



Fundamental Report

Prime Rating Report V2.1

Protocol: Unitrade
Version: 1
Date: 14/02/2022
Previous Report: /

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Season/competition: Season 2

Instructions

Please go to files and make a copy of this template. Fill in all questions with a written explainer, any relevant links, and score per variable. Insert the scores in the scorecard at the end of the report. **Please include your sources** into the text (as a link), so others can follow your trail of thought. **Please delete these instructions after filling out the template.**

Scorecard

1. Value Proposition	Points
a) Novelty of the solution	10 / 15
b) Market fit/demand	1 / 15
c) Target Market Size	10 / 10
d) Competitiveness within market sector(s)	0 / 10
e) Integrations & Partnerships	0 / 15
Total Points - Value Proposition	21 / 65
2. Tokenomics	Points
a) Is the token sufficiently distributed?	5 / 15
b) What is the extent of the token's capabilities?	1 / 10
c) Is the issuance model able to improve the coordination of the protocol?	0 / 10
d) Is the value capture model able to accrue and distribute value?	0 / 10
e) Is the token sufficiently liquid to enable active use and trade?	1 / 5
f) Are there any extrinsic productivity use cases?	2 / 10
Total Points - Tokenomics	9 / 60
3. Team	Points
a) Is the team credible and public? (No, Partly, Yes & Anon , Yes & Public)	1 / 15
b) Does the team have relevant experience?	0 / 10
c) Does the team participate and help shape the public debate?	1 / 5



d) Is the team able to effectively attract and coordinate resources?	0 / 10
Total Points - Team	2 / 40
4. Governance	Points
a) Admin Keys	4 / 20
b) Extent of Governance capabilities	0 / 15
c) Active Governance contributors	0 / 5
d) Governance infrastructure	0 / 10
e) Robustness of Governance process	0 / 10
Total Points - Governance	4 / 60
5. Regulatory	Points
a) Does the protocol have any legal accountability?	- / 15
b) What is the quality of the legal jurisdiction?	- / 10
Total Points - Regulatory	- / 25
Total	36 / 225

1. Value Proposition

The Value Proposition section describes the value a protocol delivers to its users. Based on the proportion of the problem the protocol aims to solve and the potential of the protocol to effectively solve the problem - better than other industry solutions - a Value Proposition rating is created.

a) Novelty of the solution (15 points)

This score evaluates the novelty (uniqueness) of the protocol. Has the protocol introduced any new innovations that help solve user's problems more efficiently? Is the project a fork? To what extent did they copy/fork the original?

Answer: Unitrade launched in 2020 aspiring to bring on-chain limit orders to the masses. Since the launch, the team was able to add a Bridge, a Lottery, and Staking for their token TRADE. Limit and stop-loss orders are a standard TradFi trading instrument enabling a trader to place a buy or a sell order with a specific price as a condition, the order is only going through if that price is being met. Bringing this possibility on-chain was a big task, as in general the blockchain does not simply allow automation of this kind, a transaction has to be initiated from something off-chain. Since Unitrade launched, [Matcha](#) successfully introduced limit orders as part of their service.

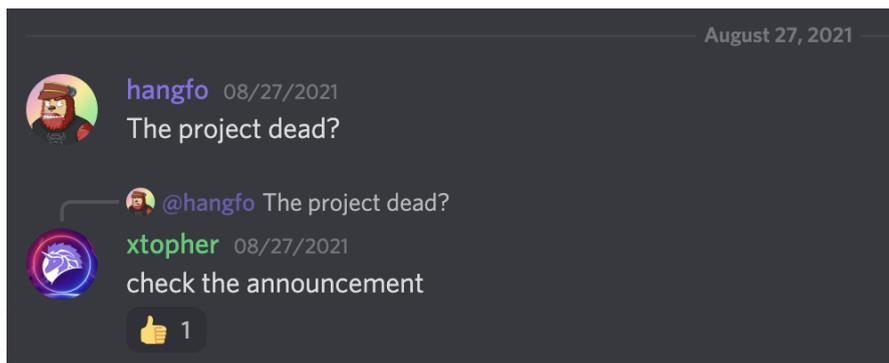
The Unitrade bridge can transfer 4 different tokens from Mainnet to BSC but not back. The current Jackpot for the lottery is \$0, the last Blog entry is from [Sep 16th 21](#) interview with the founder about the future of the protocol, without a specific plan for the protocol however. Mentioning a governance process that would be ready soon, but on the main product they are offering he says:



Q10) Where do you see Unitrade in another year in terms of mass adoption and the new or existing platform features that will lead to it?

I think UniTrade needs to undergo some big changes and move on from limit order / stop loss onto something else if it should succeed.

There was no news since.



From their Discord server:

Score: 10

b) Market fit/demand (15 points)

This score evaluates the degree to which the protocol satisfies a strong market demand. The market fit evaluates if the protocol is able to satisfy the needs of a specific market (can also be measured by user adoption/ #of users). To what extent has the protocol proven to meet the demand of a specific market? Is the timing of the product right for the market? Is the protocol targeting the right market?

Answer: The protocol never saw a lot of volume, the bet on limit orders as a differentiating factor from other DEX aggregators was not successful. Unitrade has less than \$1m in TVL [according to DeFi Pulse](#).

Score: 1

c) Target market size? (10 points)

The target market size evaluates the current and future size of the problem the protocol is aiming to solve. The category of the Open Finance solution can be used as a reference to the target market (for example: Lending). Because Open Finance is by definition global, the global market for a specific problem equals the target market size.

Answer: DeFi DEX 24h volume at the time of writing is [\\$3.4b](#), with [\\$18.5b in TVL](#). In TradFi the daily stock trading volume currently is about [\\$61t](#). The market for trading is very big and shows substantial growth in DeFi as well as has shown substantial growth in TradFi for the past 40 years.

Score: 10



d) Competitiveness within market sector(s) (10 points)

This score evaluates the competitiveness of the protocol within the market sector(s) it operates in. This score offers a relative comparison of the protocol and other protocols operating in the same market sector(s). To evaluate this, metrics to directly compare with the competition can be used (e.g. TVL, trading volume, number of users).

Answer: Not at all competitive in the market, [products are only partially](#) operational (bridge only functioning one way with only 4 tokens, no price for lottery (i.e. no users)) and no volume on the exchange (for reference, volume of top 3 DEXs in the picture below), not even listed on [coingecko DEX list](#).

Score: 0

#	Exchange	24h Volume	Num Coins	Num Pairs	Visits	Most Traded Pair	% Market Share By Volume
1	 Uniswap (v3) Decentralized	\$1,352,412,973	454	906	6,690,259.0	 USDC/0XC02... \$573,435,994	32.0%
2	 PancakeSwap (v2) Decentralized	\$424,359,937	3987	5463	20,792,917.0	 WBNB/BUSD \$69,483,332	10.0%
3	 Uniswap (v2) Decentralized	\$316,383,214	1522	2558	6,690,259.0	 X2Y2/0XC02... \$135,628,426	7.5%

e) Integrations & Partnerships (15 points)

Due to crypto's open-source nature, the code of most protocols can easily be forked. This score represents a piece of "unforkable value". Some indicators to look at are the number of applications built on top of the protocol (vertical integration), other entities integrating the protocol's services (horizontal integration) or the number of relevant partnerships (be careful of logo collections/ partnerships without much purpose).

Answer: No partnership was mentioned on the site, the solidity code was developed by [Decent Labs](#) according to this [blogpost](#). And the community was airdropped [Polar](#) the new project of the [founder](#).

Score: 0.

2. Tokenomics

The Tokenomics section assesses the function of a protocol's token. This includes the token distribution, functionalities of the token, the ability of the token to incentivize positive behaviour in the protocol, and the ability of the token to capture a portion of the value created.

a) Is the token sufficiently distributed? (15 points)

The token distribution can be an indicator of a healthy protocol. When the protocol tokens are widely distributed among different stakeholder groups and contributors, this genuinely improves the coordinating capability of the token and strengthens the resiliency of the protocol. Was the initial distribution balanced between relevant stakeholders? Are the tokens distributed over sufficient participants (10, 25, 100 largest addresses)?

Answer: Currently 5500 addresses hold \$TRADE tokens in their wallet, 93% of the total supply is controlled by 100 addresses which include the Uniswap pool, the Unitrade.app Bridge contract as well as the time-release contract. There is no information to be found on the original distribution, but in a [blog post](#), the founder seems to have taken community feedback into account and locked 49.3% of the Token supply in the aforementioned time-release contract.



Hey Guys!

I have heard your concerns and understand the need for company tokens to be in a LOCKED, timed, slow release, contract that can be verified by everyone. That's exactly what's going to happen...



The number of token holders is very low compared to other DeFi OGs like [Aave \(~105,000\)](#) or [Maker \(~82,000\)](#), the amount held by the top 100 addresses is about average, the lack of clear documentation of the initial distribution is unusual and bad.

Score: 5

b) What is the extent of the token's capabilities? (10 points)

Is the token useful within the protocol? Does the token allow the holders to participate in governance or influence the protocol in any way? Does it serve any other purposes?

Answer: The token can be staked for more \$TRADE tokens, there is no indication of a governance purpose of the token there is no snapshot page, no governance section nor any documentation that would hint at something else the holder can do with the token.

Score: 1

c) Is the issuance/distribution model able to improve the coordination of the protocol? (10 points)

To what extent does the issuance of the token support the advancement and function of the protocol? Are the tokens justifiably being issued? Does the issuance model incentivize the right behaviour? Are all relevant stakeholders benefiting from the issuance model?

Answer: There is no information about the initial distribution, and the issuance for stakers does not seem to coordinate holders as the [TVL of the protocol](#) is so low (>\$1m). Additionally, the absence of any news for 4 months,



seems to indicate there is no coordination at all.

Score: 0

d) Is the value capture model able to accrue and distribute value? (10 points)

A value accrual and distribution mechanism can help improve the utility of a token and its ability to be used as an effective coordination mechanism. Does the protocol have mechanisms to distribute some of the value created to the token holders?

Answer: There is no value capture model to be identified, no documentation available on the protocol in general but also no specifics on eventual fees or whatsoever.

Score: 0

e) Is the token sufficiently liquid to enable active use and trade? (5 points)

Is the token widely available and is there sufficient liquidity available to facilitate all protocol functionalities?

Answer: There is limited liquidity on Uniswap with a 2% depth of ~\$25.000. But no other listing.

Unitrade Markets

Display Unconverted Data

[Affiliate disclosures](#)

#	Exchange	Pair	Price	Spread	+2% Depth	-2% Depth	24h Volume	Volume %	Last Traded	Trust Score
*	eToroX Sponsored									×
*	Crypto.com Sponsored									×
1	Uniswap (v2)	TRADE/WETH Live Chart	\$0.076694	0.6%	\$24,688	\$24,614	\$6,798	5.31%	Recently	●

Score: 1

f) Are there any extrinsic productivity use cases for the token? (10 points)

Besides the protocol’s value distribution model as described in 2. d), can the token be used productively on other protocols (e.g. as collateral, for lending, LPing, yield farming, etc.)?

Answer: The token can be used to LP on Uniswap, there are no other extrinsic use cases for the token.

Score: 2



3. Team

The Team section describes the quality of the team behind the protocol. The current version of Prime Rating favours teams that are publicly identifiable. In the case of an anon team, the track record of the specific anons involved can be taken into account

a) Is the team credible and public? (15 points)

Are the identities of the core contributors and team publicly identified? In the case of anon team members, is there any way to track their background/record?

Answer: There is only one person known to be on the team which is [reborn1002](#), with limited public activity on [github](#) and the track record of the protocol does not instill confidence in the team or founder.

Score: 1

b) Does the team have relevant experience? (10 points)

Are there any documents or trails available to showcase the track record of the team? Do the team members have relevant backgrounds and skill sets?

Answer: The founders [github account](#) does not show any relevant experience prior to starting the Unitrade repositories. The lack of success of the protocol does not demonstrate prior experience. Decent Labs was [mentioned](#) doing the smart contract development but on their [website](#) they don't list Unitrade as one of their projects.

Score: 0

c) Does the team participate and help shape the public debate? (5 points)

To what extent do the protocol contributors participate in the public debate around open finance? Are the team members giving presentations, sharing their thoughts and opinions, and do they help raise the collective intelligence of the industry?

Answer: The [founder](#) is active on twitter and has ~1.500 followers, generally being very bullish on crypto and promoting his new app.



Score: 1



d) Is the team able to effectively attract and coordinate resources? (10 points)

How effective is the team at attracting and coordinating resources for the benefit of the protocol? Has the team raised sufficient funding or are there mechanisms in place to attract resources when needed?

Answer: It is unclear on how much resources the team had available at one point, but it is clear that there was no successful coordination, the protocols products are unfinished or have not found product market fit. And currently the project seems to be abandoned.

Score: 0

4. Governance

The Governance section evaluates how the protocol is governed and who the governors are. The different governance functionalities and processes are evaluated to determine to what extent the Protocol will be able to self-govern in a way that ensures the development of the protocols while respecting the needs of all current and future stakeholders.

a) Admin Keys (20 points)

Admin Keys allow some critical functionalities of a protocol to be controlled by an admin. This allows the developers to react to potential bugs, but also creates a risk as the developers could potentially misuse the admin keys to exploit the protocol. Does the protocol have admin keys and how are they managed?

Answer: There is no documentation or contract list available, with some digging the author was able to find the [staking contract](#) & the [bridge contract](#). The staking contract does not have functions reserved to the owner of the contract, while the bridge contract does have an owner the code is not available on etherscan as it is only the proxy address, it is not 100% verifiable what the functions private to the owner of the contract are, the github repo specified in [this audit](#) is no longer available and the contracts can't be found on their [GitHub repo](#) (no solidity repository at all), furthermore the contract has a variable specifying the "team wallet address" which is also unusual, not pointing at a decentralized protocol.

Score: 4

b) Extent of Governance capabilities (15 points)

Distributed governance allows the token holders to participate in the governance of open finance protocols. How much influence does the governance mechanism have? Are the votes affecting on-chain changes or do they function solely as signals to the team?

Answer: No governance capabilities. Although in this [interview](#) the founders mentions the governance process and capabilities would kick off soon, so far nothing is available or at least visible of that sort.



Score: 0

c) Active Governance contributors (5 points)

Governance is a process that can be rather resource-intensive if executed well. To ensure good governance is practiced by the protocol, it's important to have a sufficient number of governors allocate resources to the governance process of the protocol. How many individuals participate in the debate around the protocol? How active are voters?

Answer: No governance process and therefore no contributors.

Score: 0

d) Governance technology/infrastructure (10 points)

The Governance infrastructure relates to the technology, software, and models used by the protocol's governance. Does the protocol have a reliable and usable voting mechanism? Are there channels for governance debate? Is there sufficient documentation available?

Answer: No governance process and therefore no infrastructure. Although in this [interview](#) 4 months ago (Sept 2021), the founder mentions community voting and a new governance portal, nothing along those lines was realized until now.

Score: 0

e) Robustness of Governance process (10 points)

This score requires documentation specifically on the governance process that sets the basic framework in terms of agreements, norms, and language for governing the protocol and to create social consensus. Does the protocol have a formal governance process? How robust is the governance process and does it promote good governance?

Answer: No governance process at all.

Score: 0

5. Regulatory

The Regulatory section describes the extent and quality of the regulatory environment that affects the Protocol. To be able to guarantee functionality, security, and legality the protocol should comply with regulatory requirements, or limit itself to facilitating services to users who are willing to operate outside of the traditional regulatory environment.



a) Does the protocol have any legal accountability? (15 points)

Does the protocol have any form of legal accountability? Can users and partners hold the protocol accountable in case of a breach of the agreement?

Answer: There is no legal entity.

Score: 0

b) What is the quality of the legal jurisdiction? (10 points)

If the protocol has a legal entity, what is the quality of the jurisdiction the entity is established in? Will the jurisdiction be able to facilitate the legal framework for the protocol to expand while remaining accountable.

Answer: No legal entity.

Score: 0

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