2LYP Tokenomics and Utility Framework

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This document provides a detailed overview of the tokenomics for the 2LYP Token, which functions as a utility and service-access token for our ecosystem.
The goal of this document is to present the distribution model, vesting schedules, token usage, and governance structure aligned with the utility-driven vision.

Contents

1 Token Supply

The **2LYP Token** operates with a capped total supply, ensuring predictability and stability. Unlike inflationary models, no additional tokens can be minted beyond the predefined maximum cap.

1.1 Total Supply The **total supply** of the 2LYP Token is set to **10,000,000** (10 Million) tokens. This fixed cap ensures that the token supply remains constant, preserving scarcity while maintaining accessibility as a utility token.

1.2 Initial Supply The **initial supply** of the 2LYP Token is set to **500,000** tokens (5% of the total supply), minted at the time of deployment. These tokens are allocated for:

- Bootstrapping platform operations and liquidity.
- Early ecosystem incentives, such as client onboarding and airdrops.
- Covering initial infrastructure and service access requirements.

1.3 Maximum Supply The **maximum supply** is permanently capped at **10,000,000 tokens**. This ensures that 2LYP remains non-inflationary. Since the token is positioned as a *utility and service-access token*, the capped supply provides long-term consistency for clients purchasing tokens to access services.

2 Token Distribution

The distribution of the **2LYP Token** has been carefully designed to ensure long-term sustainability, fairness, and the smooth operation of the ecosystem. Instead of focusing solely on speculative dynamics, this allocation model emphasizes **utility, stability, and security**. Each major category contributes to a balanced ecosystem where team incentives, investor trust, and client usability are aligned.

2.1 Allocation Table The following table provides a summarized overview of the token allocations. We use the `tabularx` package to ensure readability across the page.

Category	Percentage	Tokens	Distribution Method
Team	20%	2,000,000	6M cliff + 24M linear vesting; incentivizes long-term commitment.
Investors	15%	1,500,000	3M cliff + 12M linear vesting; ensures gradual release and price stability.
Community Airdrops	10%	1,000,000	Distributed in controlled batches via SAFE multisig wallets to reward early adopters and contributors.
Treasury Reserve	15%	1,500,000	Managed through SAFE multisig for ecosystem growth, partnerships, and operational sustainability.
Client/Service Distribution	40%	4,000,000	Phased release via SAFE multisig for clients purchasing services, ensuring true utility usage.
Total	**100%**	**10,000,000**	—

Table 1: Final 2LYP Token Distribution Model

2.2 Rationale Behind the Allocation

- **Team (20% – 2,000,000 tokens):** A significant allocation is reserved for the core team to incentivize long-term commitment and continued innovation. To prevent short-term dumping and misalignment, tokens are subject to a **6-month cliff** followed by **24-month linear vesting**.

- **Investors (15% – 1,500,000 tokens):** Strategic investors who support the project early on will receive a dedicated allocation. To ensure stability, tokens are unlocked after a **3-month cliff** and released gradually over a **12-month vesting schedule**.

- **Community Airdrops (10% – 1,000,000 tokens):** This allocation helps onboard early adopters, reward community contributions, and encourage grassroots promotion of the 2LYP ecosystem. Distribution will be carried out in controlled batches through a **SAFE multisig wallet** to guarantee fairness and transparency.
- **Treasury Reserve (15% – 1,500,000 tokens):** Reserved for future ecosystem development, partnerships, operational stability, and unforeseen requirements. The Treasury funds will be stored in a **SAFE multisig wallet** to ensure that no single party has unilateral control.
- **Client/Service Distribution (40% – 4,000,000 tokens):** The largest share of the supply is allocated for client purchases and direct utility usage within the 2LYP ecosystem. This ensures that tokens retain their role as a **service-access mechanism** rather than a speculative asset. All service-related tokens will be released in a phased manner via **SAFE multisig-controlled wallets**.

2.3 Visualization To complement the textual and tabular data, the chart in Figure 1 provides a clear visual representation of how the token supply is divided among different stakeholders.

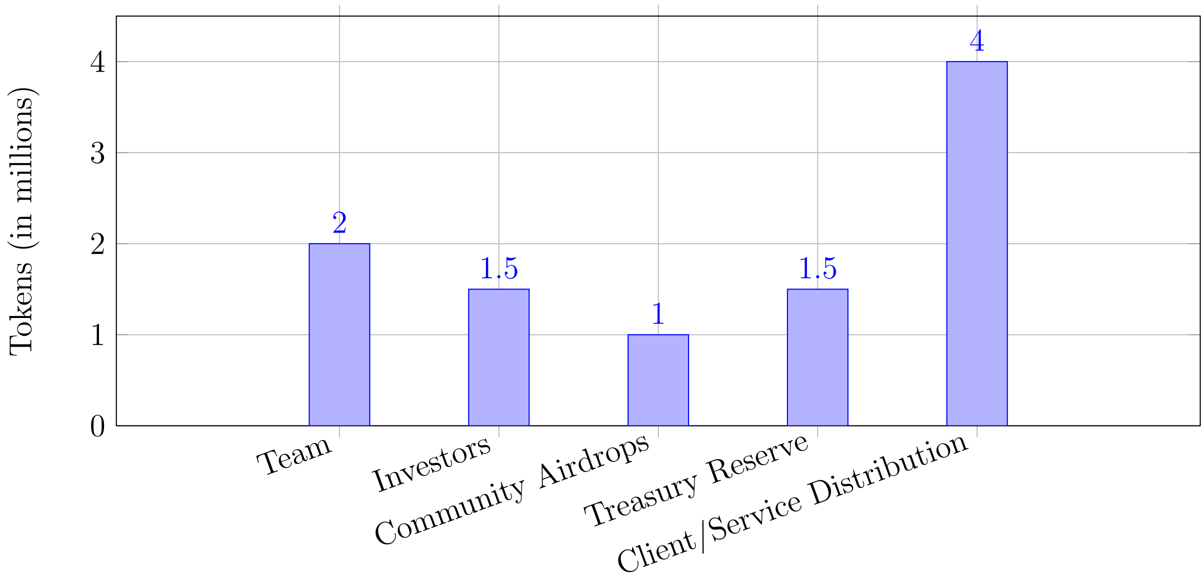

Figure 1: Token Distribution Breakdown (Utility Model with Multisig)

3 Vesting Schedule

To ensure long-term alignment with the project's vision and prevent market shocks, vesting schedules are implemented for both the **Team** and **Investors**. Vesting guarantees that major stakeholders cannot immediately liquidate their tokens, promoting accountability and sustainable project growth.

3.1 Rationale for Vesting

- **Team:** A vesting schedule ensures that the founding members and core contributors are incentivized to remain engaged with the project over the long term. This creates strong alignment between token value and project success.
- **Investors:** Early supporters and backers are rewarded with tokens but their allocation is unlocked gradually, preventing large dumps in the market while still providing them with returns over time.
- **Ecosystem Stability:** Vesting provides predictability in circulating supply, reducing volatility and instilling trust among clients and partners.

3.2 Visualization of Vesting The following graph illustrates the cumulative vesting schedule for both the team and investors:

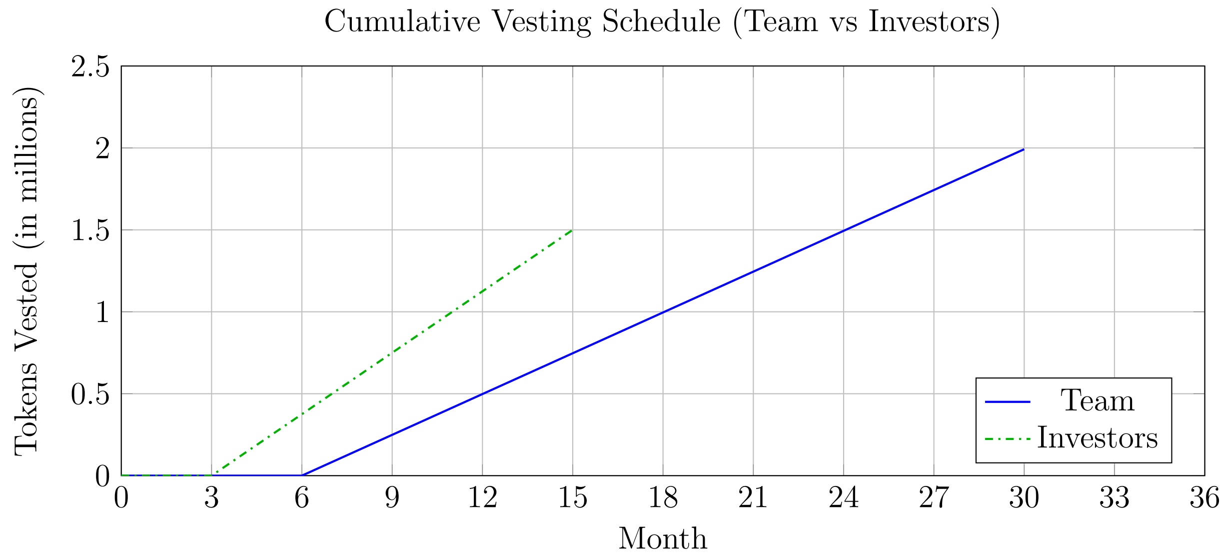

Figure 2: Cumulative Vesting for Team and Investors

Category	Allocation	Cliff	Duration	Monthly Release
Team	20% (2,000,000)	6 months	24 months	∼83,333 tokens
Investors	15% (1,500,000)	3 months	12 months	∼125,000 tokens

Table 2: Summary of Vesting Schedules

3.3 Vesting Summary *Note: All vesting schedules are enforced directly through smart contracts on-chain. This guarantees that neither the team nor investors can bypass or accelerate their token release schedule, ensuring full transparency, fairness, and trust in the distribution process.*

3.4 Team Vesting

- **Total Allocation:** 20% (2,000,000 tokens)
- **Cliff:** 6 months (no tokens released during this period)

- **Vesting Period:** 24 months following the cliff
- **Monthly Release:** ≈ 83,333 tokens per month

3.5 Investor Vesting

- **Total Allocation:** 15% (1,500,000 tokens)
- **Cliff:** 3 months
- **Vesting Period:** 12 months following the cliff
- **Monthly Release:** ≈ 125,000 tokens per month

4 Airdrop and Community Distribution

The community plays a central role in the growth and adoption of the 2LYP Token. To ensure fair participation and transparent allocation, a significant portion of tokens is reserved for airdrops and wider community distribution. All community-related wallets, including the airdrop pool, reserves, and distribution pools, will be secured using **SAFE multi-signature wallets**. This guarantees that no single entity has unilateral control, reinforcing accountability and security.

Category	Percentage	Token Amount
Community Airdrops	10%	1,000,000
Community Distribution	50%	5,000,000

Table 3: Community and Airdrop Allocation

4.1 Allocation Breakdown

4.2 Community Airdrops A total of **1,000,000 tokens (10% of supply)** are reserved for airdrops. The primary goals of these airdrops are:

- **Onboarding Users:** Distribute tokens to early adopters and loyal community members.
- **Incentivizing Engagement:** Reward participation in community programs, campaigns, or feedback initiatives.
- **Promoting Awareness:** Introduce new users to the 2LYP ecosystem and its services.

Eligibility Criteria:

- Participants must pass anti-Sybil measures (e.g., wallet uniqueness, proof-of-engagement).
- Early project supporters and verified community contributors will be prioritized.

4.3 Community Distribution The largest share of the token supply, **5,000,000 tokens (50%)**, is allocated for gradual distribution to clients and partners who use 2LYP services. This allocation ensures the token functions as a genuine **utility token**, granting access to services rather than acting as a speculative asset.

Distribution Method:

- Controlled releases managed by SAFE multisig wallets.
- Distribution aligned with product usage and client onboarding.
- Transparent on-chain logs of all disbursements.

4.4 Transparency and Security

- All airdrop campaigns will be auditable and verifiable on-chain.
- SAFE multisig custody ensures that allocations cannot be moved without multiple signatories, preventing misuse.
- Regular reports will be shared with the community to maintain accountability.

5 Treasury Reserve

To ensure the long-term sustainability and resilience of the ecosystem, a portion of the total token supply is allocated to the **Treasury Reserve**. This reserve acts as a strategic fund that can be deployed for critical needs, ecosystem expansion, or unforeseen challenges. The allocation is fully secured using a **SAFE multi-signature wallet**, ensuring that no single party has unilateral control.

5.1 Allocation

- **Total Allocation:** 10% of the total supply
- **Token Amount:** 1,000,000 tokens
- **Custody:** Managed via a SAFE multisig wallet requiring approvals from multiple signatories

5.2 Purpose of the Treasury Reserve The Treasury Reserve is designed to provide financial flexibility and long-term stability to the 2LYP ecosystem. Potential use cases include:

- **Ecosystem Growth:** Funding partnerships, integrations, and expansion initiatives.
- **Operational Support:** Covering essential costs during unforeseen circumstances or downturns.
- **Community Support:** Emergency grants, developer incentives, or ecosystem recovery efforts if needed.
- **Strategic Opportunities:** Leveraging funds for collaborations, marketing campaigns, or rapid scaling initiatives.

5.3 Transparency and Governance

To maintain accountability and community trust:

- All transactions from the Treasury Reserve will be executed through a SAFE multisig wallet, requiring multiple approvals.
- Disbursements will be publicly visible on-chain and subject to reporting.
- Clear guidelines will be established for when and how reserve funds can be accessed.

6 Governance and Utility

The **2LYP Token** is designed primarily as a **utility token**, enabling access to products and services offered by the 2LYP ecosystem. Unlike speculative assets or deflationary tokens, 2LYP is directly tied to the platform's operations and serves as a functional unit of value exchange between the project and its clients.

6.1 Utility and Service Access

- **Service Payments:** Clients purchase 2LYP tokens in order to access the services and solutions provided by the 2LYP ecosystem.
- **Platform Access:** Certain premium features, integrations, or tools may require payment in 2LYP tokens.
- **Ecosystem Participation:** Holding 2LYP tokens enables participation in special campaigns, events, and incentive programs.

6.2 Governance Participation

Although primarily a utility token, 2LYP will also serve as a medium for community-driven decision-making:

- **Proposal Voting:** Token holders may vote on governance matters such as roadmap priorities, community grants, or feature requests.
- **Treasury Oversight:** Community members may have a role in approving or auditing usage of the Treasury Reserve.

6.3 Security and Trust

- **SAFE Multisig Control:** All critical ecosystem wallets (treasury, community distribution, airdrops) are secured using SAFE multi-signature contracts to ensure no unilateral access.
- **On-chain Transparency:** All transactions are verifiable on-chain, ensuring accountability in distribution and governance.

6.4 Why a Token Instead of Credits? The 2LYP Token offers several advantages over simple credits or subscription models:

- **Interoperability:** Tokens can interact with decentralized applications (dApps) and external platforms, whereas credits are locked to a single system.
- **Transparency:** Token supply, allocations, and transfers are fully visible on-chain, unlike centralized credits.
- **Flexibility:** Clients can hold, transfer, or integrate 2LYP tokens across use cases, providing more utility than one-time subscriptions.
- **Trustless Access:** By removing reliance on a central administrator, token-based systems provide higher resilience and fairness in access.

7 Conclusion

The **2LYP Tokenomics** framework has been carefully designed to balance utility, governance, and long-term sustainability. Unlike purely speculative or deflationary models, the 2LYP Token is structured as a **utility-based service-access token**, directly linked to the products and services of the 2LYP ecosystem.

7.1 Key Highlights

- **Fixed Supply:** A capped maximum supply of 10,000,000 tokens ensures predictability and prevents uncontrolled inflation.
- **Utility Driven:** Tokens are required for accessing 2LYP's suite of services, making them essential for client participation.
- **Fair Distribution:** Clear allocations across team, investors, treasury, and community with enforced vesting schedules.
- **Secure Custody:** All reserve and community wallets are secured via **SAFE multi-signature contracts**, ensuring no unilateral control.
- **Transparent Governance:** On-chain visibility, proposal voting, and treasury oversight empower the community while keeping accountability intact.
- **Community First:** Airdrops and ecosystem incentives are allocated to reward participation, encourage growth, and build trust.

7.2 Final Outlook The design of 2LYP Tokenomics ensures that the token is not just a speculative asset, but a functional tool that powers real utility. By combining service-access functionality with transparent governance and secure reserves, 2LYP establishes itself as a sustainable digital token economy.

This tokenomics framework positions the 2LYP Token as a cornerstone of the ecosystem, enabling fair access, incentivizing participation, and ensuring the long-term growth and resilience of the project.