

Naka: A Fast and Low-Cost Bitcoin L2 for DeFi on Bitcoin

<https://nakachain.xyz>

1. Introduction

Bitcoin assets are growing, but there is a lack of scalable infrastructure to support trading activities in a permissionless and decentralized way.

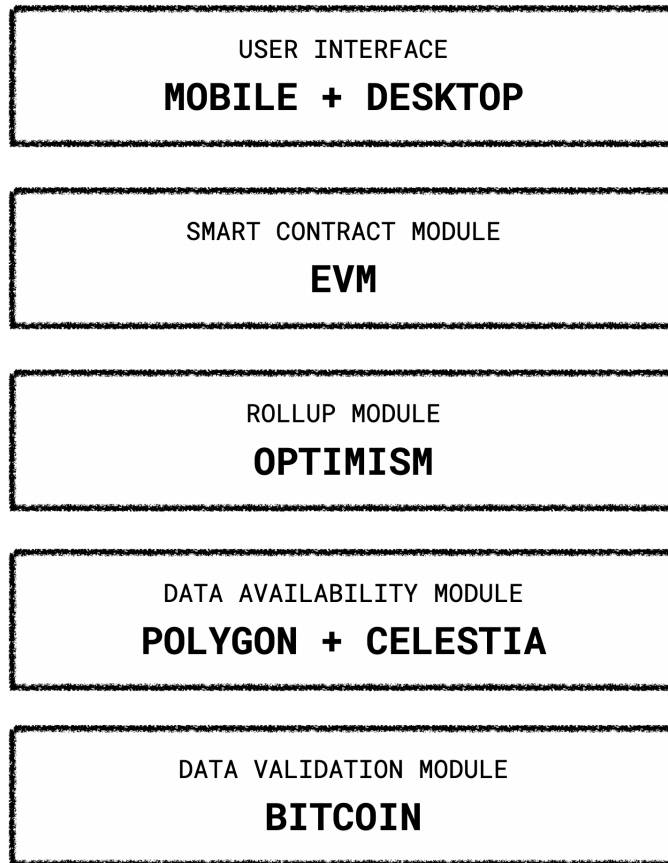
Naka is a Bitcoin L2 designed for DeFi on Bitcoin where you can trade, earn, and build on Bitcoin assets.

Naka block time is 2 seconds – a massive improvement over Bitcoin’s 10-minute block time. The average transaction fee on Naka is \$0.0001 – a big saving from Bitcoin’s transaction fee.

During our beta period from Jan 17, 2024 to March 7, 2024, there were 4,000 users and 2.2M transactions on the network using various Bitcoin DeFi dapps like Swap, Futures, Staking, and Launchpad.

2. A Bitcoin L2 designed for DeFi

Naka Chain is a modular Bitcoin L2 blockchain optimized specifically for DeFi on Bitcoin. It is powered by [Bitcoin Virtual Machine](#).



Naka Chain Modular Architecture

Data Validation Module: Bitcoin

The foundation of the Naka architecture is the Data Validation module. This module significantly impacts the security model of the whole stack. Everything else in the entire stack is derived from the Data Validation component.

Data Availability Module: Polygon, Celestia

For pragmatic reasons, Naka currently stores data on both Bitcoin and other DA solutions like Polygon and Celestia. Bitcoin is arguably the most secure blockchain. Naka stores the data hash on Bitcoin. Other DA solutions are more cost-effective storage solutions. Naka stores the data (compressed transactions) on these DA solutions.

Rollup Module: Optimism

Naka reuses the battle-tested Optimism codebase. BVM implements a modified version of the OP Stack that adds support for Bitcoin.

Smart Contract Module: EVM

Naka Chain is EVM equivalent. It allows developers to migrate dapps from Ethereum to Bitcoin with minimal or no modifications.

User Interface: Mobile, Desktop

Naka will ship user-friendly, consumer-grade financial dapps for the everyday user.

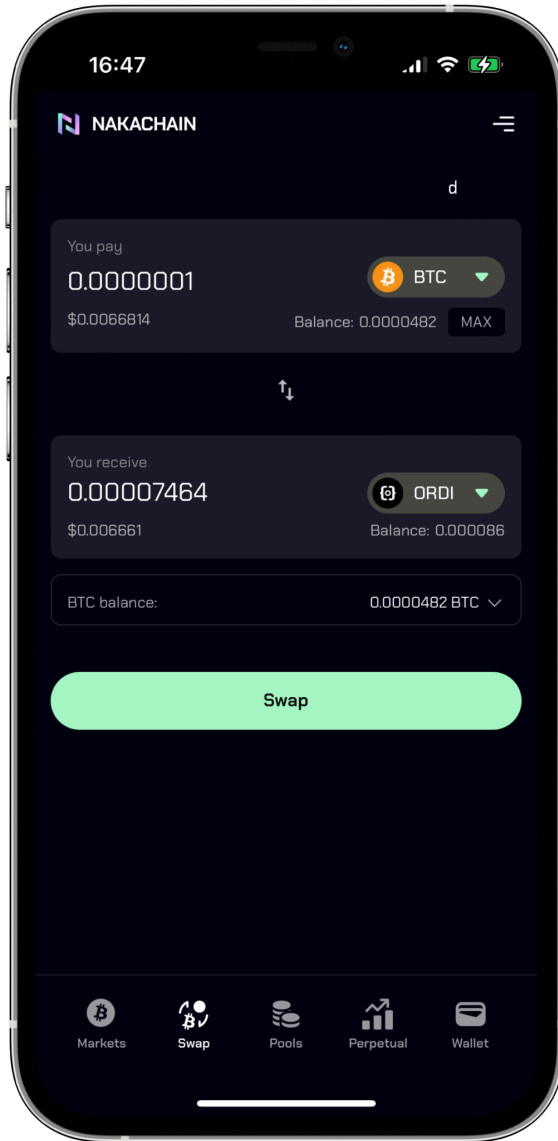
3. Bitcoin DeFi dapps

To bootstrap the network, the Naka team ships the initial Bitcoin DeFi dapps:

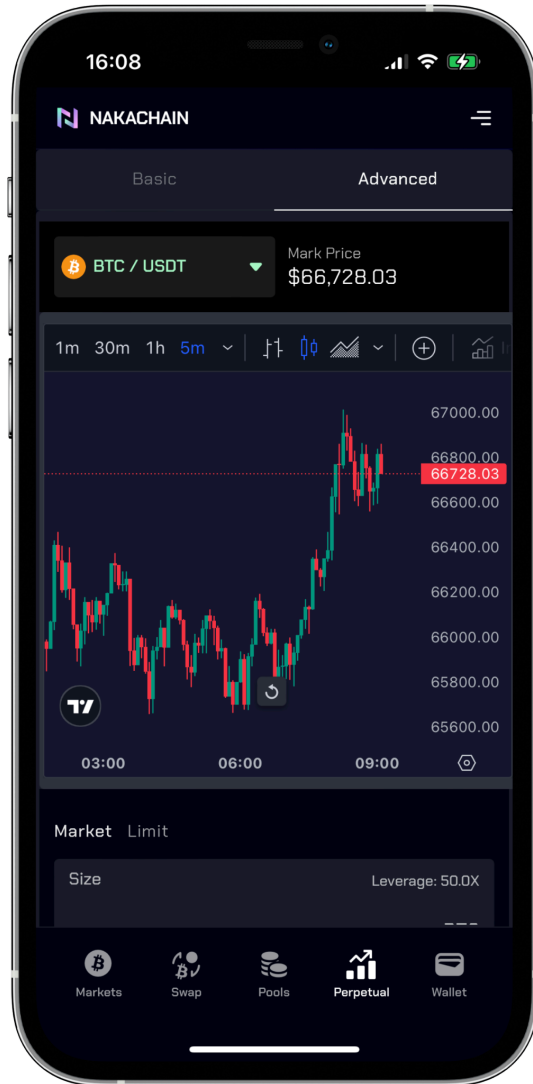
- Swap
- Futures
- Staking
- Launchpad

We will launch Developer APIs, SDKs, and tools for developers to build more Bitcoin DeFi dapps. Some potential dapps are:

- Lending
- Bitcoin-based stablecoin
- Margin trading
- Order book trading



Permissionless swap on Bitcoin



Futures trading on Bitcoin

NAKACHAIN Trade Launchpad Staking About Us

Total Transaction: 2.28M | Total blocks: 2.26M | Wallet addresses: 3,800

NakaChain PRE LAUNCH

Start time: 03/05/2024 3:00 PM | End time: 03/11/2024 3:00 PM

JOIN ALLOWLIST: 1,235

NakaChain is a low-cost and lightning-fast Bitcoin Layer 2 blockchain. In fact, it's designed specifically for DeFi apps on Bitcoin, which lets you use Bitcoin as gas for transactions. NakaChain is powered by the Bitcoin Virtual Machine (BVM) that brings DeFi to Bitcoin.

Additionally, Naka is the first Bitcoin Layer 2 blockchain that allows you to trade perpetual contracts on Bitcoin. And it's the first to introduce the BRC-404 standard to Bitcoin with \$3M trading volume in just 2 days.

TOKEN NAME \$NAKA	FUNDING GOAL \$10,000	LAUNCHPAD PRICE \$0.000476	LAUNCHPAD ALLOCATION 21,000,000	LAUNCHPAD FDV \$1,000,000	TOKEN AMOUNT PER WINNING TICKET 210,000
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Rank	Participants	Boost	Total Pts	Staking Pts	Invitation Pts	Deposit Pts	BRC-404 Pts	Chance Of Winning
1	凡罗	30%	20.6M	20.4M	1,000	0	170K	35.7
2	Vombatus	30%	6.84M	6.84M	1,000	0	0	11.9
3	Kelso_MK(1, 1)	30%	4M	4M	1,000	0	0	6.9
4	PawelTrader	30%	3.44M	3.41M	1,000	0	29,800	6
5	Cloud	30%	1.74M	1.7M	1,000	4,320	28,023	3
6	Ox9ba4FA...24D9ABA3	30%	1.67M	1.65M	0	0	24,028	2.9
7	Ox69b393...425f1552	30%	1.61M	1.6M	0	534	13,786	2.8
8	Ox667739...5BCA9d6B	30%	1.58M	1.57M	0	0	11,036	2.8
9	Ponziscam	30%	1.01M	1.01M	1,000	0	0	1.8
10	Artem Lazariev	30%	915K	907K	1,000	0	6,697	1.6
11	plzcallmedj.eth	30%	677K	676K	1,000	0	0	1.5
12	natedog	30%	651K	650K	1,000	0	0	1.5
13	Abel Memecoin	30%	634K	613K	1,000	7,672	11,607	1.4

- Tweet to join allowlist** +1,000 pts
Tweet and tag @naka_chain to join allowlist
[Sign in](#)
- Refer a fren to NakaChain** +1,000 pts
Spread the love to your friends, team, and communities. per friend
[Copy your referral link](#)
- Bridge BTC or ETH to your Naka wallet** +100 pts per 0.00025 BTC
Prepare for your first trades on NakaChain by bridging BTC or ETH now.
[Sign in](#)
- Staking BVM** +2,000 pts
The more \$BVM you stake on NakaChain, the higher your points. per 100 \$BVM staked
[Sign in](#)
- Are you staking on Merlin?** +100 pts per 0.00025 BTC
The more BTC you stake on Merlin,
[Sign in](#)

DeFi launchpad on Bitcoin

4. Bitcoin Assets

Here are the most popular assets on Naka as of March 7, 2024.

- BTC
- BRC-20 tokens: ORDI, SATS
- BRC-404 tokens
- ETH

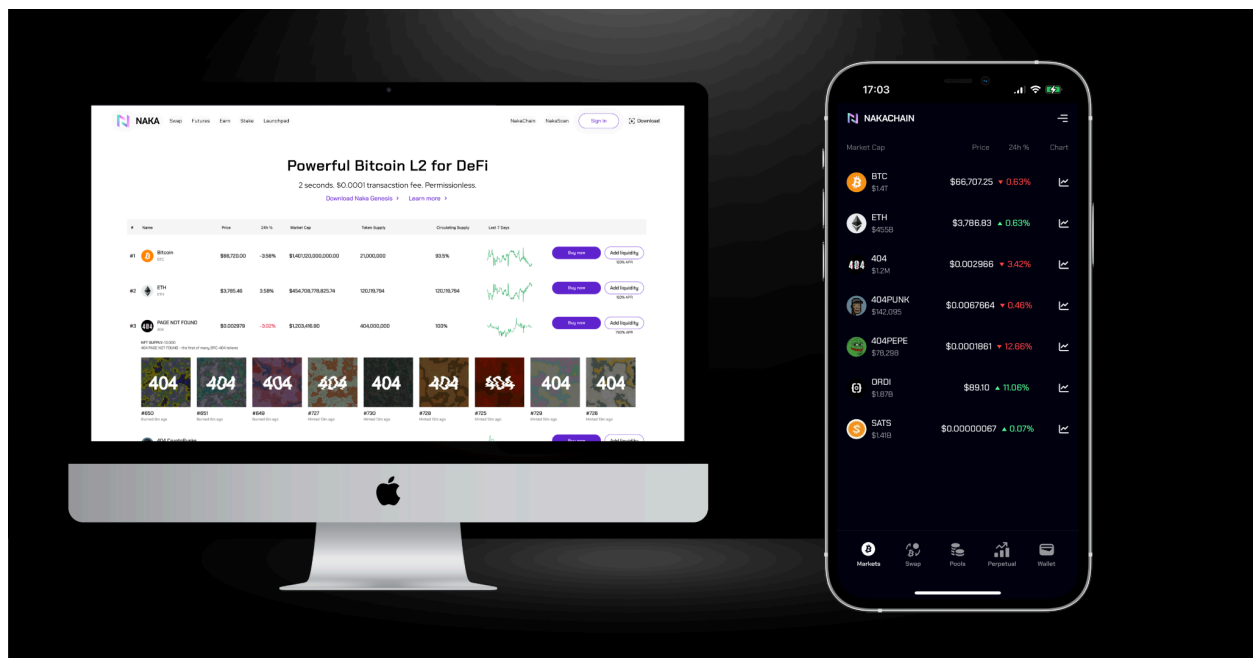
Naka is permissionless. Developers and users can add more assets to Naka at any time – not just limited to the tokens above.

We'll add more Bitcoin token standards over time.

5. Platforms

Trading in 2024 is different from trading in 2017. As a lot of retail users are coming to the Bitcoin ecosystem, we need a web2 experience for web3 products.

- **Mobile:** The Naka team ships the Naka Genesis mobile app with account abstraction and PWA. Users can trade Bitcoin assets on the go. The app is fast and simple. When users use the app, they feel as if they are trading in a consumer app like Cash App or Robinhood.
- **Desktop:** The desktop version will be optimized for pro users with more token information, charts, and information.



6. Language Support

During our beta period, we have met community members from all over the world. We will support the following languages first – with more added over time.

- English
- Chinese

7. \$NAKA

NAKA is a governance and utility token used within the Naka ecosystem.

- Governance: NAKA is the Naka ecosystem's governance token, allowing NAKA holders to participate in decision-making and shape the direction of Naka.
- Utilities: NAKA is the Naka ecosystem's utility token, an open currency that can be used without centralized intermediaries. Initially, NAKA holders will get a 50% fee discount on all dapps developed by the Naka team.

The total supply of NAKA is permanently fixed at 2.1 billion tokens with the following allocation:

Role	Allocation	Length	Cliff	Vesting
Ecosystem	55%	4 years	1 month	monthly
Liquidity	20%	N/A	N/A	N/A
Team	20%	4 years	1 year	monthly
Bootstrap	4%	1 year	3 months	monthly
IDO	1%	N/A	N/A	N/A

8. Conclusion

We believe that DeFi on Bitcoin will overtake DeFi on Ethereum, similar to how Bitcoin Ordinals took over Ethereum NFTs within a year.

If we do it right, we'll unlock the \$1.2 trillion market for Bitcoin.

Welcome to the future of Bitcoin.