Abstract

This technical Darkswap paper explains some of the design decisions behind the Darkswap core contracts. It covers the contracts' features — including Darkswap's DARK token, total supply of DARK token, reward distribution, governance, referral airdrop on liquidity providers and DarkVault.

DARK token

Total Supply

Token Distribution

Reward distribution

Liquidity Migration

DarkVault

Introduction

Darkswap is inspired by Uniswap/Sushiswap and aims to improve upon their current design with a touch of evil. The current chaotic situation of Sushiswap was caused by unlimited amount of supply and too much funds minted for the developer. Darkswap has a new take on these two problems:

1. The design of total supply of DARK token follows the trend of YFI and XIOT, each of them has a very limited amount of total supply and their price movement is stable with a positive momentum.

2. Inspired by XIOT, all of the dev funds (2% of total supply) will be used to distributed evenly to all liquidity providers of Uniswap XIOT-BXIOT via an airdrop. This airdrop acts as an incentivization to the XIOT-BXIOT liquidity providers and a gratitude to referrers of the Darkswap project.

Furthermore, instead of following Uniswap/Sushiswap's pattern of supported pairs between ERC20 and ETH, a new and fairer format of supported pairs between ERC20 and XIOT has been chosen to be the main pairs listed on Darkswap. There are two main reasons for such decision to be made:

1. ETH has been the start of everything and unevenly distributed from the beginning. Since roughly 18% of ETH is held by just 10 addresses, and the top 10,000 addresses hold around 95% of the available tokens, this is literal centralization of decentralization. However only roughly 13% of XIOT is held by top 10 addresses and its lower total supply aids to flatten the distribution as the time passes since XIOT was only released recently.

2. XIOTRI aims to create a new Defi ecosystem of its own and will have ability to migrate to other blockchains in the future. It is wise to join forces with such intelligent developers and healthy community. Especially Darkswap has community-oriented features, a larger community can ensure to achieve true decentralized governance.

Everything will be transparent.

My personal wallet address: 0xfc1ca508a0e36e362cdbf17780ea8db796fc0740

Features

DARK token

The DARK is an erc20 token and right now has two usages, DARK holders are able to access governance rights and a portion of the protocol fees paid to a specific pool that later on DARK holders can stake DARK in the pool to earn the fees.

Total Supply

Instead of unlimited supply of SUSHI, a total amount of 100,000 DARK will distributed.

Token Distribution

DARK token will be distributed in liquidity provider yield farming and early airdrop.

reward distribution

With the current Uniswap/Sushiswap settings, 0.3% of all trading fees in any pool are proportionately distributed to the pool's liquidity providers, 0.25% go directly to the active liquidity providers, and the remaining 0.05% get converted back to DARK and distributed to the DARK token holders.

Liquidity Migration

Four days after launch of the Darkswap, all the liquidity tokens staked onto Darkswap will be mirgrated to DLP tokens.

DarkVault

DarkVault is inspired by yVault from YFII.