

Vested Creator Pools

The Future of Royalties

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The Problem



Creator Pool?



Benefits of This
Model



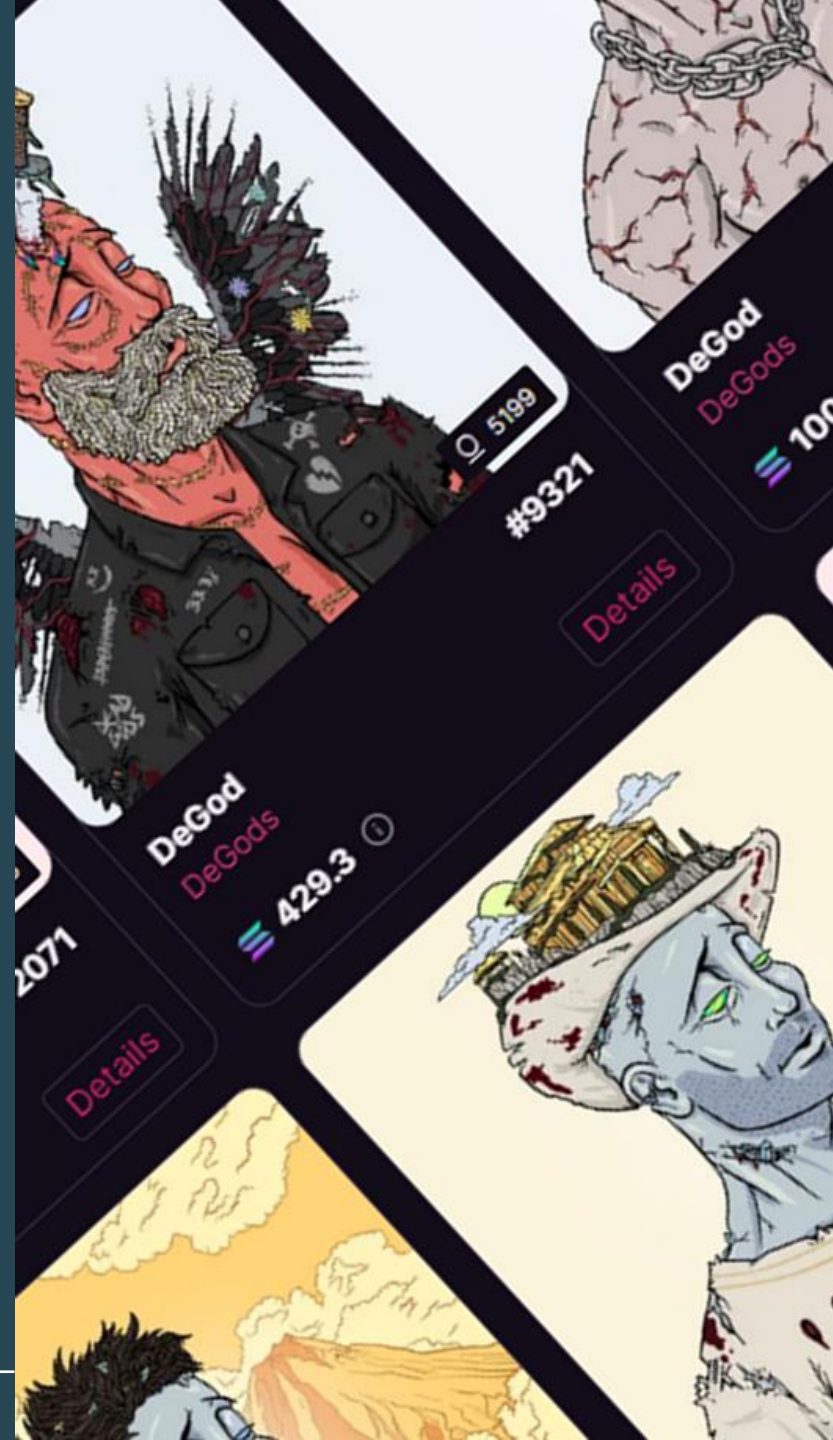
Gas Costs



Summary

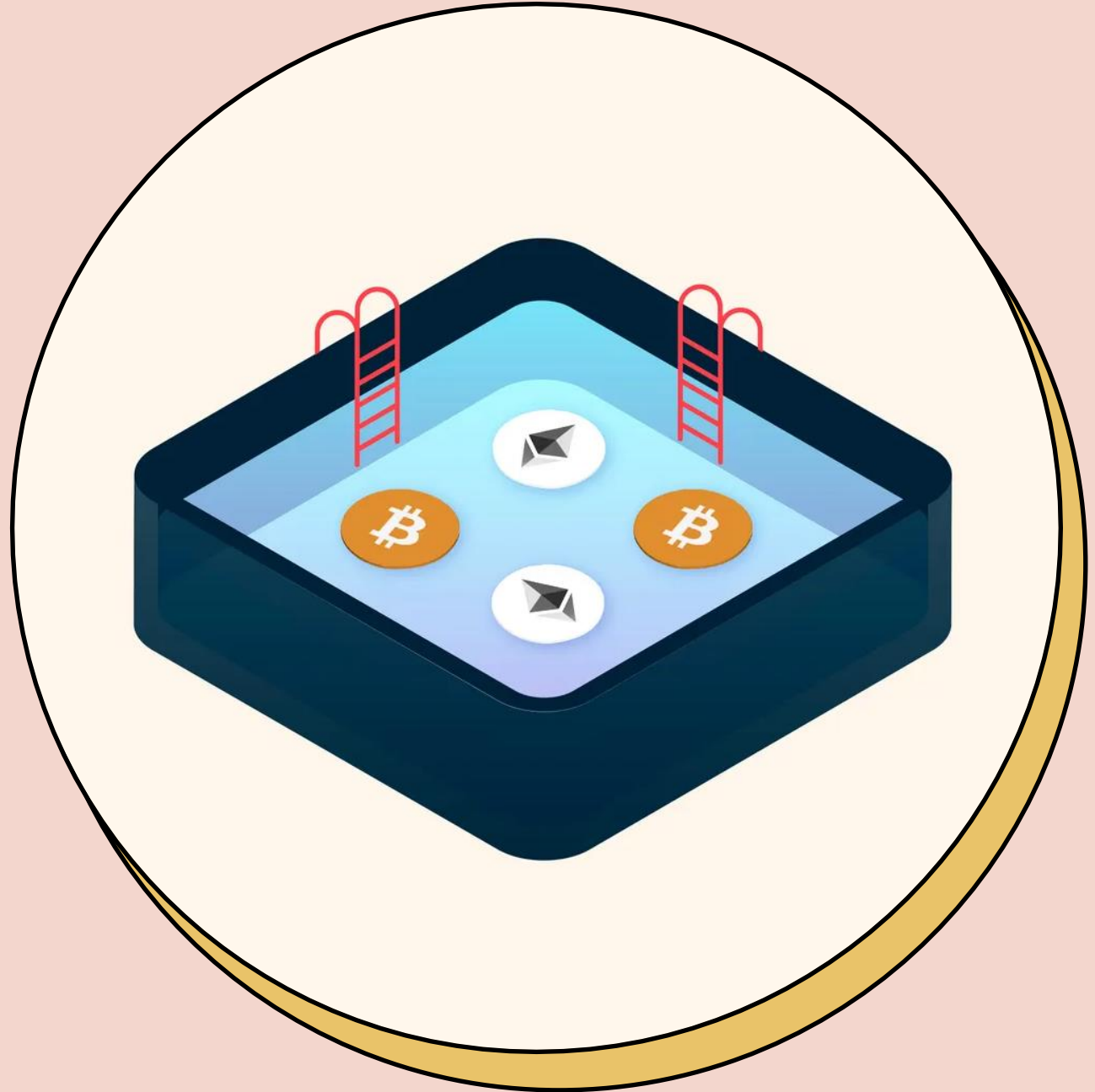
The Problem

NFT creators like money. Currently, there are two ways they make it: mint fees and royalties. The most prominent are royalties. But currently, there is no way to capitulate on the over \$1.8 billion flowing through royalties. This new model aims to solve this issue, and provide value to the NFT marketplace, and to the creators.



Creator Pool?

Image courtesy of [Caleb & Brown](#)



The Model Description

A Creator is a royalties model which works more as a paycheck, rather than a constant stream of income. The basic idea behind this model is that royalties do not go directly to the creator, instead, royalties are sent to a pool. This pool gets emptied out in intervals, and every NFT collection's creator is paid out in proportion to what they contributed. The advantage in this model is the fact that the royalties are kept in one place, which can amount to millions. The different implementations and their mathematical equations are documented in the whitepaper.



Benefits of the Model

Image courtesy of [Rory Swann](#)



Why Is This Better? (1/2)

When there is lots of money in one place, heads turn. To introduce the benefits of collecting all the royalties in one, you must first understand the Curve wars. The Curve wars revolved around a protocol of the same name. In the Curve protocol, holders of veCRV can vote for which liquidity pools get CRV rewards. Other protocols wanted more liquidity on Curve, so they bribed veCRV holders to vote for their protocol's LP. Bribing like this can be done wherever there is money to control.

Why Is This Better? (2/2)

Using the VCP model, we now have millions in control of the royalty contract every month. Protocols want that money in their pools, and the way they can get it is by bribing Magic Eden to deposit all the royalties into their protocol. If these pools give any ROI, that can be compounded back into the royalty pool, to give the creators extra revenue (which can be used to get creators on board) and net Magic Eden some sweet bribes.

Gas Costs

Image courtesy of [Gemini](#)



What is different?

Gas costs are a problem that we need to account for. Right now, it costs very little to send the royalties in each buy transactions. However, our model needs a different solution, here are four possible solutions (as outlined in the whitepaper)

Solutions

Solution 1

Send all the royalty
payouts in one
transaction

Solution 2

Have the creators claim
their royalties

Solution 3




Make a permissionless
claiming system, and
have the team execute
the payouts for each
creator













Solution 4

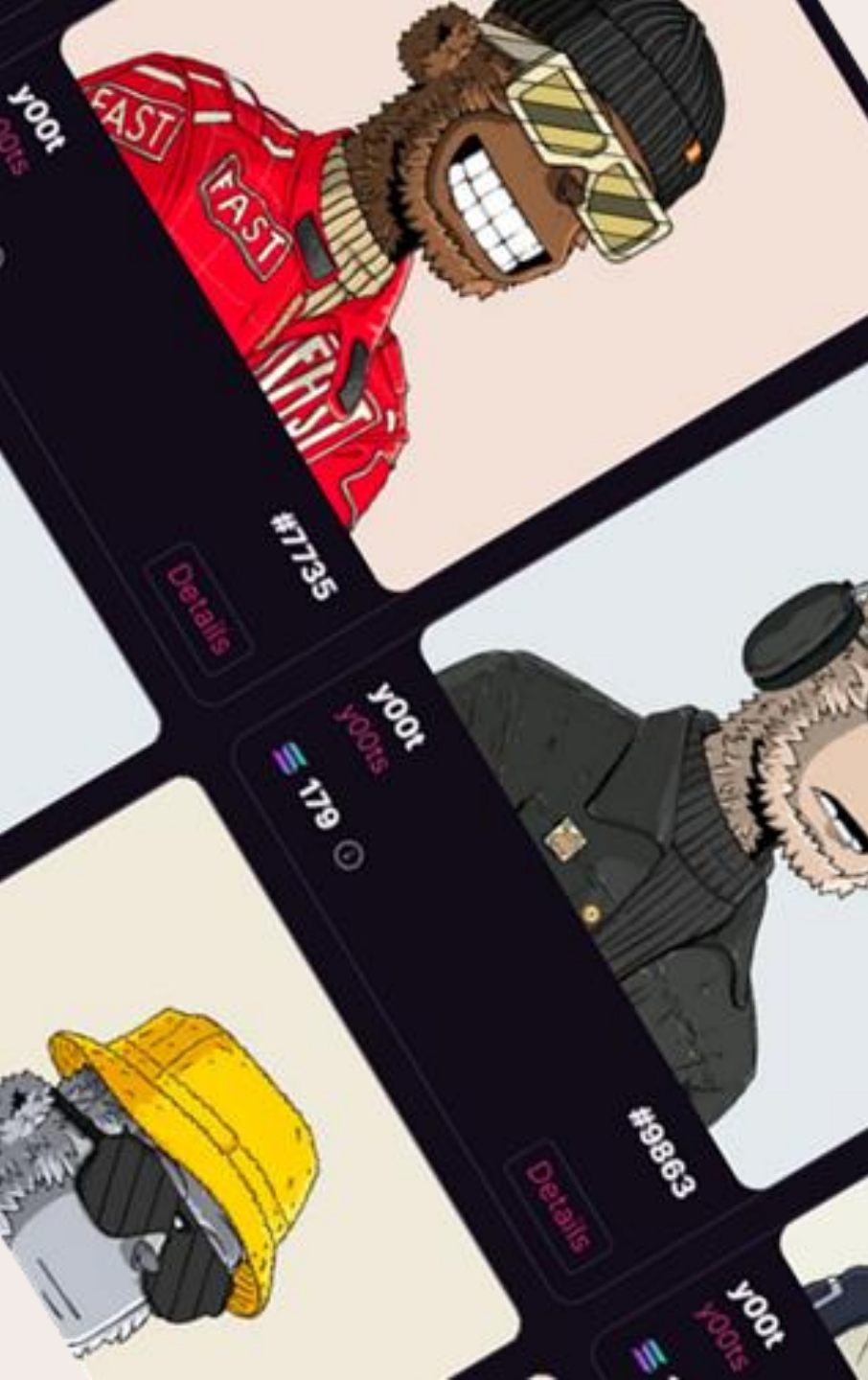
Make a permissionless
claiming system, and
crowd-fund the claims
for each creator

The way each works is fully documented in the whitepaper

Comparison

-  = Yes
-  = Partial
-  = No

	Solution 1	Solution 2	Solution 3	Solution 4
Automatic Payouts				
Full Payout				
Gas Efficient				



Summary

NFT marketplaces currently use an outdated royalty method, that doesn't leverage the massive amounts of money flowing through the industry. The VCP model aims to change that, and provide value for all the parties involved.

Finishing Notes

By z.ftm - @zdotftm on Twitter and @OHMKI on Telegram

Code for all the models in the whitepaper can be seen at <https://github.com/pokesi/vested-creator-pools> and is all licensed under the Unlicense.