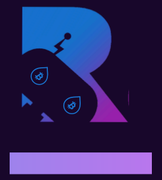

ROBOSATS

Simple and Private LQ-LN P2P Exchange Proposal

community.liquid.net

JULY 2024

ROBOSATS

About

Hello! I'm excited to share how integrating Liquid into Robosats can simplify the purchase of bitcoin. By leveraging Liquid, we can offer buyers a streamlined, non-custodial way to transact across both Liquid and Lightning networks without the hassle of managing nodes. This means cheaper, faster, and more secure transactions—eliminating custodial barriers. Let's dive into the details and see how this can transform the payment experience for buyers! 🤖🌊⚡

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INTRODUCTION

Reflecting on my recent exploration of Bitcoin's landscape and my quest to onboard newbies and non-technical users into non-custodial solutions, I've come across an exciting discovery: Chain & Liquid Swaps by Boltz. This solution simplifies lightning payments and is remarkably cost-effective using the Liquid sidechain. The high costs, time and technical expertise required to manage a lightning node often push users toward custodial services. However, by outsourcing Lightning complexity to Boltz, buyers on Robosats can benefit from low network fees and seamless swaps across Lightning, Liquid, and on-chain networks.

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CHAIN & LIQUID SWAPS

Boltz recently introduced Chain and Liquid Swaps, offering fantastic features that enable cheap, private, and non-custodial lightning-to-liquid-to-on-chain swaps. Chain Swaps share the following characteristics with Liquid Swaps:

- Abstracts away technical complexity
- Eliminates wait times
- Allows users full control of their funds
- Provides immediate refunds for failed swaps
- Enhances privacy
- Offers low network fees

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TRANSACTIONS

Both Chain and Liquid swaps utilize Taproot, which leverages Schnorr signatures to enable cheaper and more private transactions. Taproot also facilitates immediate refunds in case of swap failures.

For Liquid Swaps, transaction fees include a network fee of 0.01 sat/vbyte and a Boltz Fee of 0.25% (with a minimum send amount of 1,000 sats and a maximum of 25,000,000 sats).

Chain swaps follow a similar structure, with a network fee and a Boltz Fee of 0.1% (minimum send amount: 50,000 sats, maximum: 25,000,000 sats).

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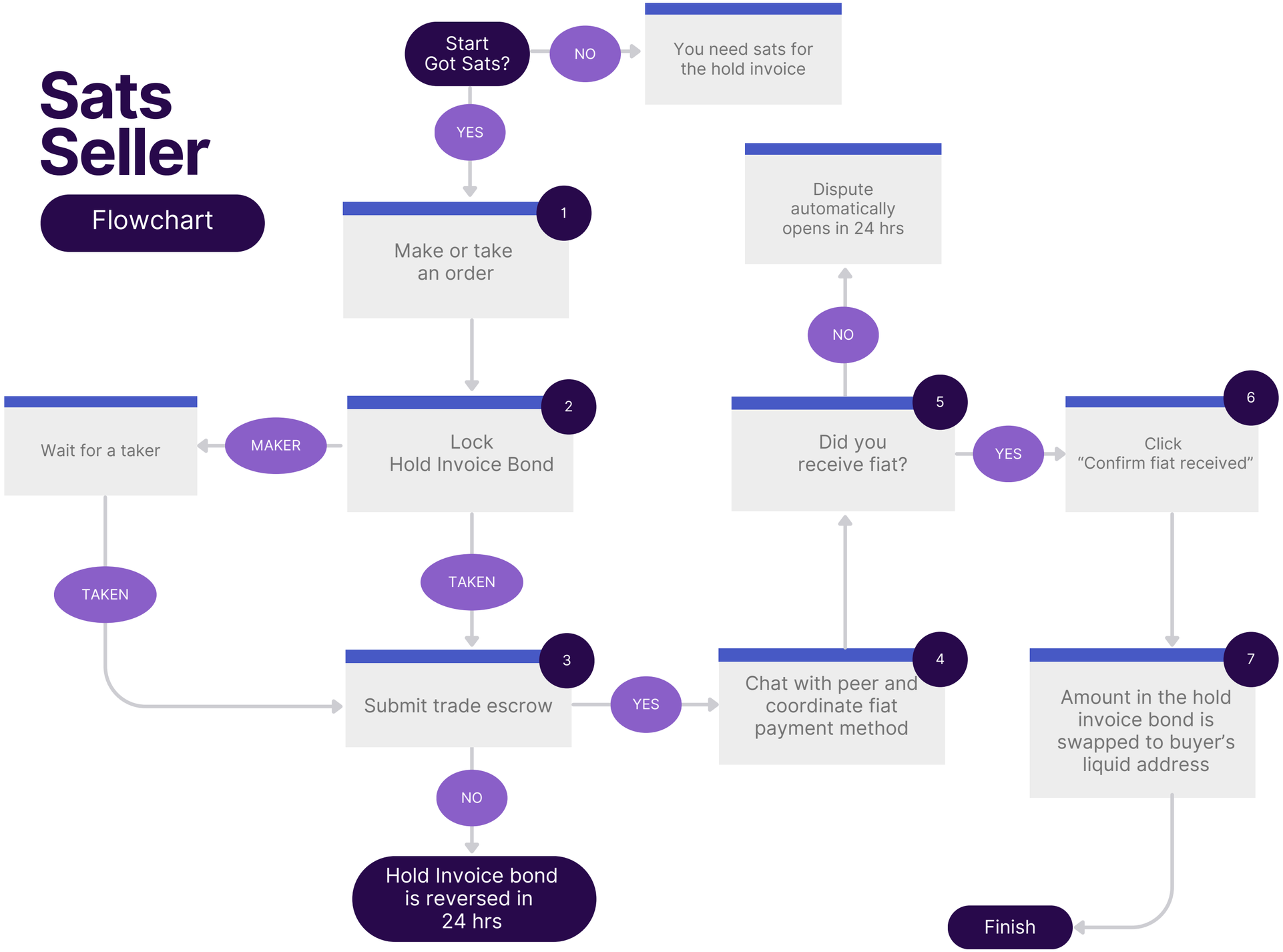
Order Flow in Numerical Steps

1. Alice generates an avatar (RoboAlice01) using her private random token.
2. Alice safely stores the token in case she needs to recover RoboAlice01 in the future.
3. Alice creates a new order and provides a Liquid address where she will receive her purchase.
4. Bob wants to sell Sats, sees Alice's order in the book, and takes it.
5. The swap server, provides Bob with a hold lightning invoice for a similar amount to Alice's order.
6. Bob pays the hold lightning invoice, finalizing the contract.
7. In a private chat, Bob instructs Alice on how to send him fiat.
8. Alice pays Bob, and they confirm the fiat has been sent and received. This confirmation from both parties initiates an automated swap of the amount paid in the hold invoice by Bob to Alice's Liquid address.
9. Alice's final amount will be reduced by the Liquid network fees and the swap fees.
10. If either party indicates that the trade was unsuccessful, a dispute automatically opens and the coordinator will manually investigate the dispute.
11. Based on the assessment, the coordinator will either perform a swap to Alice's Liquid address or reverse the amount Bob paid in the hold invoice.

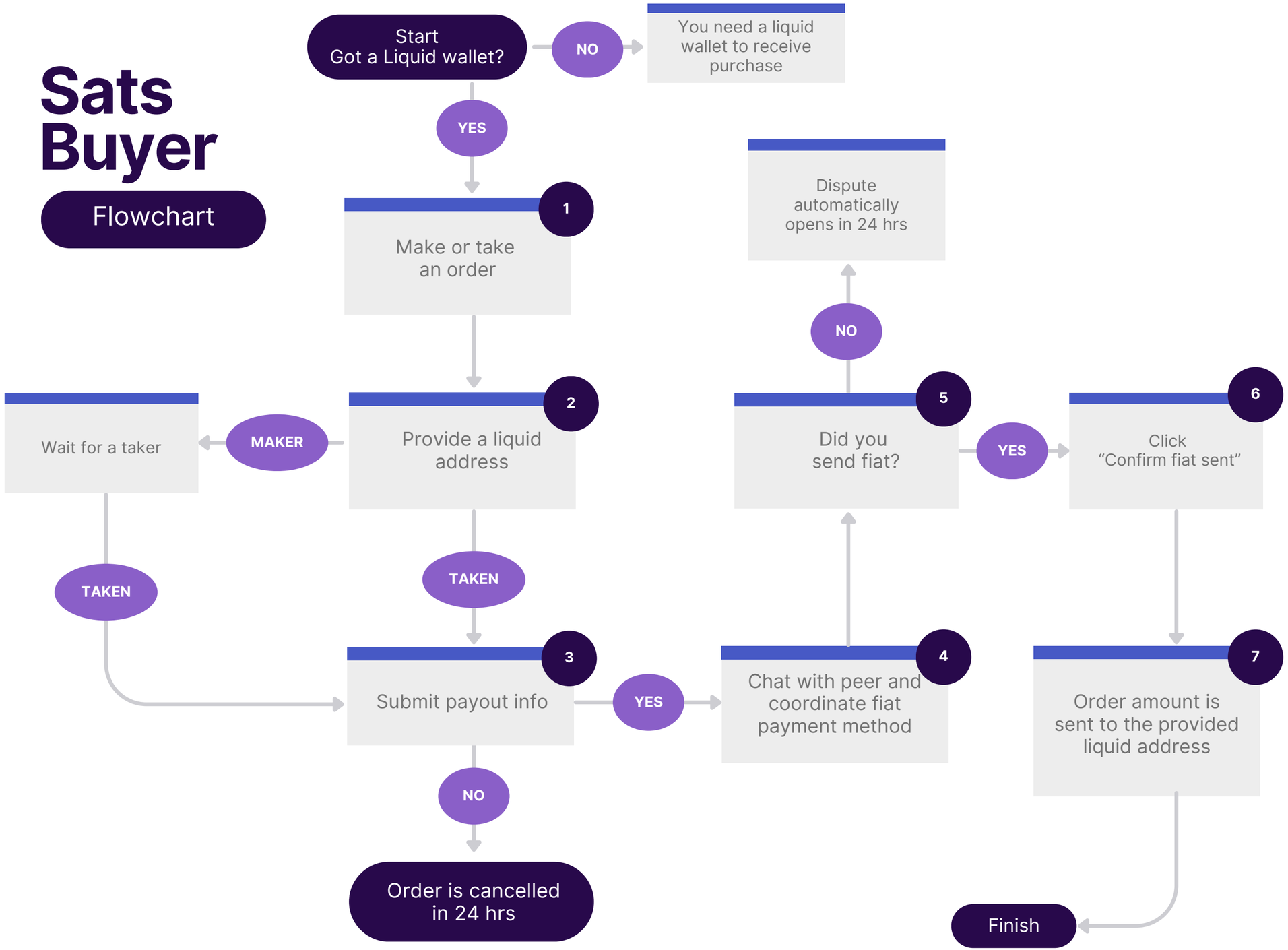
Sats Seller

Flowchart



Sats Buyer

Flowchart



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