



Scallop

Litepaper

Notes & Disclaimer

PLEASE READ THE ENTIRETY OF THIS "NOTICE AND DISCLAIMER" SECTION CAREFULLY. NOTHING HEREIN CONSTITUTES LEGAL, FINANCIAL, BUSINESS OR TAX ADVICE AND YOU SHOULD CONSULT YOUR OWN LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISOR(S) BEFORE ENGAGING IN ANY ACTIVITY IN CONNECTION HERewith. NEITHER SCALLOP GROUP (THE COMPANY), ANY OF THE PROJECT TEAM MEMBERS (THE SCALLOP TEAM) WHO HAVE WORKED ON SCALLOP (AS DEFINED HEREIN) OR PROJECT TO DEVELOP SCALLOP IN ANY WAY WHATSOEVER, ANY DISTRIBUTOR/VENDOR OF SCLP TOKENS (THE DISTRIBUTOR), NOR ANY SERVICE PROVIDER SHALL BE LIABLE FOR ANY KIND OF DIRECT OR INDIRECT DAMAGE OR LOSS WHATSOEVER WHICH YOU MAY SUFFER IN CONNECTION WITH ACCESSING THIS WHITEPAPER, THE WEBSITE AT [HTTPS://SCALLOPX.COM/](https://scallopX.com/) (THE WEBSITE) OR ANY OTHER WEBSITES OR MATERIALS PUBLISHED BY THE COMPANY.

Project purpose: You agree that you are acquiring SCLP to participate in Scallop and to obtain services on the ecosystem thereon. The Company, the Distributor and their respective affiliates would develop and contribute to the underlying source code for Scallop. The Company is acting solely as an arms' length third party in relation to the SCLP distribution, and not in the capacity as a financial advisor or fiduciary of any person with regard to the distribution of SCLP.

Nature of the Whitepaper: The Whitepaper and the Website are intended for general informational purposes only and do not constitute a prospectus, an offer document, an offer of securities, a solicitation for investment, or any offer to sell any product, item, or asset (whether digital or otherwise). The information herein may not be exhaustive and does not imply any element of a contractual relationship. There is no assurance as to the accuracy or completeness of such information and no representation, warranty or undertaking is or purported to be provided as to the accuracy or completeness of such information. Where the Whitepaper or the Website includes information that has been obtained from third party sources, the Company, the Distributor, their respective affiliates and/or the Scallop team have not independently verified the accuracy or completeness of such information. Further, you acknowledge that circumstances may change and that the Whitepaper or the Website may become outdated as a result; and neither the Company nor the Distributor is under any obligation to update or correct this document in connection therewith.

Token Documentation: Nothing in the Whitepaper or the Website constitutes any offer by the Company, the Distributor, or the Scallop team to sell any SCLP (as defined herein) nor shall it or any part of it nor the fact of its presentation form the basis of, or be relied upon in connection with, any contract or investment decision. Nothing contained in the Whitepaper or the Website is or may be relied upon as a promise, representation or undertaking as to the future performance of Scallop. The agreement between the Distributor (or any third party) and you, in relation to any distribution or transfer of SCLP, is to be governed only by the separate terms and conditions of such agreement.

The information set out in the Whitepaper and the Website is for community discussion only and is not legally binding. No person is bound to enter into any contract or binding legal commitment in relation to the acquisition of SCLP, and no digital asset or other form of payment is to be accepted on the basis of the Whitepaper or the Website. The agreement for distribution of SCLP and/or continued holding of SCLP shall be governed by a separate set of Terms and Conditions or Token Distribution Agreement (as the case may be) setting out the terms of such distribution and/or continued holding of SCLP (the Terms and Conditions), which shall be separately provided to you or made available on the Website. The Terms and Conditions must be read together with the Whitepaper. In the event of any inconsistencies between the Terms and Conditions and the Whitepaper or the Website, the Terms and Conditions shall prevail.

Deemed Representations and Warranties: By accessing the Whitepaper or the Website (or any part thereof), you shall be deemed to represent and warrant to the Company, the Distributor, their respective affiliates, and the Scallop team as follows:

- a.) in any decision to acquire any SCLP, you have shall not rely on any statement set out in the Whitepaper or the Website;
- b.) you will and shall at your own expense ensure compliance with all laws, regulatory requirements and restrictions applicable to you (as the case may be);
- c.) you acknowledge, understand and agree that SCLP may have no value, there is no guarantee or representation of value or liquidity for SCLP, and SCLP is not an investment product nor is it intended for any speculative investment whatsoever;
- d.) none of the Company, the Distributor, their respective affiliates, and/or the Scallop team members shall be responsible for or liable for the value of SCLP, the transferability and/or liquidity of SCLP and/or the availability of any market for SCLP through third parties or otherwise; and
- e.) you acknowledge, understand and agree that you are not eligible to participate in the distribution of SCLP if you are a citizen, national, resident (tax or otherwise), domiciliary and/or green card holder of a geographic area or country (i) where it is likely that the distribution of SCLP would be construed as the sale of a security (howsoever named), financial service or investment product and/or (ii) where participation in token distributions is prohibited by applicable law, decree, regulation, treaty, or administrative act (including without limitation the United States of America and the People's Republic of China); and to this effect you agree to provide all such identity verification document when requested in order for the relevant checks to be carried out.

The Company, the Distributor and the Scallop team do not and do not purport to make, and hereby disclaims, all representations, warranties or undertaking to any entity or person (including without limitation warranties as to the accuracy, completeness, timeliness, or reliability of the contents of the Whitepaper or the Website, or any other materials published by the Company or the Distributor). To the maximum extent permitted by law, the Company, the Distributor, their respective affiliates and service providers shall not be liable for any indirect,

special, incidental, consequential or other losses of any kind, in tort, contract or otherwise (including, without limitation, any liability arising from default or negligence on the part of any of them, or any loss of revenue, income or profits, and loss of use or data) arising from the use of the Whitepaper or the Website, or any other materials published, or its contents (including without limitation any errors or omissions) or otherwise arising in connection with the same. Prospective acquirors of SCLP should carefully consider and evaluate all risks and uncertainties (including financial and legal risks and uncertainties) associated with the distribution of SCLP, the Company, the Distributor and the Scallop team.

Informational purposes only: The information set out herein is only conceptual, and describes the future development goals for Scallop to be developed. In particular, the project roadmap in the Whitepaper is being shared in order to outline some of the plans of the Scallop team, and is provided solely for INFORMATIONAL PURPOSES and does not constitute any binding commitment. Please do not rely on this information in deciding whether to participate in the token distribution because ultimately, the development, release, and timing of any products, features or functionality remains at the sole discretion of the Company, the Distributor or their respective affiliates, and is subject to change. Further, the Whitepaper or the Website may be amended or replaced from time to time. There are no obligations to update the Whitepaper or the Website, or to provide recipients with access to any information beyond what is provided herein.

Regulatory approval: No regulatory authority has examined or approved, whether formally or informally, any of the information set out in the Whitepaper or the Website. No such action or assurance has been or will be taken under the laws, regulatory requirements or rules of any jurisdiction. The publication, distribution or dissemination of the Whitepaper or the Website does not imply that the applicable laws, regulatory requirements or rules have been complied with.

Cautionary Note on forward-looking statements: All statements contained herein, statements made in press releases or in any place accessible by the public and oral statements that may be made by the Company, the Distributor and/or the Scallop team, may constitute forward-looking statements (including statements regarding the intent, belief or current expectations with respect to market conditions, business strategy and plans, financial condition, specific provisions and risk management practices). You are cautioned not to place undue reliance on these forward-looking statements given that these statements involve known and unknown risks, uncertainties and other factors that may cause the actual future results to be materially different from that described by such forward-looking statements, and no independent third party has reviewed the reasonableness of any such statements or assumptions. These forward-looking statements are applicable only as of the date indicated in the Whitepaper, and the Company, the Distributor as well as the Scallop team expressly disclaim any responsibility (whether express or implied) to release any revisions to these forward-looking statements to reflect events after such date.

References to companies and platforms: The use of any company and/or platform names or trademarks herein (save for those which relate to the Company, the Distributor or their respective affiliates) does not imply any affiliation with, or endorsement by, any third party. References in the Whitepaper or the Website to specific companies and platforms are for illustrative purposes only.

English language: The Whitepaper and the Website may be translated into a language other than English for reference purpose only and in the event of conflict or ambiguity between the English language version and translated versions of the Whitepaper or the Website, the English language versions shall prevail. You acknowledge that you have read and understood the English language version of the Whitepaper and the Website.

No Distribution: No part of the Whitepaper or the Website is to be copied, reproduced, distributed or disseminated in any way without the prior written consent of the Company or the Distributor. By attending any presentation on this Whitepaper or by accepting any hard or soft copy of the Whitepaper, you agree to be bound by the foregoing limitations.



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.

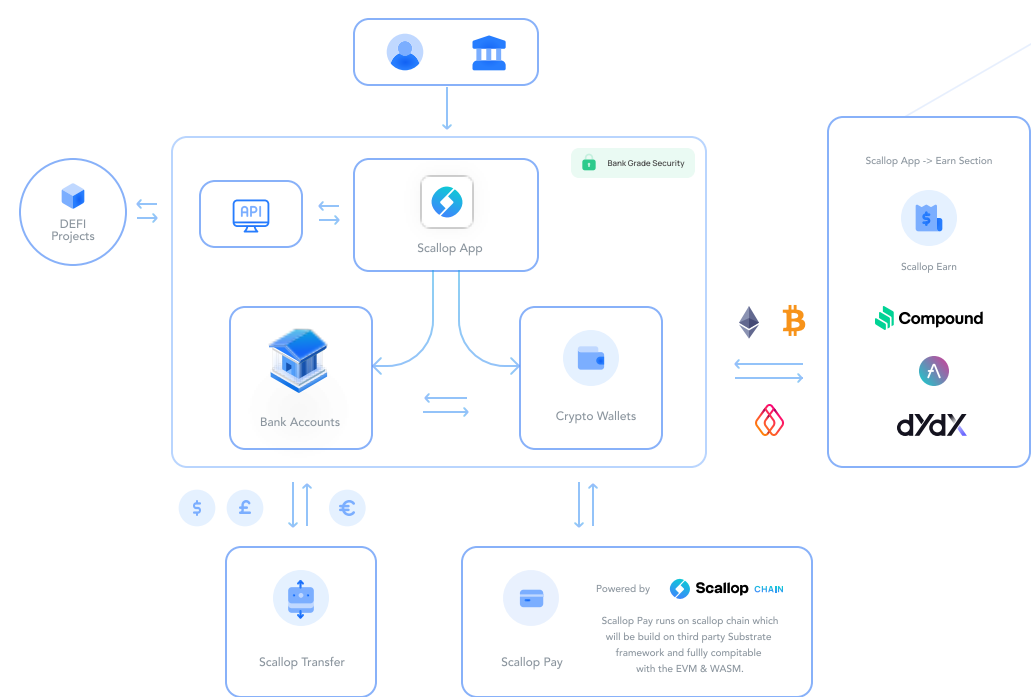
Scallop Money transfer- Send fiat to anyone, anywhere in the world, using crypto.

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	ELITE Membership
1.5% Exchange Fee	1% Exchange Fee
Free Banking Accounts	Free Banking Accounts
Free Virtual Card	Free Virtual Card
Free Hardware Wallet (Buy Scallop Tokens Worth 150 USD)	Free Debit Card
Free Debit Card (Buy Scallop Tokens Worth 30 USD)	Free Hardware Wallet (Buy Scallop Tokens Worth 75 USD)
Pay Exchange Fees And Transaction Charges Using Scallop Tokens	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):

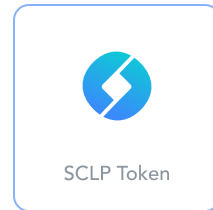
6.1 Scallop Token

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
- Referral 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,

$$12 \text{ months} / 12 \text{ months/year} = 1 \text{ years.}$$

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 & Yieding
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.