



Axolotl MXN Token

The regulated and tokenized version of the Mexican peso (MXNT)

Last updated: June 1st 2021

Contact: contacto@axo.it

Abstract. A cryptocurrency backed by a fiduciary currency provides individuals and organizations with a robust and decentralized method of exchanging value, using a family accounting unit. Blockchain's innovation is an auditable and cryptographically secured global ledger. Asset-backed token issuers and other market participants can take advantage of blockchain technology, along with integrated consensus systems, to conduct transactions in family and less volatile currencies and assets. To carry the responsibility of ensuring exchange price stability, we propose a method to maintain a one-to-one reserve relationship between a cryptocurrency token, called a tether, and its associated asset in the real world, fiduciary currency. This method uses the Ethereum blockchain, Booking Test, and other auditing methods to demonstrate that the tokens issued are fully supported and reserved at all times.

INDEX

<u>Introduction</u>	2
<u>What is a Stablecoin</u>	2
<u>Vision for the Stablecoin</u>	3
<u>Reservation Test</u>	3
<u>Creation and Redemption</u>	3
<u>Stablecoin Code of Ethics</u>	4
<u>Fulfillment</u>	4
<u>Additional Products</u>	5
<u>Why is it Important?</u>	5
<u>Conclusion</u>	5

1. Introduction

Blockchains, or distributed ledgers, have quickly positioned themselves as one of the most promising technologies that have emerged in the last 10 years. Many governments and Fortune 500 companies have started blockchain divisions to start leveraging technology. Blockchains provide the potential to maintain public, but secure, accounting records of all types of data, from supply chains to voting records.

One of the most interesting applications of this technology is its ability to act as an alternative payment route. Something similar to SWIFT, but available globally, safer and much faster to settle transactions. MXNT is directly linked to the MXN value. MXNT is fully backed, 1 to 1, with MXN in depository accounts for the benefit of MXNT token holders. It can be transferred to people anywhere in the world and can be exchanged for the underlying Mexican fiduciary peso after completing a KYC/AML check.

The industry is currently at a very early stage of discovering the value that stable currencies can unlock, and we are always looking for partners to help us in this discovery process.

2. What is a Stablecoin?

Much of the vocabulary for this industry is still developing and it is possible that in a few years, "stablecoin" will no longer be the way the industry describes assets as MXNT, but "stablecoin" has become a common lexicon. In its simplest form, a "stable currency" is a digital asset in a blockchain, which is designed to keep its value constant, usually by linking it to the value of another asset.

There are currently 4 ways to design a stable currency:

- I. Algorithmic. Derives the value of a separate token specific to the stable currency.
- II. Guaranteed raw material. It derives the value of a raw material, for example; gold or silver.
- III. Guaranteed cryptocurrency. It derives the value of other cryptocurrencies, for example; ETH or BTC.
- IV. Fiat guaranteed. It derives the value of a fiduciary currency, for example USD, MXN or EUR.

MXNT is included in the fourth category, with fiduciary guarantee. This document will only focus on this type of stable currency, but there are many other resources available to learn about other types.

More simply, "a stable currency with a fiduciary guarantee is a fully guaranteed, transferable and programmable digital token, which can be exchanged for fiduciary money".

3. Vision for the Stablecoin

Stable currencies are a fundamental pillar of the blockchain-based financial system. A stable currency, when properly implemented, can serve as a medium of exchange for a new ecosystem of financial contracts, applications and business.

The industry is still in the early days to discover the value that stable coins can unlock. Just as someone in the 1990s would not have imagined Internet applications like Google and Facebook, people now cannot pretend to be able to imagine all future applications of stable currencies.

Main benefits applicable to all groups:

- Ethereum properties granted to other asset classes.
- Less volatile and family unit of account.
- The assets of the world are being migrated to the Ethereum blockchain.

Currently, some cases of use for stable currencies have emerged:

- Exchanges
- Individuals
- Shops
- International transfers

4. Reservation Test

Solvency test, reserve test, real-time transparency and other similar phases have been growing and resonating in the cryptocurrency industry.

MXNT works with third-party accounting companies to provide monthly certifications to confirm fiat bookings that guarantee each tokenized currency. Since its launch, Axolotl MXN has been working with an internationally renowned accounting firm to verify that the MXNT of fund support is always maintained at a ratio of 1:1 and that we have not made any changes to the "Terms of Service", which protects users. All certifications are published on the official MXNT website (<https://axo.lt>).

5. Creation and redemption

One of the most important aspects of a fiduciary currency is the ability to freely purchase and redeem the digital token in the underlying fiduciary currency in a consistent, trouble-free and cost-effective manner. With these facts in mind, Axolotl MXN Token has strived to make the MXNT redemption process as simple and economical as possible, while complying with all the necessary measures.

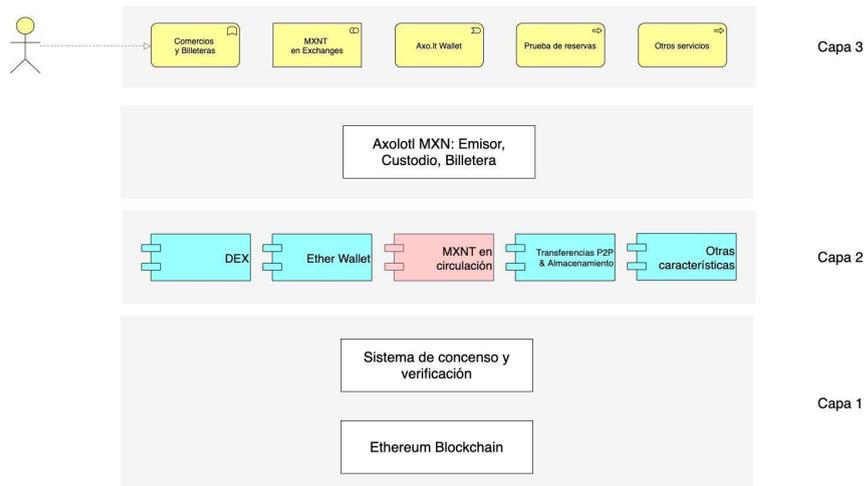


Diagram of creation and redemption.

6. Stablecoin Code of Ethics

Stablecoins are a foundational pillar of the blockchain-based financial system. A Stablecoin, when properly implemented, can serve as a medium of exchange for a new ecosystem of financial contracts, applications and businesses.

But until recently, cryptocurrency markets have been hurt by the lack of fiat-backed Stablecoins. While there has been a surge of new Stablecoin projects, there has yet to be an industrial-level dialogue on what it will take to become a fiat-backed Stablecoin as an integral part of the industry's infrastructure.

In the future, regulators can establish clearer policies for digitised coins. Meanwhile, Fiat-backed Stablecoin projects can take the lead and keep us at a high ethical level. While specific approaches may vary, there are at least some lessons from the past that Stablecoins should not repeat.

In summary, the main pillars of this Code of Ethics include:

1. In full backing, each token shall have the equivalent value of Fiat stored in the bank to support it.
2. Stable: the market shall recognise the inherent value of the Stablecoin as equal to the price of the underlying currency.
3. Redeemable: We will never pre-order or discourage legitimate redemptions from verified customers.
4. Compliance: We guarantee the long-term survival of the Stablecoin through regulatory compliance.

7. Fulfillment

Axolotl MXN is an Investment Promotion Company incorporated in accordance with the laws applicable in Mexico.

Axolotl MXN currently has accounts with BBVA and STP in Mexico, both aware and confident that the business model of Axolotl MXN is acceptable.

These banks are satisfied with our processes and that our business works in accordance with Mexican banking regulations. This was because all banks had been asked to verify this with their own legal, compliance and security office before opening accounts (also on our own request). It was our goal from the beginning to have a compatible operation and provide the highest level of comfort to our banking partners here. In addition, these banks have and are working with other cryptocurrency-based businesses.

8. Additional Products

P2P and B2C payment platform. By early 2022 we will be launching a platform that facilitates the issuance and receipt of direct payments for individuals and businesses. This facilitates the adoption of the MXNT as a means of quick payment, accessible and at a low cost.

9. Why is it important?

We consider that stable currencies are a fundamental part of the infrastructure for the continued growth of the blockchain industry. Even greater than the role that tokenized currencies will play in the growth of the blockchain ecosystem, is the ability they have to improve the existing financial system. Tokenized fiduciary currencies have the ability to create orders of magnitude improvements in the existing financial system by eliminating fee layers, improving speed and cash delivery time.

There are countries like the Philippines, which get double-digit percentages of their GDP from money sent from abroad. Fee charges in excess of \$10 billion may be fees in the amount of 10 figures that are not sent to people in the local market. This is just one example of how improving the existing financial system with tokenized currencies can have a huge impact on people around the world and their local economies.

10. Conclusion

MXNT represents the first Ethereum-based cryptocurrency for the Mexican peso. MXNT is based on Ethereum's blockchain, the most secure and proven blockchain and ledger in existence. MXNT are fully backed in a one-to-one ratio, completely independent of market forces, prices or liquidity constraints. MXNT has a simple and reliable Reserve Test implementation, which undergoes regular professional audits. Our underlying banking relationships, compliance and legal structure, provide a secure basis for us to be the custodian of MXNT reserve assets and issuers. Our team is made up of experienced and respected entrepreneurs from the Ethereum ecosystem and other decentralised technologies.

We are focused on organizing integrations with existing companies in the cryptocurrency space. Businesses such as exchanges, digital portfolios, merchants and other participants. We are already integrated with Uniswap and are working to be in as many entities as possible to facilitate the use and exchange of the MXNT. Please contact us for more information.