



Whitepaper



Abstract



DIM X is an entry point for the cryptocurrency community into the DIM Ecosystem. Users can exchange Bitcoin into various DIM Currencies and DIM Cryptocurrencies. Initially there will only be DIM USD, DIM BTC and a few other DIM Currencies available as entry points into the DIM Ecosystem. Additional currencies will soon be added.

Risk Disclaimer:The usage of cryptocurrencies involve substantial risk of loss and is not suitable for every user. The valuation of the DIM may fluctuate, and as a result, participants may lose their original amounts placed in the DIM. Before deciding to use the DIM, you should carefully consider your objectives, level of experience, and risk appetite when it comes to cryptocurrencies and blockchain based services.



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History of Money



Money as we know has come a long way since the days when man first began domesticating livestock. Bartering was the first process that early man used to exchange goods such as livestock, grain and vegetables. Coins were introduced as a medium of exchange centuries later by King Alyattes of Lydia and paper money by the Chinese sometime thereafter [1]. What gives money its value is its usage as a medium of exchange, a unit of measurement and a storehouse for wealth. The benefits of money include allowing people to trade goods and services indirectly, helping people to understand the price of goods in the market and allowing holders to plan for future purchases. Over the last century 'hard cash' slowly transitioned into electronic money, and more recently cryptocurrencies were introduced as digital currencies of the future.

Cryptocurrencies are a digital medium of exchange that currently does not have physical representations, and is limited to the virtual realm. They are decentralised in nature and are secured by cryptography. Cryptocurrency transactions are stored on a digital ledger called the blockchain. The use of blockchain technology makes cryptocurrencies safe, transparent and ultra quick. Bitcoin was the first cryptocurrency and it paved the way for the creation of alternative cryptocurrencies (altcoins) including DIMCOIN, DIM Currencies and other Data Interchange Modules (DIM). Cryptocurrencies are traded and exchanged on cryptocurrency exchanges.



Cryptocurrency Exchanges



Cryptocurrency exchanges are digital platforms that permit users (buyers and sellers) to trade cryptocurrencies against other cryptocurrencies and fiat currencies. Exchanges assisted the cryptocurrency market to grow to highs of over \$700 billion in market capitalisation at the peak of cryptocurrency growth late in 2017 [2]. Cryptocurrency exchanges are no different to traditional stock exchanges in the manner in which buy and sell orders are placed. The exchanges are ranked according to market capitalisation from their trading volumes. Currently, the biggest exchanges include, but are not limited to, Binance, OKEx and Huobi.

There are different types of cryptocurrency exchanges such as trading platforms, direct trading and broker platforms [3]. Exchanges that are purely trading platforms connect buyers and sellers across the globe, and they typically have transaction fees for every trade [4]. Popular examples of such trading platforms include exchanges such as Bittrex and Poloniex. Some exchanges offer direct trading or over-the-counter trading, and such exchanges allow for direct person-to-person trade globally with the sellers setting their own prices, this includes a platforms such as LocalBitcoins.com. Other exchanges offer broker services where the exchange matches the buyer with the best prices from different exchanges [5]. An example of such an exchange is Changelly.

Exchanges offer different trade pair options depending on the type of exchange. Their pairing options include buying cryptocurrencies with other cryptocurrencies, buying cryptocurrencies purely with fiat currencies and buying cryptocurrencies with both fiat currencies and cryptocurrencies. A trading platform like Poloniex offers cryptocurrency-to-cryptocurrency trading. A direct or over-the-counter platform like LocalBitcoins.com offers fiat-to-cryptocurrency exchanges. A broker platform like Changelly offers both fiat currencies and cryptocurrency-to-cryptocurrency exchange. There is a niche market for exchanging cryptocurrencies into coins built on another blockchain that has been left untapped, and this is the niche that DIM X aims to tap into.



DIM X



DIM X is a platform that exchanges different cryptocurrencies into Data Interchange Modules. It is a project born from the volatility, lack of fundamental collateralisation, absence of real purpose and limited understanding prevalent with cryptocurrencies. The solution is to offer currencies that are stable and can be used as a means of exchange for everyday purchases. Another solution is to duplicate cryptocurrencies onto one blockchain to simplify the use of multiple coins. The blockchain utilised has low fees and quick confirmation speeds, which allows the cryptocurrencies to be transacted at high speeds and in small or large quantities.

All conversions through DIM X occur on the NEM blockchain. DIM X is the bridge that introduces and brings the different cryptocurrencies onto one blockchain. This merger will create convenience for users and holders of different cryptocurrencies and DIM Currencies. DIM X will initially exchange Bitcoin into DIM USD, DIM BTC and other limited DIM Currencies. DIM X is therefore the first gateway into the DIM Ecosystem by offering DIM Currencies.

BTC >> DIM USD
DIMCOIN
(coming soon)

DIM USD >> DIM EUR
BTC
DIM GBP
DIM JPY
DIM RMB
DIM RUB

DIM EUR >> DIM USD

XEM >> DIM USD
DIMCOIN
(coming soon)

Figure 1: Examples of conversions on DIM X



DIM Currencies & Cryptocurrencies (DCC)



There is an abundance of altcoins and tokens available in the market today, each one likely to have their own respective wallets. DIM X simplifies the intricacies associated with acquiring multiple wallets including, but not limited to, the safekeeping and tracking of numerous passwords by integrating all DCCs on the NEM blockchain and onto interchangeable compatible wallets, such as DEPOTWALLET, DIMPAY and DIMWALLET.

DCCs are mosaic representations of currencies that are used on a day-to-day basis. Mosaics are units created on the NEM blockchain. When BTC is exchanged into DIM Cryptocurrencies for example, it becomes DIM BTC and when it is exchanged further into DIM Currencies it then becomes “fiat” equivalent of the chosen currencies (example, DIM USD, DIM EUR, etc). Operating on the NEM blockchain, these transactions will be private, secure, fast and will also be extremely inexpensive to operate as transaction fees are nominal.

DCCs are backed by precious metals but are not legal tender, rather they are Digital Interchange Modules (DIM). The valuation of DIM BTC will be one-to-one to the actual BTC price, similarly, the quantity of DIM BTC will be limited accordingly with the BTC supply.



Benefits of DIM DCC

- » The ability to bring different cryptocurrencies onto one blockchain
- » Use limited compatible wallets (DEPOTWALLET, DIMPAY & DIMWALLET) to store different cryptocurrencies
- » Enjoy fast confirmation speeds and low transaction fees on the NEM blockchain
- » The ability to buy different cryptonized-equities and other cryptonized-instruments
- » Easy to exchange into and out of DCCs using DIM X



DIM Currencies



Cryptocurrencies are speculative in nature, which means that their prices are highly volatile. The volatility of cryptocurrencies make the pricing of goods and services extremely difficult for both merchants and consumers, and this prevents most people from trading goods and services directly using Bitcoin, Ethereum and other cryptocurrencies. It also prevents consumers from understanding the price of goods in the market, and it creates uncertainty when consumers plan for future purchases. The volatility of Bitcoin raises questions of whether it is a currency, an investment instrument or an asset. The research done indicates that Bitcoin exhibits the properties of both standard financial assets and speculative assets [6].

DIM Currencies are stable compared to other cryptocurrencies. High volatility in DIM Currencies is prevented by the currencies being anchored by real assets. Precious metals such as gold have historical upward price movements that will not only prevent high volatility, but will lead to a price appreciation. In January 2009, an ounce of gold traded just above \$800 and in January 2018 it traded slightly above \$1,300 [7].

The objective of DIM Currencies is to bring the best qualities of currencies onto the blockchain. DIM Currencies allow the crypto community to understand the price of products and services within the DIM Ecosystem. For example: A sack of potatoes is sold at a local market for 1.70 EUR. The price of a sack of potatoes in the DIM Ecosystem will also be priced at 1.70 DIM EUR. With DIM Currencies, the traditional understanding of pricing is brought to the blockchain eliminating price confusion.



DIM Currencies' Structure

The Bitcoins received through DIM X will be exchanged into DIM Currencies. The DIM Currencies will then be sent to the user's wallet address. The Bitcoin received will be split two ways to protect DIM Currencies against high volatility with make up of 80% precious metals and 20% in cryptocurrencies such as Bitcoin for liquidity. The precious metals and cryptocurrencies will be allowed to deviate from the acceptable levels by 10% in both directions.

DIM Currencies' Structure	Minimum Acceptable Lower Percentage (%) Allocation	Desired Percentage (%) Weight	Maximum Acceptable Upper Percentage (%) Allocation
Precious Metals	70	80	90
Cryptocurrencies	30	20	10

Figure 2: Precious metals and cryptocurrency weights

The precious metals will be stored inside vaults in various locations. Independent auditors will be used in the hosting countries to conduct audits on the quantity of the precious metals. The audits will be conducted once a year, but during the first year it will be every 6 months. The precious metals audit will be published on the DIMX.io. The auditors may change yearly.



Advantages of DIM Currencies

- » Less volatility compared to other cryptocurrencies
- » Prices are in figures that most people understand
- » A real medium of exchange for trade and e-commerce
- » DIM Currencies are a unit of measure
- » A store of value
- » Means of payment in and for the DIM Ecosystem
- » Low fees
- » Transparency
- » Anti-Money Laundering (AML) & Know Your Customer (KYC) procedures



How DIM X Operates

Bitcoin is sent from the Bitcoin wallet to the wallet address provided by DIM X.



DIM X receives the Bitcoin in the Bitcoin wallet address and the equivalent DIM Currencies or DIM BTC is sent to the provided NEM wallet address minus the DIM X fees.

The DIM Currencies or DIM BTC is received into the DEPOTWALLET or Nanowallet address and the user is able to transact on the Hybrid Stock Exchange (HYBSE) and in the DIM Ecosystem.

*The process is the same when creating or withdrawing DIM Currencies or DIM Cryptocurrencies from the DIM Ecosystem.

Figure 3: The process of exchanging Bitcoin into DIM BTC or DIM Currencies



Advantages of DIM X

- » It brings various cryptocurrencies onto the NEM Blockchain
- » Users will be able to store different cryptocurrencies in a compatible wallet such as DEPOTWALLET, DIMPAY or DIMWALLET
- » DIM X will be a central hub for converting multiple cryptocurrencies into mosaics
- » It will introduce more people to the DIM Ecosystem and the NEM blockchain
- » A gateway for small and medium sized businesses together with day to day spenders



DIM X Fees

DIM X Fees	% or Amount Charged
Deposit Fees	0%
Converting Fees	2%+*
Withdrawal Fees	0%
Registration Fees	0%

*See the Annexures for a detailed explanation of the fees.

Figure 4: DIM X Fees



DIM X and Cryptocurrency Exchanges Comparison

Characteristics	DIM X	Cryptocurrency Exchanges
Available globally	✓	✓
Available to everyone, everywhere*	✓	✗
24 hour convention or trading/365 days	✓	✓
Cryptonize currencies	✓	✗
Gateway to an ecosystem	✓	✓
Advanced trading know how	✗	✓
Withdrawal and deposit procedures	✗	✓
Store cryptocurrencies in personal wallet	✓	✗

*Excluding blacklisted and politically exposed persons (PEP).
Figure 5: DIM X vs Cryptocurrency Exchanges



DIM Currencies vs Bitcoin vs Tether

	DIM Currencies	Bitcoin	Tether
Represent different currencies on the blockchain	✓	✗	✓
Backed by fiat currencies	✗	✗	✓
High transaction fees	✗	✓	✗
Real physical value	✓	✗	✗
High volatility	✗	✓	✗
Built on blockchain	✓	✓	✓
Decentralized platform	✓	✓	✓
Access to cryptonized stock exchange	✓	✗	✗

Figure 6: DIM Currencies compared to Bitcoin and Tether



Conclusion



The DIM X platform was created to serve a niche market that has not been catered for. The platform exchanges cryptocurrencies such as Bitcoin into different Data Interchange Modules. The value of the DIM Currencies is reinforced by precious metals and Bitcoin. The composition of the DIM Currencies gives them the stability to be an accurate price indicator for products and services within the DIM Ecosystem. The values of DIM Cryptocurrencies are linked to the values of the native cryptocurrencies. DIM X is not only the first entry into the DIM Ecosystem, it also creates a new market in the evolution of cryptocurrencies for everyone globally.



>> Annexures



Annexure 1

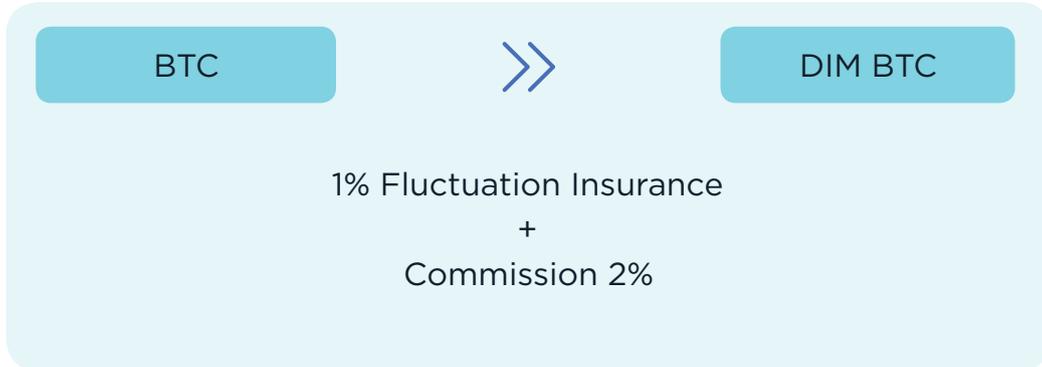


Figure 7: Bitcoin to DIM BTC conversion

Annexure 2

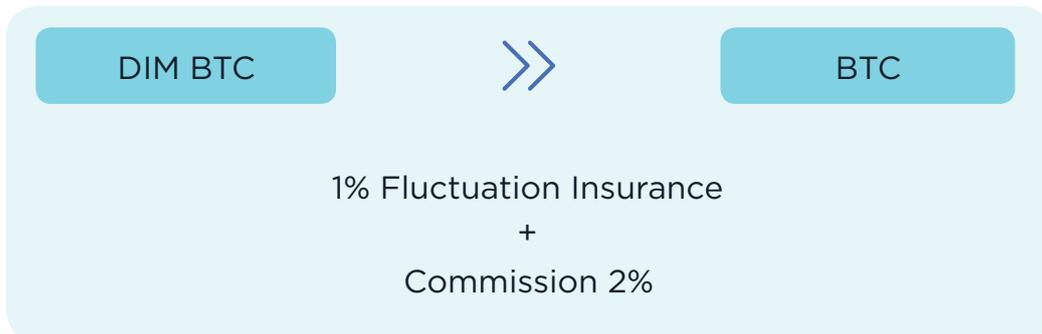
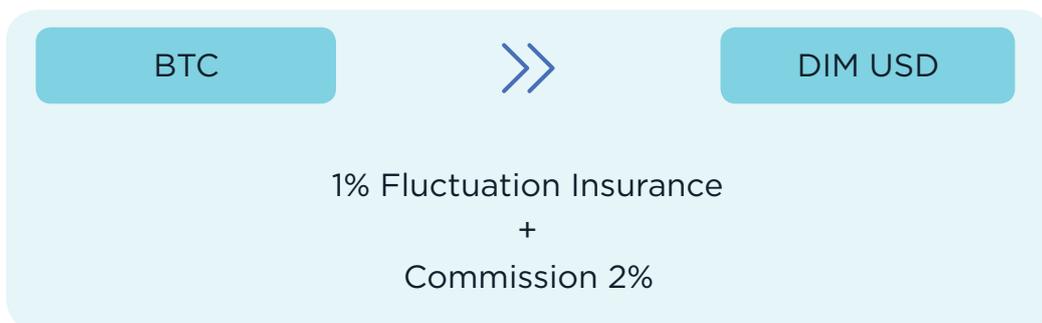


Figure 8: DIM BTC to Bitcoin conversion

Annexure 3



* The fee can increase depending on the amount being converted

Figure 9: Bitcoin conversion to DIM Currencies



Annexure 4

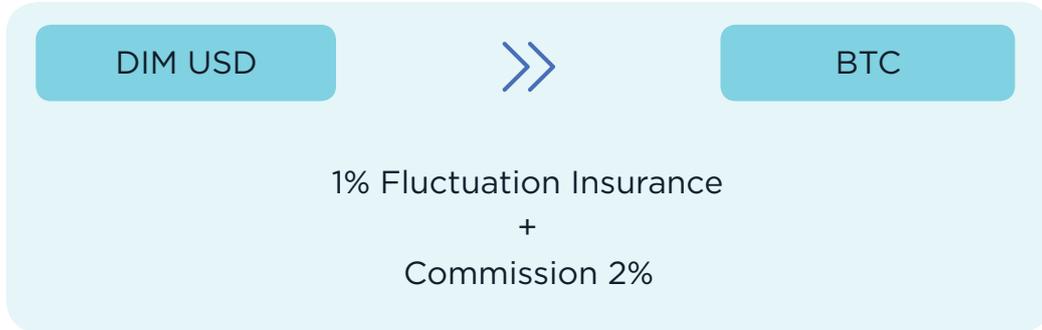


Figure 10: DIM Currencies conversion to Bitcoin

Annexure 5

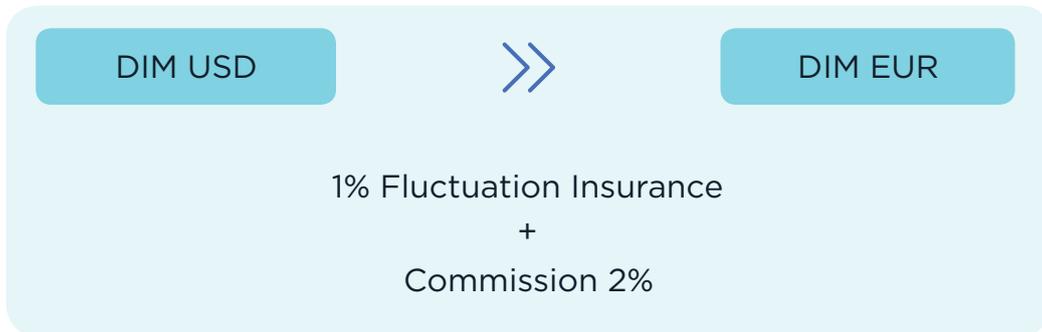


Figure 11: DIM Currencies conversion to DIM Currencies



» References



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