Whitepaper

Decentralized fundraising platform

Content

1. Introduction
1.1 Crowdfunding

Crowdfunding (or participatory financing) is a mechanism that aims to collect financial contributions from a large number of individuals through an Internet platform. The goal of this collection is the financing of a project. These projects can concern start-ups, social assistance, art, agriculture, and more.

Two parties are involved in a crowdfunding operation:

- The investors who invest a sum of money in a project or a social action they believe in
- The project owner does not have the necessary funds to implement the project or to realize something.

There are 3 main types of crowdfunding: donation, loan, and investment.

The donation

The investor decides to support a project and gives money without expecting any financial compensation. On the other hand, for example in the case of a cultural project, the investor can obtain a counterpart in kind such as a free ticket, a symbolic gift, etc; this is called a reward.

The main advantage of this type of participatory financing is the absence of a counterparty. Moreover, there is rarely a minimum participation required.

The loan

The money advanced by investors is repaid to them with or without interest according to a schedule fixed at the time of the loan. Investors run the risk of total or partial loss of the invested capital in case of failure of the project.

The investment

The funder guarantees a project and, in return, receives financial securities such as shares, interest rate or convertible bonds

This type of participatory financing is quick to implement. It also allows you to benefit from support and advice from investors. Moreover, it does not impose any guarantee for the project owner who thus avoids endangering their assets by being a guarantor for example.

On the other hand, crowdfunding by investment raises the number of associates or shareholders in the company of the project holder which can increase the management and the operating costs.

1.2 Limits of centralized Crowdfunding

There are now many centralized platforms of Crowdfunding. These companies stand out according to the way they select their project and the type of project they are looking for: Tech & Innovation, creative works or community projects. These many centralized crowdfunding platforms face many drawbacks, among them:

- They have a single point of failure (SPOF). Thus, a failure results in the complete shutdown of the system.

- These platforms do not provide free opportunities for people to join the projects.

- The data relies on the webserver hosted by the company and therefore can be shut down at any time.

- All private information from users is stored into one unique infrastructure, privacy can be compromised with any cyber attack.

- Crowdfunding organizations have too much power, the funds are retained by the centralized organization.

- Money transfer isn't accessible for users, they have to trust the platform.

- Centralized crowdfunding platforms cannot deal with campaign creators who do not keep their promises.

- Users have no power, and cannot decide for example which pledges will be displayed on the front page and have more visibility, or which fundraisers have more legitimacy than others.

1.3 Raisy's solution

First of all, let's explain what Raisy is. Raisy is a decentralized crowdfunding platform. Raisy's focus is on donation crowdfunding.

This platform was built to bring a human and social side to the blockchain. Let's start with a little background.

In 2008, Satoshi Nakamoto published the whitepaper of a new currency called Bitcoin. The main idea of this currency is to replace the currency carried by central banks, replacing it with a currency using cryptography to prove transactions. This currency would replace centralization with decentralization and thus give the power back to the users, and not to the sometimes corrupt governments.

From there, rethinking the economic system is a first step to making a better world. Simply, we believe that changing the world economy is not enough to make our society better. In order to achieve this goal, we must also question the whole social system.

Raisy was born from this questioning. Indeed, in the current system, the population has to pay taxes, in order to finance the system and to help people in need. But this system doesn't work, because there is no transparency from the authorities collecting these taxes, and the money sometimes feeds corrupt politicians. On the other hand, in an ideal economic world on the blockchain, users are anonymous and are therefore not subject to any taxes.

We think that taxes are a bad way to help people in need. Indeed, the constraint and the non-transparency make this system bad.

Raisy aims to offer a solution to give to people in need transparently. This solution takes the form of a platform, where everyone is free to give to whoever they want, in order to help people in need, and thus make the world better. No constraint, simply a platform allowing every human being to make the world around him better. No minimum donation, just give what you want.

Raisy aims to rethink the current system, to really reconnect people with each other.

Our vision is to empower every person in the world to achieve their dreams. Raisy is a way for everyone to raise funds, whether you are an individual, a company, a group of people, or an association.

2. Use case

Raisy aims to offer any user of blockchain a way to raise funds in order to realize their projects, their dreams or to satisfy their needs. Many people on various blockchains have been making large profits for years, and therefore have a high propensity to give to people and businesses in need. It is in this sense that Raisy offers itself as an obvious way to fill a gap in the blockchain sector, both on the social side, where few actions are taken, and on the philanthropic side.

Raisy adds value in several ways. The first value brought by Raisy is economic, as the crowdfunding business is huge. The current market size is $12 billion and is expected to double by 2027. These figures are oriented on the fiat market, and it is difficult to evaluate the current crypto market. Nevertheless, several observations seem interesting to make. On the one hand, people in the cryptocurrency business will have a much stronger interest in using Raisy than a centralized fiat-based crowdfunding platform, as they won't have to pay taxes related to the exchange of cryptocurrencies into fiat. Hence, the decentralized crowdfunding market seems to be difficult to attract by centralized platforms. The opposite seems much more feasible, as decentralized crowdfunding and thus Raisy offers much more significant transparency, as well as user integration via DAO governance. These advantages will be as many marketing assets in order to gain market shares on centralized platforms a second time, by proposing in particular simple solutions for non-tech people to use Raisy (use of credit card to give, simplification of the interface...).

Raisy also brings social value. As explained many times before, Raisy gives people the ability to help people in need, both in their lives and in their business. Although with the increased exposure of NFTs in the summer of 2021, many projects have decided to donate to associations, we believe that this kind of initiative is not yet present enough in the blockchain world. We at Raisy, are proud to be at the forefront of developing the social side of blockchain.

Finally, Raisy provides a solution for every person in this world to get funds without necessarily having to give their identity, and be able to avoid the repression of governments and organizations. Many brilliant people in the world do not have the means to realize their projects to revolutionize the world, Raisy gives them this possibility, regardless of their horizon.

3. Features
3.1 Send a donation

Choose your favourite project and send some $RSY. You can either give to a project, which aims to create something, or to a person in need looking for funds, or to a charity that aims to help make the world a better place. You'll receive a unique NFT corresponding to the universe of the project if the project proposes it. It will act as much as an artistic and funny picture as donation proof (transaction details in the NFT metadata). You'll be able to use this NFT to receive prices once the project is developed.

In addition, donating to a project will be rewarded as staking. Indeed, you will receive rewards in $RSY according to the amount staked and the APYs of the project in which you stake.

3.2 Submit your project

Any user is free to submit any project he assesses legit, with no restriction. You can ask for funds no matter who you are, or what you want to achieve. If the project target isn't reached in the time limit, all donors will be refunded.

You can list it on the raisy website following these steps :

- **Completing a KYC (optional)**

While completing a KYC, you'll obtain a verified status on your project. Thus, you'll reassure funders of your dedication and implication in the project. KYC is optional as we care about decentralization and of course, we still want people in need to have the opportunity to use our platform without having to submit a KYC.

- **Introduce yourself**

Who are you?
How did the project come to your mind?
Where can we contact you?

- **Present the project**

A Title
A brief description
A presentation video
Some pictures and reference
A fully detailed description
Your long-term vision.
Website
& More

- **Complete the fundraising**

Amount to raise in order to fund the project.
Wallet Address of the business owner. (You can add several addresses to split the funds)
How long will the funding campaign last?
Do you lock the amount of donation if the target has been reached?
Donations' rewards depend on the donation amount which will be given if the campaign ends with success.

3.3 DAO governance token

As we wrote earlier, Raisy is a fully decentralized platform. In this sense, the governance of the protocol is too. The users have control of the protocol. They will be the owners of the smart contracts implementing the protocol.

In addition, they will have the possibility to decide on the projects on the front page of the website. This decision is important because projects with good visibility will have a better propensity to attract investors.

Furthermore, we believe that all users of the platform should have a say in decisions, although those with more $RSY should have a greater say in decisions. Thus, the following system has been put in place. All users stake their $RSY in the voting contract. Then the votes are distributed as follows.

We calculate the amount of $RSY corresponding to 10% of the staked amount. This quantity is used as a cap. All users who have staked more than 10% of the total supply have their voting weight reduced to 10%. By reducing the amount staked by those who have staked more than 10% of the supply, we get the final vote.

This 10% cap is changeable, its value is decided by the community through voting.

3.4 Proof Of Donation

When participating in a kitty, it's good to receive proof that you've been part of it. That's why with Raisy if the campaign is a success, meaning it has reached its objective, everyone who has participated will receive a special NFT following the ERC-721 token standard. This NFT will contain all the information regarding the participation in its metadata :

- Name of the campaign
- Amount of the donation
- Time of the donation
- Wallet Address of the donor

This NFT will be tradable and exchangeable on NFT marketplaces such as OpenSea. The proof of donation contains the information regarding a donation, no information on the user is available(other than their public address).

Once the funding campaign is over, every owner of this special NFT will be able to enter their private information on the campaign page. The fundraiser will then have access to this information in order to send the rewards he has been willing to give.

3.5. Funds Release

When participating in a campaign, one would like to make sure the funds raised are used for the purpose they were raised for. To deal with that issue, Raisy leverages the power of the Proof of Donation. Everyone who has participated in the campaign will be able to vote whether or not they want to release the next portion of the funds.

The funds' release schedule will be the following :
- X% directly released once the campaign is over with X greater than 20%
- Y_i% each time the campaign donors decide to until all the funds have been released with *X + Yi * number of milestones = 100%*

These parameters will be decided by the campaign's creator when creating the campaign and cannot be modified afterwards. The creator also has the option to release all the funds at once. This decision will be public and users should act in consequence. This allows for smaller campaigns to be created which do not necessarily need a release schedule.

Please note the funds will start being released only when the campaign deadline is met and not as soon as the campaign objective is reached.

Some campaigns can turn out to be scams and the funds are not used for what they were meant to be used for. In such cases, the campaign donors verified by the Proof of Donation will be able to get refunded for what has not been released yet. If 90% of the donors declare they want a refund then they'll automatically get refunded. This 90% threshold will also be updatable through the Raisy DAO proposals and discussed thoroughly in community calls.

All the funds raised are stored in the **RaisyCampaigns** smart contract. One should exercise caution using Raisy although the smart contracts will be thoroughly audited and peer-reviewed before the mainnet launch.

On claiming the funds, a platform fee of 2% is taken. 0.5% of the fees are transferred to the community treasury. Those fees will be used to contribute to the project's growth as explained in the "Fundraising and usage" section.

3.6. The $RSY token

The $RSY token is at the center of the Raisy ecosystem. In order to actively participate in the ecosystem, decisions, and benefits of the platform, the $RSY token is essential. Here are the main features unlocked by the $RSY token:

- Protocol governance

You will be able to vote and have your say on the protocol by voting through the DAO. You will be one of Raisy's shareholders, so to speak, and will be able to decide on its future.

- Social staking

Sending donations in $RSY will allow you to receive staking rewards as if you were staking on a pool on a DeFi protocol. This allows you to give to people in need while receiving rewards for your involvement. Social staking is only available for donations in $RSY.

- Partnerships

Numerous partnerships with, among others, DeFi protocols to stake your $RSY will be put in place. This will allow all holders to fully benefit from an optimal experience with $RSY.

4. Token
4.1 Governance

Raisy aims to be a fully decentralized platform. In this sense, in order to decentralize as much as possible the important decisions of the protocol, decisions will be taken by the community. We believe that the DAO governance system is the future. That's why $RSY holders will have the power and responsibility to propose and vote on important decisions of the protocol. More information on how the DAO is built is available in the protocol architecture section.

4.2 Token design

The $RSY token is a governance token, but not only. The token is built under the ERC20 standard.

Its use is first a governance token, this means people will be able to vote on important decisions with $RSY. In addition, a portion of the revenue from the protocol will go directly into the $RSY token to give it value.

The native $RSY token has other uses that make it more valuable. Donations/staking in $RSY will have no fees, to encourage people to use the token, and the APRs will be higher for staking.

In addition, the prize pools displayed on the front page will be determined according to several factors, one of the most important of which will be the quantity and especially the percentage of donations in $RSY.

Here is a diagram of the use of the token, with the various possible uses and flows.
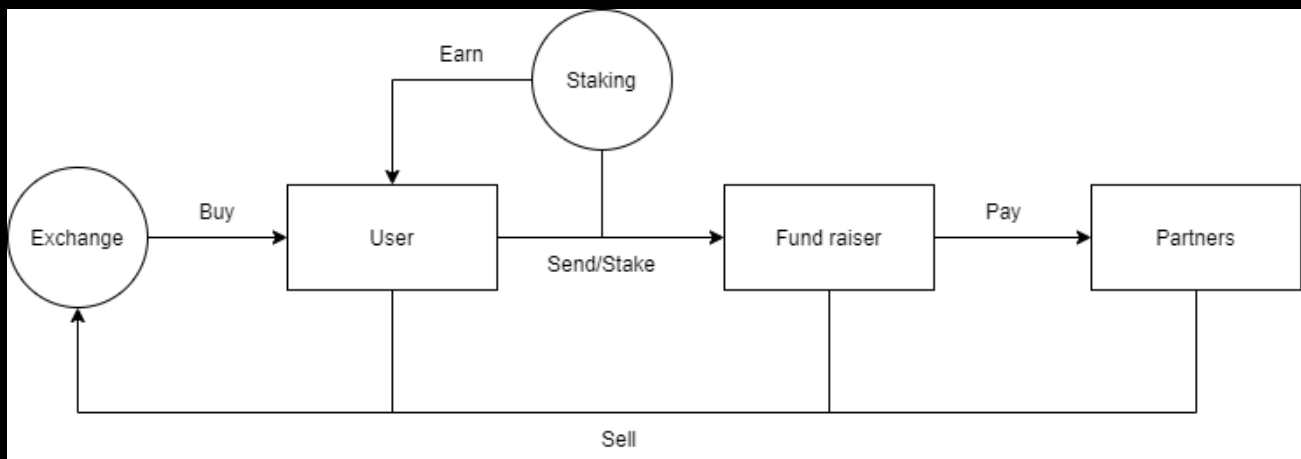
Figure 1: Token life cycle diagram

4.3 Tokenomics

The value of an innovative project can be completely spoiled by bad tokenomics. That's why we take this point of the project very seriously. We have thought about this point for several weeks with competent advisors in the field.
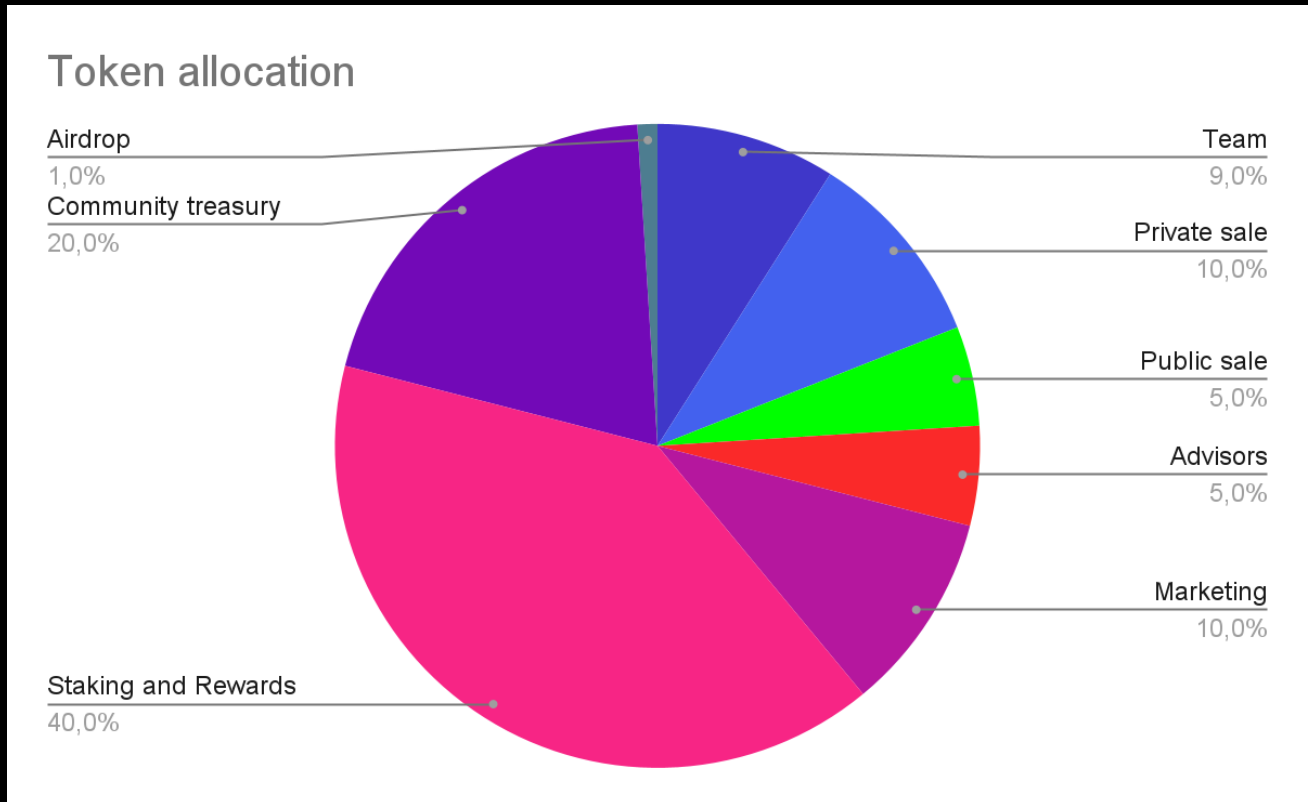
First, let's study the buying and selling pressure. The objective is obviously to tilt the balance to the side of the buying forces, by increasing as much as possible the holding time. On the side of the buying forces, there are mainly people who want to give to projects at no cost and people who want to invest in project governance and DAO. On the other hand, some people want to expose themselves to the token as an investment. This buying pressure can be optimized by developing the visibility of the project, as well as by developing new features. On the selling side, there are mainly the project owners and beneficiaries of pools as well as people who have received tokens from staking. There are also speculators taking profits.

The main objective of the protocol will be to tilt the balance of power to the side of the buying pressure:

- Giving as many use cases as possible to the token in order to limit the sale of the token by the fundraiser.
- Giving visibility to the project through marketing campaigns, and donation campaigns to raise awareness.
- Offer more and more features to attract as many people as possible.

All these optimizations will also aim to reduce the volatility of the token price.

The distribution of the token will be as follows in figure 2. The total supply of $RSY is 10 million. It will be distributed as follows.

Token allocation

Airdrop
1,0%

Community treasury
20,0%

Team
9,0%

Private sale
10,0%

Public sale
5,0%

Advisors
5,0%

Marketing
10,0%

Staking and Rewards
40,0%

Figure 2: Token répartition

The token will not be released at once. Numerous vestings will allow to spread and smooth the tokens emission. Here are the conditions of release of the various allocations of tokens:

- Team: Locked for 1 year, then 1-year linear vesting.
- Airdrop: 1-year linear vesting.
- Community treasury: 2-year linear vesting.
- Staking and rewards: 3-year linear vesting.
- Marketing: 3-year linear vesting.
- Advisor: Locked for 6 months, then 1-year linear vesting.
- Public sale: No restriction.
- Private sale: 1-year linear vesting.

Figure 3 describes this information more visually.
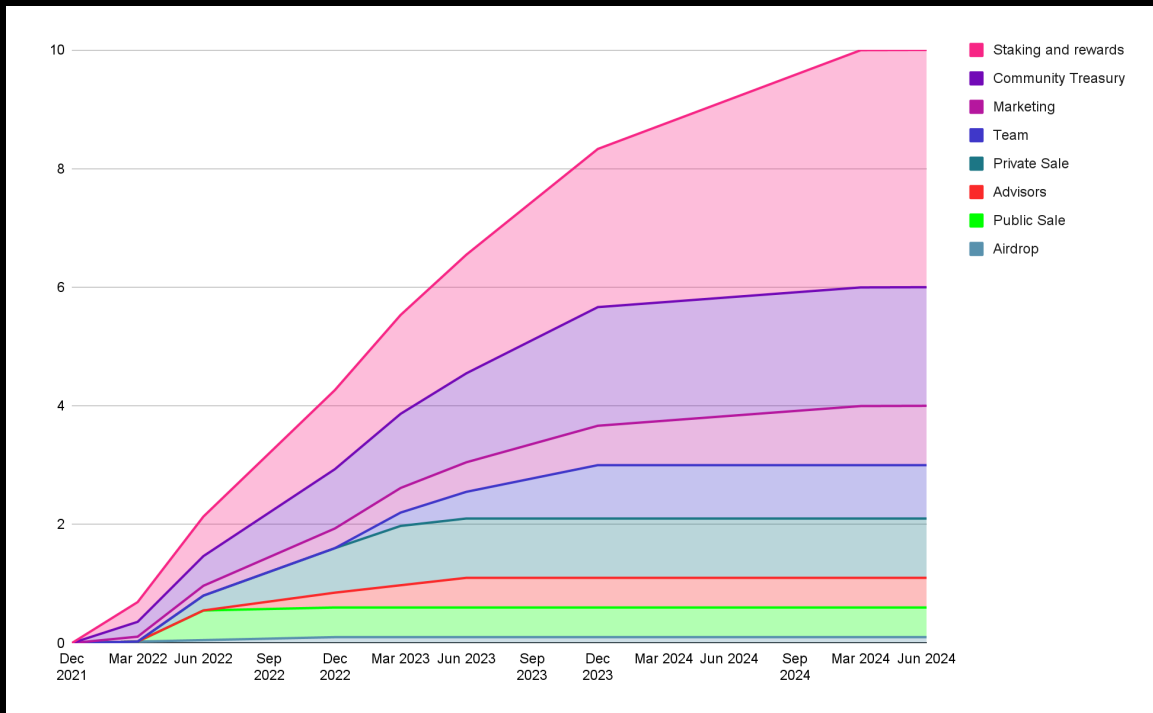
Figure 3: Token emission schedule

5. Team

The team behind this project is composed of three people. We are all French students in our last year at the Ecole des Mines de Saint-Etienne, one of the best French engineering schools. We have specialized in computer science for 3 years. We developed a lot of test DApps, in the DeFi field. We decided to jump into the mainnet with the launch of Arbitrum, and built an NFT collection as well as an NFT marketplace. These apps are available at *https://bunnygang.art* and *https://agoranft.io.* The team is subject to growth as the protocol is growing, but for now, here is the presentation of the three founding members.

Sacha Graff
Co-founder, Lead partnerships and strategy

Sacha is a CS addict and jumped into cryptocurrencies 2 years ago. He first invested in and is now developing dapps. He's leading the strategy of Raisy and focuses on concluding strategic partnerships. If he's not working, you'll very likely see him skiing in Courchevel.

Matthias Hallgren
Co-founder, Lead Developer

Matthias is a CS addict too and jumped into cryptocurrencies 3 years ago. He's been coding from an early age and dabbled into many fields such as game development, web development, and more. He's way more organized than his haircut can let you think.

Mattéo Georges
Co-founder, Lead marketing

Matteo is a CS addict too and jumped into cryptocurrencies 2 years ago. He's coding but is also focused on marketing and community. He's been acquiring experience in this field mainly in NFTs. If he's not working, you'll probably see him scrolling on Opensea or at the gym.

6. Protocol architecture

The global architecture of the protocol is designed as followed, figure 4:
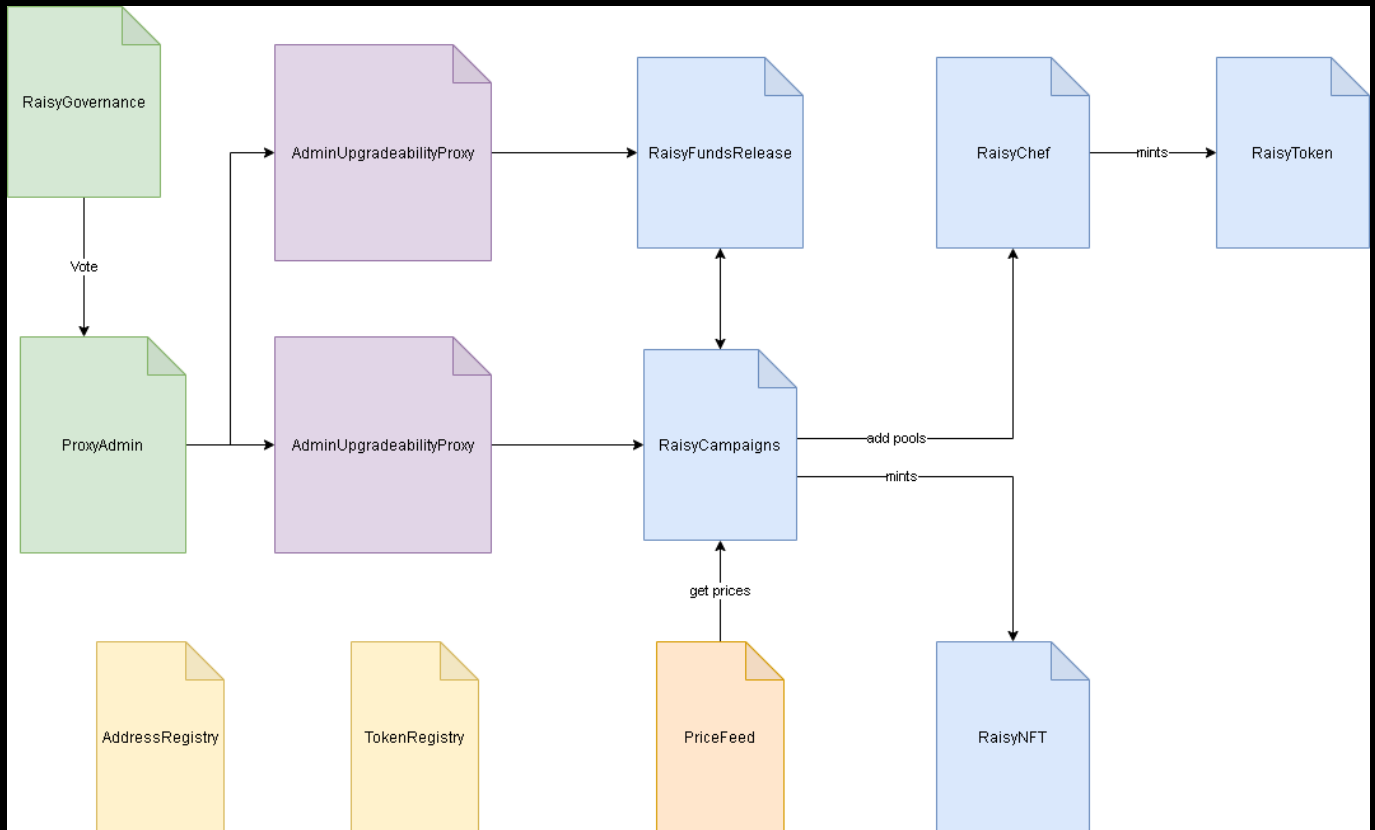
Figure 4: *Protocol global architecture*

The Raisy Funding protocol consists of 9 smart contracts that are all connected.

The architecture has been thought to be easily upgradeable thanks to an Admin Upgradeability Proxy. You can read more about proxies in this OpenZeppelin blog post: *https://blog.openzeppelin.com/proxy-patterns/*

The main smart contract is the **RaisyCampaigns**, it's responsible for the main logic of the protocol such as adding new campaigns, funding a campaign, and creating the PoD (Proof Of Donation) NFTs. The secondary smart contract is the **RaisyFundsRelease** which will handle the releasing schedule of the funds through the donors' votes.

We explain here the basic idea of the protocol architecture but more in-depth articles, as well as audits, will be available in public on our GitHub: *https://github.com/raisyfunding*

6.1. Protocol governance

The governance of the protocol will start straightforwardly before evolving to a fully on-chain proposal voting mechanism. We decided to choose the following governance system :

- Votes happen off-chain using snapshot.org and the $RSY token
- Decisions are then enacted using a Gnosis-Safe multi-sig wallet. It's the most-secured multisig contract today securing more than 100 $B funds which makes it an obvious choice.

The Raisy DAO will be able to vote for every decision regarding the protocol.

6.2. Registries

The architecture consists of two registries :

- **TokenRegistry**: Smart contract responsible for managing the tokens enabled for payments. In fact, we'll add more and more tokens available to participate in campaigns as the protocol grows.
- **AddressRegistry**: Smart contract responsible for managing the addresses of the other deployed smart contracts to make interconnection easy and upgradeable.

6.3. Price Feed

The **PriceFeed** smart contract is responsible for fetching the latest price of tokens used in the Token Registry. Fetching the price of the tokens through Chainlink price feed oracles is very important to ensure a good estimation of the current amount in the kitty at any time which doesn't depend on any liquidity pool. Thus, it resolves liquidity pool imbalances and security issues.

6.4. NFT

On completion of a campaign, each participant will be able to mint their Proof Of Donation thus calling the mint function of the **RaisyNFT** contract. All data about the donation are stored on-chain and will be used to vote for the funds' release or to ask for a refund if the campaign's creator doesn't act as expected. The NFT will represent participation in a campaign and will follow the OpenSea metadata standards: https://docs.opensea.io/docs/metadata-standards

The metadata will be hosted on IPFS as well as the image using *nft.storage*.

6.5 Social Staking

When participating in a campaign the user's funds are locked into the contract until the campaign's deadline is met. If the user is participating using the $RSY token, the campaign will act as a pool and rewards will be calculated by the protocol depending on the amount of time the tokens are locked. If the campaign ends up being a success, rewards are minted as $RSY tokens by the **RaisyChef** contract and distributed to all participants.

First of all, the rewards are calculated to be exactly the same no matter the campaign thus not discriminating against anyone.

*accRaisyTokenPerShare = Rewards * DAOFactor / Total $RSY staked on all pools*

The DAOFactor equals 1 by default but can be changed by the DAO to increase the yield for a campaign thus incentivizing users to donate to this particular campaign.

Finally, once the campaign is over, the rewards generated by the user's donation will be linearly vested for 3 months. This vesting mechanism is directly integrated into the **RaisyChef** contract.

A few final words on this architecture; it is subject to evolve throughout the development and the whitepaper will be updated accordingly to the research and development progress.

7. Fundraising and usage

The funds raised will be used to develop the protocol. Two types of fundraising will be available. The first type is via a private sale, and thus via an allocation of the $RSY token. The second type is via the sale of shares in the protocol, i.e. via the transfer of part of the costs generated by the platform.

These funds will be used to finance the recruitment of new skilled people, especially in design and development. The first funds raised will allow us to submit the contracts to audits. We believe that audits are a priority in order to secure our platform, so this will be one of the priorities of the team.

8. Timeline

Here are the main checkpoints of the project. This timeline is subject to adjustments and is the first version. This list is not exhaustive and is only a reference point to give an idea of the overall vision we have for the project, as well as the strategy we adopt to best win the market. Our vision is to focus on development through testing and proving rather than developing an entirely theoretical product. That is why an MVP will be released on the testnet as soon as possible so that it can be tested and audited. This starting point will be used to build the whole ecosystem we have designed around Raisy.

Q4 2021
- Chainlink Hackathon participation
- Whitepaper
- MVP testnet release with all features
- Audits
- Private sale

Q1 2022
- Mainnet release
- Social profiles and rankings
- Public sale
- Partnerships

Q2 2022
- Fiat payments
- Philanthropist social network
- Integration of $RSY in many protocols (partnerships)

Q3 2022
Coming soon...

9. Conclusion

This whitepaper is the first version and will be improved. Nevertheless, it contains the main elements of the project and gives a good general representation of the project, its features, tokenomics, and architecture as well as the direction taken by the protocol.

Q3 2022