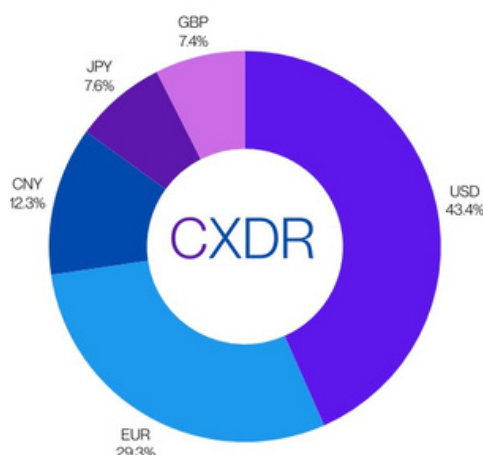


CXDR: Canhav's SDR-Pegged Stablecoin



Abstract: CXDR is Canhav's fully collateralized, fiat-backed stablecoin whose value tracks the International Monetary Fund's Special Drawing Rights (SDR) basket. Unlike today's USD-dominated stablecoins, CXDR anchors to a diversified mix of five reserve currencies—USD, EUR, CNY, JPY, and GBP—thereby reducing single-currency inflation, regulatory, and sanctions risk. Every CXDR token is backed by at least 103 percent of high-quality, short-term government instruments and cash equivalents held across multiple global custodians. Peg integrity is enforced by daily re-balancing to the official IMF SDR weights and verified through public dashboards and independent quarterly audits.

Governance rests with Canhav's board and a multi-signature treasury architecture that enables rapid, accountable decision-making while avoiding vulnerabilities of token-based DAOs. Technically, CXDR is an ERC-20 asset settled on Ethereum and scaled via a Layer-2 rollup for sub-cent transaction fees and high throughput, yet inherits Ethereum's base-layer security through fraud-proofs. CXDR unlocks cross-border payments, DeFi collateral, treasury management, and SDR-denominated derivatives, while yield from reserve assets can be partly shared with ecosystem participants.

Aflexible, permissioned mint-and-burn flow supports institutional and retail onboarding under robust KYC/AML controls, with no hard supply cap. By fusing rigorous reserve management, transparent reporting, and scalable blockchain infrastructure, CXDR aspires to become the neutral, globally compliant settlement asset that bridges traditional finance and Web 3.

Author: Wazarat Ali Hussain, Founder
Email: waz@canhav.com

Disclaimer

This whitepaper provides a concise overview of the CXDR stablecoin, its reserve framework, governance model, and supporting technology. It is intended solely to inform readers about CXDR's design and anticipated use cases. All statements, projections, and views expressed herein reflect the author, Wazarat Hussain's current opinions and are subject to change. Nothing in this document constitutes, or should be interpreted as, legal, financial, tax, or investment advice, nor does it constitute an offer to buy, sell, or solicit any security, digital asset, or other financial instrument. The information is presented "as is," based on data and analyses believed to be accurate, but neither CanHav nor the author, Wazarat Hussain makes any representation or warranty, express or implied, regarding its completeness or reliability. Readers should conduct their own due diligence and consult professional advisers before making any decision related to CXDR or associated products.

Introduction

CXDR is a fully fiat-backed stablecoin issued by Canhav, pegged to the IMF's Special Drawing Rights (SDR). The SDR is an international reserve asset defined by the IMF as a basket of five currencies (USD, EUR, CNY, JPY, GBP). By tying CXDR's value to this diversified basket, Canhav offers holders reduced currency risk compared to a single-currency peg. Independent research shows that SDR-based portfolios have historically exhibited lower volatility than holdings of individual currencies. In practice, CXDR provides a more stable store of value than a dollar-only coin, mitigating exposure to any one economy's inflation or policy moves.

The IMF's Special Drawing Rights (SDR)

The SDR's value is not a currency but a weighted sum of currencies, calculated daily in USD by the IMF using the fixed basket weights. The IMF reviews these weights every five years to reflect global trade and financial importance. In the most recent review (effective August 2022), the weights were set to approximately USD 43.38%, EUR 29.31%, CNY 12.28%, JPY 7.59%, and GBP 7.44%. These fixed amounts determine the SDR composition for the five-year cycle, while exchange-rate fluctuations change the SDR's value day by day. (The IMF publishes the official SDR-to-USD rate each day.) By construction, the SDR basket balances major currencies so that shocks in one are cushioned by the others.

Currency	SDR Weight
US Dollar (USD)	43.38%
Euro (EUR)	29.31%
Chinese Yuan (CNY)	12.28%
Japanese Yen (JPY)	7.59%
British Pound (GBP)	7.44%

Table: Currency weights in the IMF's SDR basket (2022 quinquennial review).

CXDR Peg Mechanism

CXDR maintains its peg by holding fully-backed reserves in the five SDR currencies. For each 1 CXDR token minted, Canhav secures at least 1 SDR's worth of fiat (plus a 3% buffer, for 103% backing). This extra collateral acts as a cushion against market fluctuations and redemption timing. For example, **if 10 million CXDR are outstanding, Canhav holds at least US\$10.3 million equivalent in reserves – split across USD, EUR, CNY, JPY, and GBP according to the SDR weights (updated daily)**. If the IMF revises the SDR weights (as it did in 2022), CXDR's reserves will be rebalanced according to the holdings to the new proportions.

The on-chain CXDR contract references a reliable price oracle that reflects the IMF's official daily SDR/USD rate. In minting, an approved user deposits one or more SDR basket currencies into a Canhav custody account (after KYC/AML). Once funds clear, Canhav's multi-signature wallet issues new CXDR tokens at a fixed 1:1 rate to the SDR amount deposited. On redemption, the user returns (burns) CXDR and receives the equivalent basket of fiat currencies from the reserves. There are no **haircuts** or over-collateralization beyond the 103% buffer: 1 SDR of CXDR always redeems for exactly 1 SDR of fiat (subject only to minimal operational fees).

Reserve Management and Transparency

CanHav's treasury will hold CXDR's fiat reserves under strict, industry-standard safeguards. Reserves are placed only in **high-quality, liquid instruments**. These high instruments are industry standard which include a large share is invested in short-term government securities (e.g. 1-day to 3-month T-bills) and overnight repurchase agreements. These assets can be quickly liquidated for redemptions and earn interest. As an example of common practice, Circle's USDC reserve fund holds cash, short-dated U.S. Treasuries, and overnight repos – a strategy CXDR mirrors across multiple currencies.

Reserves are globally diversified: funds are held in segregated accounts with multiple top-tier banks and custodians around the world to avoid concentration risk. This **spiderweb** of custody means no single government or bank controls all of CXDR's backing. Funds are ring-fenced in trust or custodial accounts separate from CanHav's corporate assets, aligning with emerging regulations (e.g. custodial requirements in MiCA or U.S. stablecoin proposals).

Transparency is a core commitment. Canhav will engage independent auditors to attest quarterly that reserves meet the 103% backing (naming custodians and asset balances). In addition, a public dashboard will display key metrics in real time: total CXDR supply, target reserve value, and breakdown by currency and asset class. This open-reporting approach follows leading stablecoin norms. For instance, Circle provides daily fund disclosures via BlackRock for USDC. By combining live data with formal audit reports, CXDR ensures maximum visibility and trust.

Governance and Security

All CXDR operations are managed under CanHav's corporate governance structure. The issuer's board and executive team make key policy decisions and document them in an operating manual. Day-to-day functions (minting, burning, treasury transfers) are carried out by compliance and finance teams under strict procedures. Crucially, **all** critical actions are protected by multi-signature controls: multiple authorized executives must co-sign on any mint, burn, or contract upgrade. This "shared control" model eliminates single points of failure. As a BitGo guide summarizes, multi-sig **requires approvals from multiple parties** and prevents any one individual from moving funds alone.

CXDR deliberately avoids a token-based DAO governance model. While decentralized voting can include many stakeholders, permissionless token-voting is vulnerable to governance attacks: an adversary could buy a majority of tokens (or orchestrate a Sybil attack with duplicate identities) to seize control of votes. Such an attack on a stablecoin DAO could, for example, authorize malicious minting or drain reserves. By contrast, CanHav's management team is legally accountable; decisions are made by identifiable professionals bound by regulatory oversight. This design trades "fully decentralized" control for reliability and compliance. In emergencies (e.g. a security bug), Canhav's team can act immediately, whereas a DAO vote might be slow or compromised. Together, transparent corporate oversight and multi-sig security provide stability and trust for CXDR holders.

Use Cases and Financial Applications

CXDR's SDR-backed stability opens many use cases across payments, finance, and commerce:

- **Cross-Border Payments:** CXDR can serve as a neutral medium for international value transfer. Merchants and remittance services can settle in CXDR instead of dollars, reducing exposure to any single currency's inflation. Its broad backing makes pricing and accounting simpler for multilateral trade.
- **Remittances:** Migrant workers and families can send remittances in CXDR to maintain purchasing power. Because CXDR reflects a basket, users are shielded from a local currency's devaluation, making remitted funds more stable.
- **DeFi Collateral:** Decentralized finance platforms can accept CXDR as collateral. Unlike USD-only stablecoins, using CXDR diversifies counterparty risk across five economies. Borrowers and lenders gain exposure to a more stable composite asset.
- **Institutional Treasury:** Corporations, investment funds, or governments can hold CXDR as part of their reserves. Its multi-currency hedge makes CXDR a potential store of value for entities in volatile FX regimes. Treasurer can use it to manage balance-sheet risk in global operations.
- **Derivatives and Structured Products:** Financial engineers can build SDR-denominated instruments using CXDR. For example, FX forwards, futures, or options on CXDR would effectively hedge a basket of currencies. Tokenized bonds or loans denominated in SDR could be issued on-chain, using CXDR as the underlying currency. Because the SDR is an IMF unit, such products may attract institutional interest.
- **Everyday Transactions:** Retail users and developers can use CXDR in smart contracts, wallets, and payment apps. It functions just like other stablecoins (pegged 1:1 to a reference value) but with built-in diversification. Consumers in high-inflation countries might prefer receiving salaries or paying bills in CXDR rather than a single fiat currency.

In all scenarios, CXDR's design ensures 1:1 redeemability (fiat on-demand) and full transparency, so it behaves as a true fiat-backed stable asset. Notably, BIS research finds that SDR-denominated investments historically provided the lowest volatility and highest risk-adjusted returns among major currencies. By extending these properties on-chain, CXDR offers stability (from diversified backing) without sacrificing the on-demand liquidity or transparency users expect from regulated stablecoins.

Yield and Ecosystem Incentives

While CXDR itself does not accrue interest, its reserves generate income that can benefit the ecosystem. ***Short-term government securities currently yield in the range of 3–5% annually.*** The interest earned covers operational costs (bank custody fees, audits, compliance) and could be shared back to users. For example, CanHav can use some yield to rebate fees on CXDR transactions or to fund a liquidity pool that rewards early adopters. Importantly, all reinvestments are in ***low-risk, liquid instruments*** (no venture lending or speculative ventures). CanHav ***will publish a separate investment policy***, including asset duration limits and yield allocation, so users know how reserve income is deployed. This mirrors industry practice: leading issuers dedicate reserve yields to governance funds or user incentives while maintaining full backing.

Technical Architecture

CXDR is implemented as an ERC-20 token on Ethereum-compatible networks, leveraging layer-2 solutions for scalability. While its ultimate settlement security is anchored on Ethereum L1, day-to-day CXDR transactions occur on a layer-2 rollup. This approach yields high throughput (hundreds to thousands of TPS) and very low fees (often under \$0.01 per transfer), far surpassing Ethereum's native ~15 TPS limit. Periodically, the rollup posts batch commitments on L1, and fraud-proof mechanisms allow anyone to challenge invalid state changes. This "rollup" model has become standard for modern stablecoins: it combines Ethereum's strong security with the user experience of fast, cheap transactions.

From a developer's perspective, CXDR remains fully EVM-compatible. This means existing wallets, smart contracts, and bridges can integrate CXDR seamlessly. Decentralized exchanges (like Uniswap) and lending platforms will see CXDR as just another ERC-20, so liquidity pools and markets can form immediately. To maintain neutrality, we do not commit to a single L2 platform by name; the core requirement is a well-audited, widely-adopted rollup with proven fraud-proof infrastructure. In practice, CXDR's smart contracts could be deployed on any major L2 chosen, benefiting from its performance and security features without sacrificing interoperability.

Token Distribution and Onboarding

CXDR has a dynamic supply: tokens are minted on demand when authorized users deposit fiat, and burned upon redemption. There is no fixed maximum cap. Minting and burning are permissioned flows involving KYC/AML. For instance:

- **Minting:** A licensed institution (bank or exchange) collects fiat (USD, EUR, CNY, JPY, or GBP) from a customer. After verifying the deposit, the partner submits a signed mint request to Canhav. Upon multi-sig approval, the CXDR contract issues new tokens to the user's wallet at the current SDR-based rate. The fiat is then held in Canhav's reserves.
- **Redemption:** The user sends CXDR back to a designated burn address (often via the partner's interface). Once the tokens are burned on-chain, Canhav's treasury is notified. After necessary compliance checks, the equivalent basket of fiat (based on the last oracle rate) is released from reserves to the user's bank account.

Throughout, multi-sig controls and ledger entries ensure that every token has matching fiat backing. Canhav will establish APIs and documentation so third parties (wallet providers, exchanges) can integrate CXDR flows easily. To encourage liquidity, Canhav will pursue listings on major centralized exchanges and liquidity pools on decentralized exchanges. Since CXDR is ERC-20, listing on DEXes is straightforward. On the centralized side, we will work with exchanges to connect their order books and custody systems. No strict timeline is set; integration will follow completion of legal approvals and partner readiness. In all cases, Canhav's priority is that CXDR's on-chain supply remains fully backed, and that holders can independently verify backing via published audits and dashboard data.

Conclusion

CXDR represents a novel approach to stablecoin design, combining full fiat collateralization with the IMF's SDR framework. By holding a diversified basket of reserves (the SDR currencies) and adjusting to the IMF's official basket, CXDR offers a neutral global dollar that is inherently inflation-resistant and multi-jurisdictional. Its governance model – centralized issuer oversight with multi-sig security – ensures accountability and swift decision-making, while avoiding the vulnerabilities of token-based voting. Technically, CXDR is built on proven Ethereum-based infrastructure to deliver scalability and interoperability. Together, these features aim to satisfy regulators, institutions, and users seeking a transparent, reliable stablecoin. In short, CXDR leverages Canhav's expertise and the IMF's SDR system to create a stable, diversified digital currency for the next generation of global finance.

Sources: Information on SDR composition and policy is from the IMF. The benefits of SDR-backed assets are documented by BIS research. Industry practices for reserves and audits are drawn from leading stablecoin issuers. Governance design follows established best-practices in digital asset security. Technical details reflect current Ethereum layer-2 rollup architectures and scalability benchmarks.