

Cosmic Coin: Burn Model & Supply Control Mechanism

Designed Scarcity Without a Hard Cap

1. Overview

Cosmic Coin does not impose an artificial maximum supply. Instead, it generates natural scarcity by incentivizing activity and punishing stagnation — using entropy-driven burns across the system.

Burning is not an afterthought — it is the engine behind Cosmic Coin's long-term value control.

2. Burn Sources

Cosmic Coin introduces multiple, logic-governed pathways that trigger permanent coin burns:

♦ 1. Inactive Wallets

Wallet Age	Status	Action
0–5 Years	Active	No penalty
5+ Years	Dormant	2% yearly decay
10+ Years	Frozen	Read-only mode
20+ Years	Erased	50% coins burned

Remaining 50% is split: 25% to miner pool, 25% to community treasury.

♦ 2. Failed Block Submissions

Any block that fails either Micro PoW or Micro PoS verification results in **Blackhole Burn** — a small transaction from the miner/staker is burned permanently.

This discourages spam, low-effort mining, and rewards accurate participation.

♦ 3. Block Cycle Resets

While Cosmic Coin has no hard cap, **reward resets every time the per-block reward falls to ≤ 1 coin AND an ERA ends.** - New cycle begins at 25 coins per block - Old economic assumptions are burned away

♦ 4. Dust Management

All sub-tradable balances (wallet dust) are rounded or burned after defined thresholds. No unusable micro-balances linger in the chain.

3. Burn Philosophy: Dynamic, Not Deflationary

Cosmic Coin does not artificially inflate or deflate. It **burns to preserve motion**: - If you hoard and go idle — your coins decay - If you engage and mine/stake — you thrive - If your block fails — you pay a penalty

The protocol naturally prunes itself like a living system.

4. Impact on Supply & Value

Event	Effect on Supply
Wallet Inactivity	Slow decay + full deletion after 20 years
Failed Blocks	Minor, continuous burns
Protocol Reset	Soft supply expansion + reignition of miner economy
Dust Cleanup	Eliminates bloat, increases signal-to-noise ratio

Combined, these mechanics make Cosmic Coin: - Sustainable - Self-balancing - Resistant to hyperinflation - Free from artificial supply caps

5. Burn Transparency

- All burns recorded on-chain with audit tags
 - Community dashboards will track:
 - Burned coins (lifetime)
 - Burn source type
 - Wallets in decay/freeze/erase stages
 - Protocol resets over time
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End of Burn Model Document