

# SOULBOUND Protocol

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## 01 Introduction

### What is SOULBOUND Protocol ?

SOULBOUND Protocol is the first decentralized platform in the Bitcoin Ecosystem, designed to provide fair rewards and investment opportunities to all participants based on their contributions. It aims to eliminate the inequality present in current crypto ecosystems where early participants frequently benefit disproportionately.

As SOULBOUND, we upgraded traditional launchpads' model and turned it into the ultimate investor community creator tool. Under the SOULBOUND, investors are not just investors of the project. Instead, they're individual business owners who recruit their own investor networks to help them invest. In other means, SOULBOUND protocol turns each retail investor into a mini VC, a new paradigm for investment in Web3.

### Vision and Mission

SOULBOUND Protocol aspires to become a cornerstone within the Bitcoin ecosystem by offering a launchpad for groundbreaking projects, fostering community engagement, and contributing to the growth of decentralized finance (DeFi) on the Bitcoin blockchain.

### Objectives

The core goal of SOULBOUND is to incentivize the building of a robust Bitcoin ecosystem through community-driven participation. It transforms retail investors into influencers and mini venture capitalists by rewarding them for recruiting others into the network.

- Enable early access to quality projects within the Bitcoin ecosystem.
- Establish a robust and decentralized governance model for community empowerment.
- Introduce a unique badge system to reward and incentivize active platform participants.

### How does SOULBOUND Contribute?

Innovation in Layer 2 Solutions: By building on Bitcoin's Layer 2, SOULBOUND brings scalability and efficiency to transactions, enabling faster and more cost-effective interactions while retaining the security benefits of the Bitcoin blockchain.

**Cross-Chain Integration:** SOULBOUND's foray into bridging the Bitcoin ecosystem with other blockchains, such as the BNB Chain, is a pioneering step towards interoperability. This not only enhances the utility of Bitcoin but also encourages a more interconnected blockchain ecosystem.

**New Financial Instruments and Services:** Through features like BRC-20 and RGB-20 Minting, and Taproot Asset Creation, SOULBOUND is introducing new ways to utilize Bitcoin for asset tokenization and smart contract applications. This expands the scope of Bitcoin from a digital currency to a foundational layer for a variety of financial instruments.

**Empowering Community Governance:** By creating a governance model centered around the \$SBB token within the Bitcoin ecosystem, SOULBOUND empowers users with decision-making capabilities, fostering a community-driven approach to platform development and project selection.

**Strengthening the Bitcoin Investment Landscape:** The SOULBOUND protocol, with its unique investment platform model, contributes to diversifying the investment opportunities available within the Bitcoin ecosystem, making it more accessible and appealing to a broader range of investors.

## 02 Architecture

The SOULBOUND Protocol is built on a decentralized architecture to enable community-driven governance and participation.

### Consensus Layer: Bitcoin Network

The SOULBOUND Protocol is anchored on the Bitcoin network as its consensus and security backbone. Bitcoin represents the most secure, decentralized, and valuable proof-of-work blockchain in existence. By leveraging Bitcoin's widespread adoption and vast mining infrastructure, SOULBOUND inherits innate advantages around network security, censorship resistance, uptime and reliability. Tapping into Bitcoin's consensus layer enables SOULBOUND to focus on decentralized applications while benefiting from the robust foundational elements pioneered by Bitcoin.

The choice to anchor the SOULBOUND Protocol within the Bitcoin ecosystem is a strategic decision rooted in Bitcoin's unparalleled security, widespread adoption, and its status as the cornerstone of the cryptocurrency world. Bitcoin represents not just a digital currency, but a symbol of decentralized finance and a testament to blockchain technology's potential. By leveraging the robustness and trust associated with Bitcoin, SOULBOUND aims to foster a reliable and stable environment for decentralized finance initiatives.

### Smart Contract Layer: Bitcoin L2 (EVM Compatible)

The SOULBOUND Protocol utilizes the Bitcoin L2s as its smart contract execution environment. Bitcoin L2s offers Ethereum Virtual Machine compatibility allowing battle-tested Solidity contracts to be ported easily. Bitcoin L2s smart contracts facilitate programmatic

encodings of incentives, staking, voting, and treasury management logics essential to SOULBOUND. Leveraging Bitcoin L2s accelerates development and provides user-friendly multi-wallet accessibility aided by its integration into existing Bitcoin infrastructure.

## Application Layer: SOULBOUND Launchpad

The SOULBOUND Launchpad provides the main user interface and front-end application for accessing protocol utilities. This includes an integrated asset issuance, governance forums, and interfaces for staking tokens, submitting improvement proposals, and more. The Launchpad ties the underlying DeFi components together into a seamless and intuitive portal for users.

## Incentive Layer: BADGE-based BTC Reward Mechanism

SOULBOUND utilizes a novel BADGE system that aligns recruitment incentives with protocol growth. Participants are motivated to spread awareness and foster community expansion in a sustainable fashion to maximize rewards distributed in the form of BTC. The protocol mints BADGE tokens which are staked to access yield and governance rights over the treasury and platform direction.

# 03 SOULBOUND Platform

## Platform Overview

SOULBOUND Protocol acts as a launchpad, connecting promising projects with the Bitcoin community. Participants gain access to exclusive token sales by holding badges, which are acquired through a referral code system.

The platform aims to enhance the Bitcoin ecosystem by supporting and promoting innovative projects that align with the principles of decentralization, security, and community collaboration.

## EVM Compatible SOULBOUND Protocol

SOULBOUND is the first community-centric and reward-oriented launchpad created on Bitcoin's Layer2. It also holds the distinction of being the first endeavor to bridge the Bitcoin ecosystem with the BNB Chain, fostering a flourishing ecosystem of diverse blockchains. In future developments, SOULBOUND is set to expand its integration with multiple chains.

## Multi-Wallet Support Focusing on BTC-ecosystem

The SOULBOUND is set to be the main Launchpad in the BTC ecosystem. Thus, all BTC ecosystem wallets will be gradually integrated to Protocol including Unisat, OKX web3, Xverse, etc.

## SOULBOUND Launchpad

To participate in the launchpad, users need to hold a SOULBOUND (seed) BADGE, which can be acquired by using referral codes. The badge system categorizes users into different levels, influencing their project allocations and platform privileges.

## Additional Tools

### BRC-20 Minting

Users can now deploy and mint their own BRC-20 token directly from the SOULBOUND platform and can easily trade on all BRC-20 marketplaces.

### RGB-20 Minting

RGB is a smart contract-enabled Layer-2 (L2) and Layer-3 (L3) protocol built on top of the Bitcoin base layer (LNP/BP) and the Lightning Network. SOULBOUND Protocol is one of the first platforms to offer RGB-20 Minting.

### Taproot Asset Creation

Taproot Assets (formerly Taro) is a new Taproot-powered protocol for issuing assets on the bitcoin blockchain that can be transferred over the Lightning Network for instant, high volume, low fee transactions. At its core, Taproot Assets taps into the security and stability of the bitcoin network and the speed, scalability, and low fees of Lightning.

## 04 SOULBOUND BADGE

Badges are special non-transferable NFTs of the SOULBOUND platform in the initial stage until 21,000 badges are sold out. They serve as the entry tickets to the SOULBOUND Protocol, encompassing essential participation requirements for initiatives like the SOULBOUND Launchpad project. Holding a badge is a prerequisite for engaging in and benefiting from various activities within the SOULBOUND ecosystem. Through strategic distribution, upgrade options, and the initial airdrop, we aim to create a dynamic ecosystem that values participation and recognizes the diverse contributions of our community members.

### Badge Types and Distribution




A total of 21,000 badges will be initially issued, distributed across three distinct tiers: Legendary, Epic, and Common. The allocation of badges is designed to create a balanced and exclusive ecosystem that rewards both early adopters and active participants. Each offering distinct benefits such as increased project allocations, enhanced staking rewards, and exclusive access to platform features.

## Badge Limit:

Legendary Badges: 1,000 (4,76%)

Epic Badges: 5,000 (23,8%)

Common Badges: 15,000 (71,42%)

|                  | Common  | Epic  | Legendary   |
|------------------|---|---|---|
|                  |  |  |  |
| Badge price      | 100\$   | 500\$   | 1.000\$   |
| Branching Reward | 10%   | 12%   | 14%   |

## Genesis Airdrop

To kickstart the badge ecosystem, 1,000 badges will be allocated for an initial airdrop. This airdrop aims to reward early community members and incentivize their engagement.

## Acquisition through Referral Codes

The remaining badges will be available for purchase, with access granted through exclusive invitation codes. This strategy ensures that the community grows organically while maintaining a level of exclusivity for badge acquisition. Users can enjoy various benefits by purchasing Badges. These benefits may include, but are not limited to, differences in whitelist qualifications and investment amounts for the IDO projects. The specific details will depend on the actual project launch.

## Badge Earning Mechanism

SOULBOUND's earning mechanism is based on referral rewards, which is known as branching reward. Branching reward means that you receive a percentage of the payment (depending on your SOULBOUND BADGE trait) whenever a new user uses your referral code to buy SOULBOUND BADGE.

This creates a hierarchy that motivates participants to recruit additional members in order to ascend trait levels and maximize potential referral payouts. At launch, the baseline referral reward percentage starts at 10% and can scale up to 14% for the highest badge trait levels.

Ongoing BADGE purchases and trading also confer staking rewards and protocol fee revenues shared among BADGE holders per the level of contribution. Together these

incentives promote sustainable community growth and value accretion aligned with broad token holder interests.

## Upgrade and Conversion Mechanism

Badge holders have the option to enhance their badges by utilizing our native token \$SBB. This upgrade process not only adds intrinsic value to the badge but also reflects the holder's commitment to the community. Additionally, badges can be converted into \$SBB tokens through a conversion mechanism, providing flexibility for users who may want to transition their assets within the ecosystem.

## 05 \$SBB Token

\$SBB serves as the native utility token, providing various functionalities within the SOULBOUND Protocol ecosystem. These include participation in IDOs, governance, staking for rewards, and upgrading badges. The \$SBB token aligns economic incentives, governance rights, platform functionalities together to promote active ecosystem participation and positive contribution - creating sustainable value for all stakeholders.

## Staking Mechanism

Holders can stake \$SBB tokens to earn rewards, including early access to projects, increased allocations, and exclusive platform privileges.

### Staking for Launchpad Accelerator

Epic and Legendary badge holders can stake \$SBB to enhance the access to token sales on the launchpad platform. The quantity and duration of the staking commitment will determine the priority for securing your enhanced allocation for IDO.

### Staking to Mine Launchpad Tokens

This feature is specifically designed for \$SBB token holders to stake their tokens and earn tokens from IDO projects launched on our platform. This mechanism complements our existing staking system, offering an alternative avenue for our community members to engage with and benefit from the growth of our ecosystem.

Holders of \$SBB tokens can opt to stake their tokens in a special pool that is distinct from our primary staking system. This pool is exclusively for earning rewards in the form of tokens from IDO projects.

A set portion of tokens from each IDO project on SOULBOUND will be allocated to this staking pool. The allocation rate and the selection of projects will be in accordance with the strategic objectives of the SOULBOUND ecosystem.

The distribution of rewards from IDO projects to stakers will be based on the amount of \$SBB they have staked, ensuring a fair and incentive-aligned system.

This staking mechanism offers \$SBB holders the chance to expand their investment horizons by gaining exposure to a diverse range of new and innovative projects in the crypto space.

## Stake \$SBB to earn \$BTC or \$BNB

As SOULBOUND operates as a community-driven Bitcoin ecosystem protocol, we are excited to announce an innovative addition to our incentive structure. We will be directly incorporating \$BTC/\$BNB into the protocol as part of our reward mechanism beyond our native platform token \$SBB. This initiative reflects our commitment to diversifying and enhancing the incentive offerings within the SOULBOUND ecosystem.

In that case, SOULBOUND Protocol has created the first incentive mechanism that generates \$BTC revenue. where participants are rewarded with Bitcoin (BTC)/\$BNB as a form of protocol fee revenue. This innovative approach established value in the SOULBOUND Protocol's reward system. When users stake their \$SBB tokens, they start to acquire \$BTC/\$BNB revenue. Users can deposit \$SBB into a staking pool. The pool's size varies each day, and the \$BTC/\$BNB rewards are distributed to users based on their relative deposit of \$SBB, aligning with the platform's balanced revenue model.

## Governance Rights

\$SBB holders are granted governance rights, enabling them to actively participate in decision-making processes. This includes voting on proposed changes to the platform, new partnerships, and adjustments to tokenomics. By involving the community in key decisions, the platform aims to create a decentralized and participatory ecosystem.

\$SBB holders who participate in protocol governance and voting processes are incentivized by governance rewards and a share of platform revenues. SOULBOUND encourages the community to actively engage in public issues and decisions related to the protocol's advancement. By staking \$SBB tokens, holders indicate their long-term support and become eligible for governance rights and a proportional share of the fees and income generated by platform activity.

SOULBOUND employs a "vote escrow" scheme where a portion of staked \$SBB tokens are locked up for a fixed time period in order to unlock voting abilities and maximize the weighting of votes from dedicated community members. The longer an



individual escrows their tokens, the higher governance influence they receive. Users can redeem their locked tokens early but forfeit accrued voting influence in doing so.

This participatory model aims to put platform direction firmly into the hands of engaged \$SBB stakeholders. By tying voting powers directly to escrowed token holdings, the protocol incentivizes considered proposals and discourse by the participants most invested in Soulbound's purpose and success. The governance reward model then shares the value created on the platform with those actively steering the ecosystem toward shared goals.

## Upgrade and Convert Badge System

The economic model for \$SBB introduces a mechanism where users can utilize the token to upgrade their badge levels. By employing \$SBB, participants have the opportunity to enhance their standing within the ecosystem, unlocking additional privileges and benefits associated with higher badge levels.

Furthermore, a unique feature in the economic model allows users to exit badges by converting to \$SBB. Users can exit badges by converting to SBB, and the converting page will be providing flexibility for users who may want to transition their assets within the ecosystem. When the user converts to \$SBB, the system will verify that the address has been referred to, and if someone else has been invited and is rewarded, the number of \$SBB conversions will be reduced by the referring he has received.

This dual functionality aims to provide users with flexibility and choice in managing their badge status, encouraging strategic decision-making within the ecosystem. The economic model thus balances the advantages of upgrading badge levels with the potential returns associated with badge destruction.

## Bitcoin Ecosystem Grants

As part of our steadfast commitment to nurturing and contributing to growth of the Bitcoin ecosystem, SOULBOUND Protocol has designated a significant portion of its resources for this purpose. Specifically, 8% of the total supply of our governance token, \$SBB, is allocated as grants dedicated to supporting the Bitcoin ecosystem. This strategic allocation underscores our dedication to fostering innovation, development, and sustainability within the Bitcoin community.

These grants are intended to fund a range of initiatives, including but not limited to, research and development projects, community-driven Bitcoin enhancement proposals, educational programs, and other activities that align with our vision of a robust and versatile Bitcoin ecosystem. Through this initiative, SOULBOUND aims to empower developers, innovators, and thought leaders within the Bitcoin space, providing them with the necessary resources to explore new ideas, build groundbreaking applications, and address challenges within the ecosystem.

## 06 Governance

The SOULBOUND Protocol will transition to a decentralized governance model overseen by the SOULBOUND Decentralized Autonomous Organization (SOULBOUND DAO). Before this transition, an interim governance entity called the SOULBOUND Core will manage operational decisions.

### SOULBOUND Core

The SOULBOUND Core consists of the founding team, early developers, and major early BADGE holders who have made significant contributions to bootstrap the initial protocol, infrastructure, and community.

The SOULBOUND Core is responsible for stewarding the technical development and release of protocol upgrades prior to the fully decentralized transition. They oversee network operations, security, risk management, and integration with third party services during this phase. The Core's mandate is to shepherd the protocol to the point where it can be sustainably managed under decentralized governance.

### SOULBOUND DAO

The SOULBOUND DAO represents the community of \$SBB token and BADGE holders who will govern protocol development and treasury management decisions moving forward.

The SOULBOUND DAO is responsible for voting on protocol changes, setting key parameters, managing treasury funds, and upholding network security post full-decentralization.

Participants in the DAO are entitled to voting shares proportional to their stake levels. They can also submit protocol improvement proposals and earn governance rewards.

### SOULBOUND Improvement Proposal (SIP)

SIPs allow the community to propose changes like new features, reward model updates, or Parameter modifications to the core protocol.

To submit SIPs, participants must stake a minimum number of \$SBB tokens to prevent spamming the governance process. After discussion and deliberation, the community votes on proposals. If a majority consensus emerges in support, the changes can be adopted if deemed technically sound.

### Governance Reward

SOULBOUND aims to incentivize good governance through aligned tokenomic mechanisms. Active, positively participating members of the DAO receive voting and staking

rewards plus shared fee revenues from protocol and treasury activity. The level of rewards will correlate to contributions as judged by fellow community members. Over time, governance processes and mechanisms will continue to evolve to balance efficiency, decentralization, security and sustainability of the ecosystem.

## Buy-back and Re-distribution

A portion of platform revenue is allocated to a buyback and redistribute mechanism, reducing the circulating amount and potentially increasing the reward of \$SBB stakeholders over time. \$SBB holders who participate in governance staking can also earn platform revenue on the top of base APR of governance reward. This mechanism aligns with our commitment to creating long-term value for our \$SBB token holders.

## 07 Roadmap

### Q4 2023

- Launch 1st version of White Paper and website
- DApp Development & Key Feature Implementation
  - SOULBOUND Reward system Smart Contract
  - BRC-20, RGB-20, Taproot asset creator tools Integration
  - Support staking system in BTC & BNB
  - Integrate multi-wallet: metamask and Unisat
- Testnet I Service Launch
- Protocol Mainnet launch on BNB Chain
- Protocol Mainnet launch on BTC L2s

### Jan 2024

- Launch Badges referral and purchases system
- Support more extension wallets such as OKX, Token Pocket wallet, etc.
- Integrate 3rd inscription marketing place -Atomical
- Launch SOULBOUND Staking function
- SOULBOUND Badges airdrop campaigns

### Q1 2024

- \$SBB Token IDO in SOULBOUND platform
- 1st Launchpad Project IDO (First Lending & Borrowing & Inflation & Deflation all-in-one Defi Project on BTC)
- Open IDO application to public

## Q2 2024

- Launch SOULBOUND Protocol governance system (Core, DAO, SIP)
- 2nd - 3rd Launchpad Project IDO
- UI & UX Upgrade