Kira Interchain Exchange

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Kira is a next-generation hyperscale decentralized exchange (DEX) engineered for cross-chain transfers and frictionless trading. On one hand, Kira aims to deliver all the liquidity, performance and trading sophistication of a centralized exchange but without the custody, downtime and fraud risk that plague our industry. On the other hand, Kira offers stronger security guarantees than state-of-the-art DEXs with a powerful governance model that builds trust and engagement whilst actively resisting corruption.

A Fully Decentralized Trading Experience

All of our competitors (both centralized and decentralized) have user interfaces (UI's) that represent, at best, performance bottlenecks, and at worst, catastrophic single points of failure. Users of centralized exchanges (CEXs) frequently discover that UI's can become unresponsive (or altogether inaccessible) during times of peak trading activity; inflicting frustration, monetary loss and opportunity cost. Users of today's DEXs experience similar issues, but can be further inconvenienced should the exchange's public-facing website become the target of regulatory pressure; for example, one of the most popular DEXs was recently coerced into foisting KYC onto its users for compliance purposes.

Kira, however, offers a completely decentralized trading experience because the integrity of Kira's trading user interface can be verified over the blockchain itself and does not require a centralized server hosting, Kira (like Bitcoin) exists beyond centralized gatekeeper entities and enables peer-to-peer exchange with full anonymity. No KYC is ever required (outside of 3rd party fiat gateways), and users retain exclusive custody of their funds, at all times.

Secured By Multi Bonded Proof of Stake

We believe that all of today's proof of stake (PoS) blockchains exhibit a fundamental design weakness that, over the long term, will cause them to drift toward growing centralization risks. Observing how the current set of PoS blockchains is behaving in real mainnet conditions, it is clear that there's a tendency for the network's staking token to gradually accumulate in the hands of fewer and fewer network participants; ultimately resulting in the centralisation of power, the potential for cartel-like behaviour and the emergence of soft-spots in network topologies.

One of the key security features that Kira offers is Multi Bonded Proof of Stake (MBPoS), which is a novel consensus mechanism that allows delegators to stake many different forms of assets, including tokens from the internet of blockchains (e.g. Cosmos, Polkadot, and other future interchain networks). In this way, the Kira network is secured by the underlying value of multiple cryptocurrencies (such as BTC, ETH, ATOM, DOT, and others), each with different token distributions and varying kinds of centralization risk. In addition, stake-able assets are routinely rotated in and out of our whitelisted asset pool, continually decreasing the centralization risk of the Kira network.

Scaled Via Multi-Bonded Proof of Authority

Today's DEXs inherit scalability limitations from their parent blockchains, and the resulting poor transaction throughput and slow finality leads to wide spreads, shallow order books and increased operational risk for market makers. Kira, on the other hand, employs a hub-spoke architecture such that each order book can potentially be served by a dedicated Tendermint blockchain. Furthermore, each of these shards employs a very small, but highly trusted, validator set that is elected by governance; this approach, called Multi-Bonded Proof of Authority (MBPoA) which enables Kira to deliver transaction speed competitive with centralized exchanges but with superior availability characteristics and optimal security guarantees thanks to the governance controlled interchain slashing mechanism.

Liquidity Pool Embedded Within Protocol

Kira's tokenomics model is powered by its native asset called KEX. Users can earn block rewards (paid in KEX) for staking assets that are migrated into the Kira ecosystem over the interchain protocols from Cosmos Hub, Polkadot Relay Chain and beyond. When delegated, these assets earn a share of exchange fees that the token generates. When a user bonds an asset, the protocol issues equivalent 'token shares' that represent claims on assets held in the staking pool. It is these proxy tokens that can be used to place orders on the exchange. Furthermore, secondary markets exist between unstaked assets and share tokens, enabling patient speculators to buy discounted claims on locked assets, wait an unbonding period, and profit.

Kira's tokenomics is designed around virtuous and self-reinforcing cycles. This particular feedback loop begins with users responding to KEX incentives (via block rewards) to stake whitelisted assets. This, in turn deepens liquidity and narrows spreads, which improves the trading experience via reductions in slippage. A better trading experience engages and expands the userbase, volume increases accordingly, and more cashflow accrues to delegators via exchange and network fees. This growth in yield further incentivizes staking, and the process continues until a new, higher equilibrium is reached.

At Kira, we believe in the promise of unstoppable markets, but more critically, we understand that the future of the Proof-of-Stake security hinges on uncensorable market access. In all centralised exchanges (and a concerning majority of DEXs) there is a gatekeeper who decides which assets are listed and which aren't. Kira takes entirely the opposite approach; by offering a simple and permissionless process, new tokens can be listed in a matter of minutes. In this way, tokens are included by default, but can be removed at a later date by community action, thus decentralizing decision making in the listing process.

Evolved By Governance

Kira offers a progressive roadmap that sets out the evolution of the project's governance from its technocratic roots, toward a state called 'enlightened democracy', where decision making coolaces into a bicameral legislature where the network's validators and a panel of chain-conscious 'counselors' share decision making power via written code of conduct. Key decisions involve directing the use of our community pool of funds. This pool is financed via a share of block rewards and through 'slashed' tokens (penalties paid by misbehaving network participants). Community pool funds are deployed to further the open-source development of Kira via contracting system that mimics real-life employment agreement allowing us to decentralize not only network operations but also a continuous development effort.