

REAL-T: A Brazilian Stable Coin

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Abstract. The Real-T Token is a cryptographic token that is issued by the Brazilian company Real-T Tecnologia S.A. It is strictly pegged 1:1 to the Brazilian Real (BRL) and is built on the Ethereum network, according to the ERC20 standard for tokens.

The Real-T Token is a stable coin that leverages the advantages of a cryptocurrency to offer to the market a tokenized version of a fiat currency. As a ERC20 compliant token, the Real-T Token can be transferred on the Ethereum network. Real-T Tokens are created when users deposit Brazilian Real at Real-T's bank account. Users can also redeem Real-T Tokens in exchange for Brazilian Real by requiring the burning of such tokens.

1. Introduction

Cryptocurrencies have gained popularity and investor interest in the past decade. In spite of huge success, they suffer from tremendous price volatility, thereby hindering their use as a medium of exchange and unit of account. One proposed solution is the creation of a stable value coin (often called a “stablecoin”), whereby an issuer distributes a cryptographic token to customers in exchange for a specified fiat currency, like the Brazilian Real, at a fixed 1:1 exchange rate.

Several implementations of fiat-pegged stablecoins have been proposed, such as Tether (USDT), Gemini Dollar (GUSD), USD Coin (USDC) et al. However, most of the stablecoins available on the market are aimed at mimicking the US Dollar. The Real-T token aims to offer the first stable coin denominated in Brazilian Real.

Brazil is one of the Top 10 economies in the world and has been a hot spot for cryptocurrency trading in recent years. Local traders and arbitrators have shown a lot of interest in a tokenized version of the Brazilian Real.

2. Trust and Transparency

The Real-T Token is being built by Real-T Tecnologia S.A, a Brazilian registered company that has been founded by cryptocurrency brokers who have been active on this market for at least 8 years. In this period, they have conducted thousands of transactions with local partners and they have built solid trust among market participants.

As the issuer of tokens, Real-T Tecnologia S.A has built an enterprise-only platform that will manage transparently the creation and destruction of tokens. By allowing only enterprise usage, the company hopes to create a trustworthy environment around the Real-T stablecoin. From this, transparency and examination become requirements of the system, ensuring its integrity and engendering market confidence.

3. Proof-of-Funds

One desirable outcome of a stablecoin is convergence between the tokens issued and the Brazilian Real exchanged for their creation. The number of tokens issued and in circulation can be observed on the blockchain, however, verifying the underlying Brazilian Real balance to demonstrate proof-of-solvency requires examination by a trusted party. For assurance, we plan to publicly disclose the company's bank statement in order to show that every asset issued is backed by the same amount of fiat currency.

4. Issuance, Redemption, and Transfer

Companies registered with Real-T Tecnologia S.A. can require issuance and redemption of Real-T Tokens. Once the tokens are sent to their digital wallets, they are free to trade in the secondary markets.

Real-T Tokens are created or issued when the registered company deposits Brazilian Real into Real-T Tecnologia S.A. bank account. The tokens are sent to the user's digital wallet via an Ethereum transaction.

Real-T Tokens are redeemed (or destroyed) when a registered company send the tokens back to Real-T Tecnologia S.A which then burn them, taking them out of circulation. After sending the tokens, the user receives the equivalent amount in fiat currency on their bank account.

Real-T users are free to trade and transfer the token among market participants.

5. Technology

Real-T Tokens use the acclaimed ERC20 as a token standard. The ERC20 token system allows tokens to be created, traded, and managed on the Ethereum blockchain within seconds for fractions of a penny, providing increased transparency, security, and immutability for any token. All transactions are 100% on the blockchain for full auditability by any party. A limited set of consensus rules makes the system reliable. It is possible to use multi-signature addresses and other script features with ERC20 tokens.

Anyone can issue, or “mint” a new token type. Tokens can be traded, spent, or given to someone else. They operate in a distributed manner like most cryptocurrencies. Custom token behaviour can be added using Script programming language in novel ways.

6. Conclusion

We have proposed a solution for a stablecoin based on the Brazilian Real. Our technical design is implemented on the Ethereum network using the elegant token standard ERC20. Every asset issued or destroyed can be tracked on the blockchain. Real-T Tecnologia S.A. understands the importance of building tools to bring transparency and auditability into the company's platform. The market for Real-T Tokens is massive and untapped.