Eggplant Token

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Abstract

Since the proposal of the ERC-20 standard in late 2015 [1] numerous challenges in the token development and management spaces have arisen. Funding token projects in a transparent manner is currently unaddressed in blockchain technology. Token specific fees are an added cost to users who already have to pay high network fees. Finally, fair token distribution schemes are also a point of conflict. An innovative BEP-20 meme token that tackles these issues is presented.

1 Introduction

The inception of the ERC-20 standard provided smart contract developers a mechanism to create blockchain currencies without the need to develop and support a new chain from scratch [2]. Originally developed for the Ethereum network, ERC-20's success has been copied to other networks like the BEP-20 standard in the Binance Smart Chain network. Tokens are bound in capabilities by the network they're embedded in and they depend on its success to exist. While advantageous for development teams, tokens can easily become a disadvantage to users if their shortcomings are not addressed.

1.1 Funding

Tokens are usually developed by small, structureless teams. This is because there is little to no profit in token development to support big, structured companies. Development teams need to resort to external funding to cover the time and costs of developing smart contracts. However, present funding strategies fail to deliver the minimum requisites their fiat counterparts achieve. Transparency and explanability is of outmost importance in ledger systems and yet blokchain ledgers have none. A user will find it impossible to tell how much funding a project has received. Put simply, funding transactions are no different to other transactions in a blockhain. A "concept" field, similar to that used in traditional banking, indicating a user of the purpose of the transaction, is missing. To obtain funding, token projects currently opt for a combination of:

- Liquidity pool (LP) leftovers
- Token fees
- Unfair initial distribution

Once these innefficiencies have been identified, understanding why funding crypto development is unnatractive to users becomes straightforward, and coming up with potential solutions is at reach.

1.2 Liquidity pool leftovers

A liquidity pool without a time lock allows the creator to collect the held assets at any point in time. This leaves users exposed to rug pulls where creators remove the LP (pull the rug) as soon as the project takes off enough for them to make a profit. Thankfully the industry has matured enough for lockless LPs to be discouraged. The longer the lock on a LP, the better. Regardless, once the lock has expired the creators are rightfully allowed to collect the LP.

1.3 Token fees

In addition to the network fees, token fees are paid in the native token on a per transaction basis to the creator. This mechanic works greatly against the user, who already needs to pay the network for the transaction, and then a further fee to the creator of the token for the "luxury" of using their token. On occassion, multiple fees are stacked to provide a sense of legitimacy, when in reality, are quite abusive [3]. Transaction fees are quite simply unjustifiable in any accounting system that wishes to succeed.

1.4 Unfair initial distribution

During the creation of the contract the creator self transfers a sizeable pool of tokens to exchange after the token has gained sufficient momentum. This is effectively a more cunning way of performing a rug pull (and less disruptive). Giving the creator an unfair advantage over the rest of the users is obviously against the ethos of crypto and is discouraged.

2 Implementation

Eggplant Token (EPT) is a BEP-20 meme contract [4] on the Binance Smart Chain [5] aiming to explore possible solutions to the problems introduced above. EPT can be exchanged at PancakeSwap where there is a LP [6] locked under a Mudras lock contract [7]. Users can hold a maximum of 1% of the total constant supply of 100,000 EPT.

2.1 Donations

Within the EPT contract there is a `donate()` method that will allow a user to fund the EPT and forthcoming projects by an amount of their choosing in BNB. To provide the users the necessary transparency, details of who, when and how much was funded are recorded within the contract and available from a separate `getDonations()` method. This pair of methods provides the users with a voluntary and controlled way of funding EPT, and the security of knowing who, when and how much was funded between all individuals. Zero fees.

2.2 Self-service airdrops

Instead of an unfair initial distribution to the development team the EPT contract comes with an `airdrop()` method. It will deliver decreasing amounts of free EPT and is invocable only once per wallet address. A pool of 1% of EPT is allocated for airdrops during contract creation and invoking users will get 20% of the remaining pool each time. As the pool decreases so will the airdrops, until eventually the pool is emptied. This does not fully avoid members of a development team from quickly seizing the largest portions of the airdrop pool but note that would be a counter productive strategy. The developers could as easily have self allocated a separate pool of tokens during creation without the risk of exposing their ill intentions, needing to justify anything, and most importantly, having to pay the associated transaction fee to the BSC network. To deter from immediately dumping airdropped EPT, benefactors of the airdrop scheme will not be able to release any EPT for 3 days after the airdrop.

3 Conclusion

A collection of alternatives to present forms of crypto project funding have been suggested and shapen into the Eggplant Token contract. The community's feedback in determining its success will be key. Further topics to strengthen the viability of funding crypto projects such as providing users the security their funds will be used for the intended purposes, remain to be explored in future projects.

References

[1] https://ethereum.org/en/developers/docs/standards/tokens/erc-20/

[2] These chain embedded currencies are often called tokens to distinguish them from chain native currencies like BTC or ETH. Native currencies are usually called coins.

[3] SafeMoon is a prime example with ecosystem, liquidity, tax, owner and burn fees all at once. https://bscscan.com/address/0x42981d0bfbAf196529376EE702F2a9Eb9092fcB5

[4] https://devedcrafts.github.io/eggplanttoken/

[5] https://bscscan.com/token/0x49430aea00c72d079022926f19326475fc853b87

[6] https://pancakeswap.finance/swap

[7] https://mudra.website/?certificate=yes&type=0&lp=0xb9965f82ccccd196b49a62f5fe364408ac9a8939