



QINTAR Ecosystem Whitepaper

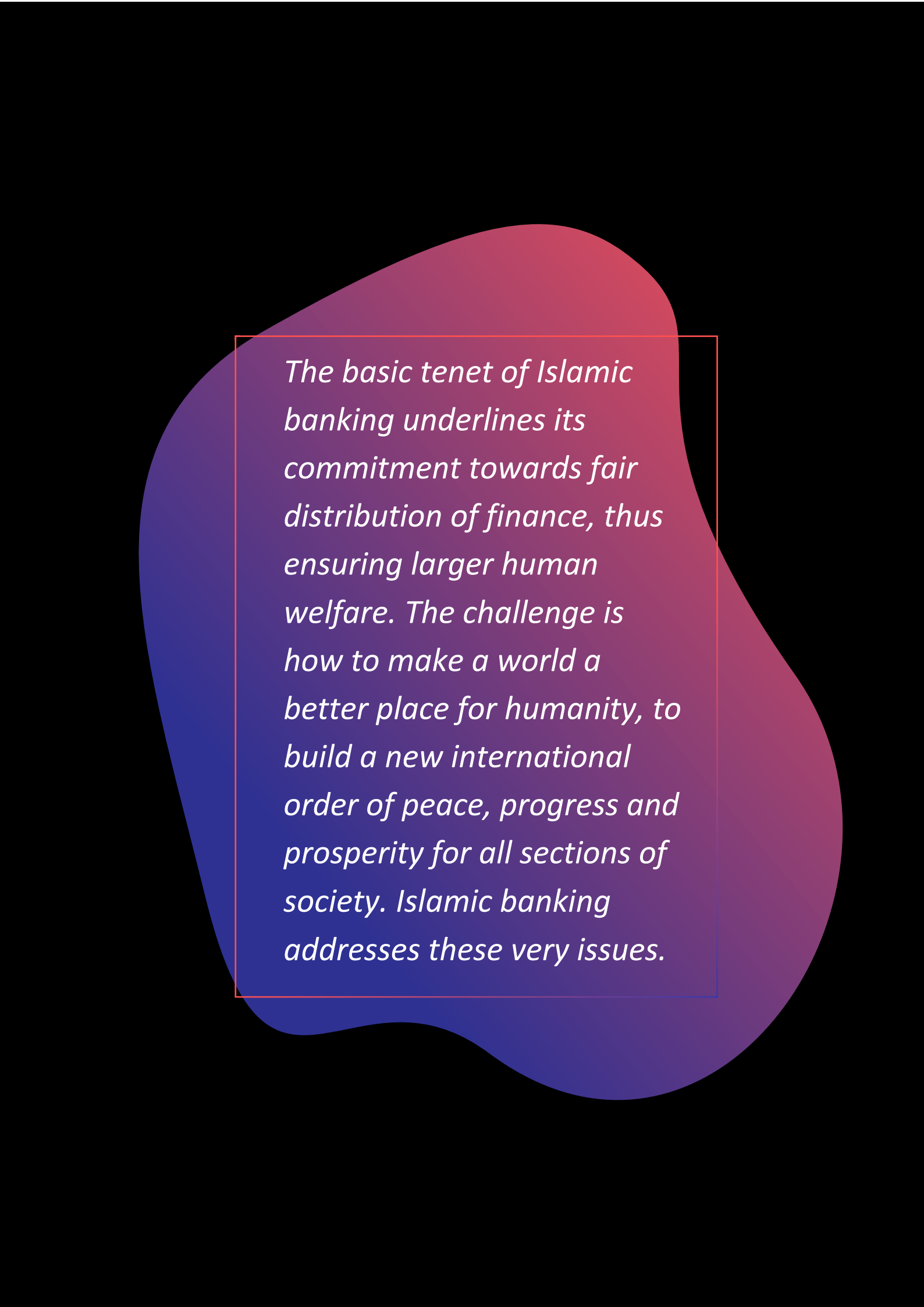
Qintar DeFi Crosschain Decentralized Islamic Finance

Built on

Polkadot and *Moonbeam*

v. 2.0 February 2021

<https://qintarcoin.org>



The basic tenet of Islamic banking underlines its commitment towards fair distribution of finance, thus ensuring larger human welfare. The challenge is how to make a world a better place for humanity, to build a new international order of peace, progress and prosperity for all sections of society. Islamic banking addresses these very issues.



Introduction

Qintar DeFi operates under code of conduct borrowed from the theory of Islamic Finance, which in essence means fair access to financial opportunities for everyone with equal share of risk and gains. The theory of Islamic Finance strongly opposes predatory lending and strives to create win-win environment for both the borrower and lender. Qintar is an ecosystem that includes 3 Islamic finance tools: Murabaha, Modaraba, and Islamic Community Bank (Peer to Peer Lending).

Islamic Finance

- Socially responsible investment
- Fair access to financial opportunities
- Opposes predatory lending
- Avoidance of deception
- Win-win for both borrower and lender

The concept of risk sharing is central to Islamic banking and finance. It is essential to understand the role of risk-sharing in raising capital. At the same time, Islamic finance demands the avoidance of riba (usury) and gharar (ambiguity or deception). Achieving financial independence among the poor society members should allow them the access to alternative credit lines without the burdens of high interest under predatory lending. Therefore, the concept of Islamic finance was chosen to be the base for Qintar DeFi ecosystem.

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1. Qintar Microfinance Murabaha (Q_MM)

The concept of the Islamic “Murabaha” is a contract of sale between the lender and the borrower for the sale of goods at a price plus an agreed profit margin for the lender. The lender purchases the goods and sells them to the borrower after adding an agreed mark-up, then the borrower repays in installments.

Qintarcoin DeFi will allow poor individuals to have access to “Murabaha”. Borrowers will not take the money in cash, but they can get physical goods such as equipment, tools, machines, etc. The payback is realized through weekly or monthly installments. The items should be related to the actual job (e.g. sewing machine can give someone the opportunity to work as a seamstress). Furthermore, Qintarcoin DeFi may develop further to training programs, and forming groups of individuals to grow projects. For instance, a group of seamstresses may form a clothing factory.

1.1. Grameen bank Concept

Based on the concept of Grameen Bank¹ which was awarded the Nobel Peace Prize², Qintar DeFi aims to deliver microfinance opportunities to rural poor regions all over the world through partnerships with local banks and authorities. Loans are better than charity to interrupt poverty, as they offer individuals opportunities to take initiatives in entrepreneurship, which provides them earnings and accordingly the ability to pay their debts and cover their daily life needs with dignity.

We believe that people have endless creativity, and unleashing their creativity helps them to end poverty, and stop the reliance on aids. We are willing to offer credit to classes of people who are underserved, such as the poor, illiterate, and unemployed people.

The economic situation in developing countries was severe and after the coronavirus pandemic it is even worse, as a lot of people lost their jobs and they are unable to even buy food. Furthermore, hunger may lead to increased crime rates. These individuals are helpless to get loans through the standard banking system. Thus, a comprehensive solution should be in place to protect the society and give the poor ones the right to live in dignity.

1.2. Purpose of the platform

Qintar Microfinance Murabaha platform aims to support individuals in the areas of:

- Handcrafts
- Technology (After accomplishing training programs)
- Agriculture
- Raising Cattle & Poultry
- Primary Industry

We are creating Qintar Murabaha to offer proper microfinance opportunity to the ones in need. Banks and Local authorities will have access to one platform derived from the idea of Grameen bank. The platform is going to allow the banks and the local authorities to add the data of the ones who are requesting the “Murabaha” and the details of it.

¹ <http://www.grameen.com/what-is-microcredit/>

² <https://www.nobelpeaceprize.org/Prize-winners/Prizewinner-documentation/Muhammad-Yunus-Grameen-Bank>

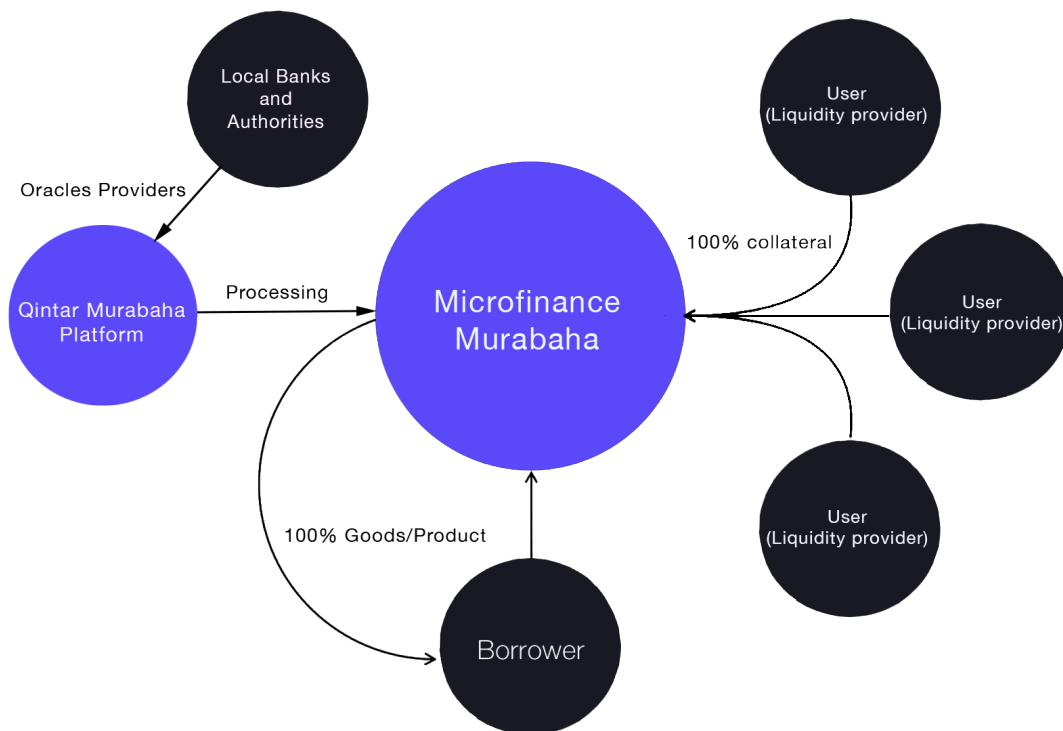
1.3. Parties involved in the process

The process involves following parties: Borrower, Lender, Bank or Authority and Seller of the item.

It starts with a borrower who submits a request to get a “Murabaha” to buy an item through a partnering bank or a local authority. The bank adds the details of the request on the platform, and then sellers can submit the prices of their items (tender). A robot chooses the best deal for the item using advanced algorithms without any human interference. Then a lender (Coin Holder) chooses to get into the “Murabaha” deal after knowing all the details about it. Then, the item is purchased and it goes to the bank or local authority. Blockchain technology is used to have a log of all the items including descriptions. The seller of the item gets paid in Qintar token and the payment status remains pending till the quality and the condition of the item is verified. The borrower receives the items from the bank or local authority and repays in installments. A smart contract is issued for the repayment process. The borrower should submit the info of 5 family members, and in case he does not pay the 5 family members will be banned from applying for “Murabaha” and legal actions might take place against him or her. He or she can also return the item in a good condition.

Lenders are the individuals who buy the token, they will be able to lend money to others under the scheme of “Murabaha” and gain profits based on it. They are also helping others at the same time. This concept is similar to a partnership.

Figure 1: Microfinance Murabaha





**Public token
holders**

2. Qintar Modaraba Pools (Q_MP)

Modaraba is a form of financial contract in some Muslim countries in which the investor (rab-ul-mal) entrusts money to a financial manager (mudarib) and any profits and losses are shared between them in an agreed manner.

Investors can connect their wallets with one or several “Modaraba” trading pools. There are different types of pools differentiated with the amount of risk involved.

2.1. Fighting illegal trading activities

The idea of decentralizing the trading pools is created to solve a real serious existing problem, which is unreliability of many trading platforms from the point of view of investors. Just in Saudi Arabia, the illegal forex trading activities have caused losses to Saudi investors of more than \$10 billion USD in five years³. The scamming schemes usually involved project managers and were successful as a lot of people lack the basic knowledge in the field of trading.

2.2. Trading pools

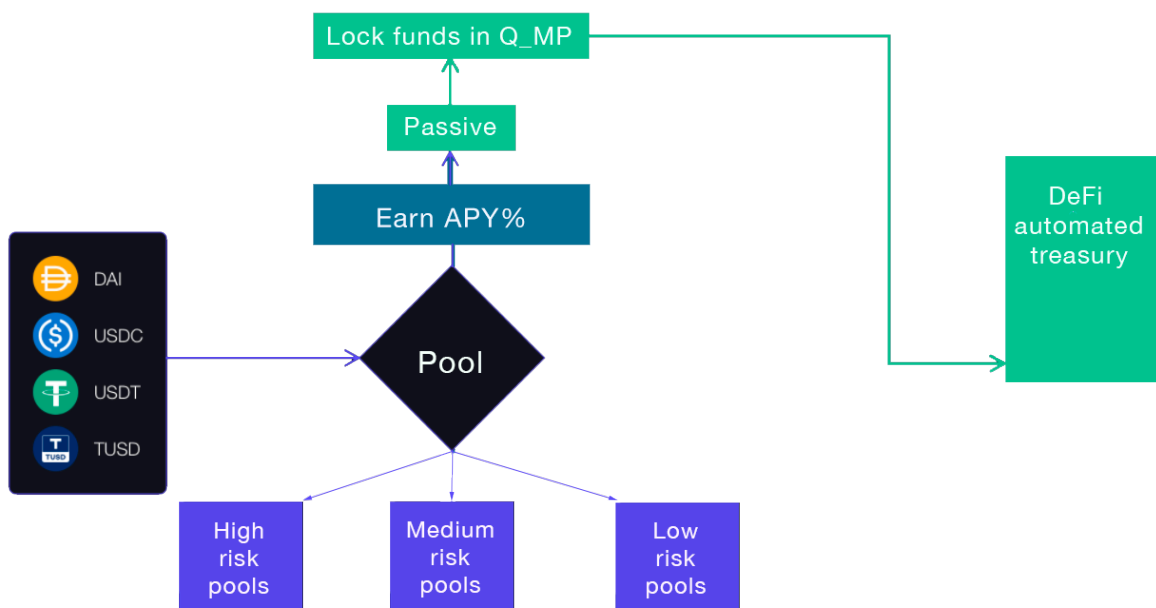
There are 3 trading pools available, each represents a different level of risk

- **High Risk Pools:** include high volatility assets
- **Medium Risk Pools:** include medium volatility assets
- **Low Risk Pools:** mainly include semi-stable coins and stable assets

The profits and losses are shared between the investor and the manager (The Qintar Modaraba Platform). We will have advanced protocol that will automatically rebalance the pool's current allocation to achieve optimized profits rates based on the strategy.

A rebalance calculation involves assessing the total assets within a pool, incorporating underlying protocol rate functions and levels of supply and demand, and finally determining an allocation that achieves the optimal profits rate possible after the rebalance takes place, based on the strategy.

Figure 2: Modaraba Pools



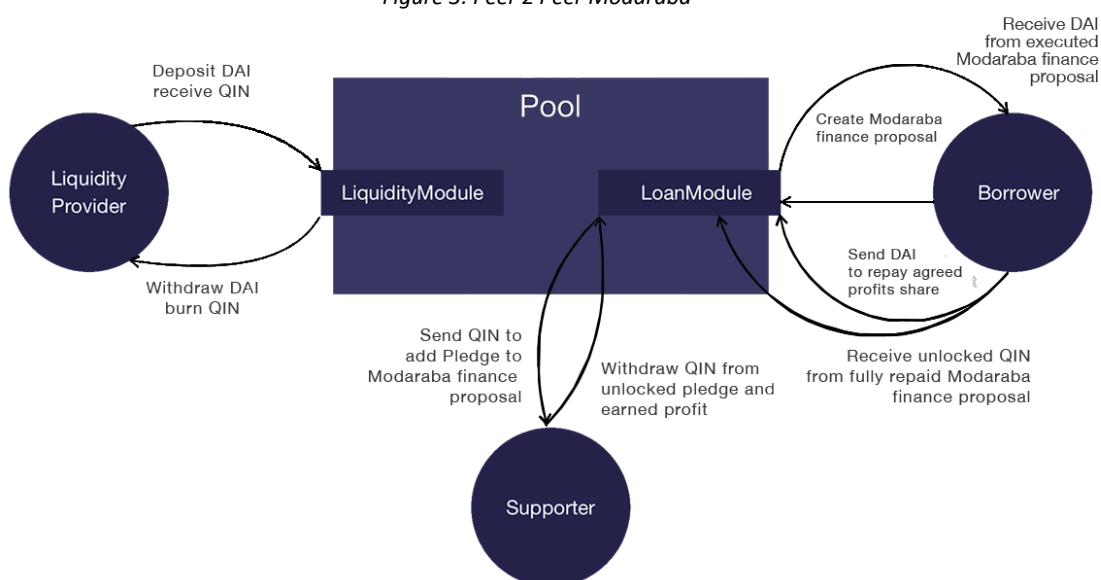
³ <https://www.arabnews.com/node/1708241/saudi-arabia>

3. Qintar Islamic Peer 2 Peer Modaraba (Q_P2P)

Peer to peer (P2P) lending under the Modaraba concept allows liquidity providers to lend to people who need funds via online platforms. Those who need fund become able to choose the most suitable fund provider; lender.

Those in need of funding can communicate directly with the people they will borrow from while they become able to obtain funds at cheaper costs. Lenders have the opportunity to choose whom they will lend to, or they can determine the desired interest rate based on the type of risk they undertake. In the P2P interface, liquidity providers can browse particular projects submitted by those who seek funding for their project. The liquidity provider decides into which project he/she wants to invest.

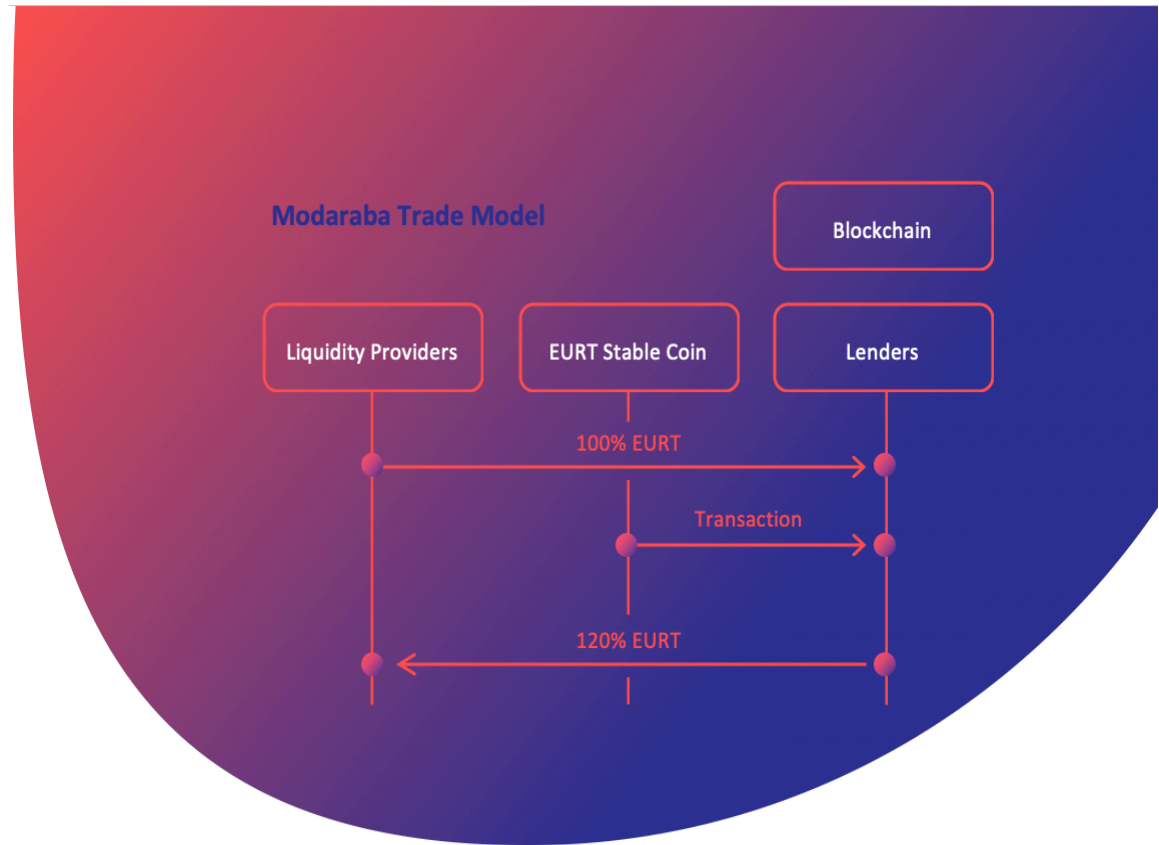
Figure 3: Peer 2 Peer Modaraba



3.1. Islamic Peer to Peer lending model

The Islamic peer to peer lending model is quite different from the credit model with interest in conventional banking. For the investment and credit process to be Islamic; there has to be a product of financing to trade, physical good or a service, which is based on profit-loss partnership. Also, there has to be a trade agreement (smart contract). In this context, in accordance with the rules of Islamic finance, the digital financing process can be operated. With such a digital platform, investors can manage their capital and risks themselves and borrowers can demand loan at a special profit share rate.

The platform is operated with the Islamic modaraba trade model, differing from the credit models with interest in conventional banking. Modaraba is also called as entrepreneur-capitalist partnership or labor-capital partnership.



3.2. Modaraba Trade Model

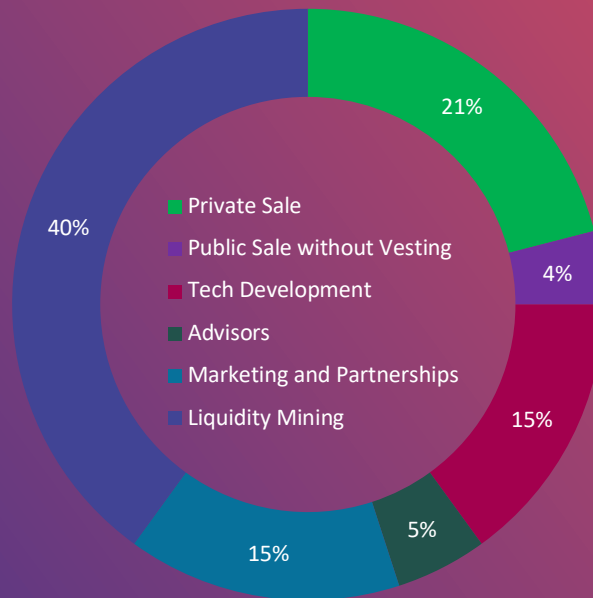
Modaraba trade model is visualized in the figure above. It is a joint venture between the capital owners and the entrepreneur who has a project needs funding. In this model, the entrepreneur and the financial investors sign a commercial partnership agreement (Smart Contract).

According to the smart contract, the costs specified by the entrepreneur are met by the partnership of all investors who finance the project. The entrepreneur who receives the funding puts labor and knowledge in the project. In mudaraba, the profit of the project is shared between the investors at a predetermined and agreed rate. In case of financial loss in the project, the investors cover the entire loss. In this case, the loss of the entrepreneur becomes the knowledge, labor and time he has put so far.

3.3. Roles in Modaraba Trading

The platform has three basic roles; the Investor, the Borrower and the Operator. The investor is the one who has a surplus fund, or basically a coin holder and wants to make an investment through linking his wallet to the platform, and the borrower is the one who requests "Modaraba" through the platform. Operational processes are going to be fully automatized on Blockchain. With the proposed peer to peer lending platform, both individual and commercial-scale Islamic financing support can be provided. However, the Modaraba opportunities are not going to be available for any prohibited business activities according to Islamic perspective, such as gambling.

QIN Token Distribution



4. *Qintar token*

Due to the real need to create an alternative credit line for these who are in real need, we are allowing everyone to have some part of their assets invested in this new microfinance concept. Qintar Token DeFi will be a feature-filled ecosystem with advanced tools ranging from classic funds, and similar concepts to crowd funding to full DeFi aggregators.

This includes DeFi lending and staking platform, which be complying the Islamic finance concepts and the roles of the “Murabaha”. The staking platform will give the token owners the opportunity to be lenders to the ones who are seeking microfinance, and accordingly they can gain profits on this just by holding the tokens in their wallets. In a nutshell, the one who buys the token helps someone else in a developing country to get a better life, and at the same time earns profits (Win-Win situation).

4.1. Qintar Economy

The total supply of Qintar Token is 1'000'000'000 QIN, which will be represented as an ERC20 token on the Ethereum Blockchain. Qintar tokens dedicated for different distribution will be subject to a regulated lock-up.

1. Private Sale

- 21% or 210'000'000 QIN will be allocated for sale on the Private Sale Round priced at 1 USD per 168 QIN equivalent of cryptocurrency at the time of the private sale.
- 52'500'000 QIN will be locked, vested and release every month, up to 3 months.
- Any unsold tokens during the Private Sale Round will be burned.

2. Public Sale

- 4% or 40'000'000 QIN will be allocated for sale on the Public Sale Round priced at 1 USD per 100 QIN equivalent of cryptocurrency at the time of the Public Sale Round.
- 40'000'000 QIN will be unlocked on the first listing day.
- Any unsold tokens during the Public Sale Round will be burned.

3. Tech Development

- 15% of the total supply or 150'000'000 QIN will be reserved for Tech Development.
- 150'000'000 QIN will be locked up for 8 months
- After 8 months, 5% or 7'500'000 QIN will be released each month until the allocation is fully depleted.

4. Advisors

- 5% of the total supply or 50'000'000 QIN will be reserved for Advisors.
- 50'000'000 QIN will be locked for 8 months after the listing day.
- After 8 months, 5 % or 2'500'000 will be released each month until the allocation is fully depleted.

5. Marketing, Integration & Partnerships

- 15% of the total supply or 150'000'000 QIN will be reserved for Marketing, Integrations & Partnerships.
- 150'000'000 QIN will be locked for 8 months after the listing day.
- After 8 months, 5% or 7'500'000 QIN will be released each month until the allocation is fully depleted.

6. Liquidity Mining

- 40% of the total supply or 400'000'000 QIN is reserved for Liquidity Mining.
- These tokens will be available on exchanges for the sole purpose of liquidity.

4.2. Use of Funds

Within the crowdfunding period we are looking to raise USD 2'000'000 in both Private and Public Sales. Those funds will be utilized by our team for the following purposes:

- **Liquidity**
To provide liquidity on the market during the first listing on Uniswap, we will pledge USD 300'000 in form of crypto trading pairs for QIN.
- **Tech Development**
To provide funds to develop under technology, we will pledge USD 700'000.
- **Partnerships and Integrations**
The formation of a large partnerships team will be one of our main goals coming out of the funding. This is to ensure maximum reach to banks and local authorities in developing countries which will put the concept into action in short time. We will pledge USD 200'000 for this purpose.
- **Marketing & Community Development**
To provide funds for the ongoing marketing efforts and to build a strong base of users and community for our products, we will pledge USD 600'000 for this purpose.
- **Operational Costs**
To ensure smooth operation and sustainability of the project we will pledge 200'000 for this purpose.
- **Other**
We will reserve this fund to provide support or solutions to any efforts related to the Qintar project, which will pledge a total of USD 200'000.

4.3. Token Utility

The Qintar token acts as fuel for the “Qintar Murabaha” Platform. To use our “Qintar Murabaha” lending tool you will have to hold a certain amount of Qintar Tokens, which will be used as a “fuel” component that makes the process work, allow token transfers to and from the Qintar wallet as part of an investment pool. “Qintar Murabaha” Lending tool acts not only as the wheel that moves your investments and makes them participate in the Qintar ecosystem, but also gives you a bonus payout (profits) on top of your payout depending on the current ratio of earnings made by the “Murabaha”.

While Qintar is being used for the use cases shown above, there will also be a burning component. Depending on the revenue the “Qintar Murabaha” generates we will burn a certain amount of tokens. These burn events will not have a fixed time but a fixed logic behind it. The timing of the burn will be spontaneous while still using the formula that applies to our burning mechanism. Essentially, we do not want traders to speculate on the burning mechanism and timing that is meant to reward holders of Qintar.

Since we want to give our investors the best experience possible while participating in our ecosystem, we feel that this is a good approach to the burn mechanism.

Qintar will comprise four underlying utilitarian components. Burning, Bonus, Fee reduction, and Fueling. This gives the token utility, while also not acting as a security. Our goal is to not be classified as security since this would come with a lot of regulations, we will gladly change this. As regulations and laws change going forward, we will continue to evaluate and will consider making changes that benefit our token holders.

5. *Cross-chain interconnectivity*

Qintar DeFi as an interconnected Ecosystem based on the concept and philosophy of Islamic Finance aims to extract all the advantages of the chain and truly build value, especially in the field of DeFi. It must first adapt to an interconnected landscape using the very best available technology. As more chains are developed, each with their own use cases, Qintar will become interconnected and hence applicable to public chains focusing on investments and microfinance, bridging DeFi, institutional and Enterprise DAPPS. By connecting Qintar’s community with the Polkadot shared Multichain network, traders are able to minimize their fees and drastically improve trading speeds.

5.1. Cross-chain with Polkadot

Leveraging the many positives of interconnected Blockchain is the fact that each Blockchain handles different types of data processing and is designed for different purposes. Some benefits stem from the vast data management on private chains. Qintar aims great interconnectedness and so far, Polkadot fits this goal the best. The Polkadot code will be finalized sometime in June 2021 and will be implemented to Qintar shortly after. Polkadot is a network protocol that allows arbitrary data- not just tokens- to be transferred across Blockchains that enable a true multi-chain application environment. This can include elements such as cross-chain registries.

5.2. Forkless Upgrades and Built-in Coordination

Upgrades can be easily implemented with the built coordination and runtime as a Wasm binary, which is stored on-chain and can be updated using the chain's governance mechanism.

5.3. Extremely Secure with GRANDPA Consensus Algorithm

GRANDPA (GHOST-based Recursive Ancestor Deriving Prefix Agreement) is the idea of incorporating the Blockchain's structure into the consensus algorithm. Rather than voting on a single block, it allows participants the vote to all ancestors of that block. This unique approach enables the blockchain to be more secure, yet fast and agile. In essence, under good network conditions, GRANDPA can finalize blocks in a near instant manner. Under bad network conditions, like a network partition, GRANDPA can finalize large quantities of blocks at once when the partitions are resolved.

5.4. Extra Pooled Security

Polkadot takes a different approach by letting Blockchains pool their security which means that a Blockchain security is aggregated and applied to all those on the network. The underlying consensus algorithm is a proof-of-stake variant with a 'Byzantine Fault Tolerant'. The validator nodes provide security for all chains within the platform, including the relay chain and all parachains, which creates a layer of security for Polkadot.

5.5. Cross-chain with Moonbeam

Boosting forward Qintar's interconnectivity, the Ecosystem is going to implement Moonbeam cross-chain protocol. The purpose of implementing with Moonbeam is to address new segments and markets that are out of reach. Besides, users of Qintar Platform will gain immediate access to DOT, KSM, native Polkadot assets like GLMR and aUSD, plus other bridged assets such as Bitcoin and Ethereum-based ERC-20s.

40%

Liquidity Mining



Qintar Platform will introduce an innovative payment system based on the concept of Islamic Finance that empowers individuals and provides a means of safe passive income while rewarding DAO participants.

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