



# CWAP SWAP

**Litepaper**

Version 0.8

This litepaper shares key information about CWAP SWAP. Content may be updated periodically to ensure accuracy and relevance.

# A WORD FROM THE CONTRIBUTORS

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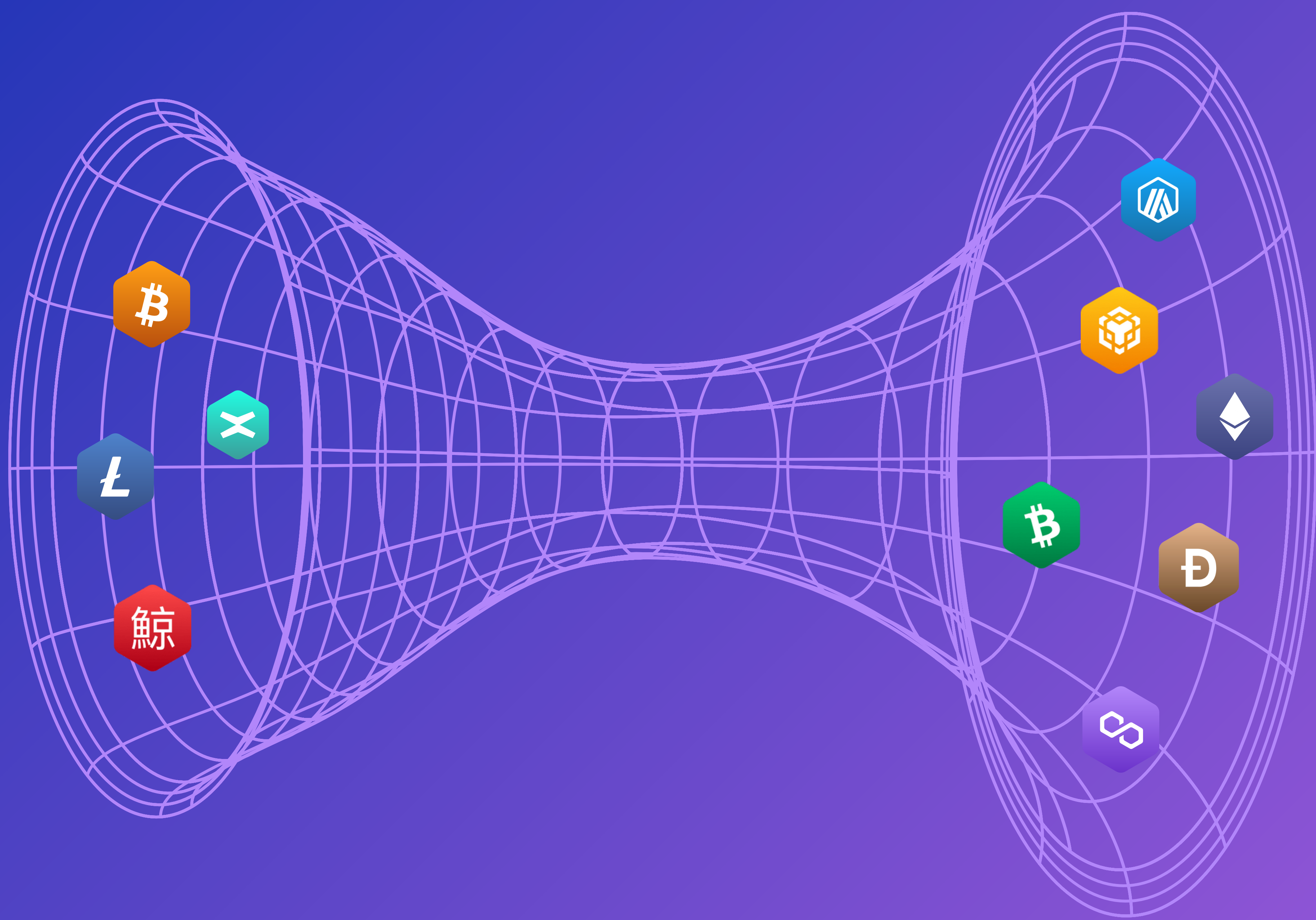
*“Decentralization is the cornerstone of the crypto space, representing the shift away from centralized authorities and intermediaries that have traditionally controlled financial systems. In crypto, decentralization empowers individuals by giving them direct control over their assets and transactions, reducing the need for trust in third parties. This principle enhances security by eliminating single points of failure, and it also helps innovation and inclusivity, allowing anyone to participate in a global financial ecosystem.*

*However, despite the promise of decentralization, many aspects of the crypto world still rely on centralized infrastructure, particularly in trading. CEXs dominate the market due to their convenience and liquidity, but they compromise on the very principles that crypto was built upon—user control, privacy, and resistance to censorship.*

*DEXs aim to address these issues by removing intermediaries, but they face significant challenges, such as limited interoperability, high transaction costs, and complex cross-chain trading mechanisms.*

***We are going to help change that.”***

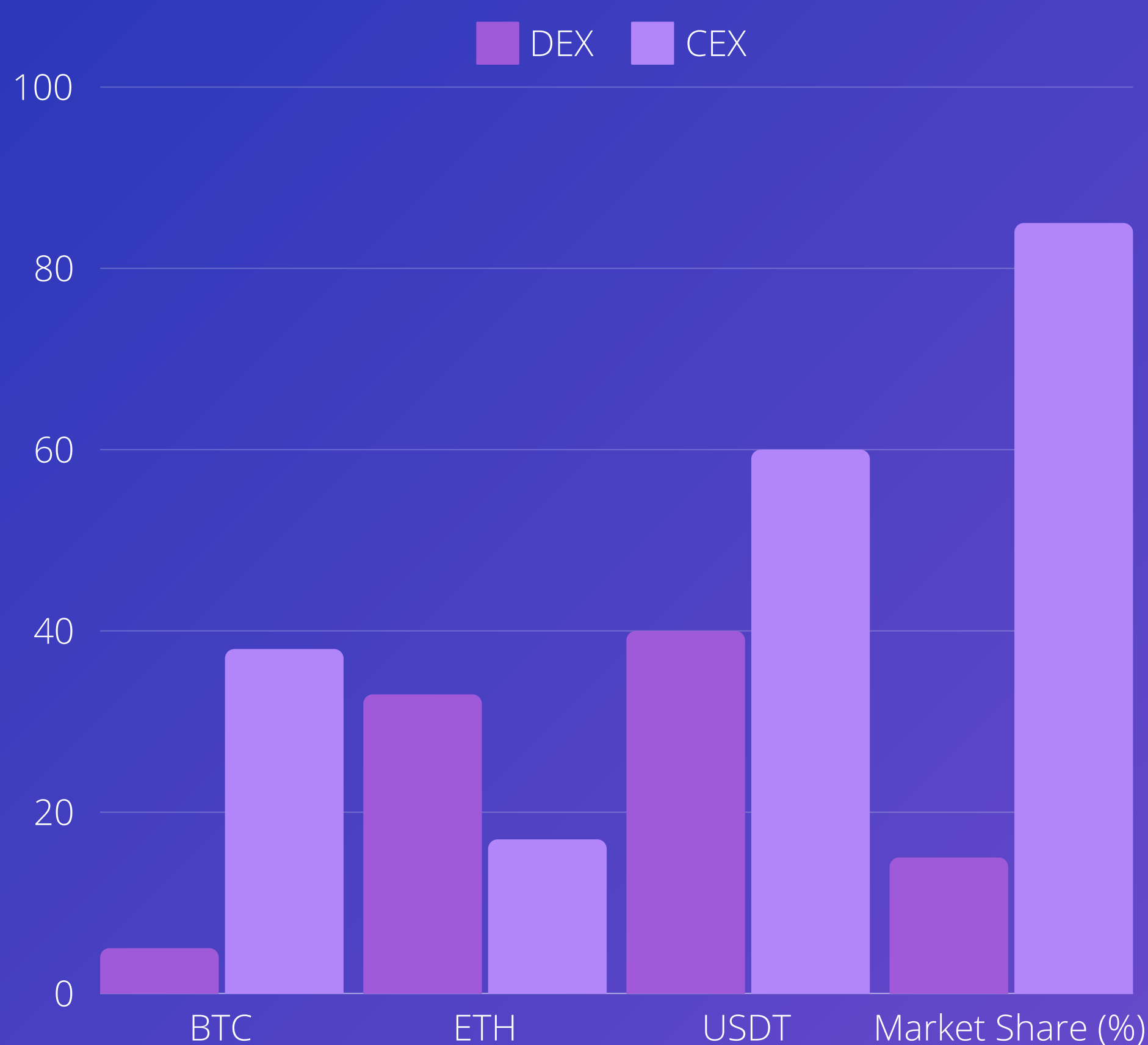
# SWAPS OF DIFFERENT NATIVE ASSETS



Swapping native assets and tokens across different chains on DEXs is complex, risky, and expensive. Bridging solutions introduce additional security risks and multiple fees, including high gas costs.

**The result is that almost all trading volume happens on CEXs.**

# BACKGROUND AND OUR MISSION



## Statistics

### THE MOST COMMON TRADING PAIRS IN THE MARKET

CEXs dominate with 85% of the trading volume. BTC accounts for 38% of all spot trading volume. Stablecoins dominate trading pairs on CEXs, with USDT leading at 60% of volumes. There are limited options for cross-chain swaps on DEXs.

## Mission

### UNLOCKING MASSIVE TRADING VOLUMES WITH A BETTER EXPERIENCE

DEXs are currently missing out on more than a third of potential trading volumes by not accommodating pairs from different chains. CWAP solves this pain point at a similar price point to CEXs.

Additionally, our permissionless listing feature enables any token to be traded against the most liquid pairs, including BTC, expanding DEX trading across the entire market.

# A BRIEF SUMMARY OF CWAP SWAP

A cross-chain DEX that enables swapping native assets, including Bitcoin, without relying on traditional bridges that require additional consensus.

This approach offers greater cost-efficiency and security due to its simplicity.



## Cost-efficient & secure

Swaps are up to 95% cheaper and more secure without additional custom off-chain infrastructure.



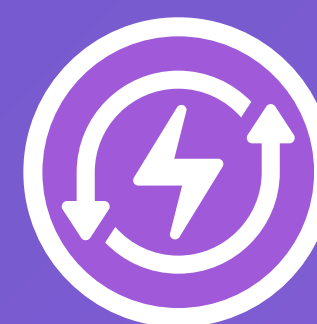
## Permissionless listings

Similar to Uniswap, CWAP enables anyone to list a token but CWAP can also offer promoted listings.



## Connectivity

Supporting 10 incompatible chains including Bitcoin, Ethereum, BNB, MultiversX, Kujira and more.



## No added consensus

Transactions are secured by collateralized reactive smart contracts, without staked nodes.

# PROBLEMS IN THE MARKET TODAY

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## COST

### DEXS' SUBSTANTIAL OPERATIONAL OVERHEAD

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Operating a DEX involves significant overhead costs due to the decentralized infrastructure needed to maintain validator nodes, manage liquidity pools, and secure cross-chain transactions. These components require constant maintenance and resources, driving up operational costs.

As a result, DEXs often have to pass these costs onto users, leading to higher fees and slower transaction times, further diminishing their competitiveness with CEXs, which benefit from centralized efficiency.

## VALUE

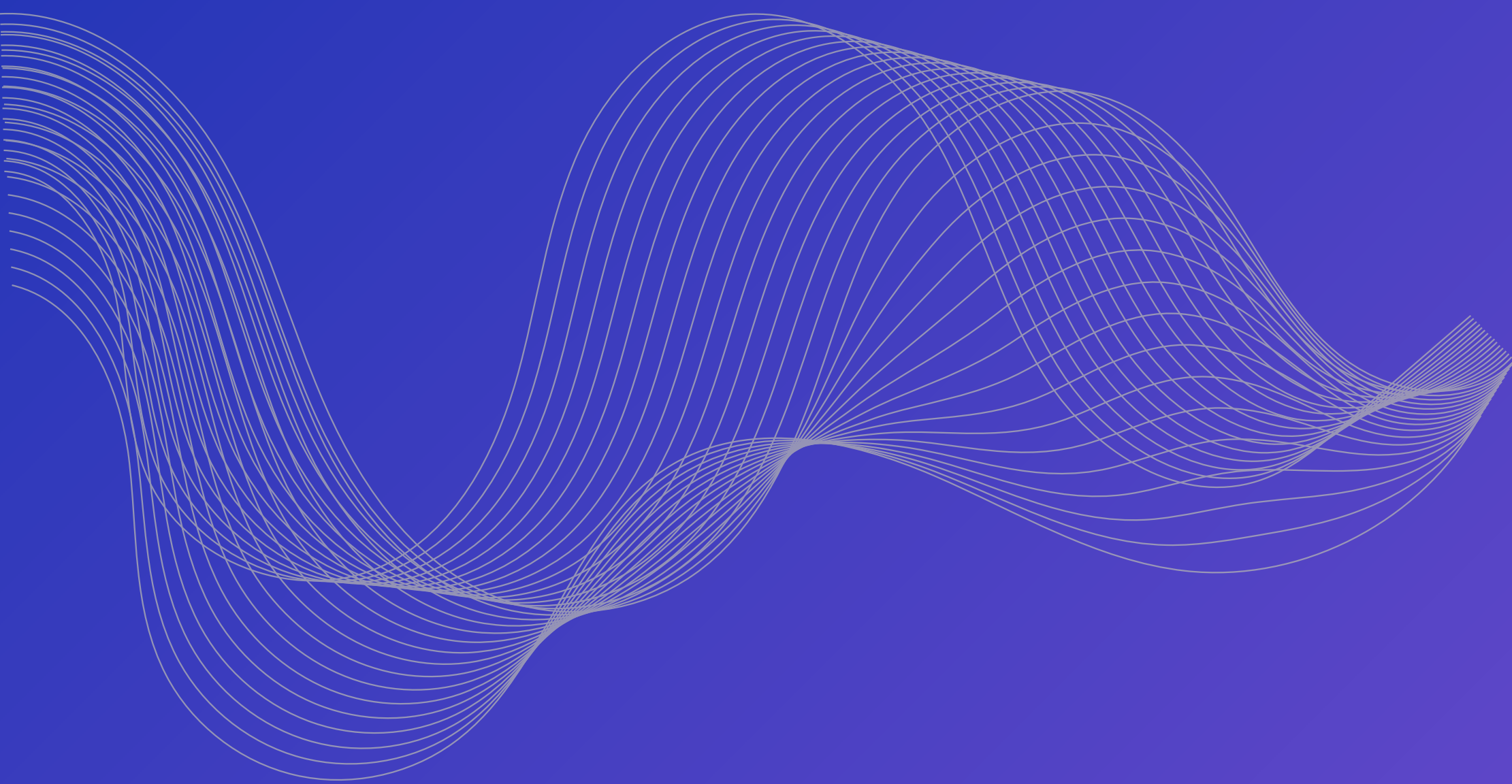
### DEXS ARE LIMITED BY TRADING PAIRS AND VALUE CAPTURE

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DEXs are limited in the trading pairs they can offer, mainly supporting tokens native to their blockchain. Additionally, DEXs struggle with value capture, primarily relying on transaction fees, unlike CEXs, which capture incubation, listing fees and token launches.

# SOLUTIONS FROM CWAP SWAP

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## EFFICIENCY

### WE PROVIDE MORE ECONOMIC EFFICIENCY THAN OTHER DEXS

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CWAP SWAP reduces transaction costs and boosts liquidity through dynamic collateral management and staking incentives. By optimizing asset use and encouraging liquidity provision, it lowers collateral requirements, spreads, and market impact—reducing overall costs for stakeholders.

## STREAMLINE

### MULTI-ASSET ORDER TYPES FOR DEEPER LIQUIDITY

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Traditional DEXs often suffer from fragmented liquidity, where assets are spread thinly across multiple trading pairs, reducing the efficiency of trades.

CWAP SWAP addresses this issue by allowing users to create orders that span multiple assets, effectively pooling liquidity across different tokens. This not only enhances the depth of the market but also makes trading more efficient by enabling users to execute trades across several assets in a single transaction. This approach improves liquidity utilization and provides a better trading experience for users.

**Example:** If you want to provide \$100K worth of USDT as liquidity but don't need it settled against one specific crypto, you have the option to provide it and receive multiple currencies on different chains, for example, BTC, ETH, and BNB in return.

# AN INTRO TO THE TECH STACK

TECH

## REVOLUTIONIZING CROSS-CHAIN TRADING WITH PACT

We're not using IBC, CCIP, DVNs, GMP, or other familiar interoperability solutions. CWAP SWAP is pioneering with PACT (Penalty Adjudication for Cross-chain Transactions), a new interoperability standard transforming the efficiency and security of cross-chain swaps.

Traditional bridges rely on validators and extra consensus layers, making them costly, complex, and vulnerable to attacks. PACT eliminates these issues by using collateralized reactive smart contracts to enforce rules and monitor transactions. This minimizes collateral use, making swaps more capital-efficient and secure.

With PACTs, CWAP SWAP offers safer, more reliable cross-chain swaps.



### What does PACT actually do different?

PACT enables consensus-less interoperability. It's secure, and capital-efficient by using reactive smart contracts and sentinels to enforce rules with a defined value at risk.



### What is a Chain Transaction Sentinel

These reactive smart contracts monitor PACT transactions on the blockchains where the swap occurs, gathering this information as proof of events to send to the PA.



### What is a Penalty Adjudicator?

In charge of the collateral, it evaluates the proof from CTSs to determine if the PACT terms were met and assigns blame if not. If the terms were not followed, it releases the collateral to the wronged party.

# CWAP'S ADVANCED SMART CONTRACTS

TECH

## UTILIZATION OF REACTIVE SMART CONTRACTS

Coinweb's Reactive Smart Contracts are crucial for CWAP's interoperability. They autonomously manage transactions and verify actions based on the consensus rules of involved blockchains, eliminating the need for external validators or oracles.

All swaps are over-collateralized in CWAP. If a user doesn't receive the tokens on the destination chain, they are compensated at the L2 level automatically.

This enables secure and efficient cross-chain interactions, unifying data and operations across multiple blockchains.



### What is a Reactive Smart Contract?

A blockchain-agnostic contract that can self-initiate based on events and run indefinitely across multiple blockchains, allowing continuous and automated operations without user interaction.



### The role of Reactive Smart Contracts

In short - Reactive Smart Contracts are making sure that the rules of a PACT have been followed, such as token A was sent and token B was received. If not, it sends compensation to the wronged party.



### Key to consensusless interoperability

Reactive smart contracts allow Coinweb to handle L1 data as deterministic, eliminating the need for an additional vote to take place. With this, interoperability becomes more secure and cost-efficient.

# CWAP SWAP'S KEY STAKEHOLDERS

CWAP is designed to deliver value for all parties in the DeFi ecosystem.

A high-level overview of who they are and what they are utilizing CWAP for.



**Users**  
(Retail / Institutions)

Users are using the DEX to perform cross-chain swaps in a more secure and cost-efficient way. They connect to the DEX with their existing wallet, choose a pair and make the swaps that they desire.



**Participants**  
(Retail / MMs)

Participants uses CWAP to earn incentives by providing collateral through CWEB on a L2 level or liquidity for the swap on the L1 level. The fees generated from the dApp will be shared with Participants.



**Aggregators**  
(DEXs / Wallets)

Aggregators can easily connect to CWAP to access a new Bitcoin solution and obtain higher margins. Connecting CWAP to various DEX aggregators benefits their users, their products, and CWAP.



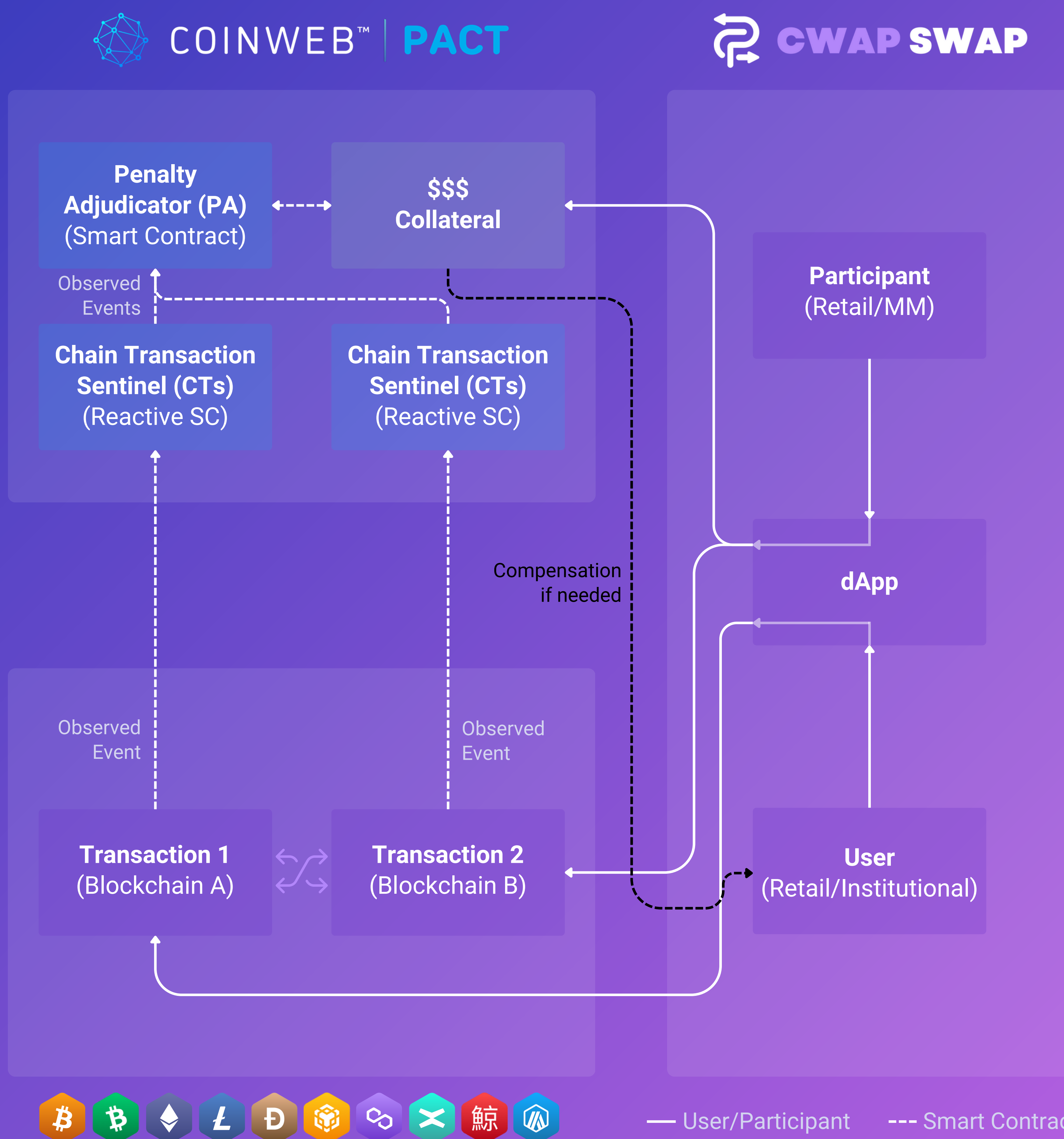
**Builders**  
(Protocols / Tokens)

Bitcoin should be the foundational asset of DeFi. CWAP's high composability lets creators list and integrate their tokens and dApps with Bitcoin and other liquid assets, regardless of their native chain.

# CWAP'S TECHNICAL ARCHITECTURE

Using Coinweb's advanced reactive smart contracts, we eliminate the need for traditional bridges.

Instead of relying on an external intermediary, CWAP's infrastructure allows the blockchains involved in the swap to directly verify transactions. Smart contracts actively monitor these events, ensuring that collateral is securely held until the swap is done and can be released to a wronged party if necessary. Here we show an overview of how it looks:



# OPEN, MEASURABLE PERFORMANCE

Value Creation

## USE CASES AND BENEFITS FOR A RANGE OF USERS

CWAP SWAP is designed to deliver value across all fronts, whether you're a trader, developer, or part of the broader ecosystem. By prioritizing efficiency, security, and innovation, CWAP SWAP allows participants to leverage DeFi's full potential.

With seamless cross-chain capabilities and a commitment to decentralization, we provide the tools and infrastructure necessary to maximize growth and unlock new opportunities in the growing DeFi landscape.



### How do we help the traders?

Traders can access assets across chain, and quickly deploy capital where the returns are. This is all done with a less cost, complexity, and risk than currently possible.



### How do we help developers?

Permissionless token listing and cutting-edge tools, enabling faster project launches and cross-chain dApp development. Our infrastructure offers flexibility to build innovative DeFi solutions across multiple blockchains.



### How do we help the ecosystem?

Enabling cross-chain trading, increases liquidity, lowers fees, and enhances security. This attracts more users, driving adoption. Our decentralization and community governance create a more open and innovative financial ecosystem.

# HIGH-LEVEL ROADMAP OF CWAP SWAP

**Our roadmap is data driven and prioritized by market needs.**

With the MVP of the dApp already in live production, our focus now shifts to refining and perfecting it. These are the highlights of the roadmap:



Please note that roadmaps are always subject to change due to various factors, including market conditions and shifting priorities.

# A BRIEF SUMMARY OF THE \$CWAP TOKEN

## The \$CWAP token is more than just a digital asset;

it's the backbone of the CWAP SWAP ecosystem, empowering users with both governance rights and practical utility. It plays a crucial role in ensuring the platform operates smoothly while remaining fully decentralized and user-driven.



### Access to Fee Pool

Accessed by burning \$CWAP, the % of TS that you burn gives you access to the same % of the fee pool (\$CWEB).



### Various Fee Payments

Fees for the different listing opportunities, affiliate registration and more are all paid in \$CWAP and burned.



### Trading Fee Discounts

Staking \$CWAP allows traders to receive reduced fees while using CWAP for cross-chain trading.



### Voting

Participate in governance decisions such as promoted listings, adjustments in platform fees and more.

The CWAP token can also be used for validating and ranking launch participants (validators/curators), and covering IDO allocations and registration fees.

# WHY WE NEED CWAP IN THE MARKET

*“CWAP SWAP was designed to overcome the existing challenges faced by DEXs and to fully realize the potential of decentralized trading. By leveraging a consensus-less infrastructure, CWAP SWAP facilitates seamless and secure cross-chain swaps, eliminating the need for traditional intermediaries or “bridges” that often introduce additional costs and security risks.*

*CWAP SWAP goes beyond the limitations of current DEX platforms by offering a decentralized, serverless front-end that is embedded directly into the blockchain. This ensures that the platform is not only resistant to censorship but also provides continuous accessibility to users, regardless of their geographic location or the external pressures on the network.*

*Our permissionless listing feature allows for a broader range of trading pairs, including those involving high-demand assets like Bitcoin. This capability positions CWAP SWAP as a powerful alternative to centralized exchanges, offering users the ability to trade across multiple blockchains with the security, efficiency, and control that decentralization promises.*

*CWAP SWAP solves the critical shortcomings of traditional DEXs, providing a solution that is not only aligned with the principles of decentralization but also competitive with the liquidity, convenience, and user experience traditionally offered by CEXs.”*

## **The Contributors**

# CONNECT WITH US

Make sure to follow, engage with us on our socials, and if you're interested in a partnership with CWAP, please reach out!



X Profile  
[@CWAPSWAP](#)

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Website  
[CWAP.io](#)

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Telegram  
[t.me/CWAPSWAP](#)

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Partnership  
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