



# **RareSea**

**Building the Next-generation  
Decentralized NFT Marketplace**

Whitepaper V1.0



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## 1. Next-generation NFT Platform

We are proud to have been an early participant in the NFT ecosystem, pioneering a simple yet powerful set of tools – and a product model that would be replicated by many subsequent platforms. In RareSea 1.0, the core team hand-picked and approved artists to mint their works on a shared smart contract as RareSea NFTs. The artists were then in charge of self-promoting and selling their artworks directly to collectors.

This model was the foundation of the “curated platform era” , which was useful helping bootstrap the early NFT art market. However, as the ecosystem has matured three major shortcomings of the model have become apparent:

1. Curation and gatekeeping by a single, centralized team isn't conducive to building a healthy, web-scale art ecosystem. Art is inherently subjective, and a diverse array of curatorial voices is needed.



2. Artists deserve as much support with promotion and sales as possible. But as the community of artists in the space grows, the less promotion a single team can do for each one.
3. The broader NFT art ecosystem has turned into a fragmented experience where artists and collectors have artworks arbitrarily segmented across platforms, and there's no good way to manage one's whole collection.

RareSea 2.0 was designed to address these three challenges head on, introducing key changes to several aspects of the platform architecture and broadening the set of tools available to artists, collectors and curators.

## **1.1 Curation at Web Scale**

Curation is essential to any art market or creative community. Curation brings context to art and expression, allowing us to comprehend layers of meaning more deeply than the lay observer might. RareSea 2.0 takes steps toward more decentralized and diverse curation in two ways.

First, it opens the door for community participation + oversight into the review and onboarding of independent artists who submit their profiles to RareSea. While access will continue to be limited so that the platform can grow sustainably, the vetting and invitation process will be expanded to include a new artist Curation Panel, rather than administered solely by the core RareSea team. The panel will consist of five community members, initially selected by RareSea Labs, but eventually voted on by \$SEA token holders.



Second, we are introducing RareSea Spaces. Detailed in the next section, Spaces are designed to further decentralize the curation of RareSea and facilitate enhanced levels of promotional support for artists.

## **1.2 RareSea Spaces**

Spaces are independently run storefronts on RareSea that can curate art and artists, promote sales, run auctions, and collect commissions. Each Space can launch its own branded ERC-721 compliant minting smart contract and invite artists to mint NFTs with them, either as a one-time event or on an ongoing basis.

New Spaces can be proposed to the DAO and voted on by token holders. If approved by the community, a new gallery space will be run by its own operating team, which could be a traditional art gallery, a DAO, an artist collective, or any other organization that curates and promotes art.

Space operators will be able to set their own commission structures as they see fit to provide the desired level of support and promotional services for artists minting in their Space.

Spaces mainly act as curated, branded primary markets: the operating team can select artists, coordinate and promote drops, and build their own following and collector base. The main benefit for an artist to sell through a Space is the promotion and coordination of a sale. Artists want their works to be promoted as successfully as



possible, but often don't want to be their own auctioneers or PR agents.

When thinking about traditional art galleries, the services offered by these groups extend far further than just showcasing the art; a gallery might act as a networking tool, PR agency and promoter. RareSea Spaces will allow individual communities to experiment with these value propositions for the artists and art in their respective space.

Once live, a Space becomes its own sovereign crypto art gallery. The gallery page becomes the primary interface for the collective, although the NFTs created within will also appear in the aggregated RareSea market. Spaces, and the artists they work with, will be expected to follow the rules, requirements and policies outlined in the RareSea community guidelines and Terms of Service for the benefit of community standards.

In order to incentivize thoughtful curation and active participation, Space operators can earn meaningful commissions on sales. Each Space launches with a default 10% commission, which the operator can choose to increase if they feel their value-added services justify further remuneration. A 5% commission on all Space sales will be routed back to the RareSea DAO. For example, if a Space's commission is set to 10%, then with the 5% RareSea commission, the total sales commission for an artist would be 15% - meaning they'd receive 85% of a primary sale.

### **1.3 Sovereign Minting Contracts**

While Spaces are a valuable new option for artists who want to collaborate, RareSea



2.0 also remains true to its origin as a place for independent artists to mint, promote and sell their works directly to collectors.

Designed as a non-custodial, peer-to-peer platform - one of the most powerful aspects of RareSea historically has been that it allows artists to take control of their creative and economic destinies. RareSea 2.0 doubles down on this philosophical conviction by introducing a new minting option: self-sovereign minting contracts.

If an artist chooses to, they can easily deploy a custom NFT minting contract and begin tokenizing and selling their art as a uniquely independent artist on RareSea.

This enables artists a new option in addition to minting on a shared contract with other artists. A custom smart contract provides artists with their own customizable ticker (e.g. ROSES), and is a further step toward artists being able to become their own sovereign creative platform.

## **2. The \$SEA Token**

Web3 has been part of RareSea's DNA since day one. Built on open source ERC-721 Ethereum smart contracts, all transactions on RareSea are on-chain (meaning provenance is transparent) and non-custodial (meaning RareSea never takes possession of users' money or art).

We believe web3 is ushering in a new era of the internet. An era in which the users of a platform can be the owners of the platform, helping bring it to life and benefiting



from its upside value creation.

In order to scale up and take advantage of the true power of web3, RareSea is embarking on a path of progressive decentralization – ultimately shifting ownership and curation of the network to the community.

Curation will gradually be vested to our community of artists, collectors, and curators via a new RareSea curation token, \$SEA.

As the network evolves, RareSea Labs will look to empower community members by offering incentives to actively curate. As a predecessor to full on-chain curation, \$SEA will provide the community with governance of certain network parameters including Spaces, commissions and grants.

The official contract address for \$SEA is:

0xbFD7DEE158cc8c7A324C6D67adC283c5f67E238b

### **3. The RareSea DAO**

\$SEA token holders collectively comprise and govern the RareSea DAO – a decentralized organization that will oversee key platform parameters, allocate funds from the Community Treasury, and vote on proposed improvements to the network and protocol.

The RareSea DAO comprises a number of key components at launch, and is expected





to evolve over time through transparent self-governance. All changes to the RareSea DAO must be voted in through \$SEA governance.

## **Governance Council**

A 7-person governance council controls the Community Treasury via 4-of-7 multi-sig wallet.

The genesis signers for the Governance Council are:

- Andre Cronje ; CEO and Co-Founder of RareSea Labs
- Nick Tomaino; Founding Partner @ 1Confirmation
- Derek Schloss; Partner @ CollabCurrency
- Serena Tabacchi; Founder & Curator @ MoCDA
- Simona Pop; Community Strategy @ Status
- John Crain; Co-Founder @ SuperRare
- Alex Salnikov; Co-Founder @ Rarible

Council signers merely act as executors for decisions passed through governance.

Signers do not have the ability to unilaterally allocate treasury funds and merely oversee the safety and security of the underlying assets controlled by the DAO.

This council consists of 1 team member, 3 investors and 3 community members.

While the initial Genesis Council has been pre-selected for launch, they are eligible to be replaced through governance at the choosing of \$SEA holders.



The Governance Council acts as an intermediary step between the existing structure of RareSea governance and a fully decentralized future.

## **Initial governance mechanics**

RareSea Improvement Proposals (NIPs) are the means by which the community will present upgrades and distributions through \$SEA governance. NIPs are created by token holders and shared on the RareSea governance forum. Once soft consensus has been reached, proposals will be voted on using off-chain governance via Snapshot.

1,000 \$SEA must be held by an address (either individually or through delegation) in order to submit a proposal to the Council. To be accepted, a proposal must have at least 100,000 \$SEA voting to achieve quorum, and pass with a 51% majority.

All Snapshot votes will feature a 96 hour voting window unless otherwise stated.

## **Staking & Curation incentives**

In addition to governance, \$SEA will increasingly serve to incentivize participation and curation inside of the network. While these incentives will not be live at launch, governance may vote to allocate \$SEA tokens as they see fit. This may include future liquidity and/or staking programs as deemed valuable by token holders.

Outside of incentives post launch, \$SEA will be used to aid in the curation of RareSea. \$SEA tokens will allow users to stake to different galleries to signal alignment,



delegate votes and access staker-only benefits (e.g. fee sharing, art access, governance over galleries, etc).

\$SEA curation will not be live at launch, though RareSea is expected to give token holders the ability to participate in curation activities in order to earn incentives and commissions in future iterations of the platform.

## 4. Into the Future

A cornerstone of the early success of RareSea was to build a place for authentic, high-quality art and thoughtful curation. We believed from the beginning that thoughtfully curated art deserved its own space on the internet, and that's something we believe even more strongly today.

However, art and curation are undeniably subjective. And in order to bring the power of the NFT art market to billions around the world, RareSea 2.0 must expand from being a place that is thoughtfully curated to a broad ecosystem where many types of thoughtful curation can flourish. In other words, curation on RareSea will become increasingly decentralized.

To properly align incentives and ensure the success of a broader, more diverse art and curation ecosystem, RareSea is also becoming a decentralized organization.

Throughout this process, we will continue to empower the very community members who made RareSea into the platform it is today. This paper presents a path forward, though we invite any and all NFT artists, collectors, and curators to join us in helping



to shape that journey.

The introduction of the RareSea DAO and the \$SEA curation token signals the start of a new era. RareSea has always been powered by its community. Through this transition, the community will now write the next chapter of art history, together.

To become a part of the story, we encourage readers to join the community and participate in governance. Influence will not be determined solely by financial capital, but rather by the social values and signaling of core contributors working to actively shape RareSea 2.0.

We'd like to give a special thank you to each and every creator who has made RareSea such a special corner of the internet. As we embark on this next chapter, we're thrilled to be putting more power into the hands of those co-creating the future with us!

Welcome to RareSea 2.0. Together we will define the future of artistic expression on the web, and build a brighter future for creatives everywhere. Fiat lux.

## **5. Network Governance**

Hello fellow traveler,

Below we'll outline the thinking behind the RareSea DAO and the progressive decentralization of curation and governance for the RareSea Network.



Some useful pre-reading:

Progressive Decentralization Playbook

DAOs and the pitfalls of Progressive Decentralization

Example of a SIP from Synthetix

## **5.1 Actors / Stakeholders**

"All the world's a stage, and all the men and women merely players. They have their exits and their entrances; and each in their time plays many parts." - William Shakespeare"

RareSea Labs: the founding team and core developers of the RareSea Network.

Responsible for ongoing product development/operations, revenue generation, facilitating network governance and community development.

\$SEA Governance Council: designated officers of the RareSea DAO, elected and accountable to the token holder community. Responsible for on-chain certification of governance votes and allocation of treasury funds via a 5-of-7 multi-signature setup. Facilitates development of and transparent voting on various network proposals.

Artists: Verified artists who have either been approved as independent artists or invited to mint artworks in one or more RareSea Spaces



Space Operators: Curators/promoters/gallerists who have been elected by the community to operate a RareSea Space.

Community Editors: Designated community members responsible for curating Space applications prior to review by the \$SEA Council and public voting in the Space Race

\$SEA Shepherds: Members of the community or RareSea Labs responsible for ensuring community NIPs meet the necessary feasibility & implementation standards prior to an official vote by the \$SEA Governance Council and token holders.

\$SEA DAO: any individual (or collection of individuals) holding \$SEA curation tokens who, in total, comprise the RareSea DAO. Responsible for voting on network parameters eligible for public governance - including Space proposals, artist onboarding criteria, network commissions/fees and the ongoing expenditure of treasury funds held by the DAO.

\*Note: Officers of the \$SEA Governance Council serve as independent directors who represent the interests of both token holders AND the RareSea Network. While we expect democratic participation of token holders to regularly align with the core interests of the Network, in cases where a vote of token holders may conflict with the long-term health of the Network, Council members are expected to exercise independent judgement as necessary to promote outcomes in the best interest of all stakeholders in the RareSea Network.



## 5.2 Governance & Curation Parameters

Any product, curation or governance parameters not specifically delegated to the RareSea DAO at launch are reserved by RareSea Labs as the primary developer/operator of the RareSea Network.

In highly competitive markets (like ours!), the ability to move quickly and act decisively is needed to foster innovation and maintain ongoing market leadership. While our goal is to expand the scope of token governance to eventually include all aspects of the Network, this will need to be done progressively as the community demonstrates both the ability and willingness to do so.

As a result RareSea Labs will seek to decentralize as fast as is practical, while remaining nimble and competitive, as we continue creating value on behalf of the RareSea Network. We recognize decentralization is a spectrum, and the path to "full decentralization" is one that will take time to execute responsibly.

We believe this approach accurately reflects the principles and values of both RareSea Labs and the web3 ecosystem at large, while honoring our obligations to the artists, collectors and other stakeholders of RareSea Network.

As such, the following network parameters are currently governable by token holders:

RareSea Spaces: the total number of Spaces, curatorial requirements to operate a Space, associated minimum/maximum fees + commissions



Artist Onboarding: the number of independent artists admitted to RareSea, frequency and method of artist expansion, minimum portfolio criteria to be accepted

Treasury Operations / Management: establishment of artist and developer grant programs, ad-hoc expenditure of treasury assets as deemed necessary to support continued growth and success of the RareSea Network

RareSea 2.0 introduces a number of new features and policies which will take time to be fully understood and digested by the larger community. The parameters of these Network features should be seen as default settings, chosen by RareSea Labs after careful deliberation, which are subject to modification by the DAO as necessary to promote the success of RareSea Network.

## **6. The Space Race**

RareSea Spaces are independently operated storefronts in the RareSea Network. Spaces are galleries that will actively curate, promote and sell artworks by artists of their choosing (though all contributing artists must adhere to the RareSea community guidelines). The number and availability of RareSea Spaces are limited by design.

In order to promote independence and creativity – only two new Spaces will be brought online per month, resulting in a total of 24 Spaces by the end of the first year (Oct 2022).





As a DAO curated by holders of the \$SEA token, new Spaces added to the RareSea Network will be decided upon via a community review and voting process. Those interested in operating a Space must start by submitting a proposal at [forum.RareSea.net](https://forum.RareSea.net). Proposals will first be reviewed by community editors, with those meeting the necessary requirements forwarded to the Governance Council - who will then schedule eligible racers for an official vote in the Space Race.

**The following guidelines govern the Space Race:**

- 2x Spaces/mo will be added to the network, up to 24 total in the first year
- There will be two races per month; staggered every two weeks, opening on the 1st and 3rd Wednesdays
- Applications will be open for two weeks at a time, followed by two weeks of review by community editors who will ensure applications meet acceptable creative standards prior to council submission
- The council will audit, then publish selected applications for each race so they can be reviewed publicly prior to the community vote
- The official snapshot poll with qualifying racers will be scheduled for two weeks later - to coincide with the subsequent Space Race kickoff
- Token holders will then decide the Space Race winner via an official Snapshot vote
- Once complete, the winner will be added to the onboarding backlog and scheduled a launch date

**Operators of a Space will be able to:**



- Name & deploy their own custom minting contract
- Invite artists to mint directly in their Space
- Make modifications to the default commission structure (\*these changes must be clearly published and agreed to by collaborating artists)
- Run auctions
- Curate works

### **Space Proposal Template**

- Space name / team name:
- Name of primary contact:
- Names of additional Space admins:
- RareSea username(s) of everyone who will be a Space admin:
- Short bio of you and/or your team:
- Website & Social Media Links:
- Summary/manifesto of your Space. What is the unique value prop / elevator pitch? What type of art will you focus on? How will your Space stand out among the crowd?
- Describe you/your team's experience curating and promoting artwork:
- Describe you/your team's experience organizing exhibitions, making art sales, running auctions, networking with collectors, etc.
- Are there new artists you'd like to bring into the Space in the first six months? What is your relationship to them?
- Are there any artists already in the CryptoArt space that you are planning to work



with for this Space? Have they committed to participating yet?

- Please provide any additional details you can about how you plan to operate this Space; e.g. cadence of exhibitions, auction strategy, number of artworks, other ideas for promoting your art and artists, etc.
- How do you plan to structure commission rates for the artists who release in your Space?
- To you, what is the importance of NFTs as a medium/technology? Where do you see the NFT and CryptoArt space in five years?
- If your Space were a cocktail or a dish, what would it be and why?
- Anything else you'd like the community to consider?