

E-GATE



Global Crypto Governance



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Background

The United States, European Union, and various other countries are beginning to take radical approaches on the crypto space, declaring all cryptos as securities regardless of use case, creation, tokenomics, incentivization, etc. This approach showcases the fear of reigning governments due to such a large scale decentralized effort rising to power, backed with legal precedence, often at the forefront of the project's creation and feasibility. Because Bitcoin, and the now +22,000 other protocols, have been created with wide ranges of use cases, a sweeping bill will likely hinder innovation. In an instance, the loss of this monumental freedom movement, billions of dollars worth of investments, unparalleled innovation of economic utility, and the future rapid growth of technological feats could be wiped out with a stroke of a pen.

E-gate is the L2 governance solution made to increase widespread adoption while also mitigating these looming threat of an all out ban on the digital asset ecosphere, due to the negligence, fear, and falsehoods surrounding crypto.



Problem:

The main issues for governments are:

1. Transaction legalities.
 - a. This is ensuring the products people are buying are within legal compliance with the statutes set forth by the government.
 - b. This can be extended beyond the average consumer and into the realm of ensuring international sanctions are unbroken.
2. Taxation avoidance.
 - a. Simply, the revenue streams for governments are easily avoidable through crypto and increased adoption will lead to the deterioration of functioning central control.
3. Terror/non-governance.
 - a. This could be as widespread as purchasing firearms without proper certification by local governments to funding terror operations, globally, without a trace.
4. KYC; know your consumer.

The main issues for crypto is:

1. Adoption:
 - a. Crypto has a multitude of great use cases and without legal compliance, big money will never enter the space, leaving innovation to eventually starve.
2. Regulation:
 - a. If the crypto ecosystem is to be regulated out of existence, than the capital, time, innovation, social progress, and future will have gone to waste.
 - b. This could eventually spiral into jail time for those involved in anything that could be made illegal in the future.



Solution:

The practical solution is to meet governments at a neat 50/50 compromise while incentivizing that both parties problems are mutually mitigated.

The solution is a L2 Gate that works as a lightning transactional layer where govs adopt the E-gate and place their legal parameters over the system. Through the gate, citizen & business licenses are made to ensure transaction legalities are followed, accurate taxes are accounted for, and purchases are legal. In doing so, the green light will be given by govs for citizens to adopt complaint L1 solutions.

In this case, everyone will be able to hold their wealth in a digital format, freely transacting with businesses in a user friendly and simple manner. The steps to follow to generate a crypto licenses is as easy as applying to be a registered affiliate to the E-gate once your local govs adopts the L2. Business entities will be able to pay a small fee, input their products, local tax, and any necessary parameters to be complaint and citizens will undergo a short KYC process, followed by a small fee. From there, any registered person will be able to begin transacting.

The concern of privacy will likely be a topic of debate, however refer to [slide 12](#) of this presentation.



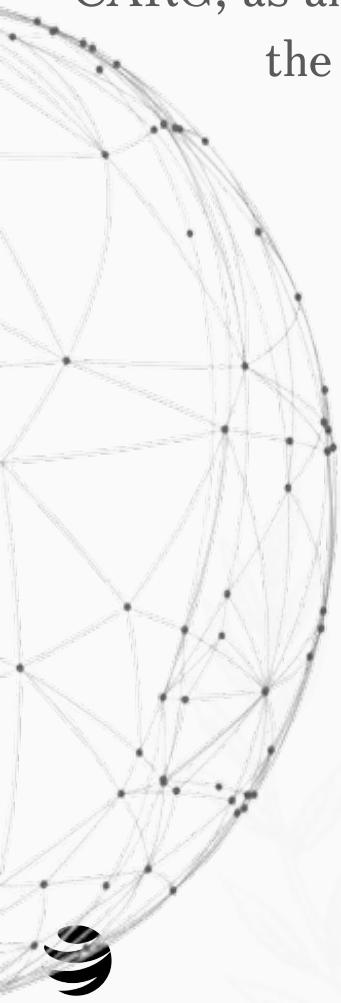
The WEB

The WEB is a collection of gates that form the first truly government backed DEX system. This DEX is the central exchanging instrument that is used to facilitate inter-protocol exchanges, directly competing with wire transfers. Being that this dex is near instant, with the hurdles are compliant, by design, the primitive nature of wire transfers highlight the fact that the WEB is over 100,000x faster and ~250x cheaper. It is speculated that the top 6 coins have an estimated 6M transactions per day, at 2% global adoption. This means that, at a .1 USD fee per complaint trade, the daily gross revenue is ~\$600k, or \$219M/ year, based off of current daily average transactions of these 6 protocols . If crypto is to grow at a rate of 56% CARG, as anticipated by various macro data sources, plus

the a multiplier effect due to governance

compliance/regulation through E-gate, there is

a is a clear and likely probability that this number will exceed ~ \$300M/y, after expenses.



Conclusion:

Regulation is coming and dependent on how these regulations form, there is an opportunity to supply to control to these entities in a manner that does not destroy crypto but mutually benefits both parties. By providing a gating solution, nothing really changes besides people adopting crypto in a compliant fashion. Those who desire to live in a decentralized system should have the ability to do so freely and not be forced to transact through a CBDC while also ensuring they follow AML practices. Through the E-GATE, both parties receive the best of both worlds while also enabling a money generating system in the most healthy and efficient means possible without the expenses.

