

PeoPay Tokenomics Model

1. Overview

PeoCoin (PEO) is the utility and governance token at the core of the PeoPay ecosystem. This document outlines the tokenomics model that ensures sustainability, incentivizes ecosystem participation, and aligns with PeoPay’s long-term vision of financial inclusion. The model incorporates deflationary mechanisms, staking rewards, and milestone-based unlocks to maintain token value while driving growth.

2. Total Token Supply

- **Fixed Supply:** 1,000,000,000 PEO
 - **Blockchain:** Polygon (initially) with planned cross-chain integrations.
 - **Justification:**
 - Polygon’s low fees and high scalability ensure seamless transactions.
 - Future cross-chain bridges will expand PeoCoin’s accessibility and liquidity across other Layer 1 and Layer 2 networks.
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3. Token Allocation

Category	Allocation (%)	Amount (PEO)	Vesting / Unlock Criteria
Ecosystem Growth	30%	300,000,000	Released over 4 years, milestone-based unlocks tied to user adoption and transaction volumes.
Staking Rewards	15%	150,000,000	Distributed over 10 years; adaptive yield tied to ecosystem metrics (usage-responsive adjustments).
Team & Advisors	15%	150,000,000	2-year cliff, linear vesting over the next 2 years; performance-based unlocks tied to roadmap milestones.
Reserves & Liquidity	25%	250,000,000	Locked in treasury; partially unlocked via governance and performance triggers. Includes a “Resilience Reserve” for insurance.

Category	Allocation (%)	Amount (PEO)	Vesting / Unlock Criteria
Grants, IDO, IEO	15%	150,000,000	See detailed breakdown below; dynamic pricing and milestone-based releases.

4. Grants, IDO, and IEO Allocation

4.1 Grants

- **Tokens Allocated:** 50,000,000 PEO (5%)
- **Purpose:**
 - Secure funding from blockchain ecosystems (e.g., Polygon, Binance, Solana).
 - Support early-stage development and pilot programs in target regions.
- **Vesting & Unlock Criteria:**
 - Locked for 6 months post-grant approval.
 - Linear unlock over 12 months, contingent upon proof-of-utility (PoU) milestones (e.g., pilot program completion, technical upgrades).

4.2 Initial DEX Offering (IDO)

- **Tokens Allocated:** 50,000,000 PEO (5%)
- **Mechanism:**
 - **Dynamic Pricing (Bonding Curve):** IDO begins at a base price (e.g., \$0.05/PEO), with price adjustments based on demand.
 - Conducted on decentralized exchanges (e.g., QuickSwap, SushiSwap).
- **Liquidity Support:**
 - Proceeds will fund liquidity pools (e.g., PEO/USDC, PEO/MATIC).

4.3 Initial Exchange Offering (IEO)

- **Tokens Allocated:** 50,000,000 PEO (5%)
- **Mechanism:**
 - **Dutch Auction:** Ensures fair price discovery on centralized exchanges (e.g., Binance, KuCoin).
- **Purpose:**
 - Broaden exposure to retail and institutional investors.
 - Provide additional liquidity and trading options.

5. Utility of PeoCoin

PeoCoin drives the PeoPay ecosystem, offering multi-dimensional utility:

5.1 Transaction Fee Payments

- Users pay transaction fees in PEO and enjoy discounts:
 - **Bronze Tier:** 5% discount.
 - **Silver Tier:** 10% discount.
 - **Gold Tier:** 20% discount.
 - **Platinum Tier:** 30% discount.

5.2 Staking and Yield

- Stake PEO to earn rewards based on network performance and user engagement.
- Dynamic Contribution Scoring (DCS) tiers provide additional yield bonuses.

5.3 Governance

- Token holders can propose and vote on platform upgrades, treasury allocations, and fee structures.
- Voting power scales with DCS scores, rewarding engaged users.

5.4 DeFi and Collateralization

- Use PEO as collateral in future lending and borrowing protocols.
- Cross-chain integrations will expand DeFi use cases.

5.5 Merchant Incentives

- Merchants accepting PEO benefit from reduced transaction fees and priority access to new features.

6. Deflationary Mechanisms

To maintain long-term token value, PeoCoin incorporates several deflationary strategies:

6.1 Fee Burning

- A percentage of transaction fees paid in PEO is burned, permanently reducing supply.

6.2 Penalty Burning

- Tokens deducted via DCS penalties are burned, discouraging malicious behavior.

6.3 Revenue Buybacks

- A portion of platform revenue (e.g., transaction fees, merchant services) is allocated for buybacks and token burns.
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7. Staking and Rewards

7.1 Dynamic Yield

- Staking rewards adjust quarterly based on ecosystem metrics:
 - Total transaction volume.
 - User growth and retention.
 - Merchant adoption rates.

7.2 DCS-Driven Rewards

- Staking bonuses are tied to DCS tiers:
 - **Bronze Tier:** Base yield.
 - **Silver Tier:** +10% yield bonus.
 - **Gold Tier:** +20% yield bonus.
 - **Platinum Tier:** +30% yield bonus.
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8. Sustainability and Treasury Management

8.1 Treasury Allocation

- Funds are managed by a community-governed treasury for:
 - Liquidity support and market stabilization.
 - Development of additional features (e.g., lending, borrowing).
 - Marketing and regional expansion.

8.2 Resilience Reserve

- A portion of the treasury is allocated as an insurance fund to stabilize the ecosystem during crises (e.g., market downturns, hacks).

8.3 Gradual Decentralization

- Governance rights over treasury funds will transition to token holders over three years, ensuring community-driven management.
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9. Scalability and Growth

9.1 Scalability Benchmarks

- Platform supports up to 1,000 transactions per second (TPS).
- Achieves 99.9% uptime during peak periods.

9.2 Growth Strategies

1. **Cross-Chain Integration:**
 - Expand to Ethereum, Solana, and other blockchains.
 2. **Localized Adoption:**
 - Tailor marketing and incentives for underbanked regions.
 3. **Developer Ecosystem:**
 - Provide APIs and grants to encourage third-party integrations.
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10. Long-Term Vision

PeoCoin's tokenomics model is designed to evolve with the platform's growth. By leveraging deflationary mechanisms, milestone-based unlocks, and DCS-powered incentives, PeoCoin ensures long-term value and aligns individual actions with the ecosystem's success.

Next Steps

- White Paper: For the platform's vision and core features.
- DCS Framework: For details on incentive mechanics and scoring.
- Strategic Plan: For implementation and scaling milestones.