



# Scallop

**Litepaper**

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April 12, 2021

## Abstract

The intention of this document is to describe Scallop, the world's first regulated DeFi banking application allowing retail and institutional participants to access DeFi ecosystems.

Scallop is a crypto friendly banking solution. We have entered an agreement with an Electronic Money Institution to apply for FCA authorization to deal in Electronic Money Derivatives (EMD). Upon approval of application from the FCA we will be fully compliant with all the necessary regulatory requirements to allow Scallop to act as an EMD for an Electronic Money Institution (EMI) in the UK. The payment platform encompasses crypto and traditional currencies. Despite global economies struggling to sustain themselves amid unprecedented economic times, digital assets and cryptocurrencies have countered this trend, with assets such as Bitcoin, Ethereum and so on finding their way into the mainstream.

Despite global economies struggling to sustain themselves amid unprecedented economic times, digital assets and cryptocurrencies have countered this trend, with assets such as Bitcoin, Ethereum and so on finding their way into the mainstream. Whilst Blockchain technology offers security and robustness to the adoption of peer-to-peer financial systems, innovations and decentralized applications are promising to transform the way we exchange value forever.

Despite various financial products being used in cryptocurrency markets, there is still no interface with the real world and reliance on fiat currencies can't be underestimated. Enabling seamless cryptocurrency integration with conventional banking and fiat currencies is a key milestone. Scallop will operate in both the crypto and fiat worlds while retaining the benefits of both systems.

## 1. Introduction

Scallop is a multi-faceted platform that combines cutting-edge technology with the latest financial innovations to deliver next generation cryptocurrency solutions to its users. Scallop is committed to bringing cryptocurrency to general usage and endeavors to simplify decentralized finance (DeFi) by manifesting the innovative technology for a broader user base. Currently, however, various industry challenges exist:

A great deal of friction in moving between fiat & decentralized environments.

Converting cryptocurrencies to fiat adds an additional layer of costs due to the associated fees.

Cryptocurrency markets are highly volatile, making crypto transactions risky for vendors, without the right tools to accept crypto.

By its very nature, traditional finance will always be subject to regulatory authorities, and other inescapable centralized components. However, cryptocurrencies are based on decentralization, privacy and transparency, which appeals to investors and individuals that are interested in the higher yields that peer to peer markets offer for their assets.

## 2. Scallop "X" products:

Below is a list of Scallop's ten ("X") products and the utility that can be uncovered by using the platform:

**Scallop Earn** – Collateralized lending/borrowing using cryptocurrencies.

**Scallop NFT** – Buy, Sell and leverage digital content using a built-in NFT marketplace.

**Scallop Banking Accounts** – GBP/EUR banking accounts for daily use.

**Scallop Cards** – Virtual and physical debit cards for accounts.

**Scallop Pay** – Pay for your goods using crypto/Defi tokens.

**Scallop Multicurrency Wallets** – Multi currency fiat wallets to store and spend.

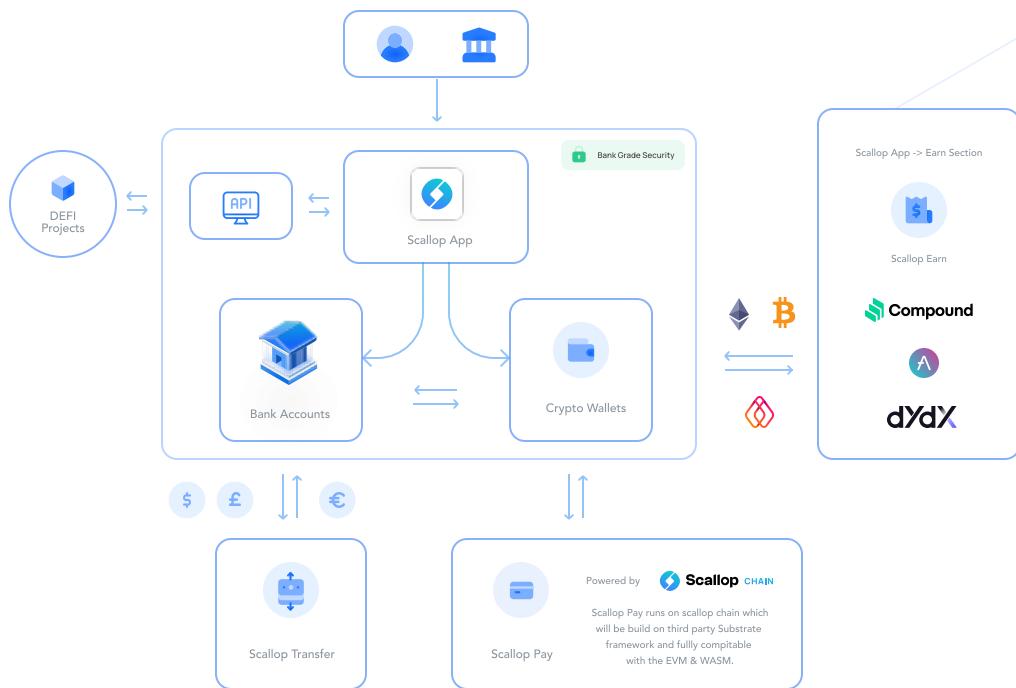
**Scallop Money transfer** – Send fiat to anyone, anywhere in the world, using crypto.

**Scallop Exchange** – A venue to convert crypto/Defi tokens to fiat, vice versa.

**Scallop Cold wallet** – Store & Exchange fiat/crypto directly from cold wallets.

**Scallop Chain** – Enable cross-chain financial applications.

### 3. How scallop works?



### 4. Types of memberships:

#### BASIC Membership

1.5% Exchange Fee

Free Banking Accounts

Free Virtual Card

Free Hardware Wallet (Buy Scallop Tokens Worth 150 USD)

Free Debit Card (Buy Scallop Tokens Worth 30 USD)

Pay Exchange Fees And Transaction Charges Using Scallop Tokens

#### ELITE Membership

1% Exchange Fee

Free Banking Accounts

Free Virtual Card

Free Debit Card

Free Hardware Wallet (Buy Scallop Tokens Worth 75 USD)

Pay Exchange Fees And Transaction Charges Using Scallop Tokens

ATM Withdrawals 250 Per Month

ATM Withdrawals 500 Per Month

24/7 Customer Live Chat Support

Free Worldwide Travel Insurance

Dedicated Customer Manager

24/7 Customer Live Call Support

## 5. Competitors

Services	Scallop	Revolut	Wirex	cashaa	crypto.com	coti	coinbase	nexo
UK Bank Account With Sort Codes	✓	✓	✗	✓	✗	✗	✗	✗
Eu Bank Accounts With IBAN	✓	✓	✓	✓	✗	✗	✗	✗
Multicurrency Fiat/Crypto Wallets With Cards	✓	✓	✓	✓	✓	✓	✗	✓
Direct Debit Cards With Standing Orders	✓	✓	✓	✓	✗	✗	✗	✗
Regulated Crypto Licence In EU	✓	✓	✓	✓	✗	✗	✗	✗
Regulated EMI/EMD Licence In UK & EU	✓	✓	✓	✓	✓	✓	✓	✓
Crypto Wallets For Everyday Use (Send & Receive)	✓	✗	✓	✓	✓	✓	✓	✓
Cold Crypto Wallets	✓	✗	✗	✗	✗	✗	✗	✗
Defi Token Acceptance	✓	✗	✗	✗	✗	✗	✗	✗
Native Blockchain	✓	✗	✗	✗	✗	✓	✗	✗
Market Cap	\$15M (SCLP Token)	\$5.5B (No Token)	\$900M (WTX Token)	\$23M (CAS Token)	\$4.2B (CRO Token)	\$240M (COTI Token)	\$56B (No Token)	\$2.1B (Nexo Token)

✓ Supported    ✗ Not Supported    ⚡ In Progress

## 6. Scallop Token Sale(SCLP):

### 6.1 Scallop Token

Scallop Token (SCLP) is a utility token based on the Ethereum network, chosen because of its expansive scope of Defi functionality. Scallop Token (SCLP) will run natively on the Ethereum blockchain with ERC 20.

### 6.2 Token utility

Scallop Token (SCLP) is a utility based ERC-20 token on the Ethereum network, chosen because of its expansive scope of Defi functionality. Some of the SCLP token use cases:

- Exchange/transaction fees
- Monthly management fees
- Institutional management fees
- Bank transfer fees
- Loading & Unloading Fee
- ATM fees
- Token hosting fees



### 6.3 Reward Structure

Scallop Token (SCLP) will be used as a universal reward token for the following Scallop reward programmes:

- Crypto Back – from 0.5% to 1% on every in-store purchase paid in SCLP
- Institutional Offers – discount by institution/merchant networks, paid in SCLP
- Travel Offers – up to 1% for eligible foreign transactions paid in SCLP
- Business Rewards – Business incentives for using ARTH Stable coins, paid in SCLP
- Deposit Incentive - Reward 5% in SCLP Tokens
- Refferal Bonus - 20 SCLP tokens when your friend signs up on scallop app
- Sign up Bonus - 10 SCLP tokens when you sign up on scallop app

Tokens	Fee Discount	Cryptoback
50,000 SCLP	30%	1.00%
25,000 SCLP	20%	0.75%
10,000 SCLP	10%	0.50%

## 6.4 Exclusive owner benefits

Scallop Token (SCLP) holders will have access to exclusive Scallop app and Scallop Business features:

Scallop Membership (Elite)	Scallop Business (Institutional)
Discount on fees	Discount on fees
Elite Visa card	Multiple IBANs per legal entity
Higher Crypto back	Dedicated account manager
Bespoke merchant offers and discounts	No transaction limits
Concierge & Dedicated customer service	Enhanced Scallop Business Rewards
Airport lounge access	Bespoke merchant offers and discounts for businesses
Early bird access to new features	Free access to accounting integration (XERO, Sage)

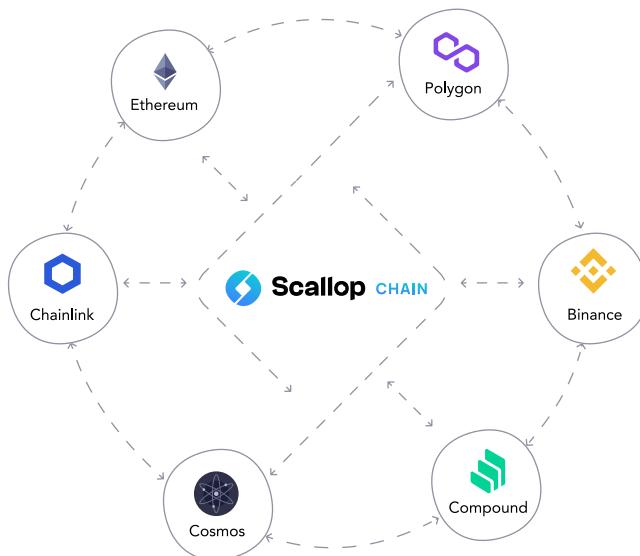
## 6.5 Token sale process

Ticker	SCLP (Scallop Token)
Total token supply	100,000,000 SCLP
Token Type	ERC 20 Token

## 6.6 Scallop Chain

Scallop Chain is a complete single-binary blockchain distribution focussed on simplicity, speed, and developer ergonomics. It supports both EVM and WASM based smart contracts. Scallop Chain is optimised for public permissioned proof-of-stake use cases.

Scallop plans to connect traditional banks with cross blockchain applications. Institutional partners work directly with Scallop, allowing them to create secure custody services, interest bearing savings accounts, debit cards and a fiat on-ramp to crypto.



## 7. Institutional Earn

If A is Total Accrued Amount (principal + interest), P = Principal Amount, I = Interest amount, r = Rate of Interest per year in decimal; R = Rate of Interest per year as a percent; ( $R = r * 100$ ) and t = Time Period involved in months or years then a simple interest equation holds:

$$A = P(1 + rt)$$

Let us say an institution decides to put \$10,00 in Earn account for 12 months at an interest rate of 12% APY, then total money earned end of 12 months is:

First, converting R percent to r a decimal

$$r = R/100 = 12\%/100 = 0.12 \text{ per year.}$$

Putting time into years for simplicity,

12 months / 12 months/year = 1 years.

Solving our equation:

$$A = 10000(1 + (0.12 \times 1)) = 11200$$

$$A = \$11,200.00$$

The total amount accrued, principal plus interest, from simple interest on a principal of \$10,000.00 at a rate of 12% per year for 1 years (12 months) is \$11,200.00.

## 8. Security

Security on the Scallop platform is paramount and is addressed by employing the following measures:

- Scallop offers users the use of personal hardware wallets with EAL 6+ technology and bank grade security to store, send and receive Crypto funds.
- Scallop also offers users software wallets where their funds are stored in cold wallets. These cold storages are insured by our partners against loss by up to \$100 million.
- Fiat funds are stored in major banks and secured under FSCS in the UK and Europe.
- Scallop token contracts are insured by the prominent crypto insurance providers.

## 9. Regulatory

Scallop is in the process of applying for authorization and are committed to be fully compliant with all the necessary regulatory requirements to allow Scallop to act as an EMD for an Electronic Money Institution (EMI) in the UK and as an Electronic Money Intermediary in Europe. Scallop follows financial Reporting Standards and Statements of Standard Accounting Practice issued or adopted by the Accounting Standards Board Statements of Recommended Practice, issued by industry or sectoral bodies recognized for this purpose by the Accounting Standards Board: (a) International Accounting Standards issued by the IASB; (b) International Standards on Auditing (UK and Ireland); and © the Companies Act 2006.

Scallop is applying for authorization to work under the laws of England and Wales and the European Union and any other laws or regulations, regulatory policies, guidelines, or industry codes which apply to the provision of the Services including the Electronic Money Regulations 201, the Payment Services Regulations 2009 and the Payment Services Regulations 2017.

## 10. Roadmap

Quarter	Action
Jul 2020	Company registration
Oct 2020	Crypto licence application
Nov 2020	Product architecture finalise
Nov 2020	Technology development started
Feb 2021	Alpha product development complete
Aug 2021	Beta product development complete
Sep 2021	Cross chain Swap
Oct 2021	Go Live in UK & EU for 747,000 banked and unbanked targets
Nov 2021	Launching Scallop Pay & NFT
Q1 2022	Official Launch of Scallop Chain
Q2 2022	Cross chain liquidity & Yielding
Q3 2022	Launch your own scallop SRC token

## 11. Conclusion

Scallop is a multi-faceted platform that combines cutting-edge technology with the latest financial innovations to deliver cutting edge cryptocurrency solutions to its users. Committed to bringing cryptocurrency to general usage, Scallop endeavors to simplify decentralized finance (Defi) and manifest the innovative technology for a broader user base. It is a comprehensive solution that facilitates easy yet efficient crypto trading and banking services, bridging the gap between digital assets and traditional financial services, bringing it closer to the traditional fiat in terms of usage.