



D Y N A M I C

P E G

The next evolution of  
**programmable** and  
**volatility-resistant** money





BitBay is the world's first peer-to-peer, decentralized contracting platform.

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

# OVERVIEW

We are proud to announce a brand new method of price control for BitBay (BAY), one that has yet to be seen in the stablecoin industry.

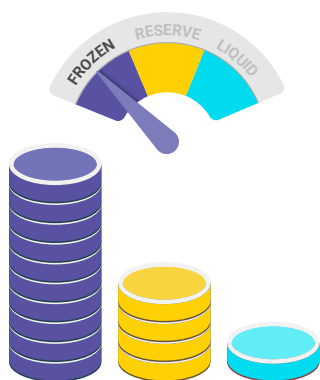
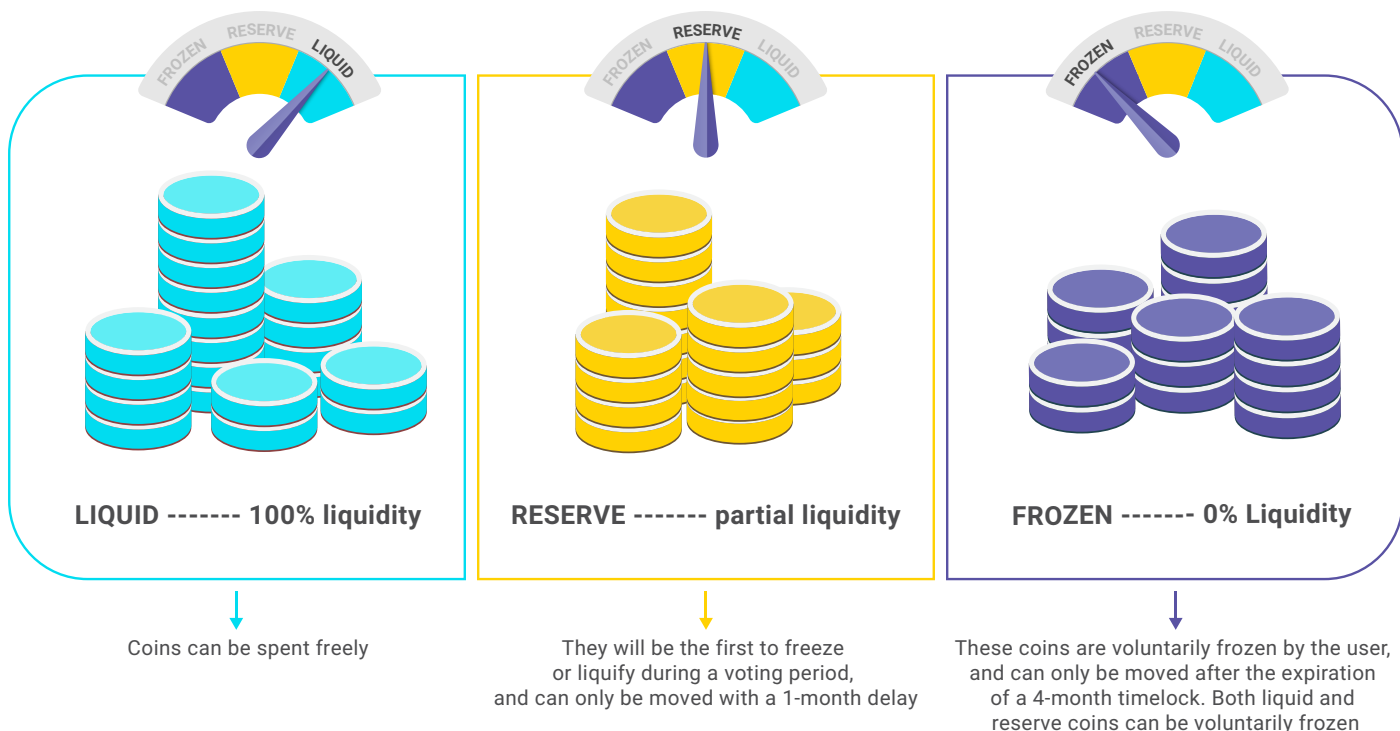
It's called the **Dynamic Peg**.

With this system of liquidity control, BAY now serves as both a store of value, and a medium of exchange for users. It stimulates organic trading volume, increases potential profit for investors, and creates price stability for our p2p marketplace.

It is purely decentralized, non asset-backed and most importantly, a democratic system. The Dynamic Peg **reduces volatility**, without anchoring the price to any one point.

Through a secure Proof of Stake 3.0 voting mechanism, stakers can now collectively adjust the **liquidity** of BAY's total supply. This creates three balances for users:

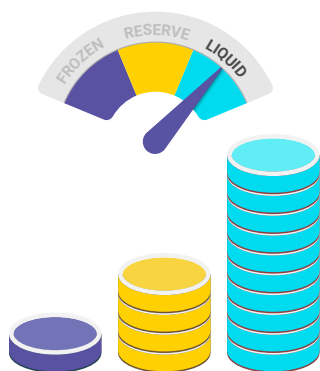
**Liquid, Reserve, and Frozen.**



**During a price crash**, stakers may vote to **“freeze” a portion of the entire liquid supply** at set intervals, increasing the “reserve” balance. This decreases the liquid supply of all remaining liquid coins over time, restoring price stability through each voting session.

Voluntarily frozen coins can also be moved after a 4-month period. This status creates a secondary trading market for investors, who speculate on the future value of these coins when they unfreeze.

This brand new “frozen” characteristic opens the door to a plethora of crypto investment vehicles such as futures, bonds, loans, and other exotic trading options.



**During a price pump**, stakers can also vote to **“unfreeze” a portion of the entire frozen supply**. This increases the liquid supply, and entices price stability 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.

Note: For users who do not want to vote, an algorithmic voting option is also available

## HOW DOES THE DYNAMIC PEG BENEFIT EXCHANGES?

- Significantly increases volume/trading fees, as traders seek to increase/protect profits during market downturns
- Offers risk protection from stablecoin insolvency (no need for fiat reserves or audits)
- It is highly adaptable, offering robust security against extreme demand swings or black swan events
- Diversification of stablecoin listings with a decentralized and non-collateralized stablecoin - one that is unsusceptible to regulation or counterparty risk.
- Increase of profits through exchanging frozen BAY on its own secondary market

## HOW DOES IT BENEFIT TRADERS, INVESTORS & HOLDERS?

- BAY now serves as a profitable hedge during bear market cycles
- Profit potential from future speculative value on frozen coins
- Investors earn higher stake rewards for sub-premium (reserve) and frozen coins (see below)
- Ability for traders to sell off sub-premium coins in exchange for higher premium liquidity

## INTRO TO TECHNICAL REQUIREMENTS

- Voting period / Liquidity Rate Change: Every 200 Blocks
- Initial target for algorithm voting option: 1/100,000 of Bitcoin's ATH (approx. \$20,000 USD)

Variable Stake Reward System:

- 5 BAY - **"Liquid"**
- 10 BAY - **"Partial Reserve"**
- 20 BAY - **"Mostly Reserve"**
- 40 BAY - **"Frozen"**

# SUMMARY

Historically, centralized (and fixed) fiat pegs tend to crumble under the pressure of volatility. BitBay's dynamic peg adapts the liquidity of its supply to meet 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. When consensus is achieved after each voting period, the supply of BAY automatically changes the supply liquidity. By design, BitBay's Dynamic Peg allows for maximum resilience and elasticity during extreme market pressure.



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