



Glitch

**A Protocol-Level Blockchain Built For
Decentralized Finance**

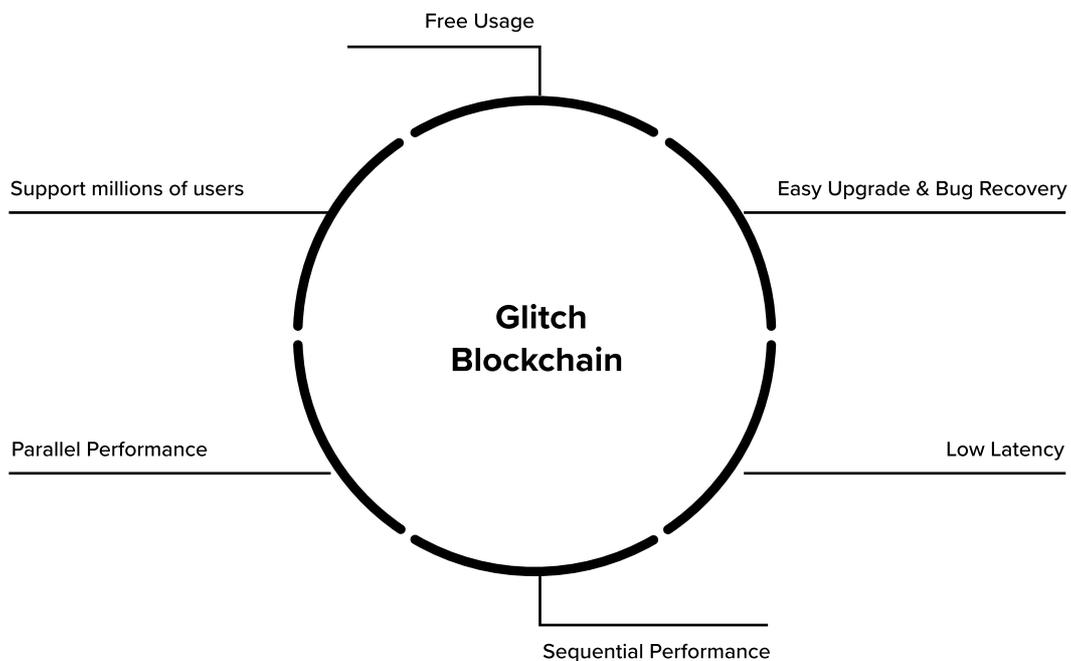
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Background

Blockchain technology was first introduced as a single-use ledger for the Bitcoin currency in 2008. Since then, blockchain technology has been generalized for multi-purpose use through innovations such as smart contracts and increasingly complex financial systems have been constructed based on blockchains.

However, decentralized currencies secured using blockchain technology have so far failed to replace traditional currencies on a large scale. Critically, existing blockchain ecosystems like Ethereum can only process several dozen transactions per second. Even operating systems that are built to scale, such as EOS, are capable of just a few thousand transactions per second. By comparison, centralized financial markets process tens of thousands of transactions per second,

Thus, there is a dire need for a highly scalable blockchain operating system that focuses specifically on facilitating financial activity. Such a system must be able to handle millions of active users while still providing a high-quality user experience. Low latency both in transaction processing and in user interfacing applications is necessary to attract and retain users. Moreover, a successful blockchain operating system must be free for users in order to encourage widespread adoption.



GLITCH: A Blockchain for Decentralized Finance

GLITCH is a blockchain-based operating system purpose-built for money market decentralized applications (dApps) and decentralized financial activity.

In contrast to existing blockchain ecosystems, GLITCH is not intended to be a jack-of-all-applications. Rather, its underlying structure and customizations are focused exclusively on decentralized finance applications.

GLITCH is inspired by EOS, one of the most successful blockchains developed for scalable throughput thus far. However, GLITCH differs from EOS in several key respects:

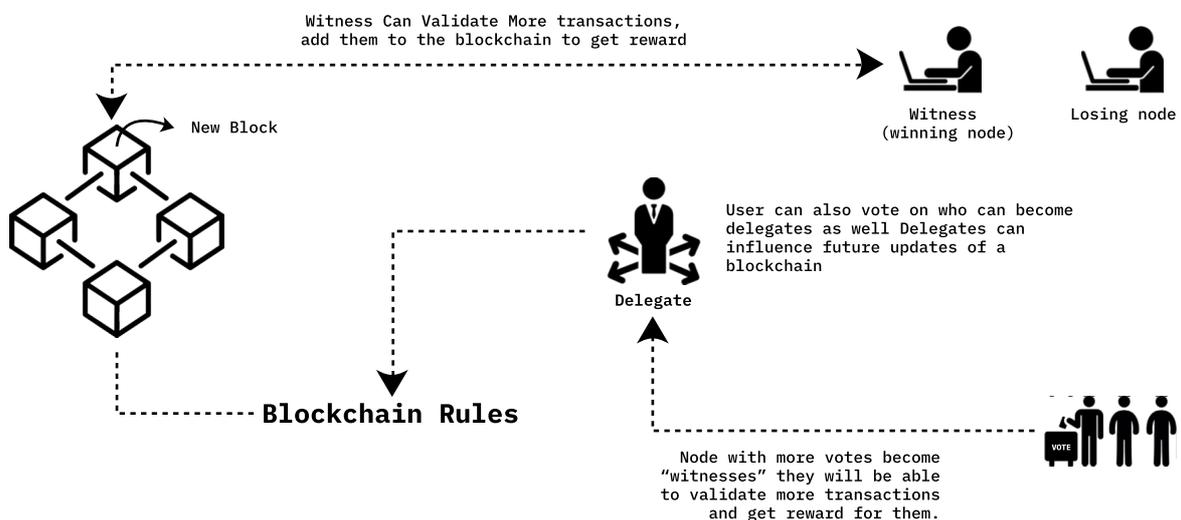
- GLITCH provides scaling from layer 1 through low-latency, high-throughput transaction processing
- GLITCH supports token wrapping to improve scalability and reduce transaction costs
- GLITCH utilizes a stakeholder carousel to ensure fair governance
- GLITCH incentivizes community support through a profit-sharing Vault

The remainder of this whitepaper will cover the technical specifics of the GLITCH operating system and highlight unique aspects of its architecture that make it ideally suited for conducting decentralized financial activity.

Blockchain Consensus

GLITCH uses delegated proof-of-stake (DPOS) to generate consensus around the blockchain. DPOS is currently the only decentralized consensus algorithm that is capable of scaling up to the transaction speed required to support decentralized finance.

The GLITCH DPOS algorithm is similar to the implementation used in EOS. Blocks will be produced every 0.5 seconds and only one producer is authorized to produce a new block at each time interval. Block producers may only produce blocks on a single fork at one time, and Byzantine Fault Tolerance is used to ensure that producers cannot sign blocks on multiple forks without producing cryptographic evidence. In the event that there is a fork in the GLITCH blockchain, consensus will automatically change to whichever chain is longest.



Notably, GLITCH does not allow for block producers to be chosen by vote. Instead, this operating system uses a carousel system that gives each stakeholder an equal chance to produce a block. This prevents a small group of block producers from effectively hijacking the blockchain and governance of the operating system.

Competing blockchains such as Ethereum likely remain years away from low-latency, high-throughput DPOS implementation. Currently, Ethereum has a much smaller user base than traditional financial systems, yet the operating system is already plagued by slow transaction speeds and high fees to confirm transactions.

The fact that GLITCH implements scalability from layer 1 is a major advantage for the adoption of this operating system. In contrast to layer 2 scaling solutions, such as Matic, GLITCH does not force users to navigate a secondary account portal or use an additional token. The seamlessness of layer 1 scaling stands to make GLITCH competitive with traditional financial solutions from the perspectives of user experience and functionality.

GLITCH Token and Customizations

GLITCH enables blockchain users to create custom tokens and smart contracts for dApps focused on decentralized finance. All smart contracts function as side chains on the core GLITCH blockchain, with transactions automatically verified by witnesses and kept in blocks.

Token Wrapping

The ERC-20 token on the Ethereum network is being replaced entirely by the new GLITCH-coin, which operates on the GLITCH blockchain. The advantage of this change is that users will not pay any transaction fees on GLITCH as they do on the Ethereum network at present.

Importantly, users who have ERC-20 tokens in their Ethereum accounts must register their Ethereum addresses with GLITCH. This ensures that your balance will be mirrored in your new GLITCH-coin balance when an initial blockchain snapshot is created.

GLITCH will also introduce token wrapping as future functionality. This allows users to integrate tokens other than GLITCH-coin with the GLITCH blockchain using a cross-chain bridge. For example, for a token 'TLK' on Ethereum, a dApp developer could define a smart contract on GLITCH as gTLK.

The new token would mirror the original supply and distribution. The primary difference is that a user will need to send TLK to a specified GLITCH address using the updated contract. Once a token is migrated from Ethereum to GLITCH, it will no longer be able to be used on the Ethereum network. The same token wrapping mechanism can be applied to other blockchain networks, including EOS.

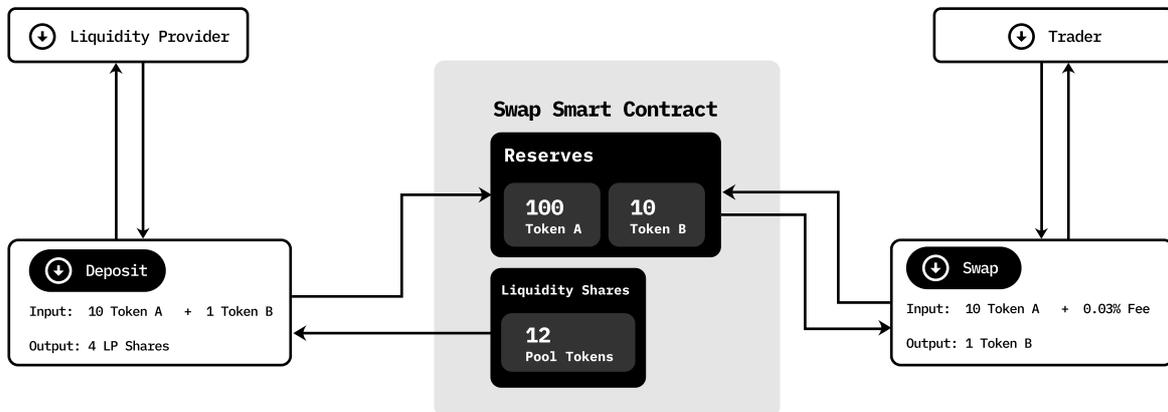
This token wrapping functionality is critical to GLITCH's scalability and integration with the broader blockchain-secured financial ecosystem. By creating copies of popular tokens like ERC-20, EOS, Litecoin, and others on the GLITCH blockchain, developers will be able to simulate products and dApps that exist on these alternative operating systems without any of the transaction congestion issues that plague these systems. As a result, users can get exposure to a wide range of assets through GLITCH without inhibiting transaction speeds or incurring high transaction processing fees.

Internal Token Exchange

GLITCH is developing a smart contract that enables users to create pairs of any tokens that currently exist on the platform. The internal token exchange feature will also allow users to create liquidity pools for tokens on the exchange.

There are three components to the internal exchange:

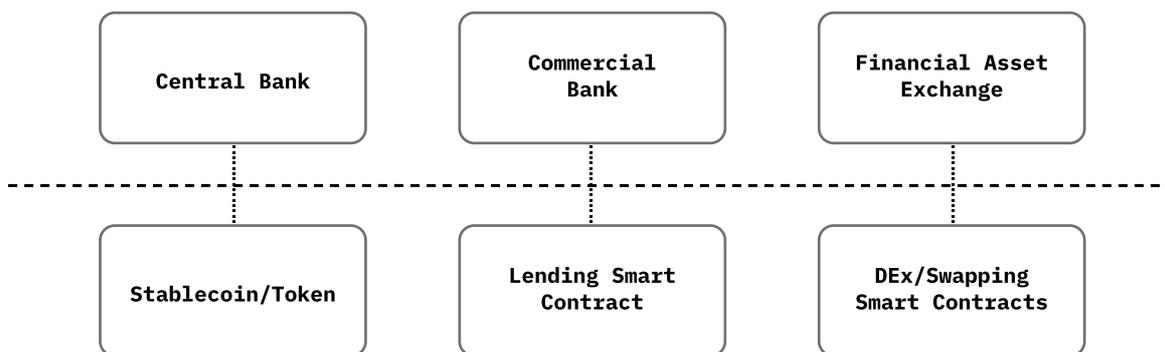
- 01. Liquidity Provider:** The liquidity provider serves as an investor in the swap smart contract for a specific token pair. Individual users have the option to participate in multiple liquidity pools.
- 02. Trader:** The trader is a user who wants to exchange one token for another on the internal exchange.
- 03. Swap Smart Contract:** The swap smart contract serves as an internal market maker, executing trades by drawing on liquidity pools for the specified tokens.



Decentralized Finance

The decentralized finance smart contracts will offer solutions for decentralized lending, stablecoin creation, decentralized exchanges, and other decentralized financial applications.

Traditional Finance System



GLITCH Stablecoin Ecosystem

For example, GLITCH will implement a lending smart contract, which mimics the functionality of commercial banking in the blockchain environment. A token contract, which can be used to create a stablecoin, serves the role of central banks in a traditional financial system. A swapping smart contract, discussed above, allows users to exchange tokens through the GLITCH blockchain.

All transactions made using GLITCH decentralized finance smart contracts are fully auditable and fully transparent on the GLITCH blockchain.

Vault Profit Sharing

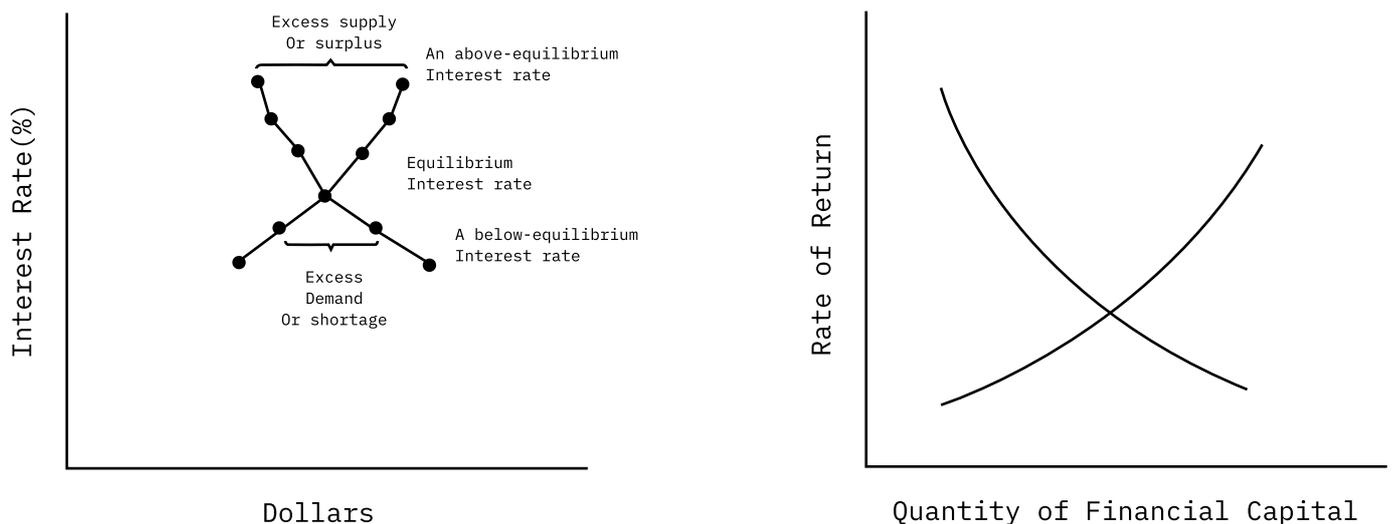
The Vault is a profit-sharing mechanism built into GLITCH. By default, 20% of all network fees and revenues from dApps are deposited into a network vault stored on the GLITCH blockchain. Tokens from the Vault are then shared to all GLITCH stakers supporting the networks computation requisites.

The Vault fosters community support for GLITCH dApps by giving coin holder financial incentives to help dApp developers generate revenue. This creates a positive feedback loop in which developers can count on community support and coin holders are rewarded with tokens that can then be spent through dApps across the GLITCH network. As an entree, the Glitch blockchain comes with the primary DeFi d'Applications providing trade, lending and borrowing facilities with a community rewards model built into the core level.

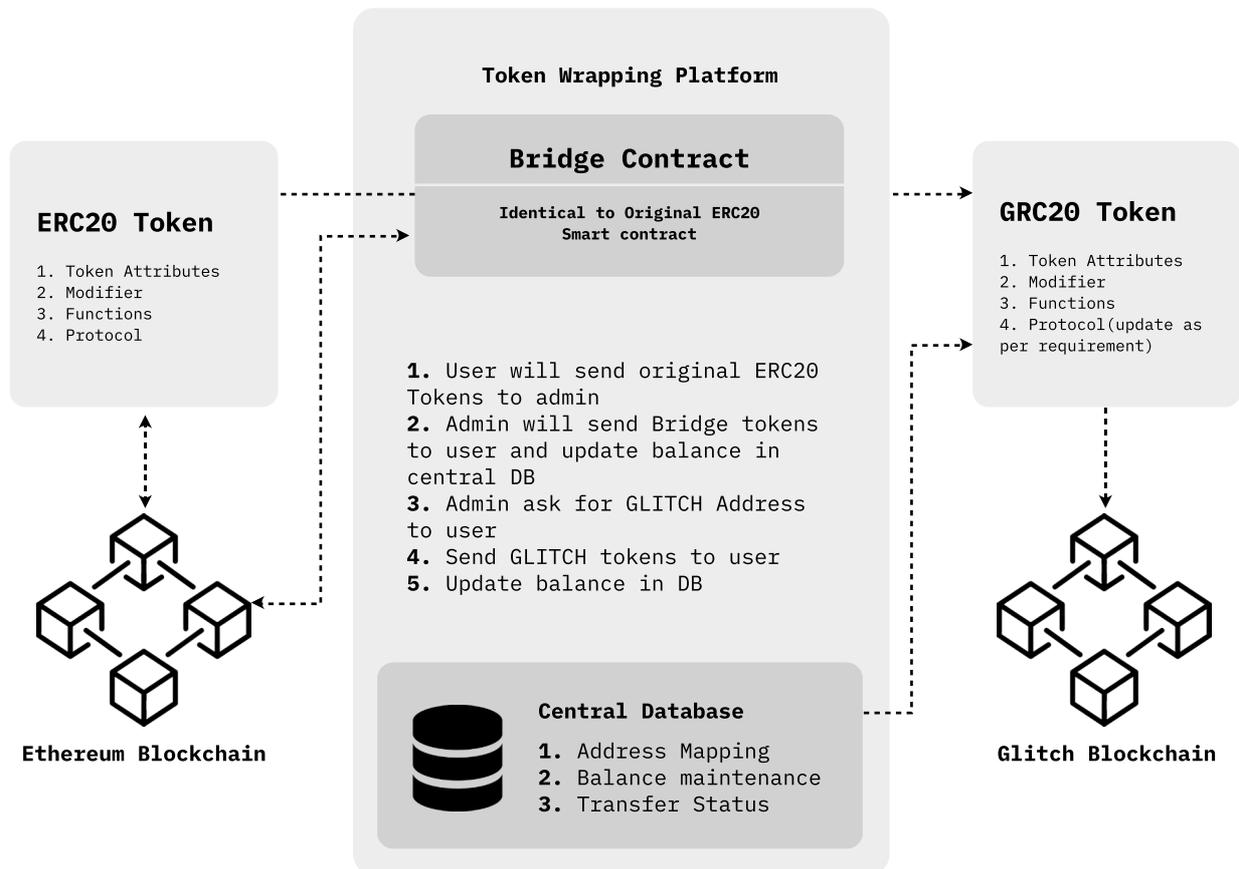
Decentralized Finance with GLITCH

GLITCH is a protocol-level blockchain built specifically to facilitate decentralized financial markets. While GLITCH draws on technical advances made by existing blockchain operating systems, it stands out for offering scalability from layer 1 as well as community dividend models generated from two core DeFi applications.

This is critical for the widespread adoption of blockchain technology for finance. GLITCH is able to seamlessly scale up to millions of users and tens of thousands of transactions per second, enabling it to compete directly with traditional financial exchanges while also offering a decentralised, axial for trade and exchange, concentrating liquidity and financial activity and algorithmically automated calculations that vary the supply demand dynamic to insure activity is adequately incentivized for all parties.



In addition, GLITCH has a number of specifications that make it ideally suited as a decentralized financial solution. It offers a high-quality user experience with little bloat and a fully integrated token exchange, and lending facility. Meanwhile, dApp developers have the option to wrap tokens from any existing blockchain system to integrate with the broader crypto ecosystem.



Finally, GLITCH incentivizes user and developer growth through a cooperative profit-sharing Vault. The technical mechanics shall be released with v2 of our whitepaper, closer to the public test of the primary facilities.

In closing, GLITCH is a decentralized network solution precision-built for decentralized finance. We believe Glitch offers a new operating system precision defined, with a scalable solution that can make the necessary leap to challenge the dominance of traditional, centralized financial markets.