



Flac Finance

Borrow, Pay, Earn, and Swap with **crypto** and **fiat**

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Introduction

Flac Finance is a RealFi platform built on the Cardano blockchain that seeks to provide regulated financial services to users in India and worldwide.

“The point of RealFi is to serve real people with real finance, and thus be able to innovate and do interesting things.”

- Charles Hoskinson⁶

Flac finance will be a regulated financial institution and will integrate with the financial infrastructure of the country. We are establishing the platform in India as our first market, India has the highest number of cryptocurrency owners in the world with about 100.7m users⁴. India is the leading country with real-time payments and has an advanced payment infrastructure¹. We are building the digital asset finance infrastructure.

Flac allows digital asset owners to borrow fiat or stable coins instantly against their crypto holdings without selling them, providing efficient and cheap liquidity. India currently has an outstanding loan against gold jewellery of 604.64 billion Rupees² (~8b USD). Providing loans against digital assets is a revolution for Indian crypto holders. Loans against their digital assets also avoid the capital gain tax, which is applied when selling the assets.

Flac Pay integrates with UPI payment infrastructure which works with QR codes and is widely used for real-time payments. UPI recorded 38 billion transactions in 2021⁷. Flac pay integrated with UPI and Flac credit card will allow digital asset owners to not just pay but have instant nano loan payments done in real-time based on their crypto asset holdings. Flac credit cards would be available in a physical and virtual format and without any annual cost.

The crypto deposits provide liquidity to the platform, the users in turn earn interest on their holdings. This opens up the opportunity for fund managers, miners, and holders to make their digital assets work for them. Users interact with the Flac mobile applications and web applications with ease and high security, protected by advanced encryption, OTP/2FA, and a secure customised captcha system.

Mission

Borrow, Pay, Earn, and Swap with **crypto** and **fiat**

“Provide digital asset owners access to a wide range of blockchain financial services. A RealFi platform that is **faster**, **safer**, and **accessible** to everyone.”



Financial Services



Instant & Secure
Loan



Easy Payments

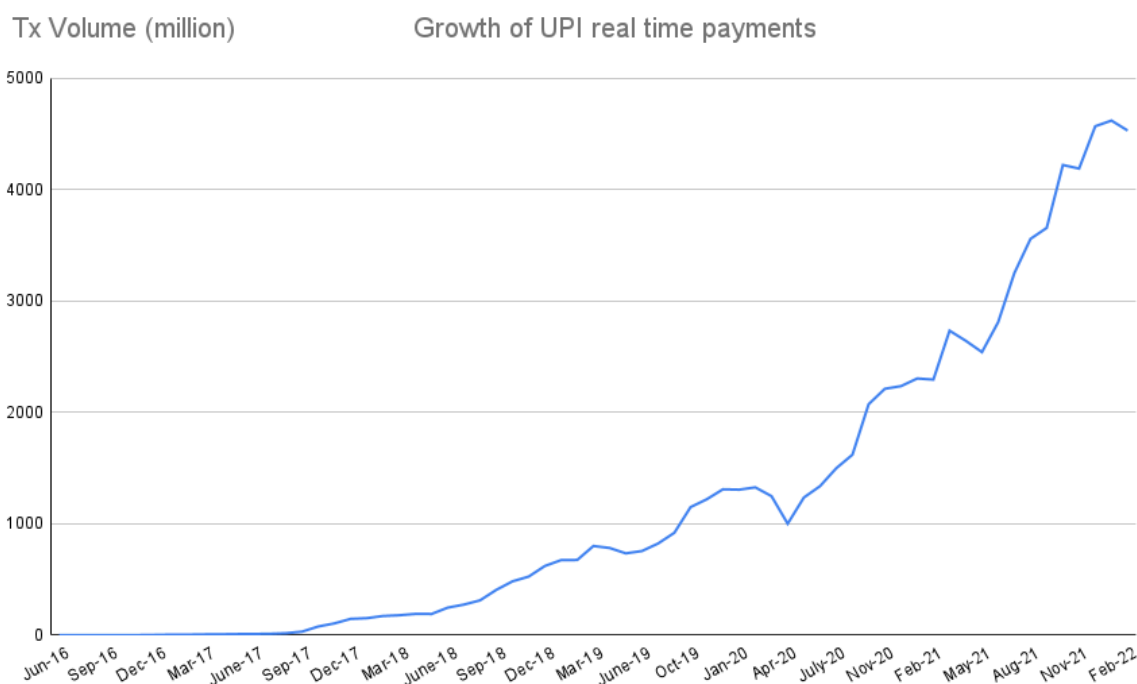


Governance

Background

India has the highest number⁴ of cryptocurrency users yet has no infrastructure for digital asset finance. India has witnessed a silent exponential growth in terms of digital asset owners and trading volume across global and local exchanges, yet there is little use case when it comes to payments and using digital assets for everyday needs.

The growth of blockchain and cryptocurrency technology is happening exponentially, the largest user base in this growth are millennials and the gen z generation. Traditional finance is slow and costly when compared to the blockchain and Defi. The blockchain-based fintech ecosystem is having an advantage over the banking solutions that are built on legacy systems, have slow and cumbersome onboarding processes, and are not accessible to everybody.



<https://www.npci.org.in/what-we-do/upi/product-statistics>

Blockchain technology provides transfer of value in a transparent and trustless manner, this is largely used for building cryptocurrencies, but is also finding its use cases in digital art (NFT), digitization of stocks, real estate etc. Flac platform supports all major kinds of digital assets to be used as collateral against fiat loans and stable coin loans. Currently, to utilise these assets, users have to sell the assets on exchanges, and p2p platforms, incurring capital gain taxes, the process also turns out to be costly. Having the ability to borrow fiat or stable coins against these assets allows users to keep the ownership of the assets and enjoy the gains over time.

- India is one of the world's fastest-growing crypto markets⁸
- India has over 100.7 million digital assets holders⁴.
- India is top-ranked in the world in terms of real-time digital transactions¹.
- Retail investors tend to hold their positions to enjoy long term gains.
- India is the top country with the highest gold jewellery consumption⁵. and over 604.64b Rupees (~8b USD) in loans against gold².

Loans against digital assets are going to be the next revolution in India. There is a need to bridge the gap between traditional finance and digital assets. Flac is building the infrastructure to harness the power of digital assets using the Cardano blockchain and increase the adoption of digital assets in India and around the globe.

Offering

Interest on Digital Assets

Miners, hodlers, retail investors, and fund managers holding digital assets only enjoy higher valuation over time, now they get the opportunity to earn interest on their holdings. Users can deposit their assets to Flac and provide liquidity to the Flac ecosystem and earn interest on it regularly. This also opens the opportunity for users to borrow fiat in real-time based on the value of the assets.



Spending Digital Assets

Users currently have to go through lengthy processes to sell their assets in order to obtain cash for their daily requirements. They also incur a capital gain tax on it and also lose the ownership of the assets. Flac provides instant loans against digital

assets to be able to pay for purchases in real-time, without losing ownership of the assets. UPI payment is now the largest payment network in India. Flac integrated with UPI payment infrastructure allows users to pay to stores instantly where UPI is accepted. Flac credit cards linked with their Flac account allow payments to be made at stores with cards through instant loans against the digital assets holding. Users also continue to enjoy the gains as the crypto assets gain value over time without losing ownership of their assets.

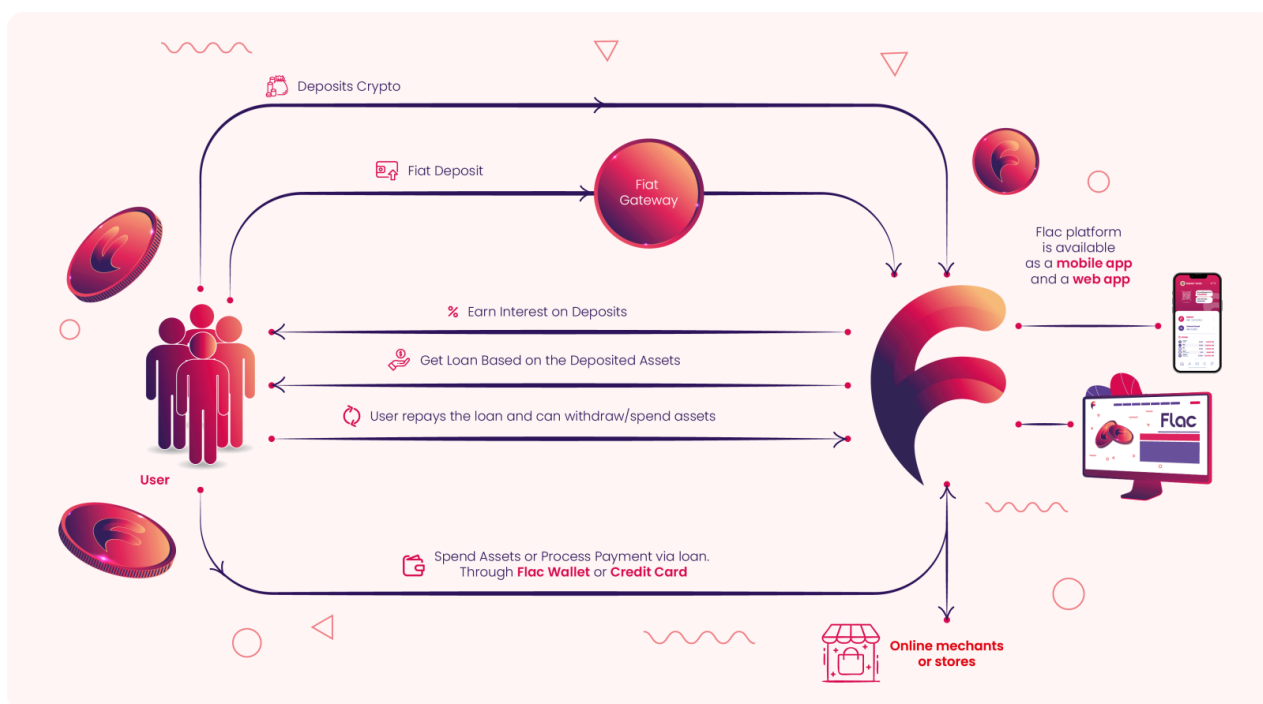


Instant loan against digital assets

Processing a loan through a traditional financial institution is expensive, involves paperwork, and is tedious and slow. Flac provides loans against their digital assets collateral in real-time with 0% fees. The loan amount can be transferred to the fiat bank account for access to physical cash or can be spent directly with Flac. Users can also borrow stable coin based loans and use them to acquire more digital assets. As the crypto assets gain value, Flac unlocks more loan limits to the users. Repayment is processed instantly via the mobile app or web platform without any processing fees.

Flac Finance Platform

Borrow, Pay, Earn and Swap with **crypto** and **fiat**



1 Crypto deposits to Flac wallet

Users transfer digital assets to Flac multi-currency wallet. Once the assets are confirmed on the blockchain, they are instantly available to be used as collateral against a loan. Flac calculates the available loan limit based on the price feed from a set of exchanges. The crypto deposits start earning interest 24h after the deposits. The interest accrued will be according to the APY value set per currency. Users can choose to earn interest in Flac tokens to receive promotional interest rates.

2 Fiat deposits

Users can deposit INR funds using UPI, Bank transfer, and other payment gateway methods. The fiat funds can be used to swap, pay, and repay loans. The fiat deposits also start earning interest after 24h, and as per the APY (Annual Percentage Yield) set for the fiat currency.

3 Fiat or stable coin borrowing

Users can instantly borrow fiat or stable coins based on the available limit of LTV in the Flac wallet. The fiat borrowing can be transferred to users' bank accounts, and the stable coins can be withdrawn as per the need. The limit is calculated as per the value of digital assets deposited in the wallet. The digital assets equivalent to the loan amount are also locked until the repayment. The loan starts accruing interest and can be paid back anytime without any prepayment penalty.



4 Repayment

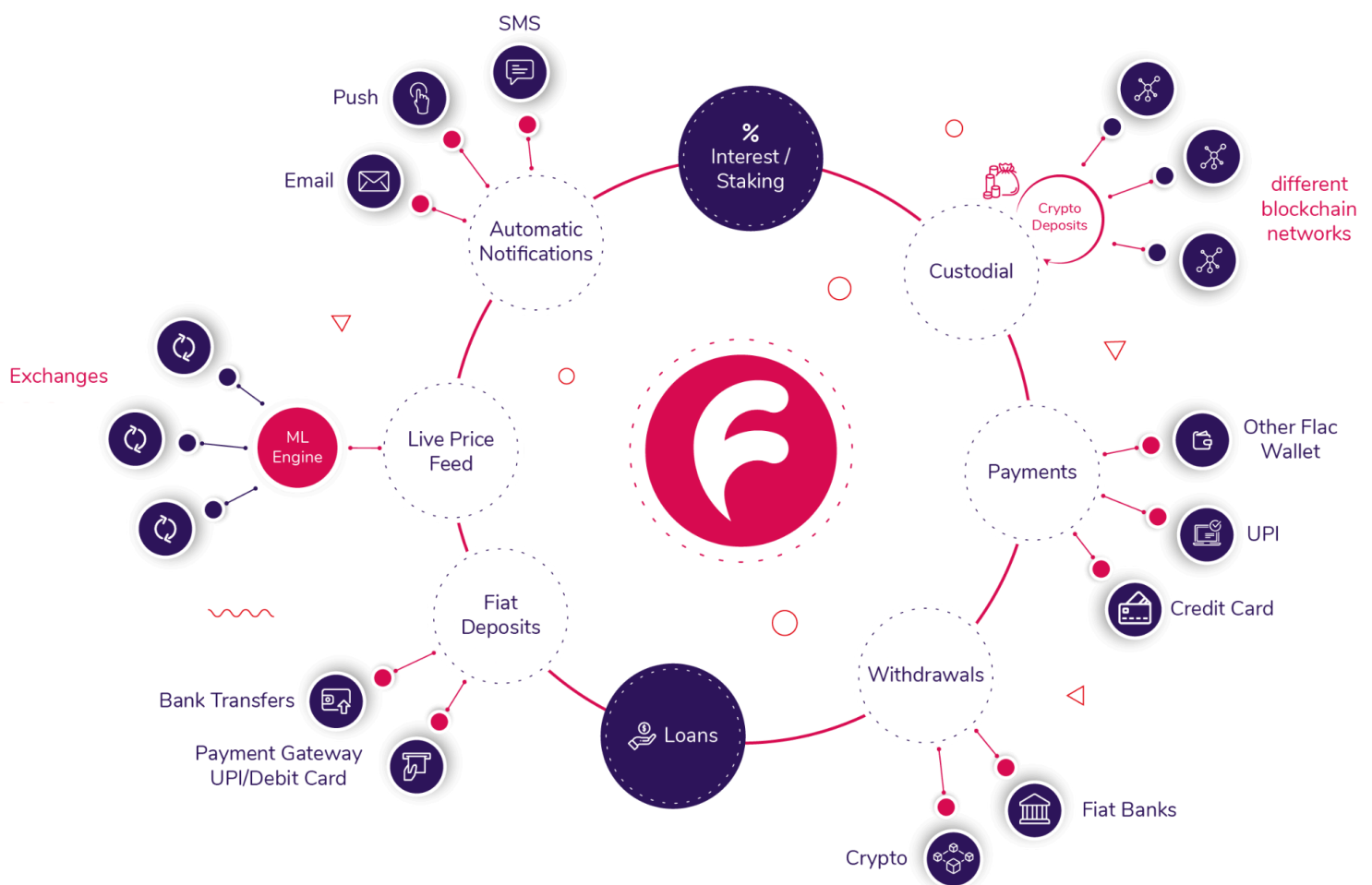
Users can repay the loan with crypto assets, fiat money, or via a bank transfer. Holding Flac tokens will provide a discounted loan interest rate. Once the loan is repaid, the assets are unlocked and can be withdrawn or spent as desired.

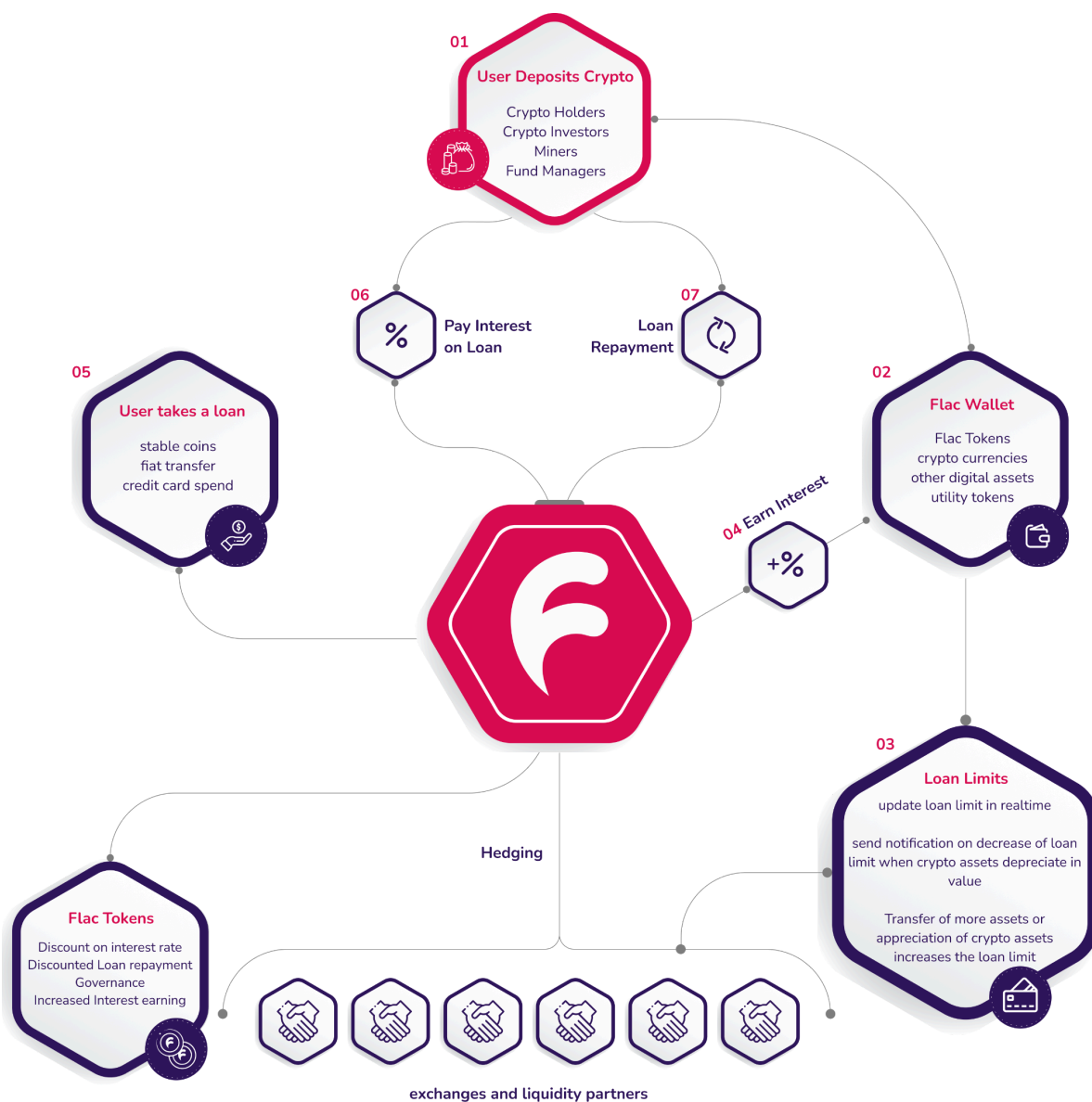


5 Spending

The digital assets inside the Flac wallet can be spent via UPI payments, credit cards, and transfers to friends and family using the Flac wallet. Users can also choose to get instant nano loans against digital assets when processing purchases, a certain amount of purchase loans are provided with a discounted interest rate. Users holding the Flac tokens get the promotional interest rate based on their Flac token holding.

Architecture





Flac is built with a modern microservices architecture. There are different isolated components with a specific purpose for the functioning of the platform. These components process and maintain the business logic, automate processes, and secure the platform.

Realtime Data Feed

Flac integrates with a set of exchanges for real-time price feed of the digital assets. This price information is processed by an ML engine to forecast the asset valuation and is used by the Lending Module to determine the LTV for borrowing. The module implements secure and reliable algorithms to safeguard the platform against any price inaccuracies. Based on the appreciation or depreciation of the asset prices, the LTV is updated in real-time.

Interest Business Logic / Staking

Users can earn interest on the deposited digital assets on Flac. These assets are in turn used as liquidity on the platform. The assets are stored on secure smart contracts or custodial storage based on the asset class. Users can choose to earn interest in Flac tokens to receive higher yields. This module also implements the feature of locked staking (FD) that can provide users higher yield than a flexible staking option.

Borrow Business Logic

Based on the price feed available from the data module, this module implements the functionality to allow users to borrow money as per the LTV amount. The formulas for LTV will be tuned in real-time based on the market conditions to safeguard users' funds.

Payments

The module is built on top of the Borrow service. Payments utilise the borrow functionality to allow users to process real-time payments at merchant stores or online using credit cards. The module also integrates with third-party payment processors as necessary.

Automated Notifications

When digital asset prices are depreciated, the LTV may go below the threshold limit. It is necessary to trigger automated notifications to users to deposit more collateral to avoid risking the liquidation of the assets. It is also used to send notifications to users with information about loans and interest payouts.

Crypto Deposits & Custodial Solution

Flac maintains the network infrastructure for supported blockchain networks. The crypto assets are deposited via their respective networks and stored in our custodial solution. Flac may also at a later stage decide to build an Indian regulated custodial solution to serve businesses in India and onboard finance service providers to serve their customers with cryptocurrency-related services. The custodial solution is built with highly secure hardware wallets and it will be protected by insurance.

Fiat Deposits

It is required to build a secure module to process fiat deposits. This will be integrated with local payment processors, and with bank accounts to allow deposits via the standard money transfer option.

Tokenomics

The Flac platform is built on the Cardano Blockchain, the FLAC token is a Cardano native asset and plays a vital role in the functioning of the platform and serves as a utility and governance token.

- Cardano blockchain is built with Ouroboros proof of stake. Ouroboros provides a flexible lock-free staking experience.
- Cardano is an environmentally friendly network as it utilises an efficient consensus mechanism(Ouroboros), the Cardano nodes can be operated by average computer hardware.
- Cardano has Plutus smart validators as the smart contract layer.
- Cardano has low transaction fees with high throughput.

FLAC Token Functions

Discounted Loans

Holding Flac tokens provide discounts on APR (Annual Percentage Rate) value. The discount is calculated based on the loyalty tier of the user as per the Flac token holding.

Higher Interest Returns

Flac platform provides a higher rate of interest return for digital assets when they choose to earn in Flac tokens.

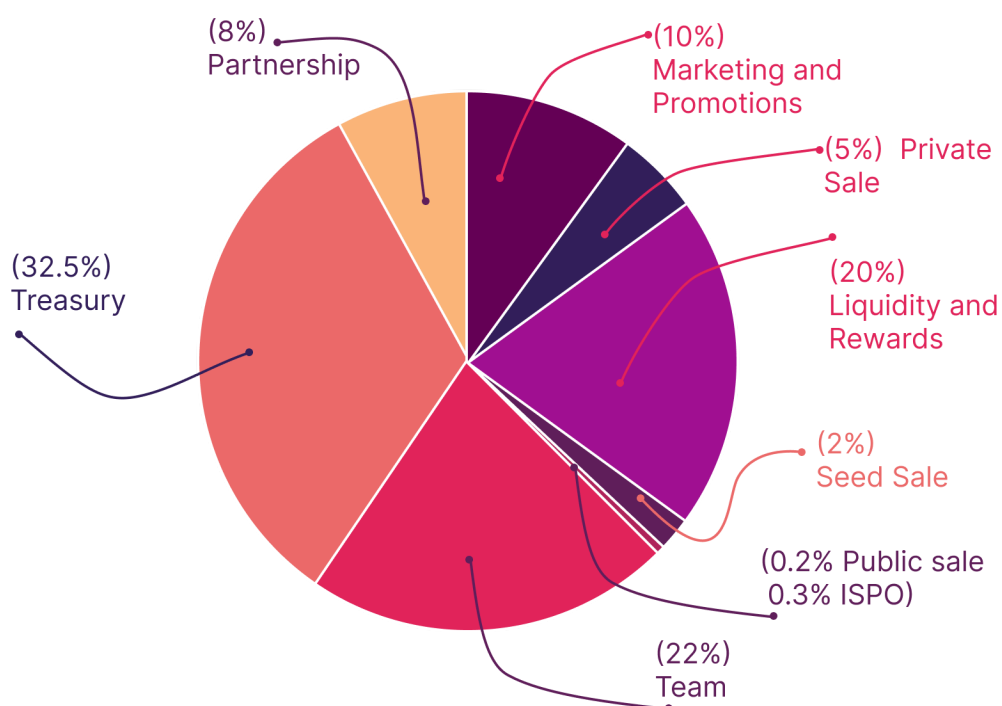
Platform Benefits

Holding FLAC tokens provides users with free withdrawals as per their holding amount, discounted trading and swap fees.

Token Specification

Platform	Cardano Native Token
Ticker	FLAC
Total Supply	2,000,000,000
Decimal	6

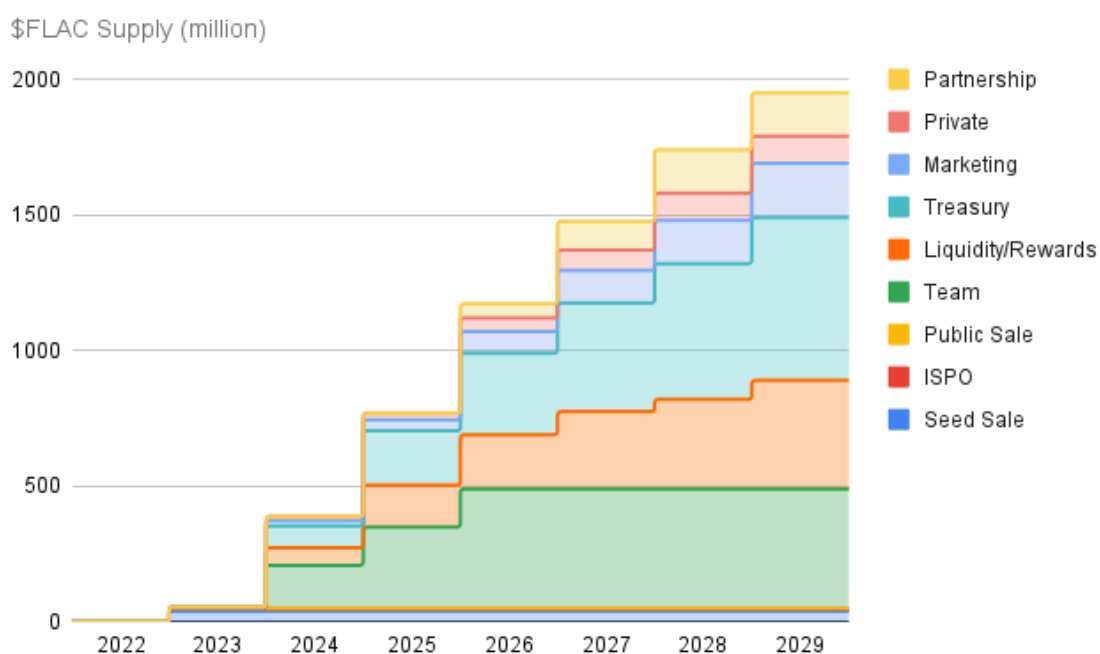
\$FLAC has a maximum token supply of 2,000,000,000 tokens with 6 decimal places. The token supply is allocated for distribution as per the chart below,



Vesting Schedule

Particular	Allocation %	Vesting Period	Unlocking
Seed Sale	2	Fully Vested	Released
ISPO+Public Sale	0.5	NA	Released
Team	22	34 Months	12 months cliff, 3% per month
Treasury	32.5	Governance	Based on voting
Partnership	8	34 Months	12 months cliff, 3% per month
Liquidity & Rewards	20	NA	Over 60 Months
Marketing/Promotion	10	NA	Over 48 Months
Private Sale	5	30 Months	12 Month cliff, 3% per month

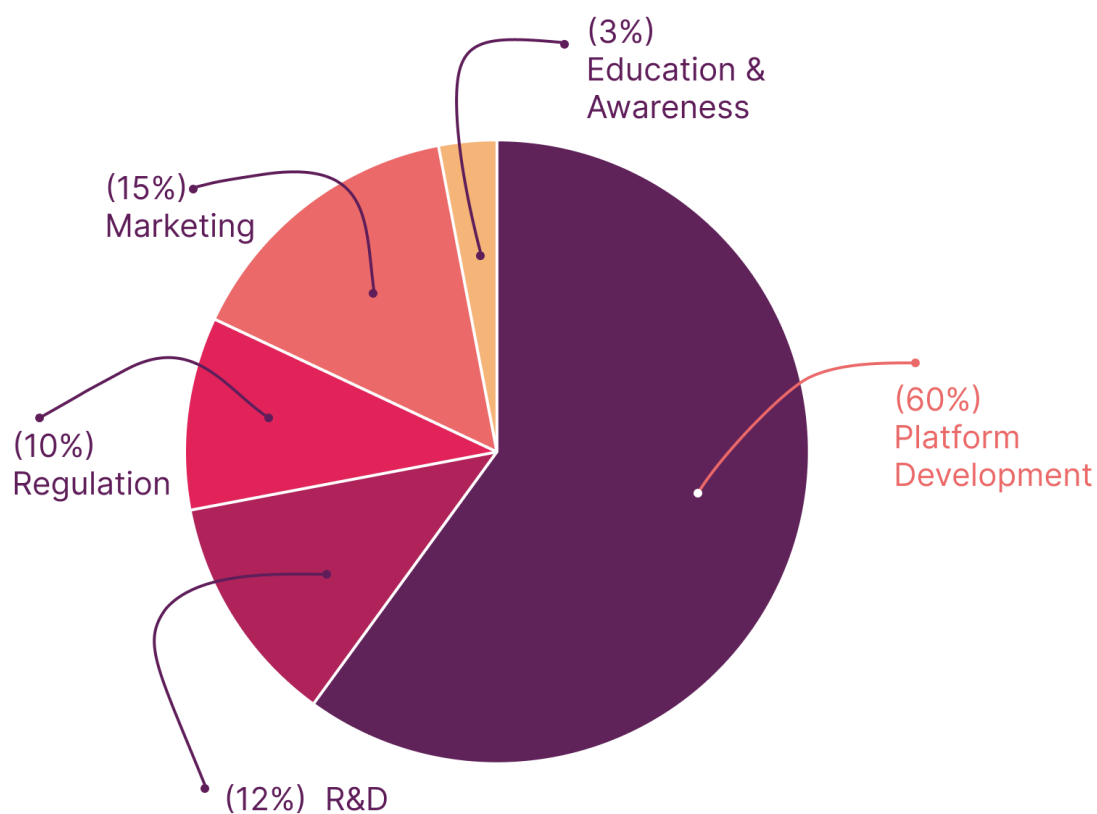
Token Release Schedule



*Treasury, Private, and partnership supply release is estimated

Use of Proceeds

We currently intend to use the net proceeds from this offering mainly for the development of the platform, general corporate purposes, operating expenses, and capital expenditures. Please refer to the chart below for the allocation of the proceeds.



Risks and Disclaimer

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