

Coinbet Litepaper

January 2023



01

Introduction



The crypto economy is booming along with the development of DeFi, NFTs, and the Metaverse. One of the next big frontiers in the space is decentralized betting and gambling.

There are several alarming issues with the current state of the online betting market. On one side, there are extremely high barriers to entry for anyone who wants to become The House or own a Casino. On the other side, there is a notable lack of transparency regarding awarding prizes and running provably fair betting games.

Coinbet is on a mission to change that and build the bridge between decentralized finance and online betting.

Coinbet Overview

Coinbet is a decentralized multichain online betting protocol, founded with the mission to enable users to earn yield through bankrolling betting activities, as well as to empower players to bet on a provably fair blockchain betting games protocol.

Through a combination of several flagship products, Coinbet aims to entrust users, online betting players, investors, degens, liquidity, and reward providers by providing a seamless infrastructure for bankrolling betting activities and providing games, that run on fair, transparent, and immutable smart contracts.

Coinbet is set to develop 3 core products:

Coinbet Yield

Coinbet Play

Coinbet Plug and Play

02

Core Products

Coinbet Yield

Coinbet Yield consists of multiple staking pools (Reward Providers), each of them paired with one or more decentralized betting games. It is part of the portfolio of products developed and maintained by the Coinbet community.

Participation in these pools allows rewarding providers to earn from the volume generated by people who play the respective game. On the other side, the staked funds are used for paying rewards to the betters. Built on the concept of the RTP (Return to Player) ratio, the yield generated for the reward providers is a product of the RTP and the number of bets for a set timeframe. As it is widely known, statistically The House always wins, so why not capitalize on that?

Stakeholders

- **Reward/Liquidity providers**

LP providers can utilize their native token holdings and generate yield on them, without actually risking losing money in the long term.

- **Players**

Users who play slots, roulette, etc. can be confident that their rewards will be paid out fully, as everything is enforced on a smart contract level. Moreover, they wouldn't be able to play a game if there is insufficient reward liquidity provided.

Value proposition

- **A new paradigm for yield generation**

Coinbet Yield provides new opportunities for DeFi users who seek to gain yield on their holdings.

- **Transparency**

Liquidity reward providers know exactly, how and where their funds are utilized.

- **Provable Fairness**

By leveraging Chainlink's VRF (Verifiable Random Function), it can be proved that all settled transactions are fair and randomness hasn't been corrupted.

Incentive alignment

- **Reward liquidity providers incentives**

Reward LPs will receive fungible LP tokens representing their share of the pool where they deposited. The tokens can be staked to earn \$CFI, making them stakeholders in the DAO. Moreover, if reward liquidity providers stake \$CFI, they will receive a deduction in the fee paid to the DAO treasury.

- **Coinbet**

The protocol earns fees when LP reward providers withdraw their liquidity from the respective pool, accumulated in the DAO Treasury. The \$CFI token governs the evolution of the yield product and the DAO treasury.

- **Token holders**

Part of the funds kept in the DAO treasury, will be redistributed to general \$CFI token holders in a proportional manner. In this way, the Coinbet protocol aims to generate a real yield sustainably for all token holders.

Important note: This is a different yield source than the yield generated from providing reward liquidity.

Coinbet Play

Coinbet Play is a truly permissionless and decentralized blockchain casino, where players have full transparency regarding awarding prizes, using a protocol that runs on fair, transparent, and immutable smart contracts.

Coinbet Play is interconnected with the Coinbet Yield product, as all of the rewards paid to players come from the liquidity reward pools. The backbone of Coinbet Play is Chainlink's VRF (Verifiable Random Function), which feeds random numbers to the betting smart contracts. Coinbet Play will consist of multiple games like Slots, Roulette, Dice, and more, which will be deployed on multiple EVM chains like Ethereum Mainnet, Polygon, Binance Smart Chain, and Avalanche.

Stakeholders

- **Reward/Liquidity providers**

LP providers can utilize their native token holdings and generate yield on them, without actually risking losing money in the long term.

- **Players**

Users who play slots, roulette, etc. can be confident that their rewards will be paid out fully, as everything is enforced on a smart contract level. Moreover, they wouldn't be able to play a game if there is insufficient reward liquidity provided.

Value proposition

- **Decentralization**

Coinbet Play is fully decentralized and permissionless. Anyone can play and participate, by connecting his/hers wallet.

- **Transparency**

There is complete transparency on how rewards and prizes are distributed, as everything is settled by smart contracts.

- **Provable Fairness**

By leveraging Chainlink's VRF (Verifiable Random Function), it can be proved what random number is selected and how the prize is calculated.

Incentive alignment

- **Players**

Will be incentivized to play, through a referral/revenue-sharing system, for every person invited by a user. Moreover, a finite number of \$CFI tokens will be distributed to the first players participating in the online betting games. Players who hold and stake \$CFI above a certain threshold will have their fee for playing waived.

- **Coinbet**

To sustain itself, the protocol will collect a small fee on each bet, which will be added to the DAO Treasury.

Coinbet Plug and Play

Coinbet Plug and Play platform will provide companies, DAOs, and individuals, with the opportunity to deploy their games linked to one of the protocol's reward liquidity pools.

Coinbet provides users with the ability to launch their decentralized casino games with several clicks. Casino game creators can choose from different games, ERC20 tokens, and RTP percentages, connecting their pools or using our community pools.

Stakeholders

- **Reward/Liquidity providers**

LP providers can utilize their native token holdings and generate yield on them, without actually risking losing money in the long term.

- **Brands, DAOs, and companies**

Various brands and companies can use the Plug and Play platform to launch their casino games and use it for marketing activities, community engagement, and token distribution.

Value proposition and incentives

- **Casino as a service**

Introducing a decentralized business model for various participants to plug their betting games into the protocol pools, without the hassle of having to provide capital for rewards.

- **Coinbet**

The protocol will collect a one-time plug fee and collect a small percentage of each bet, accumulated in the DAO Treasury.

03

Roadmap

-
- 01** **Seed Round**
MARCH 2023
 - 02** **Launch MVP Proof of Concept - Slot game with reward pool**
MARCH 2023
 - 03** **Launch Coinbet Play with multiple games and pools**
NOVEMBER 2023
 - 04** **Launch incentive programs for \$CFI token distribution**
NOVEMBER 2023
 - 05** **Activate Governance**
FEBRUARY 2024
 - 06** **Launch Coinbet Plug and Play platform**
SEPTEMBER 2024

04

Governance

The governance model of the Coinbet protocol will be DAO-centric, where the holders of the \$CFI token will be able to vote on the core products, the treasury, and strategic decisions submitted by the DAO members.

Detailed documentation will be released when the DAO module is activated.

\$CFI Token

The \$CFI token will serve as the backbone of the Coinbet protocol and community. Here are some of the utilities provided by the token:

- **Governance**

\$CFI holders will be able to vote on DAO proposals.

- **Earn Real Yield**

Holders will be entitled to receive dividends from the protocol revenue in a proportional manner to their token holdings.

- **Fee Waiver**

Both LP reward providers and players will have their fees partially waived, depending on the \$CFI amount they have staked.



The \$CFI token has a capped supply of 100,000,000 tokens. Distribution will be as follows:

10% Seed Investors

25% Founding team, advisors, and contributors

30% Community, Airdrops, and Marketing

10% Development Fund

10% DAO Treasury

10% LP reward provider incentives

5% Player incentives

All the tokens provided to investors, team members, and contributors will be vested for 100 week period, through vesting contracts - 1% will be released weekly.

Team

The Founding team behind Coinbet has extensive experience in building Web 3.0 and blockchain products since 2018. Team members have been part of some of the most renowned companies and DAOs in the blockchain space - OxFusion, LimeChain, Universe.XYZ, Qredo, Dopamine, and more.