DYNAMIC PEG

The next evolution of independent and volatility-resistant money
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Summary
BitBay is the world’s first peer-to-peer, decentralized contracting platform.

Since 2014, everything from household items to real estate have been bought and sold using BitBay’s marketplace, all without any third-party involvement.

We are proud to announce a brand new value protection feature for BitBay, one that has yet to be seen in the stablecoin industry.

It’s called the Dynamic Peg.

With this flexible system of liquidity control, BAY now serves as both a medium of exchange, and a store of value for investors.

The Dynamic Peg is purely decentralized, non asset-backed, and most importantly, a democratic system.

It reduces volatility, without anchoring the price to any one point.
FREEZING MECHANISM

Through secure voting, participants can now collectively adjust the liquidity of BAY. This “adjustment in liquidity” effectively changes the supply, and therefore the market price.

This creates three balances for users: Liquid, Reserve, and Frozen.

During bearish sentiment, stakers may vote to “Reserve” a portion of the entire liquid supply during set intervals. This decreases the liquid supply of all remaining liquid coins over time, restoring price stability through each voting session.

During bullish sentiment, stakers can also vote to “Liquify” a portion of the entire Reserve BAY supply. This increases the liquid supply, and counterbalances excessive demand with each voting interval.

The end result is a supply liquidity which quickly, efficiently, and fairly adapts to current demand and volume, no matter how much that demand changes.

For users who don’t want to vote manually, an algorithmic voting option is also available.

Liquid BAY and Reserve BAY can be voluntarily “Frozen”, with 4-month and 1-month respective timelocks.

www.bitbay.market
How does the Dynamic Peg benefit traders, investors & holders?

- BAY serves as a potential profitable hedge during industry-wide bear market cycles
- Diversification of a portfolio with an asset that induces positive/negative correlation to BTC volatility
- Profit potential from future speculative value of frozen coins
- Ability for traders to sell off sub-premium coins in exchange for higher premium liquidity
- Peer to peer interest-free loans: Lend someone premium liquidity in return for Frozen Reserve BAY. The lender receives interest from frozen coin stake rewards, without the borrower paying for it.
- Earn higher interest (stake rewards) for holding reserve & and frozen coins (see below)

Variable Stake Reward System:

- “Liquid” - 5 BAY
- “Reserve” - 10 BAY
- “Frozen Reserve” - 20 BAY
- “Frozen Liquid” - 40 BAY
INSTITUTIONAL INVESTORS

What benefits does BAY provide for institutional investors?

Diversification

• Volatility reduction
• Independent correlation to Bitcoin and wider cryptocurrency market
• Improved risk-return characteristics
• Purpose-built utility of BAY presents a new array of use-cases

Passive income for investors

• Variable stake rewards
• Additional returns for holding sub-premium liquidity

Organic growth from real world uses

• Decentralized escrow - no middleman
• Smart contracting platform
• Established peer-to-peer marketplace
• Web-based version of marketplace for mainstream adoption

What separates BAY from traditional fiat currency management?

• An independent alternative to central bank money
• Truly decentralized monetary policy
• Unique coin-freezing supply mechanism
• No reliance on collateral backing
Traditionally, centralized (and price-anchored) currency pegs have proven to crumble under the pressure of extreme demand fluctuations. BitBay’s Dynamic Peg adapts the liquidity of its supply to meet any demand, no matter how extreme that demand becomes. Since this liquidity adjustment is purely democratic, it requires no single entity to manage the supply of BAY.

For the first time in history investors and users will be able to protect their equity externally, rather than internally on the battlefield of exchanges’ order books. This democratic power overrules the creation of “false market sentiment” through unethical trade tactics such as spoofing, wash trading, stop-loss sweeping, etc. With reduced power to affect the market and a higher risk of doing so, manipulators have no choice but to look elsewhere to trade.

Applying this philosophy to a free-to-use, P2P marketplace incentivizes users to hold their BitBay, without the fear of volatility that leads them to “cash-out”. This creates a symbiotic “win-win” situation for both investors and marketplace users.

Over forty years ago, Friedrich Hayek described the need for denationalized money, independent of central banks.

BAY is precisely that.