



## The T2K Token

The purpose of this document is to lay down the foundations for a future business plan - specifically by defining the revenue stream for Token Toolkit, both short and long term. This will make clear what role the T2K token plays in our ecosystem.

The mission of Token Toolkit is to be a utility based cryptocurrency company that develops valuable products of highest quality for the benefit of our customers. As stated in our whitepaper we seek to empower our customers with the ability engage in the financial market by providing the necessary tools to do so well below current market value. Tools otherwise usually locked behind massive paywalls or reserved for “the big boys” (hedge funds and other big financial institutions)<sup>1</sup>. This leads to Token Toolkit’s revenue stream which we divide into three substreams:

1. A subscription-like approach, involving staking a specific dollar(\$)-value amount of our native T2K token in any one of our staking pools. This option is our base product and unlocks the option to further. Token Toolkit profit from the tokenomics involved with buying and selling T2K.
2. Additional pay-per-use using our native T2K token. This grants access to all other products not available using (1). **To use (2) customers must also use (1)**. Token Toolkit profit from trading back into the liquidity pool the paid T2K.
3. Pay-per-use of all products using fiat currencies with a 5% “fiat fee”.

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<sup>1</sup>For more info see our website and whitepaper

T2K, as such, serves as a *proof of purchase*. The value of T2K lies within its use to grant access to Token Toolkit's products. The astute reader may realized that due to the fixed supply of T2K, it's monetary value will necessarily fluctuate in response to supply and demand.

In order to ensure that you, our customer, always get what you pay for, whenever you interact with any of our staking pools we take a snapshot. The snapshot matches the T2K staked and their values against the dollar(\$) (specifically BUSD) required to use our products. This means that once you stake an amount of T2K that satisfy the staking requirements at that point in time, you will never loose access to those services accompanying the staking pools. This is **regardless** of the price movement of T2K. If, however, any amount of those T2K is **withdrawn** we take a new snapshot and if the price of T2K has moved against you, you will loose access to our services and must stake additional T2K to regain access.

For instance, say the cost of using Token Toolkits base products is \$250. You then buy the equivalent number of T2K (say  $x$ ) on January 5th and immediately stake those T2K. Token Toolkit takes a snapshot and records that on January 5th you staked  $x$  T2K worth \$250 thereby granting you access to the base products. Assume then you check up on your staked tokens on February 1st and that in the meantime other customers have finished using Token Toolkit and decided to sell back their T2K tokens. This cased the T2K value to drop. However, this has **no** effect on your access to Token Toolkit's base products. As long as you never unstake and thereby stake at least  $x$  T2K you maintain access to the base product (you may, however, stake more T2K should you want to). Only if you unstake *any* amount of T2K leaving less than \$250 worth of T2K in the pool do you loose access. On the other hand, should the value of T2K increase, you can then unstake the surplus T2K (i.e. the number of T2K that is leaves your staked amount worth more than \$250) and either sell those for profit or use them for other Token Toolkit products.

What we want to emphasize is that T2K is not meant to be a speculative token. However, due to its fixed supply there exists speculative opportunities as we discuss in Section What T2K is Not. Speculation in the price of T2K due to supply and demand comes at a high risk and it is not a game in which Token Toolkit participate directly. Token Toolkit's revenue comes from selling our services and using T2K as a proof of purchase.

## Why Develop Our Own Token

The truth is that most crypto projects do not need a token whatsoever to carry out their business. This is not to discount all the advantages the blockchain technology brings. Rather it is to remind us that it ought to be absolutely clear exactly what purpose any new token serves. While Token Toolkit could, in principle, carry out business without T2K, there are two reasons why we decided to make T2K,

1. It is first and foremost to support and utilize the blockchain technology. It enables fast and easy purchasing without involving a third-party participant.
2. While one option is simply to accept transfers of BUSD it would have required a different way of keeping track of who has paid for access to our services. Using T2K alleviates the need to pair each customer with a username and having them login every time they wish to use our products. By simply staking T2K all we need is to connect to your crypto wallet of choice and that's it. We need no additional information other than proof that you own sufficient T2K - information provided by the blockchain.
3. Enables a burn mechanism of T2K which will increase the price floor of T2K. This ensures that even by returning all T2K to the liquidity pool (every one selling) the price of the T2K token would be greater than at launch. For details see the [\[\[\\*Burn Mechanism\]\]](#) section.

## Pricing and Tokenomics

The price of Token Toolkit's product listed on the on Token Toolkit's website will always show the BUSD price and the equivalent required T2K needed to stake/pay. It is important to note that the listed BUSD/T2K requirement will not match the BUSD/T2K price found on e.g. pancakeswap and other exchanges. This is due to the tokenomics specified in the whitepaper which dictate that of the 5% buy/sell tax 3% goes towards the liquidity pool and 2% goes towards Token Toolkit. When Token Toolkit price their products the required T2K will take into account those tokenomics. To illustrate, assume T2K trades at  $r = 0.5^{BUSD/T2K}$ . Further, assume the staking requirement

for Token Toolkit's base product is \$250. The number of T2K required would be,

$$N_{\text{T2K}} = \frac{250 \text{ BUSD}}{r} \times c = \frac{250 \text{ BUSD}}{0.5 \text{ BUSD/T2K}} \times c = 500 \text{ T2K} \times c,$$

where

$$c = 0.95 \text{ due to buy tax)}$$

Therefore we have,

$$N_{\text{T2K}} = 475 \text{ T2K}$$

The price discrepancy between the 500 T2K calculated just using the price  $r$  and  $N_{\text{T2K}} = 475 \text{ T2K}$  is to account for the imposed buy tax.

Of the \$250, the profits made by Token Toolkit depends on whether you stake or purchase a product using the acquired tokens. In the latter case, Token Toolkit profits  $0.97 \times \$250 = \$242.5$ , where the remaining \$8.5 is the 3% (buy tax) that goes to the liquidity pool. In the former case Token toolkit profits immediately  $0.02 \times \$250 = \$5$  (the 2% buy tax). Once the customer sells their tokens at a later time Token Toolkit profits again from the 2% marketing sell tax. Of course the equivalent dollar amount depends on how the supply and demand has moved the T2K price.

As a general rule the customer should expect that Token Toolkit calculates the price for staking as if the customer sells the required T2K immediately after buying - i.e. Token Toolkit assumes the profits equal twice the 2% tax i.e.  $\$250 - \$250 \times 0.98^2 = \$9.9$ . In practice this means that Token Toolkit profits less if the price of T2K drops between the buy and sell and vice versa.

In summary, if the price of a Token Toolkit product is  $p$  and assuming the value of T2K stays constant between buy and sell, then Token Toolkit profits,

$$\text{profit} = \begin{cases} p - p \times 0.98^2 & \text{if staking} \\ p \times 0.97 & \text{otherwise} \end{cases}$$

## Price Windows

In order to ensure our customers gets a fair chance to buy the necessary T2K, Token Toolkit will calculate the required T2K to match the set USD price of

all products at short random time intervals. This ensures that sudden price movement of T2K will not prevent the customer from carrying out intended purchases. These *price windows* are random such as to minimize potential abuse.

## What T2K is Not

Currently, too many projects exist solely for this purpose and hold no inherent value. By amassing hopeful investors these projects ultimately rely on buying pressure outperforming selling pressure. Eventually early investors cash out, taking profit, which in turn leaves others at a loss. These projects boil down to a game of money redistribution and the rules for determining the winners and the losers are akin to those found in *a game of chicken*. You do not have search for long to recognize similarities between such projects and other more scrupulous schemes.

T2K is not and should not be considered a speculative asset that falls in the category described above. First of all our business model here at Token Toolkit does not consider you, the buyer of T2K, an investor. You are our customer and we provide you with a service. Our goal is and always will be to provide you with products of sublime quality - products we ourselves use here at Token Toolkit. However, while T2K serves as our *proof of payment* mechanism, it remains amenable to speculation and here is how. Speculation in T2K is analogous to buying tickets to e.g. the Superbowl. You could choose to only buy the Superbowl tickets you need, but if you expect the overall ticket supply to not meet the high demand of the populace, you choose to buy an additional  $x = 10$  tickets early. If the initial offered tickets subsequently sell out but demand remains, you can profit by selling the  $x$  tickets you bought previously. You would expect to be able to sell at a price  $p_{\text{higher}}$  above the initial market price  $p_{\text{init}}$ , and your profits  $y$  would be the difference  $y = x(p_{\text{higher}} - p_{\text{init}})$ . Assuming  $p_{\text{higher}} = \$110 > p_{\text{init}} = \$100$  that results in a net profit of  $y = 10 \times (\$110 - \$100) = \$100$ .

This is in fact what happened when Sony released their latest PS5 console. Due to high demand and low supply, to buy a PS5 for 2021 Christmas you might have had to give up between \$700-\$1000 - way above the \$500 retail price<sup>2</sup>. While this may not appear particularly appealing to the general consumer, it is nothing but the market forces responding to supply and demand. These mechanisms are exactly what provide the speculative opportunities.

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<sup>2</sup><https://www.cbsnews.com/essentials/what-people-are-actually-paying-for-ps5s-this-christmas/>

It is at your own risk to decide whether or not to partake in this speculative game. At any rate, Token Toolkit as a company will never partake in this speculative game. Specifically, Token Toolkit, as a company, do not and will never own any T2K<sup>3</sup>. Nonetheless, full disclaimer, the founders and employees of Token Toolkit may receive T2K as part of their salary. This is to allow for them to utilize Token Toolkit's products at their discretion.

## Staking Pools and Voting Rights

There will be two different staking pools;

1. Liquidity providing staking pool
2. Utility staking pool without lockup. Staking will only happen if the amount of T2K staked matches the BUSD required at the time of staking.

Both pools give access to Token Toolkit's base products with no difference in price.

## Liquidity Pool Tax and Staking Rewards

There are two ways to introduce the 56% outstanding T2K while keeping the effect to the price of T2K at a minimum. (1) Burn them. Otherwise they will serve as a sort of "inflationary" mechanism (2) Match the LP rewards as valued in BUSD with T2K from the outstanding batch. This will effectively double the LP rewards while any outstanding T2K remains.

Once all outstanding T2K are circulating the liquidity pool rewards defaults back to the standard liquidity pool tax.

## Burn Mechanism and Charity Pledge

As a way to raise the price floor of T2K and thereby indirectly further reward the staking pools Token Toolkit pledges to burn 2% of their net profits in T2K.

Further, while our products here at Token Toolkit's mainly revolve around providing tools enabling profiting from engaging in the crypto market, we also believe in sharing such profits with those less fortunate. Therefore, T2K pledge give away initially 10% of our net profits to charity.

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<sup>3</sup>Due to the nature of blockchain technology this cannot be programmatically enforced.

## NFTs

Token Toolkit will be creating different NFT that functions as fee waivers and only a small amount will ever be created and distributed. Depending on the particular NFT it can provide the owner free access to either all or a subset of Token Toolkit's products.

These NFTs will either be auctioned off or given as part of marketing campaigns.

## Products

When customers connect their wallet to use Token Toolkit's products, our dapp will execute a transaction process as follows. Prioritize transferring the required T2K and in the case there is an insufficient amount of T2K the dapp will then transfer the outstanding amount (after transferring T2K) in BUSD. If the combined T2K and BUSD is insufficient the transaction will fail.

If a sufficient amount of combined T2K and BUSD is available the customer then needs to accept the transaction via their crypto wallet.

### Base Products and Utilities

- Sniper bot V1: Executes bulk transactions with a significant chance the transaction will fail depending on the target tokens preventative measures.
- Sniper bot V2: Implements a queuing system based on a "first-come-first-serve" principle.
  - Queue placement is available
  - As a safety measure; if the price of the sniped token increases too much from the first transaction in the queue, all subsequent snipes will fail and the customer gets a refund.
  - Less likely to fail for those in front of the queue
- Access to preprocessed and filtered blockchain data which Token Toolkit uses in-house.
- Betting games. Betting with or against our price predictions models.

## **Payed Products**

- Accounting services: Calculate P/L of our customers for tax purposes
- Sniper bot V3: Similar to V2 expect with auctioned queue placements. Queue placement is determined by how much is payed in terms of faction of the amount sniped up to a maximum of 10%. Ties are resolved using the first come, first serve principle.
- Sniper bot V4: Set-and-forget. Functions similar to V3 bus also has built-in trading strategies like trailing stop loss, limit orders etc
  - Token Toolkit takes 5% of net profit as a fee. When calculating the 5% Token Toolkit will charge fees after having deducted the amount paid for the queuing placement.
- Use of price prediction model for manual trading
  - Base BUSD price
- Asset and investment management using AI/ML.
  - Price will be a % of total profits made.

## **Other Product Ideas**

- Expanding our tools for the General Stock Market