

# **(ENG) BiFi Smart Contract: Service Incentive Model**

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## **1. Introduction**

The BiFi Service Incentive program rewards users who contribute to the growth of the ecosystem with Service Incentive Token ("SI Token"). A user can accrue SI Tokens for actions defined as "contributions" in this document.

## **2. Background**

### **2.1 BiFi Service**

- BiFi Service supports depositing and borrowing of various digital assets.
- Each supported Token has its dedicated Token Handler (referred to as Market Handler).
- Token Handlers are intermediated by the Market Manager.

### **2.2 Market Handler (or Token Handler)**

The functions of Market Handlers are as follows:

- manage the depositing and borrowing services for each Token
- store the deposit and borrow amounts of all users and the entire market

- enable the following four actions:
  - `deposit` : deposit assets
  - `withdraw` : withdraw assets
  - `borrow` : borrow against the deposits as collateral
  - `repay` : repay the borrows and release collateral

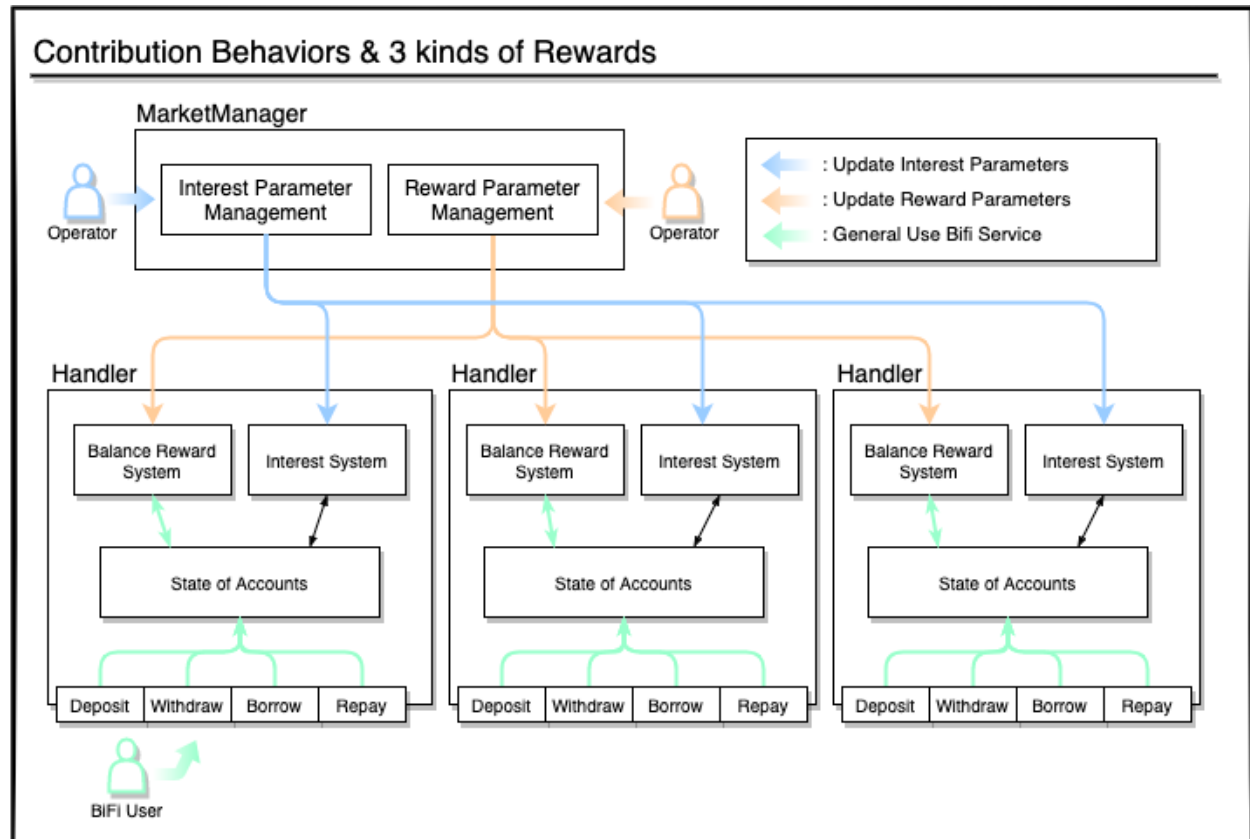
Above actions update the Interest Parameter of the Handler, and adds the interests for the deposit and/or borrows of individual users.

## 2.3 Market Manager

The functions of Market Manager are as follows:

- manage the Market Handlers and acts as the intermediary among them
- receive price information of each Token from the price feed oracle (e.g., Chainlink)
- enable each Market Handler to access the available amount for borrowing or withdrawing of each user

## 3. Contributions and Rewards



## 3.1 Definition of Contributors

We define two types of contributions for our service. We reward service users for their active use of our service and service operators who keep our service in the accurate state by executing the parameter update operations (paying the execution gas fee).

- Service users,
  - using deposit and borrow services on BiFi
- Service operators,
  - updating the Interest Parameter
  - updating the Reward Parameter

## 3.2 Reward for BiFi Service Users

BiFi recognizes the use of BiFi Service as a contribution to grow the ecosystem, thus rewards users with SI Tokens proportionate to their individual deposits and borrow amounts.

- SI Tokens are distributed to users, in proportion to their  $\beta$ -scores
- Reward amounts for users are updated every block
- See *Appendix I: Reward Method for Deposit and Borrow*

### **3.3 Reward for BiFi Service Operators**

BiFi recognizes the updating of Interest Parameter and Reward Parameter as a contribution to maintain the ecosystem, thus rewards these operators who update those parameters with SI Tokens as outlined in below sections.

- See *Appendix II: Reward Method for Interest Parameter Update*
- See *Appendix III: Reward Method for Reward Parameter Update*