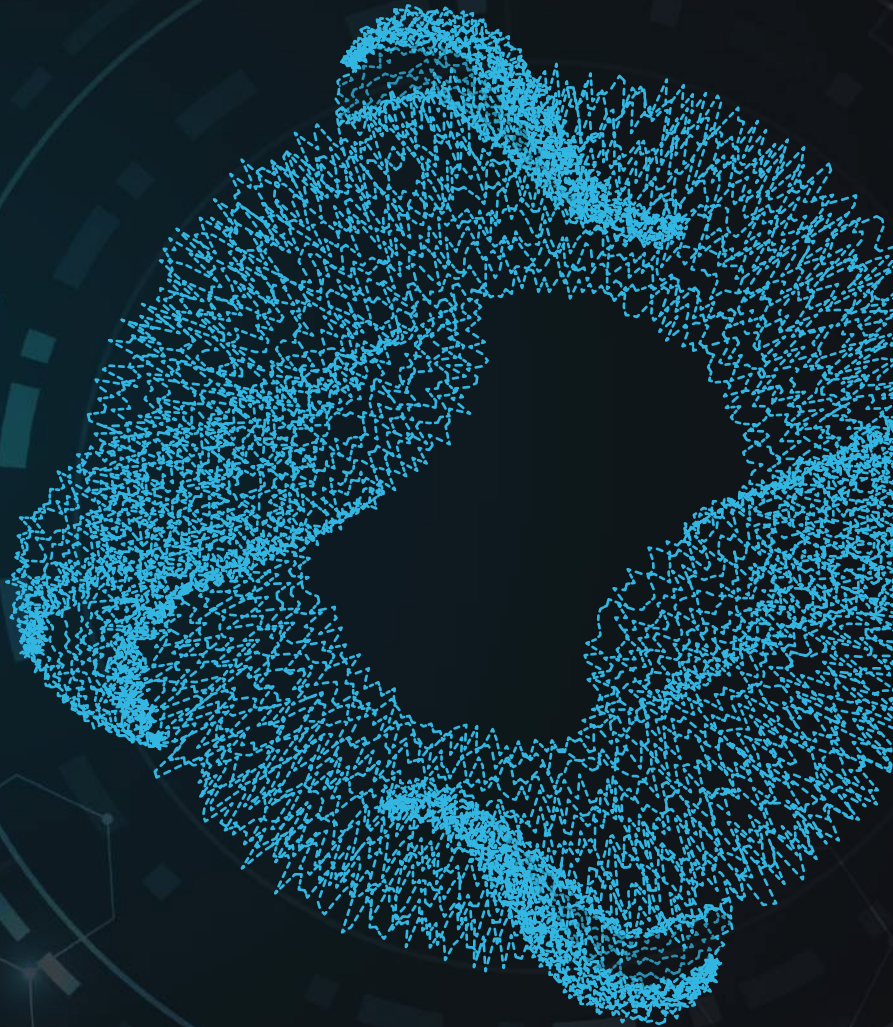




**OCTOPUS**  
P R O T O C O L



# Octopus Protocol Litepaper V1.0

An Introduction to the Octopus Protocol Ecosystem

March 2021

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# Summary

Octopus is an open protocol to create, exchange, settle, and manage synthetic assets. The protocol enables the issuance of synthetic tokens and their exchange through decentralized derivatives. Octopus Protocol leverages innovative technological solutions like blockchain and smart contracts to facilitate a platform for engagement with decentralized derivatives. Through a trustless architecture, Octopus seeks to offer unparalleled access and exposure to real-world assets.

The benefits of issuing derivatives on the blockchain have led market participants to develop DeFi protocols facilitating architecture for tailor-made synthetic tokens. However, market protocols demand greater requirements of collateral in exchange for minting synthetic tokens on their platform. Octopus Protocol provides an affordable solution and accessible infrastructure by reducing the gap between collateral and creating tokens to facilitate an optimal solution for DAO and developers to issue synthetic assets.

# Introduction

A financial derivative represents a contractual agreement between two parties that derives its value based on the performance of an underlying asset. With this financial instrument, parties exchange cash or any other asset instead of trading or owning the actual asset.

Financial derivatives, which emerged in the 1930s, became one of the most prominent financial instruments due to their inherent usability. This financial instrument facilitated market participants to insure assets at a specific price in the future without actually owning them. It further allowed commodity producers to form an agreement to buy or sell a commodity at a predefined price in the future and protect themselves against the price volatility in commodity prices.

Financial derivatives offering services of exchanging assets rely on a centralized structure for processing and clearing. Their popularity led to the establishment of Over the Counter (OTC) derivative desks, which monitored a legal agreement that specifies the terms and conditions of involved parties. However, this further created a discrepancy as the entire system depended upon trusted

intermediaries and expensive legal binding contracts. Today, the financial derivatives market is restricted, holds counterparty risks, is highly dependent on intermediaries, bound with geographical limitations, and is an overall costly process.

Octopus Protocol enables a decentralized and open infrastructure for minting and settling financial derivatives without relying on third-party intermediaries. The Protocol leverages blockchain technology to tokenize synthetic assets on the distributed ledger. Synthetic tokens follow a specific function, such as the price of an underlying asset without actually owning it. The Octopus ecosystem encompasses several products to create, exchange, and manage synthetic assets on its network.



# What is Octopus Protocol?

**OCTOPUS PROTOCOL, A ROBUST DEFI PROTOCOL BUILT ON THE BINANCE SMART CHAIN (BSC), ALLOWS ISSUANCE, TRADE, AND MANAGEMENT OF DECENTRALIZED DERIVATIVE ASSETS.**

Its trustless architecture enables developers, individuals, and decentralized autonomous organizations (dao) to deploy and create synthetic assets on the bsc network.

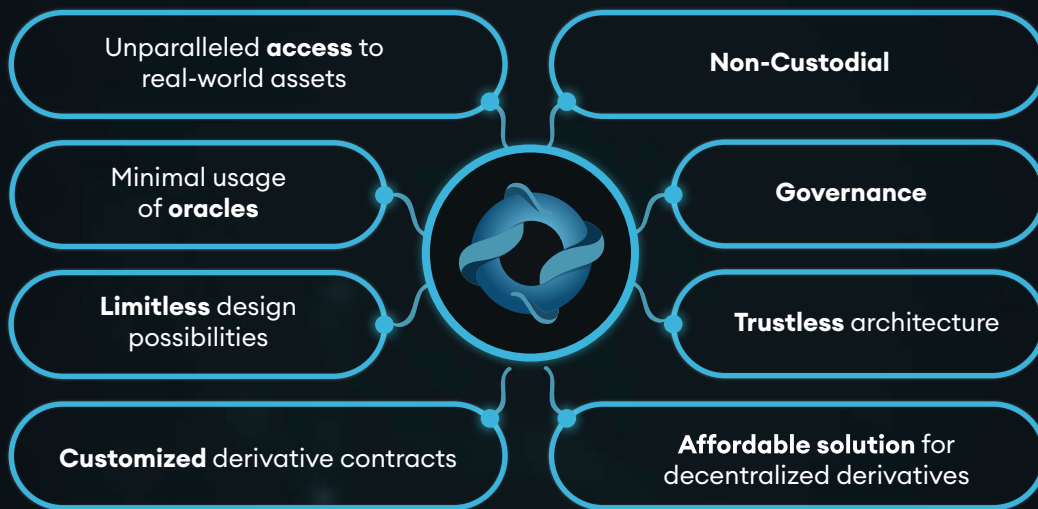
These synthetic assets, built on the blockchain, can represent an underlying asset in the physical world. Synthetic tokens track the real-time price of an underlying asset using oracles and give exposure without owning the real-world asset.

Under the Octopus ecosystem, tokenized synthetic assets can directly be traded on a peer-to-peer network. The entire operation of minting and trading synthetic tokens is governed by automated smart contracts. This removes the need to rely on a third-party intermediary with the protocol ensuring a trustless environment.

Tokenization of synthetic assets on the blockchain also allows fractional ownership of the underlying asset. With blockchain, Octopus provides the necessary tools to fractionally divide an asset into desired units (tokens) and mint them on the BSC network. This allows users to raise synthetic tokens for any form of tangible or physical assets.



# Eight Pillars of Octopus Protocol



## 1. Unparalleled Access to Real-World Assets

With traditional financial derivatives, trusting the counterparty to hold its end of the agreement remains one of the biggest challenges. Hence, financial derivatives are only accessible to institutional investors relying on costly legal processes and trusted third-party intermediaries.

Decentralized Finance allows any individual, DAO, or party to have equal access to financial tools without centralized control or third-party intermediaries. The Octopus Protocol uses the innovation of DeFi to offer unparalleled access and exposure to real-world assets in an equally accessible financial ecosystem.



## 2. Minimal Usage of Oracles

Oracles help in accessing outside data, like price feeds, for synthetic assets. They are programmed to fetch rates from reputable sources and report them to smart contracts. Hence, the price of on-chain synthetic assets is pegged to the price of real-world assets supplied by oracles.

However, current oracle solutions are vulnerable in their design, i.e., they are susceptible to corruption. If the oracle is compromised, it can result in the manipulation of the smart contract. To minimize the loophole of corruption within the oracles, Octopus Protocol is designed to minimize the usage of oracles. By providing off-chain data for blockchain transactions in an incentivized environment, Octopus reduces the reliance on oracles and increases security within its ecosystem.



### 3. Limitless Design Possibilities

Octopus allows users to create a basket of tokens to diversify cryptocurrency investment portfolios and minimize financial risks. The basket is represented by a synthetic asset that calculates the overall price of all the instruments. Moreover, the basket of assets is not limited to cryptocurrencies. It can include several investment fiat currencies, commodities, digital assets, bonds.

The Protocol allows any participant to access financial contracts or derivatives from any part of the world through synthetic tokens. For instance, an entity from a developing nation can access Australian stocks through minting synthetic tokens representing the underlying asset, i.e., Australian stock. The price difference of the stock can be tracked through an oracle, and the contractual agreement is controlled by a smart contract.



### 4. Customized Derivative Contracts

Traditional financial derivative contracts offer limited access to a handful of individuals and institutions. Octopus Protocol allows exposure to any kind of financial derivatives without any restrictions on geographical boundaries and limitations of the current financial ecosystem.

Customized financial contracts have never been available to individuals as the costs for doing so have been restraining. However, Octopus Protocol facilitates contracts that fit personal circumstances along with preferred investment instruments.



### 5. Non-Custodial

Tokenization refers to the representation of a real-world asset on the blockchain in the form of digital tokens. Synthetic tokens provide accessibility and leverage to the asset without going through the tedious process of owning the asset. They are also more affordable to hold as compared to real-world asset-backed tokens. Synthetic tokens also provide censorship resistance (non-custodial) which asset-backed tokens cannot offer due to custodian restrictions.



## 6. Governance

Octopus Protocol is governed by anyone who owns \$OPS tokens, Octopus's native currency, in a fair and transparent way. All OPS token holders can propose a change to the protocol or vote on existing proposals.

Therefore, the role of OPS tokens includes acting as an incentive for liquidity providers and being a governance vehicle for the decentralized infrastructure.



## 7. Trustless Architecture

The current infrastructure for financial derivative contracts requires intermediaries that govern, manage, and enable trust between two entities. These standards of engaging with derivatives are expensive, time-consuming, and require resources. The trust-based contracts also restrict access to derivative contracts in a traditional financial infrastructure.

Octopus Protocol leverages the innovation of blockchain and automated smart contracts to remove the factor of dependency on third-party intermediaries. Instead, all operations are managed by a pre-programmed network of smart contracts, which are automatically executable. Octopus is a DeFi protocol powered by smart contracts; its inherent infrastructure eliminates trust barriers for trade and settlement of derivatives.



## 8. Affordable Solution

Modern DeFi derivative solutions restrict innovation by demanding a higher deposit for collateral in exchange for the issuance of tokens. Octopus provides an affordable solution to mint tailored synthetic assets by reducing the requirement for a high (amount) of collateral.

# Octopus Protocol Products



## 1. Decentralized Derivatives Exchange

Decentralized derivatives built on blockchain carry applications in the financial ecosystem. Synthetic derivatives provide benefits of hedging, thereby allowing users to manage risks. The factor of hedging allows a user to offset a potential loss by fixing a predictable amount that would be paid for the pre-defined price of any asset within a specified duration of time.

Octopus provides an architecture for secure and automated exchange of decentralized derivatives in a trustless environment. It facilitates a permissionless way to exchange and settle derivatives without any third-party intermediaries or centralized entity governing operations.



## Trade Derivatives

The decentralized exchange or DEX allows trading of derivatives facilitating unlimited exposure to several instruments, including stocks, bonds, equities, digital assets, futures, and more. Users can trade derivatives with tight trading spreads, low margin requirements, and innovative hedge instruments that do not liquidate assets prior to settlement.

## Non-Custodial Wallet

Octopus holds users' funds in a non-custodial manner. In other words, a user remains in complete control over their digital assets. You can also track your trading history and cryptocurrency trading portfolio from your wallet.



## Minimal Collateral

The Octopus ecosystem offers affordable solutions to create synthetic assets. Moreover, it provides institutional-grade services for the issuance of synthetic assets by depositing a minimum amount for collateral.

## Trustless Architecture

Exchange derivatives on an infrastructure that offers best-class features of a centralized exchange but on a decentralized and peer-to-peer architecture.



## Minimal Trading Fees

Access the deep liquidity of Octopus Exchange at minimal trading fees and competitive processing charges.

## Staking

Gain rewards and annual returns as high as %220\* by participating in the Octopus network. Earn its native token, OPS, by engaging in the staking mechanism available on the Octopus platform.



## 2. Decentralized Asset Management

Decentralized asset management facilitates a transparent and open way of settling synthetic assets by connecting investors to asset managers. Users can view the entire history and performance of an asset manager before investing their funds into pools.



### Transparency

Octopus connects investors to asset managers in a transparent way on peer-to-peer infrastructure.

### Tested-Tools

Get first-hand access to tools to create, rebalance, and manage your crypto portfolio.



### Diversify

Access Octopus to diversify your trading portfolio comprising several instruments, including traditional financial tools like stocks, bonds, and indices as well as digital assets.

### Track History

View the complete history of asset managers before choosing to invest your funds into their baskets.



### Binance Smart Chain (BSC)

To enhance scalability, Octopus Protocol uses the Binance Smart Chain (BSC) blockchain network to create and manage synthetic assets.

### 3. Social Trading

Social trading allows novice traders to get first-hand access to trades executed by expert investors. It will enable beginners to the leading expertise and insights of experienced traders. Social trading allows users to follow the same trades of their preferred trader.



#### Gather Leads

The social trading feature facilitates users to gather expert insights and leads from experienced traders.

#### Expert Trades

A user can follow the trading patterns, strategies, and trades of their preferred trader.



#### Tool for Beginners

Novice traders, can use social trading and access the best trading experience by following the trading patterns of expert traders in the industry.

#### Security

The trading experience of Octopus offers an intuitive, low-cost, and secure method of setting your account and accessing social trading features.



#### Strategies

Octopus Protocol offers complete transparency on the performance of collective strategies, how they are set up and operated.

## 4. Options Trading

Options trading, a type of derivative, offers an investor the right but not obligation to buy or sell an underlying asset at a predetermined price at the set expiration date. With Options trading, individuals or entities can tokenize any asset such as stocks, equities, or bonds into synthetic tokens and gain exposure to financial gains of such instruments.

Crypto options offer a relatively low-cost and low-risk solution for trading any asset as compared to trading futures. This instrument allows traders to hedge or speculate the future price of an underlying asset.



### Hedging

Options trading allows an investor to seek financial gains and minimize the price risk of any asset against a change in market conditions.

### Competitive Market Fees

Settle options contracts on Octopus with best-class services, including a competitive rate for settlement fees, which is a small portion of the underlying asset value.



### Swap Synthetic Assets

The decentralized environment of Octopus, ensures no restrictions on trading pairs. Any synthetic asset can be swapped for another without any limitations.

### Minimal Requirements

It is a decentralized exchange or DEX platform. It is permissionless and hence does not require the user to provide several documents during the sign-up process.





# TOKEN MODEL

**\$OPS IS THE NATIVE UTILITY TOKEN  
OF THE OCTOPUS PROTOCOL**

## Value Accrual

\$OPS tokens accrue value from platform fees paid for engaging and accessing the products and services of Octopus Protocol ecosystem - from the creation of synthetic assets to exchanging derivatives on trading platforms.

**This enables Octopus to unlock value pools:**



**UNPARALLELED ACCESS  
TO REAL-WORLD ASSETS**



**A BORDERLESS AND PERMISSIONLESS  
DEFI INFRASTRUCTURE**

## The \$OPS token serves three distinct purpose



### Governance

\$OPS tokens are used by participants to govern the Octopus Protocol, ensuring consensus in decisions in a decentralized network.



### Staking

Buyers and sellers can lock their \$OPS tokens as a part of staking operations and receive rewards for committing deposits. This locks up \$OPS and reduces circulating supply.



### Engagement

OPS tokens are used to incentivize actions across the Octopus Protocol ecosystem in several ways. They are a means to internally access the Octopus system for engaging with its products and services.

## Tokenomics - OPS Token

Token Symbol

**\$OPS**

Initial Circulating Supply

**1,950,000 (1.3%)**

Tokens being offered in Pre+Public Sale

**10,500,000**

Percentage of Tokens offered in Pre+Public Sale

**7% of Total**

Total Supply

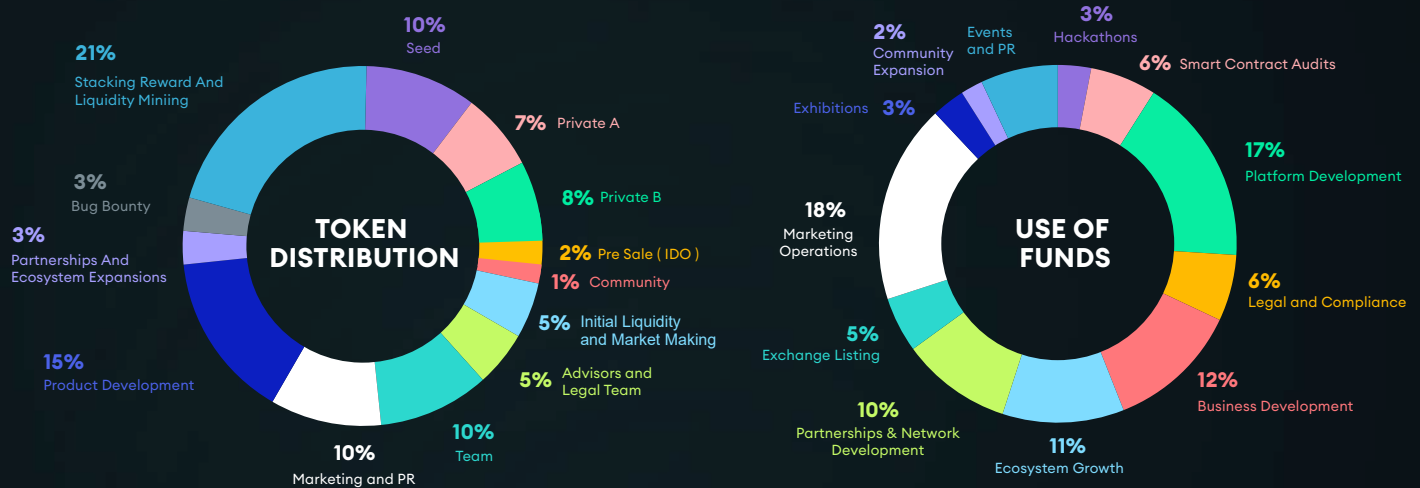
**150,000,000**

Starting Price Pre-Sale

**US \$0.15**



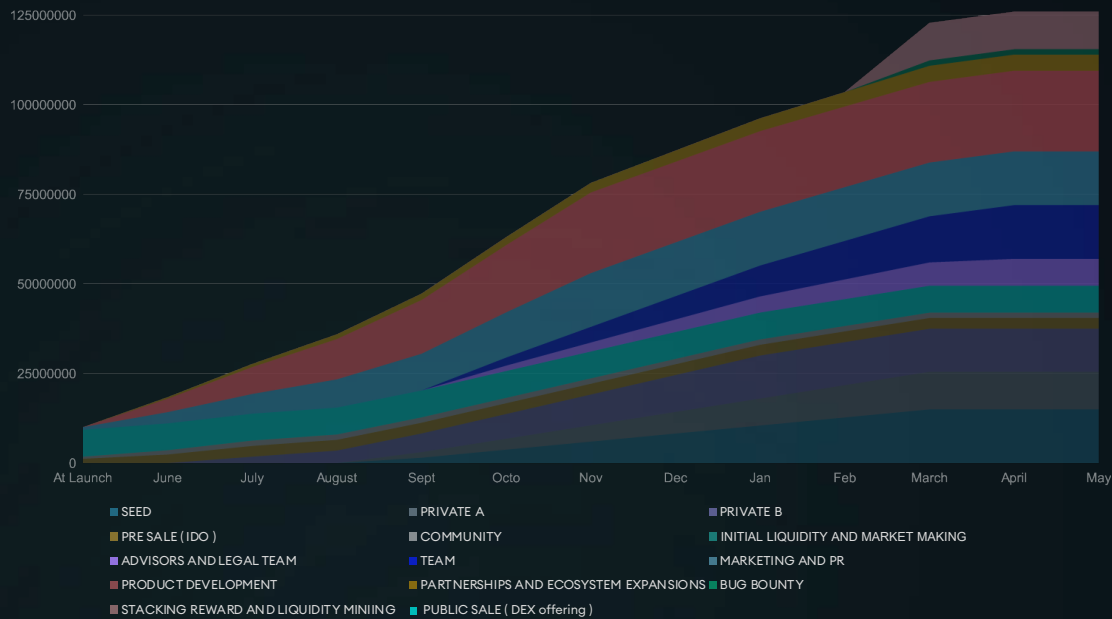
# Token Distribution and Use of Funds



**Total Supply = 150,000,000**

SEED (CLOSED)	PRIVATE A (CLOSED)	PRIVATE B (CLOSED)
15,000,000	10,500,000	12,000,000
PRE SALE (IDO) (CLOSED)	COMMUNITY (CLOSED)	INITIAL LIQUIDITY AND MARKET MAKING
3,000,000	1,500,000	7,500,000
ADVISORS AND LEGAL TEAM	TEAM	MARKETING AND PR
7,500,000	15,000,000	15,000,000
PRODUCT DEVELOPMENT	PARTNERSHIPS AND ECOSYSTEM EXPANSIONS	BUG BOUNTY
22,500,000	4,500,000	4,500,000
STACKING REWARD AND LIQUIDITY MINING		
31,500,000		

# Vesting Schedule



**1. Seed** - 10% of tokens were sold during our seed round in 2020 with the price of token at \$0.05, 3-month cliff, 10% Release after 3-month cliff, Linear Release daily over 6 months for remaining 90%.

**2. Private A/ Private B (Closed)** - 15% of tokens will be sold in private A and B sale rounds. Price of tokens in the early rounds ranged from \$0.075 to \$0.1 per token respectively, with 3 months cliff on Private A and 1 month cliff on private B, 15% Release after the cliff period, then Linear Release daily over 6 months for remaining 90%.

**3. Community Sale (Closed)** - 1% of tokens were sold in our community round for \$0.125 per token price. Vesting on community sale is 40% on TGE, 20% Weekly Linear Release, 1-Hour Post TGE.

**4. Pre-Sale (IDO) (Closed)** - 2% of tokens were sold in the pre-sale round. In this round, the \$OPS token is priced at \$0.15 per token. The collection made via pre-sale will be used to add liquidity to the initial DEX listing. Vesting on Pre-sale is 40% on TGE and 20% weekly linear release.

**5. Initial DEX and CEX Liquidity** - 5% of tokens will be used for initial DEX and CEX liquidity. There is no vesting period for liquidity tokens and 100% tokens will be released during the listing.

**6. Advisors** - 5% of \$OPS tokens are reserved for current and future Octopus advisors and will unlock after 6 months cliff, 20% release, and linear release over the following 6 months.

**7. Team** - 10% of \$OPS tokens are reserved for the Octopus team members and will unlock after 6 months cliff, 15% release, and linear release over the following 6 months.

**8. Marketing and PR** - 10% of \$OPS tokens are reserved for marketing and PR activities to enable widespread adoption of Octopus Protocol and expand our community.

**9. Product Development** - 15% are reserved for the commercial development entity of Octopus Protocol to build on these technological concepts for many years. 5% tokens will be unlocked at TGE and linear release after month 1 through month 6.

**10. Partnerships And Ecosystem Expansions** - 3% is reserved for allowing strategic partners and industry players to come on board and engage with the expansion of the Octopus ecosystem.

**11. Bug Bounty** - 3% is reserved for current, and future Octopus community for several activities like hackathons, growth campaigns and will be released on Mainnet for auditing and bounties needs.

**12. Stacking Reward And Liquidity Mining** - 21% of OPS tokens are reserved for block rewards, staking, and liquidity mining. These tokens will be unlocked with a decreasing inflationary curve, starting with the main net launch on the BSC network.

\$OPS are designed to be utilised, and that is the goal of the \$OPS distribution. In fact, the project to develop Octopus Protocol would fail if all \$OPS holders simply held onto their \$OPS and did nothing with it. In particular, it is highlighted that \$OPS: (a) does not have any tangible or physical manifestation, and does not have any intrinsic value (nor does any person make any representation or give any commitment as to its value); (b) is non-refundable and cannot be exchanged for cash (or its equivalent value in any other digital asset) or any payment obligation by the Company, the Distributor or any of their respective affiliates; (c) does not represent or confer on the token holder any right of any form with respect to the Company, the Distributor (or any of their respective affiliates), or its revenues or assets, including without limitation any right to receive future dividends, revenue, shares, ownership right or stake, share or security, any voting, distribution, redemption, liquidation, proprietary (including all forms of intellectual property or licence rights), right to receive accounts, financial statements or other financial data, the right to requisition or participate in shareholder meetings, the right to nominate a director, or other financial or legal rights or equivalent rights, or intellectual property rights or any other form of participation in or relating to Octopus Protocol, the Company, the Distributor and/or their service providers; (d) is not intended to represent any rights under a contract for differences or under any other contract the purpose or pretended purpose of which is to secure a profit or avoid a loss; (e) is not intended to be a representation of money (including electronic money), security, commodity, bond, debt instrument, unit in a collective investment scheme or any other kind of financial instrument or investment; (f) is not a loan to the Company, the Distributor or any of their respective affiliates, is not intended to represent a debt owed by the Company, the Distributor or any of their respective affiliates, and there is no expectation of profit; and (g) does not provide the token holder with any ownership or other interest in the Company, the Distributor or any of their respective affiliates.

Notwithstanding the \$OPS distribution, users have no economic or legal right over or beneficial interest in the assets of the Company, the Distributor, or any of their affiliates after the token distribution.

# LARV - Stablecoin

Our native token, \$OPS, enables engagement and access to the Octopus Protocol ecosystem. The \$OPS token facilitates the issuance of synthetic assets like dollars pegged to fiat currencies, precious metals, stocks, bonds, indices, and even digital assets.

In the Octopus Protocol ecosystem, \$OPS is held as collateral to create any synthetic asset. The Octopus ecosystem also encompasses another coin: Larvae (LARV) - a stablecoin pegged to the U.S. Dollars to enable value proposition and deliver more utility to traders.

The term Larvae, pronounced as Laa-Vee, refers to baby octopuses. This significance relates to the fundamentals that we are trying to achieve in the Octopus ecosystem.

LARV has a native use case in the Octopus system.

The traders holding LARV will have greater leverage opportunities in the trades conducted on the decentralized derivatives exchange platform of Octopus Protocol. Traders can use the stablecoin token to leverage features such as no transaction fees for internal trading on the decentralized derivatives exchange. For instance, a trader can convert synthetic gold into synthetic Bitcoin on the Octopus exchange without incurring any transaction fees through LARV. The native use-case of LARV helps deliver flexibility and convenience to traders for internal functioning on the derivative exchange platform.

The LARV stablecoin is only used for Octopus Protocol and does not hold any use-case beyond its ecosystem. While \$OPS holds value accrue and is essential to engage with the Octopus Protocol ecosystem, \$LARV holds its native use-case within the decentralized derivatives exchange platform of Octopus Protocol. The correlation between OPS and LARV relates to the same phenomenon of Octopus and Larvae.



# Team

## Founding Team

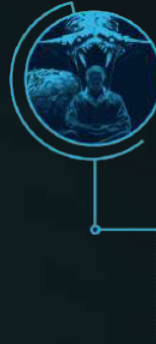


**Obaid Bin Touq**  
Co-Founder

Founder of more than 13 business entities.

Heading the Bin Touq Fire and Safety, a leading fire protection engineering company in Dubai UAE since 11 years.

Provided his services for the Dubai Police Office for 11 years.



**Monk**  
Co-Founder

Monk, one of the early believers in the crypto space, is a fairly private figure. He is amongst the few people in the world who started mining Bitcoin on his computer in his home during its initial years and invested in Ethereum ICO held in 2014.

A software developer by profession for more than 12 years and investing in crypto projects since the last 10 years.

## Key Team Members



**Igor Samorodov**  
CMO



**Christopher Redman**  
Creative Director



**Pavel Mironchik**  
Lead UI/UX Designer



**Mahmoud Ali**  
Graphic Designer

## Advisors



**Sanjay Chandel**

Launching the commodity exchange venture and asset management business as CEO at Indiabulls.

Securities and Exchange Board of India (SEBI) for 11 years.

CEO at the Indian Commodity Exchange (ICEX)



**Kyle Chasse**

Kyle Chassé, the founder and CEO of Paid Network, is a cryptocurrency/ blockchain veteran with over 10 years of experience. He has guided a myriad of early-stage crypto and blockchain projects and helped them to succeed.



**Vikas Thapar**

Vikas Thapar has headed several banking operations in prominent financial institutions.

With over 25 years of experience working in the financial ecosystem, he brings his leading insights and valuable practices to the Octopus Protocol.



**Vishal Sanghani**

Experience of more than 15 years in open-source technologies amongst others.

Engaged with eight prominent companies including McAfee, Tata Consultancy Services, Dell EMC, and Cohesity Expertise in web design, development, project management, and project deployment.

## READY TO LEARN MORE?

View more information to jointly reshape the industry standards for synthetic assets and derivatives.

### PITCH DECK

Our Pitch deck can be viewed here

### WEBSITE

Check our website for more information

### TECH ENQUIRIES

Contact us for more information

### MARKETS AND INVESTORS

Connect with us

### ONE-PAGER

Check our one-pager here

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