community.

ZkGap

Proof of Burn Combined with DeFi Solutions

1. Proof of Burn (PoB): A Sustainable Blockchain Consensus Algorithm

Proof of Burn (PoB) is a blockchain consensus algorithm that ensures fair token distribution among network users and reduces token concentration within the developer project by "burning" tokens, signifying a user's commitment and generating "mining power."

How Proof of Burn Works: Users transfer a specific number of tokens to public wallets with "Dead Addresses" that are created without the corresponding private keys, making those tokens permanently inaccessible. The burning process results in a decrease in the overall token supply, creating economic scarcity and potential increase in value.

Proof of Burn (PoB) in Comparison to Proof of Work (PoW): PoW blockchains like Bitcoin consume substantial energy, while PoB uses token burning for security, allowing users to participate in consensus with fewer resource investments. Both PoB and PoW reward miners based on their contributions.

Advantages of Proof of Burn:

1. Data Verification and Prevention of Spam & DDoS Attacks: Enhances data reliability through token burning for data creation and sets a threshold to deter spam and DDoS attacks.

2. Energy-Efficient: PoB offers energy efficiency without specialized hardware.

3. Reduced Supply: Token burning creates scarcity, potentially boosting token value.

4. Fair Distribution & Long-Term Commitment: Users demonstrate commitment by burning substantial tokens, and PoB promotes a fairer distribution, mitigating concentration.

2. Decentralized Finance (DeFi) Solution

Decentralized Finance (DeFi) relies on open-source smart contracts, offering users asset freedom with minimal reliance on financial intermediaries. Here are its key characteristics:

Decentralization & Open Source: DeFi operates on transparent public blockchains with open-source code, promoting community collaboration and review.

Smart Contracts: Smart contracts drive DeFi, automating financial operations without third-party interference.

Advantages of DeFi:

Transparency & Auditability: All transactions and smart contracts are on the blockchain, promoting transparency.

Global Accessibility & Reduced Transaction Costs: Expands financial services worldwide and lowers transaction expenses by eliminating intermediaries.

Decentralized Finance (DeFi) brings forth numerous opportunities and diverse applications in the realm of finance, representing a pivotal aspect of the development of cryptocurrencies and blockchain technology. When combined with the Proof of Burn (PoB) consensus algorithm, which focuses on creating economic scarcity and ensuring equitable distribution while maintaining the sustainability and security of the blockchain network, it will establish a comprehensive decentralized financial ecosystem. This synergy forms the foundation for an all-encompassing decentralized financial landscape, providing fairness for users and increasing the economic value of the ecosystem's native tokens. Ultimately, it assembles a seamless and equitable financial ecosystem that benefits all participants, contributing to the continuous growth and economic potential of the blockchain industry.

ZkGap

WHITEPAPER STRUCTURE

ZkGap

1. INTRODUCTION

1.1 What is ZkGap?

ZkGap is a comprehensive Decentralized Financial Ecosystem where users are fairly rewarded by Mining ZKGAP Token s through the Proof of Burn algorithm on the Blockchain.

With Proof of Burn, ZkGap ensures equity in token distribution, eliminates centralization, and promotes a contribution-based mining model through token burning. This establishes the foundation for a fully Decentralized Financial Ecosystem based on Smart Contracts, ensuring transparency and high security, with all transactions recorded on the blockchain.

1.2 Vision & Mission

Vision: To create a decentralized and equitable financial platform where everyone has the right to access, use digital assets freely, and where the true value of cryptocurrency is generated and shared fairly.

Mission: To provide a platform of valuable products within the Decentralized Financial Ecosystem based on Blockchain technology and Proof of Burn to enhance profitability for users. To promote transparency and equity in global community contributions.

2. ZKGAP ECOSYSTEM OVERVIEW

ZkGap's ecosystem is a breakthrough in the field of decentralized finance, notably for providing a comprehensive range of products and services to meet all the needs of users in the cryptocurrency market on a decentralized platform.

ZkGap Wallet

ZkGap Lend & Borrow

ZkGap DEX

ZkGap SocialFi

ZkGap Perpetual DEX

ZkGap AI Trading Bot

ZkGap

2.1 ZKGAP Wallet

ZkGap Wallet is a trusted Web3-integrated non-custodial decentralized wallet at the core of the ZkGap Ecosystem, empowers users with absolute control over their digital assets. Access to a ZkGap Wallet is exclusive to those with the corresponding security credentials, such as a seed phrase and private key. Seamlessly integrated into the ZkGap Ecosystem, this wallet facilitates direct management, storage, cryptocurrency exchanges, and profit generation. It bridges users to the entire spectrum of ZkGap Ecosystem products through interaction with decentralized applications (DApps).

The decentralized nature of the ZkGap Wallet offers an ideal solution:

1. Empowerment in Management: ZkGap Wallet bestows users with a high degree of autonomy, enabling full control over their private keys. Users are independent, avoiding the need for third-party custodians or delegation to external entities. Consequently, they assume complete responsibility for all wallet transactions and fund management.

2. Asset Security: Operating on a decentralized framework, the ZkGap Wallet ensures that assets remain the sole property of the user. This significantly reduces the risk of remote attacks. Security stands as a primary reason for users to prefer trading, storing, and conducting transactions through the ZkGap Wallet.

3. Instant Transactions: Transactions executed via the decentralized ZkGap Wallet are remarkably expedited, as they require no intermediaries or centralized authorities for approval.

4. DeFi Interaction Capability: The ZkGap Wallet serves as a vital gateway for interacting with an array of decentralized financial platforms, allowing users to engage with DeFi applications like decentralized exchanges (DEX), cross-chain protocols, lending platforms, DAOs, and more.

Additionally, the ZkGap Wallet streamlines the process of buying and selling cryptocurrencies directly through Visa/MasterCard, further optimizing the connection between users and the cryptocurrency market. This added feature provides users with a seamless experience in managing their digital assets and engaging with the cryptocurrency market.

2.2 ZKGAP DEX

ZkGap DEX is a decentralized cryptocurrency exchange platform that operates automatically through the Automated Market Maker (AMM) mechanism.

Solution for Users with outstanding advantages from ZkGap DEX:

1. Decentralization: ZkGap DEX eliminates dependence on financial intermediaries and allows users to trade directly, providing independence and asset control.

2. Liquidity: The AMM model helps maintain high liquidity, ensuring that users can execute trades quickly and efficiently.

3. Inclusivity: ZkGap DEX opens its doors to everyone, regardless of geographical location or financial status, to participate in the cryptocurrency market.

4. Security: ZkGap DEX operates on the blockchain platform, ensuring high security and public verifiability. Users have control over their assets.

5. Interact with DeFi: ZkGap DEX acts as a bridge for interacting with many other decentralized financial applications such as cross-chain trading, lending platforms, and various other DeFi applications.

6. Seamless Trading: ZkGap DEX provides a seamless trading experience, enabling users to execute transactions quickly and save time. Transaction fees are relatively low, helping users save costs.

7. Set Limit Orders: ZkGap DEX allows users to set limit orders with desired prices, enabling them to customize their trades.

8. Gas-Free Payments on Arbitrum: *ZkGap DEX permits fee-free gas payments on the Arbitrum network, reducing transaction costs.*

9. Price Comparison Across Multiple Exchanges: Users have the ability to compare prices across multiple exchanges to optimize their profits.

10. Prevent Slippage and Fees: ZkGap DEX helps prevent price slippage and minimizes transaction fees, ensuring fair and efficient transactions.

Operating Mechanism:

ZkGap DEX employs an AMM model where users provide liquidity by depositing their cryptocurrencies into trading pairs on the DEX.

When users wish to buy or sell digital assets, they interact directly with the DEX's smart contracts.

Smart contracts determine prices based on the asset ratio within the trading pair.

Transactions are executed automatically through smart contracts and recorded on the blockchain.

ZkGap

2.3 ZKGAP Perpetual DEX

ZkGap Perpetual DEX is a decentralized platform for trading perpetual futures contracts, powered by advanced Smart Contracts. Operating on both the Binance Chain and Arbitrum, it provides users with the ability to engage in derivatives trading with leverage of up to 75x.

ZkGap Perpetual DEX platform prioritizes cost-efficiency and risk mitigation for every trade. It achieves this by utilizing segregated liquidity pools and price determinations through Chainlink's Oracle, which draws upon the Time-Weighted Average Prices (TWAPs) of prominent DEXs. This approach guarantees a cost-effective and risk-free trading experience for users.

Key Participants in ZkGap Perpetual DEX

In a margin trade, a trader borrows an asset and instantly exchanges it for another asset. The borrowed asset must be repaid to the lender, usually with interest, at a later date. Margin trading encompasses both short selling and leveraged long positions.

In a short sell, an investor borrows an asset and sells it for the quote currency. The investor profits if the asset's price decreases, as repurchasing the asset to repay the lender costs less than the initial selling price. Conversely, the investor incurs losses if the asset's price rises, as repurchasing the asset costs more than the initial selling price. The lender earns money from the interest paid by the trader.

In a leveraged long position, an investor borrows the quote currency and uses it to purchase an asset. The investor profits when the asset's price rises and experiences losses if it decreases. Gains or losses from the position are determined by the price change of the underlying asset multiplied by the leverage ratio, which is the ratio of the borrowed amount plus the amount paid by the trader to the total amount paid by the trader.

Objectives:

Short selling is employed to allow investors to profit from assets decreasing in value. It can serve both speculative and hedging purposes. Investors use short selling for speculation when they anticipate a decline in an asset's price. Short selling can also be used to hedge existing positions by shorting a correlated asset.

Leveraged long positions are used to amplify gains when an asset's price increases. These positions are employed for speculation, enabling traders to achieve greater profits with less capital. Investors find leveraged longs efficient for capital allocation, as they require less capital to achieve similar results for each investment. Lending assets for margin positions can generate interest income for lenders.

Smart Contracts of ZkGap Perpetual DEX

ZkGap Margin contract: This is the primary contract containing all the business logic and public functions related to margin trading. It also stores information about trading positions. The contract is designed to prevent external parties from modifying existing positions.

ZkGap Proxy contract: This contract is used for fund transfers. Users set token allowances on the Proxy, authorizing it to transfer funds on their behalf.

ZkGap Vault contract: This contract holds all the funds locked up in positions. It provides a straightforward interface that the ZkGap Margin contract is authorized to use.

ZkGap

2.4 ZKGAP Lend & Borrow

ZkGap is a Lend & Borrow platform that allows users to collateralize ZKGAP Token and other assets on the BNB Chain and Ethereum to borrow USDT. This protocol also serves as an intermediary connecting borrowers and lenders on the ZkGap Smart Contract platform. This enables borrowers and lenders to freely negotiate and specify loan terms.

Nature and How it works:

Collateral Assets and Base Assets: Borrowers can provide ZKGAP Token s and other assets on their BNB Chain and Ethereum as collateral. These collateral assets act as security for the loan, and the base asset is USDT, which borrowers seek to obtain.

Smart Contracts: ZkGap utilizes smart contracts on the BNB Chain and Ethereum to manage the lending and borrowing process. These contracts record information about collateral assets, base assets, interest rates, and loan durations.

Borrowers and Lenders Can Freely Set Terms: Borrowers and lenders have the ability to freely negotiate loan terms, such as interest rates and loan durations. This allows for flexibility and customization for both parties.

Loan Interest Fee: ZkGap charges a loan interest fee of 3% per month from borrowers, and this fee is denominated in ZKGAP Token s. This helps sustain the platform's operations and provides profit for asset providers.

Interest Rates and Duration: Borrowers are required to repay the initial amount of the base asset (USDT) along with interest after a fixed period. Interest rates are calculated based on pre-agreement within the Smart Contract.

Risk Management: ZkGap's smart contracts manage risk and can implement protective measures, such as closing contracts or selling collateral assets if borrowers do not adhere to the contract.

The ZkGap platform enables users to leverage ZKGAP Token assets to borrow money and meet their financial needs without the involvement of intermediary organizations. Loan terms are freely determined between borrowers and lenders, and ZkGap charges a loan interest fee to maintain platform operations.

ZkGap

2.5 ZKGAP SocialFi:

ZkGap SocialFi is a blockchain-based social network platform that connects the cryptocurrency community and decentralized finance (DeFi) through the Web3 social network. It enables users to create content, interact, earn money, and develop projects on the platform.

ZkGap SocialFi establishes a self-censorship mechanism that allows users to have full control over their content and the freedom to earn from it. Content creators, influencers, and members have the ability to govern their data, engage in discussions, and create opportunities for monetization through social interactions. The platform is developed in the form of a decentralized autonomous organization (DAO) and is designed to prevent centralized censorship. It is entirely open-source, and user data is stored on the blockchain. Data on the blockchain is immutable and cannot be altered or deleted. Consequently, this empowers users to generate and publish content without concerns of censorship and removal from the platform. ZkGap SocialFi is considered a pioneering step with a focus on safeguarding freedom of speech and data ownership.

The products of ZkGap SocialFi will have practical applications for three primary user categories: all users, content creators, and developers. ZKGAP Token is used as a transaction fee on ZkGap SocialFi. Leveraging Web 3.0 technology, the ZkGap SocialFi platform offers the following features:

ZkGap Chat: A decentralized chat application that allows users to send messages, images, and videos with fast speed and high security thanks to end-to-end message encryption. Additionally, ZkGap Chat also supports the feature of setting up private chat channels, allowing content creators to establish interactive communities of their own.

ZkGap Social NFT: NFT created by content creators and linked to their profiles. When users show interest in and purchase these NFTs, content creators will receive profits and ZKGAP Tokens. Additionally, these NFTs will also be displayed on the user profiles when they successfully acquire them.

Crystal: A decentralized Twitter version that allows users to freely engage and easily earn money by liking and commenting on posts.

Vibe: A decentralized TikTok version that allows users to earn money by creating video content.

Spark: A decentralized Instagram version that allows users to freely engage and easily earn money by liking and commenting on posts.

TokenHub: A NFT Marketplace similar to OpenSea but with added social and community elements that enable users to interact with each other.

ZkGap Tipping: This is considered as a user's monetary support for content creators. User tips in the form of "Ruby" hold a value that can be converted into the equivalent USDT.

Products for Developers: ZkGap SocialFi introduces the ZkGap Make toolkit for developers, allowing them to build projects on the ZkGap SocialFi blockchain without the need for extensive time investment. This toolkit will include ZkGap JavaScript SDK, ZkGap Graph API.

ZkGap

2.6 ZKGAP AI Trading Bot:

ZkGap AI Trading Bot is an autonomous trading bot that leverages advanced artificial intelligence to execute transactions independently. Its primary aim is to ensure a secure and dependable system by employing a range of algorithms and AI technologies, each meticulously crafted to accommodate various market conditions.

ZkGap AI Trading Bot utilizes a range of artificial intelligence (AI) algorithms and technologies to conduct intelligent and efficient trading:

Machine Learning: The bot learns from historical data and market dynamics, enabling it to predict trends and price charts in the future based on past data.

Natural Language Processing (NLP): NLP helps the bot understand and analyze information from various news sources and global events. The bot can automatically analyze this information and make appropriate trading decisions.

Data Integration from Multiple Sources: The bot combines data from various exchanges and different information sources to create a comprehensive market overview.

Automated Technical Analysis: The bot uses technical indicators such as EMA, RSI, BB, and other common signals/indicators to make trading decisions.

Swift Predictive Decision Making: Thanks to AI's rapid computational capabilities, the bot can make trading decisions in a short amount of time.

ZkGap AI Trading Bot offers several key features and benefits:

Custom Technical Analysis: Users can create their own technical analysis.

Powerful Crypto Trading: The bot, supported by AI, enables efficient trading 24/7, saving time and automating transactions.

Account Security: It prioritizes account protection through secure protocols.

User-Friendly Interface: Provides an intuitive user interface.

Real-Time Performance Reports: Offers real-time performance reports.

Mobile Algorithm Support: Mobile algorithms support EMA, RSI, BB, and other popular signals/indicators.

No Software Installation: It can be used directly on the website without any software installation.

Direct Trading Program Execution: Allows direct program trading without complications.

Customer Support: Provides customer support via email and SMS notifications.

ZkGap

Future Exchange Compatibility: Potential future compatibility with various exchanges like Coinbase, Binance, Bitstamp, Bitfinex, Poloniex, Kraken, Bittrex, OKCoin, Huobi, and CEX.io.

Copy Whale on DEXs: Copy Trade on whale wallets on DEX exchanges such as Pancakeswap and Uniswap

3. MINING MECHANISM & ZKGAP TOKEN DISTRIBUTION

3.1 GAP-and-GAIN

3.1.1 GAP-and-GAIN Overview

ZkGap has developed the GAP-and-GAIN model based on the Proof of Burn algorithm, with ZKGAP Tokens as rewards. It enables users to fairly mine rewards based on their contributions to network security through "burning" tokens.

Burning ZKGAP Tokens is equivalent to users investing a portion of their assets in the blockchain and being willing to incur costs to ensure network security. The more ZKGAP Tokens a user burns, the larger the amount of newly mined ZKGAP Tokens they will own. Users can receive mining rewards ranging from 20% to 37.5% (depending on the mining difficulty) on the value of the ZKGAP Tokens they have burned after each GAP-and-GAIN phase.

Advantages of Mining ZKGAP Tokens Through GAP-and-GAIN:

GAP-and-GAIN utilizes the Proof of Burn (PoB) algorithm, which differs from Proof of Work (PoW) blockchains like Bitcoin in terms of resource investment. In PoW, miners need to invest substantial physical resources and energy to participate in the mining process. In contrast, PoB requires users to invest in security by burning tokens. This approach enables PoB users to participate in the network and contribute to consensus without the need for significant physical resource investments.

Distributing ZKGAP Tokens through the GAP-and-GAIN model also helps reduce the concentration of token ownership (project developers). ZKGAP Tokens are only created through user mining activities rather than pre-minting the entire supply, ensuring a fair distribution to those who genuinely contribute to the system.

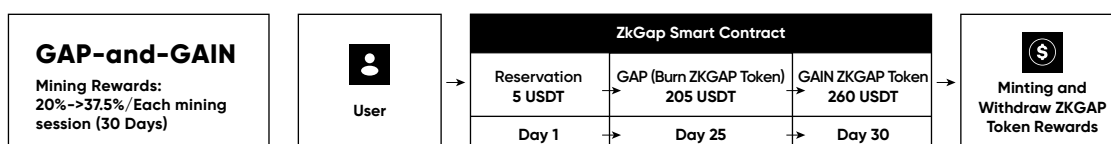### 3.1.2 Mining Difficulty of ZKGAP Token Rewards in GAP-and-GAIN

Mining difficulty of ZKGAP Token in GAP-and-GAIN will increase as the amount of mined ZKGAP Tokens grows, and the ZKGAP Token rewards will gradually decrease as the difficulty level rises. The waiting time to burn ZKGAP Token (GAP) can range from 20 to 30 days, depending on the number of users participating in mining ZKGAP Token during the GAP-and-GAIN process.

The difficulty increases every 6 months if the ZKGAP Token mining target for each stage isn't met. It may upgrade earlier due to increased mining activity to ensure fairness for users.

ZkGap

Stage	Total Mined ZKGAP Tokens			Corresponding ZKGAP Tokens Rewards
1	1	→	8.000.000	260 USDT
2	8.000.001	→	15.000.000	250 USDT
3	15.000.001	→	20.000.000	240 USDT
4	20.000.001	→	30.000.000	235 USDT
5	30.000.001	→	45.000.000	230 USDT
6	45.000.001	→	100.000.000	225 USDT

(or when the 65,000,000 ZKGAP Tokens allocated to GAP-and-GAIN according to Tokenomics runs out)

3.1.3 How to Start GAP-and-GAIN

Users initiate ZKGAP Token mining with GAP-and-GAIN, which follows a process consisting of RESERVATION, GAP, and GAIN. The GAP-and-GAIN encompasses the following steps:

Step 1: RESERVATION - On the first day

Begin with a 5 USDT reservation fee to participate in the GAP-and-GAIN order.
Your GAP-and-GAIN order will then be activated and queued for burning ZKGAP Token over a period of 25 days.

*Users do not need to add any additional funds during this waiting period.
Note: The number of user reservations will be limited each day when the number of mining participants is excessively high, ensuring fairness in ZKGAP Token mining for users globally.

Step 2: GAP (Burn ZKGAP Token) - Day 25

On the 25th day, ZkGap will send you an email confirmation allowing you to GAP ZKGAP Token with a total value of 205 USDT. Out of this, 200 USDT will be used to repurchase and burn ZKGAP Tokens, and 5 USDT will be transaction fees.

GAP Process: You confirm sending 205 USDT to the ZkGap platform, and the system will automatically repurchase ZKGAP Tokens on PancakeSwap and burn them for you.

*Please note that if you do not complete the burning process within 48 hours from the time you receive the email from ZkGap, your Gap-and-Gain order will be canceled.

Step 3: GAIN ZKGAP Token - Day 30

After 5 days from a successful GAP, you will be eligible to Mint and Withdraw ZKGAP Token rewards equivalent to 260 USDT in value.

To GAIN, you need to follow these steps:

- You need to initiate the Mint and Withdraw ZKGAP Token process on the ZkGap platform to your personal wallet.

- The number of ZKGAP Token s you receive will be equivalent to 260 USDT in value at the time you initiate the Mint and Withdraw ZKGAP Token request.

Note: To execute your GAIN ZKGAP Token order, you need to have another reservation order currently in the waiting for GAP process. An GAIN order must have a reservation order in the waiting for GAP process to complete the procedure.

The fee for Mint and Withdraw ZKGAP Token to the personal wallet will be calculated in ZKGAP Token s equivalent to 5 USDT and will be deducted directly from the amount of ZKGAP Tokens Mint and Withdraw. This fee will be applied to each withdrawal of ZKGAP Tokens to the personal wallet and may encompass multiple GAIN orders.

The amount of your ZKGAP Token mining reward will depend on the difficulty of each stage.
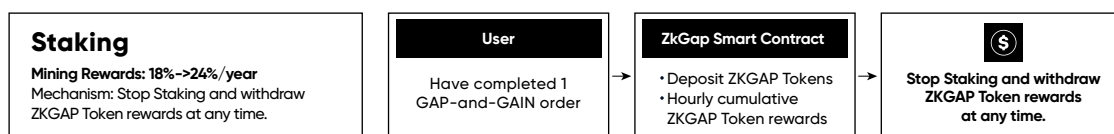
3.2 STAKING

3.2.1 Staking Overview

ZkGap's Staking allows users to hold ZKGAP Tokens and earn profits with rewards of 18-24% per year. With ZkGap Staking, you will experience compound earnings as the number of ZKGAP Tokens you hold increases and the ZKGAP Token price appreciates over time.

Mechanism

- Rewards compound hourly.

- Staking is flexible, allowing you to stop Staking and withdraw ZKGAP Token rewards at any time.

Requirements

- Complete a minimum of 01 GAP-and-GAIN order.

ZkGap

3.2.2 How to start Staking ZKGAP Token on ZkGap:

Staking
Mining Rewards: 18%->24%/year
Mechanism: Stop Staking and withdraw ZKGAP Token rewards at any time.

User
Have completed 1 GAP-and-GAIN order

ZkGap Smart Contract
• Deposit ZKGAP Tokens • Hourly cumulative ZKGAP Token rewards

Stop Staking and withdraw ZKGAP Token rewards at any time.

Step 1: Transfer the amount of ZKGAP Tokens you wish to Stake to the ZkGap platform.

Step 2: Monitor the rewards accumulating hourly on the ZkGap Staking platform.

Step 3: Stop Staking and withdraw ZKGAP Token rewards whenever you wish.
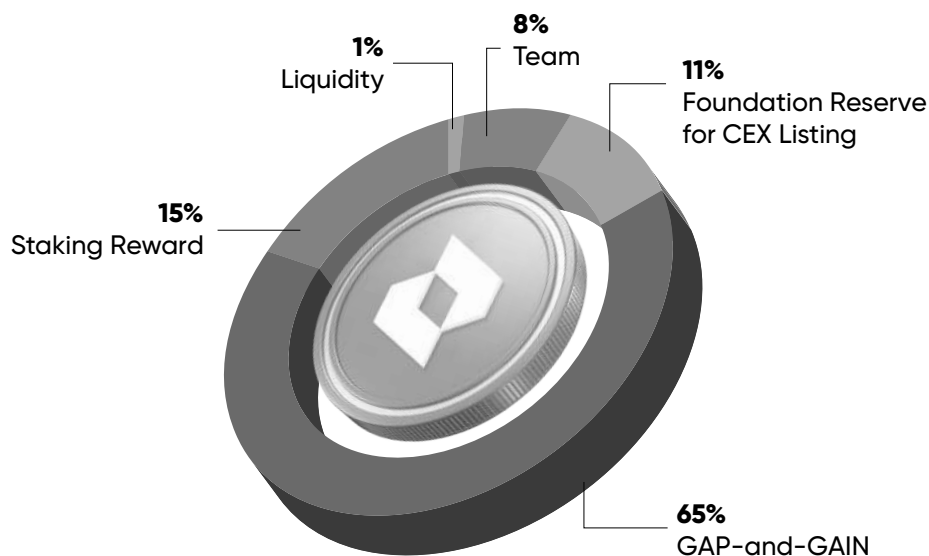
4. TOKENOMICS

4.1 ZKGAP Token

The tokenomics of ZkGap are built upon a profound vision of balance and sustainability within the token ecosystem. ZkGap places a strong focus on the core value of the ZKGAP Token within the ZkGap ecosystem and its utility for the community. Furthermore, ZkGap prioritizes proactive measures to combat token inflation while emphasizing the importance of token liquidity and utility.

Mining ZKGAP Token based on the Proof-of-Burn algorithm ensures a decentralized and equitable distribution of ZKGAP Tokens, reflecting users' contributions.

Token Name	**ZK**
Symbol	**ZKGAP**
Max Total Supply	**100,000,000**
Circulating Supply at TGE	**1,000,000**
Network	**BNB Chain**

Contract ZKGAP Token
0x63D0761Ab9705ce0AF64E78664A64e550cC53b92

ZkGap

4.2 ZKGAP Token Allocation

1%
Liquidity

8%
Team

11%
Foundation Reserve
for CEX Listing

15%
Staking Reward

65%
GAP-and-GAIN

Round	%	Allocation	Vesting
GAP-and-GAIN	**65%**	**65,000,000**	Mined through user activities
Staking Reward	**15%**	**15,000,000**	Mined through user activities
Liquidity	**1%**	**1,000,000**	Locked for 10 years
Team	**8%**	**8,000,000**	Mined through user activities
Foundation Reserve for CEX Listing	**11%**	**11,000,000**	Mined through user activities

Whenever users successfully participate in GAIN activities, 12.5% will be minted for the Team and 17% for the Foundation Reserve for CEX Listing based on the quantity of pools will by the users. The minting process for these two successful GAIN transactions conclude when the specified quantity has been reached.

ZkGap

4.3 Token Utility

4.3.1 Applications of ZKGAP Token Within the ZkGap Ecosystem:

1. Mining and Staking Rewards: ZKGAP Tokens are used to reward users participating in GAP-and-GAIN and Staking.

2. Transaction Fees: ZkGap charges a transaction fee in ZKGAP Tokens for every trade made on ZkGap Wallet, ZkGap DEX, and ZkGap Perpetual DEX.

3. Payments: ZKGAP Tokens are used for purchasing Bot Trading on ZkGap AI Trading Bot, paying for services on ZkGap SocialFi, and repaying loans and loan interest on ZkGap Lend & Borrow.

4. Collateral Assets: ZKGAP Tokens serve as collateral assets and lending assets on ZkGap Lend & Borrow.

5. Governance: Users holding ZKGAP Tokens can participate in the voting process, allowing them to participate in the decision-making process on important project events.

Mechanism for Burning in the Ecosystem

ZKGAP Token Burning Mechanism in the Ecosystem: ZkGap uses 30% of profits generated from products and services in the ZkGap ecosystem to buy back and burn ZKGAP Tokens.

4.3.2 Why is the ZKGAP Token valuable?

Fixed Supply and Intrinsic Value of ZKGAP Token: ZKGAP Token has a maximum fixed supply, and each ZKGAP Token is created through the Proof-of-Burn algorithm or rewarded through holding on the Staking platform. Therefore, each ZKGAP Token has intrinsic value based on the mining cost, similar to how Bitcoin operates on Proof of Work (PoW).

High Liquidity: ZKGAP Token offers high liquidity on both Decentralized and Centralized Exchanges (expected in Q1/2024) , facilitating convenient buying and selling for users.

High Applicability: ZKGAP Token is used as a transaction fee and payment on many products and services within the ZkGap ecosystem, creating a strong connection between token value and usage.

Scarcity: Continuous burning of ZKGAP Tokens through Proof-of-Burn, coupled with high demand, creates scarcity. This scarcity results in ZKGAP Tokens being mined at a rate lower than their usage demand, which helps maintain stable ZKGAP Token value

The value of ZKGAP Token benefits the community, maintaining demand above newly mined supply. Furthermore, the continuous token burning process is conducted by both users and the project, creating a stable price appreciation loop for ZKGAP Token.

ZkGap

5. AFFILIATE PROGRAM

5.1 Affiliate Program Overview

In the ever-evolving world of cryptocurrency and blockchain technology, strategic marketing, including the Affiliate Program, is vital for fostering adoption and growth. This section explores the rationale for implementing the Affiliate Program and its potential impact on the ZkGap ecosystem.

The Affiliate Program is a collaborative marketing approach to extend the ZkGap project's reach. It empowers partners to promote ZkGap within their networks, accessing new user pools. Through commission incentives, ZkGap drives cooperation and ROI maximization.

Key Factors Driving the Affiliate Program Implementation:

Market Expansion: The Affiliate Program unlocks new markets and user segments by leveraging partner networks.

Improved Conversions: Affiliates' credibility enhances conversion rates through trust and endorsement.

Cost-Efficiency: Performance-based marketing reduces costs and maximizes ROI.

Long-Term Partnerships: Affiliate Program fosters enduring relationships, creating a support network for mutual growth.

Engagement Focus: Active participation is encouraged, allowing affiliates to boost interaction and engagement.

Broadening Networks: Diverse partners expand ZkGap's ecosystem, driving shared growth.

5.2 The Affiliate Program of GAP-and-GAIN

The Affiliate program for users participating in ZkGap GAP-and-GAIN. ZkGap provides users with a total mining reward of up to 23.5% of the total new ZKGAP Tokens mined through user mining activities as a commission for the affiliate program of GAP-and-GAIN. The amount of ZKGAP Tokens that users receive in the Affiliate program will be calculated based on the USDT commission value at the time they withdraw their Affiliate rewards.

5.2.1 The user's achievement rank in the Affiliate Program of GAP-and-GAIN.

Users can achieve rank within the Affiliate Program of GAP-and-GAIN and receive corresponding rewards: Direct Commission, Group Commission (commission from indirect referrals), Shareholder Bonus, Gradually Increasing Mining Rewards based on the rank.

User rank will be reset monthly based on their performance. Daily mining rewards and affiliate program commission rates for the next month will be determined based on the highest rank achieved by the user in the previous month.

ZkGap

5.2.2 Rank and mining rewards are added daily.

S0: SILVER

S1: GOLD
Mining rewards increase daily: 0.05%

S2: PLATINUM
Mining rewards increase daily: 0.1%

S3: RUBY
Mining rewards increase daily: 0.15%

S4: DIAMOND
Mining rewards increase daily: 0.2%

S5 SENIOR AMBASSADOR
Mining rewards increase daily: 0.25%

ZkGap

5.2.3 Affiliate commissions correspond to Rank and conditions.

Rank	Provide Direct	Direct Commission	Group Commission	Difference	Shareholder Bonus
S0	New Users	5%			
S1	5S0 and 1 GAP Order	6%	2%	2%	
S2	5S1	7%	4%	2%	
S3	5S2	8%	6%	2%	1%
S4	5S3	9%	8%	2%	1%
S5	5S4	10%	10%	2%	1.5%

1. Provide Direct is a condition for setting user ranks. The amount of Provide Direct is calculated based on the number of directly referred members (F1) of the user.

2. Direct Commission (F1): Your ZKGAP Token rewards are calculated based on the volume that your directly referred members (F1) have burned in GAP, converted into USDT value.

3. Group Commission and Difference: Your ZKGAP Token rewards are based on the GAP volume from the group you've indirectly introduced (excluding the GAP volume of members you've directly referred). Difference is calculated by subtracting the group commissions you receive from those at lower ranks.

The formula for calculating group commissions will be the % difference in your group's commission with lower ranks multiplied by the number of GAP sales indirectly introduced at those ranks.

For example, if you are at rank S5 and your group commission is 10%, you can receive the difference from those at rank S4 (2%) and receive the difference from those at rank S0 (10%).

4. Shareholder Bonus: ZKGAP Token rewards are determined as a percentage of the total monthly project sales for each rank of ZkGap and they will be evenly distributed among those who reach each rank of S3, S4, and S5. The Shareholder Bonus will be paid to users who achieve ranks S3, S4, S5 on the 5th day of each month.

Conditions for withdrawing Affiliate Commission of GAP-and-GAIN

1. The amount of ZKGAP Token rewards (converted from USDT) that users receive will be calculated based on the ZKGAP Token price at the time the user executes the commission withdrawal to their personal wallet.

2. The minimum withdrawal amount for each commission withdrawal is equivalent to 100 USDT in value.

ZkGap

3. For users at Ranks S3, S4, and S5, in addition to the minimum withdrawal requirement for each commission withdrawal, they need to complete a certain number of successful GAP orders within the month to be eligible for withdrawing Group Commission and Shareholder Bonus. Specifically, users at Rank S3 need to complete 2 GAP orders per month, Rank S4 complete 3 GAP orders per month, and Rank S5 complete 4 GAP orders per month.

6. SAFETY SECURITY AND PRIVACY

At ZkGap, security is more than just a priority; it's a fundamental commitment. In a rapidly evolving blockchain landscape, ensuring the safety and integrity of our platform is paramount. We take a multi-faceted approach, combining in-house expertise with external audits from independent security professionals. This collaborative effort assures our community that their assets are in trusted hands.

Transparent Transactions with Smart Contracts: One cornerstone of our security framework is the use of smart contracts. Every transaction that occurs within the ZkGap ecosystem is conducted openly and transparently through blockchain. This approach not only fosters trust among our users but also eliminates the need for third-party intervention. Smart contracts serve as the backbone of trust, guaranteeing that transactions are executed safely and reliably.

Fortifying Security with Proof of Burn (PoB): ZkGap employs the Proof of Burn (PoB) mechanism to fortify the security of our mining and ZKGAP Token trading processes. PoB is more than a mechanism; it's a testament to our commitment to user authentication and fraud prevention. PoB necessitates users to burn tokens as a proof of participation, rendering the network resilient against fraudulent activities. This is especially critical in thwarting the looming threats of 51% attacks, ensuring that ZkGap's blockchain remains an impregnable fortress of safety and security.

Elevating Privacy through Data Encryption: Beyond financial transactions, we value the privacy of our users' data. To maintain this privacy, all user data and transactions on the ZkGap blockchain are encrypted. Our rigorous encryption protocols serve as an impenetrable fortress, safeguarding user information from unauthorized access and ensuring that all interactions on our platform remain confidential.

ZkGap's security measures reflect our unwavering dedication to protecting your assets and privacy. Our multi-pronged strategy, inclusive of smart contracts, PoB, and robust encryption, provides a comprehensive framework that sets the highest standards in the industry.

ZkGap

7. ROADMAP

Q2-Q3/2023: Building the ZkGap Ecosystem

- Developing the test and beta version of ZkGap
- Establishing potential partnerships and collaborations

Q4/2023: Launching ZkGap Website and ZKGAP Token Listed

- Official website launch of ZkGap
- Launching of ZkGap GAP-and-GAIN
- Launching of ZkGap Staking
- Listing of ZKGAP Token on the decentralized exchange Pancakeswap

Q1/2024: Launching of ZkGap Wallet and listing ZKGAP Token on the Centralized Exchange (CEX)

- Listing of ZKGAP Token on top centralized exchanges (Top CEX)
- Launching of the decentralized wallet application, ZkGap Wallet

Q2/2024: Launching of ZkGap DEX and ZkGap Lend & Borrow

- Launching of the decentralized exchange platform, ZkGap DEX
- Launching of the crypto asset lending and borrowing platform, ZkGap Lend & Borrow

Q3/2024: Launching of ZkGap Perpetual DEX and ZkGap SocialFi

- Launching of the perpetual decentralized futures exchange, ZkGap Perpetual DEX
- Launching of the community-connecting platform, enabling users to participate in the cryptocurrency-related social network, ZkGap SocialFi

Q4/2024: Launching of ZkGap AI Trading Bot

- Launching of the advanced artificial intelligence-powered automated trading system, ZkGap AI Trading Bot

ZkGap

8. CONCLUSION

ZkGap is a comprehensive DeFi solution that brings numerous significant benefits and promising potential in the decentralized cryptocurrency space. We focus on building a robust decentralized ecosystem that empowers users to profit fairly and innovate like professional traders. At the same time, we are dedicated to ensuring security and privacy for our users.

The ZkGap ecosystem encompasses a diverse range of products to serve users in the decentralized cryptocurrency field. Combined with the Proof of Burn algorithm, ZkGap enables users to achieve fairness in holding project tokens while saving time and effort when participating in the DeFi market swiftly and efficiently. We optimize transaction performance and risk management to help users achieve profits through practical applications of ZkGap, including Wallet, DEX, Perpetual DEX, Lend & Borrow, and AI Trading Bot.

The integrated ZkGap ecosystem opens up numerous opportunities for users, allowing them to leverage integration with other DeFi projects and expand their influence. All of this is executed with maximum security measures and privacy protection to safeguard user data and assets.

ZkGap also provides opportunities for users to interact with the rapidly evolving DeFi community. Ultimately, with a vision for a bright future in DeFi, ZkGap serves as a powerful tool to help users engage effectively and securely in the rapid development of the decentralized financial sector.

Join ZkGap to explore significant opportunities and experiences in the DeFi space. We are committed to accompanying you on this journey and contributing to the development of the decentralized financial industry.

ZkGap

9. DISCLAIMER

DISCLAIMER OF LIABILITY

This is the disclaimer of liability ("Disclaimer") by ZkGap ("We," "Company," or "ZkGap") for all users ("Users," "You," or "User") of the ZkGap service ("Service" or "Project").

By logging into your personal wallet, accessing the Platform, and/or using the ZkGap Service, you agree that you have read, understood, and accepted these Terms, along with any supplemental materials or terms referenced within these Terms. You acknowledge and agree that you will be bound by and comply with these Terms, as updated and amended over time.

If you do not understand and accept all of these Terms, then you should not log into ZkGap, access, or use any of ZkGap's Services.

RISK WARNING

As with any assets, the value of Digital Assets can fluctuate significantly and carry the risk of substantial economic loss when buying, selling, holding, or investing in Digital Assets. Therefore, you should consider whether trading or holding Digital Assets is suitable for you given your financial circumstances. Additional information about the risks associated with using ZkGap Service is outlined in our risk warning, which may be updated over time. You should carefully review the risk warning, but it does not explain all potential risks that may arise or how these risks relate to your personal circumstances. It is essential to understand the full extent of these associated risks before making a decision to use ZkGap's Service.

We are not a broker, intermediary, agent, or advisor to you, and we have no agency or fiduciary relationship with you regarding any transactions or other activities you undertake when using ZkGap's Service. Services used within ZkGap will not be refunded under any circumstances. We do not provide investment advice or advice in any form, and any contact information we provide is not intended or to be understood as advice in any form.

1. No Profit Guarantee: Users understand that the use of the Service does not guarantee any specific profit. User investment decisions and trades are discretionary and carry inherent risk.

ZkGap

2. Financial Risks: Using the Service may involve financial risks, especially in the cryptocurrency market. ZkGap is not responsible for any financial loss or damages arising from the use of the Service in the cryptocurrency market.

3. Service Changes: ZkGap reserves the right to change or discontinue the Service at any time without prior notice. Such changes may affect User's use and access to the Service.

4. Financial and Investment Advice: Information, materials, and content provided by ZkGap should not be considered investment advice or financial advice. Users should consult a financial expert or relevant professional before making investment decisions.

5. Legal Compliance: Users must comply with all current legal regulations related to using the Service and engaging in transactions.

You are not a user from the following territories: the United States, the United Kingdom, China, Singapore, Canada, North Korea, Vietnam, Cuba, Iran, Crimea, Donetsk, Luhansk, Uzbekistan, Syria.

6. Agreement and Acceptance: Using ZkGap's Service implies that you agree to and accept all terms and conditions in this Disclaimer of Liability. Users should carefully consider and understand the related risks before using the Service.

7. Personal Responsibility: Users are personally responsible for all decisions and actions when using ZkGap's Service.

This disclaimer of liability is effective as of [22nd October, 2023] and may be updated or changed by ZkGap without prior notice.

The content in the whitepaper may be updated or modified by ZkGap without prior notice.

LAST UPDATED: 22nd October, 2023
LOCATION: Singapore