

# **Curation DAO Tokonomics Whitepaper**

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## **Tokenomics**

Token utility and workflow:

\$CUR will be the governance token associated with the Curation DAO.

\$CUR Governance will enact policies on key parameters which will be determined within the DAO. A policy is defined as a set of governance-defined rules that will control specific aspects of the DAO or the individual markets. These policies will be implemented as per votes by \$CUR holders.

- **DAO Policies:** These policies govern the overall behavior of the DAO and the entities belonging to it. They regulate specific aspects of the DAO related to safety, economics and expansion.
- **Market Policies:** These policies are defined in the context of each market and, for markets belonging to the \$CUR ecosystem, they are specified within the boundaries identified by the Protocol Policies. A market participating in the \$CUR ecosystem needs to operate under safety policies that are not violating the protocol safety policies.

The governance of these Policies is the core function of curation DAO for on-chain money markets.

## **Voting Model**

All \$CRU token holders will receive governance powers proportionally to the sum of their balance.

**There will be initially two powers associated with each governance token:**

- **The proposal power that gives access to creating and sustaining a proposal.**
- **The voting power which is used to vote for or against existing proposals.**

**An account's proposition/voting power is equal to the snapshot of that of account's \$CRU balances plus the balances of all delegates.**

## **Incentives Policies**

**Incentives Policies define the rules under which token incentives in Curation DAO will be generated. Financial incentives are used to shape behaviors within the ecosystem to achieve a common objective. For Curation DAO, the common goal will be to ensure the safety of the DAO, cost-efficient usage by the market participants, and proper ecosystem incentives to drive innovation and long-term growth of the ecosystem.**

## **Risk Policies**

The Risk Policies define the set of rules that ensure the safety and protection of the protocol and the users participating in it. Risk Policies include, but are not limited to, decision-making for:

- **Assets compatible for integration within DAO:** The list of assets for which risk is deemed acceptable for the safety of the protocol.
- **Modeling of the interest rates:** Interest rates modeling is a key risk parameter as it determines the actual yield for depositors, the ratio between borrowed, available liquidity and the general competitiveness of a market for a specific asset.
- **Base risk parameters for overcollateralization and liquidation:** The risk parameters that are governed by DAO will affect all money markets and set global boundaries for those markets.
- **Configuration and behavior of the Safety Module (SM):** The Safety Module will be one of the core components of the Curation Ecosystem which is regulated by a set of rules and behaviors.
- **Acceptance of new money markets:** Anyone will be able to instantiate their own money market within the DAO. However, markets will be accepted under the Governance and secured by

the Safety Module only if the Market Level Policies satisfy the constraints imposed by the protocol Risk Policies.

## **Improvement Policies**

Improvement policies define rules under which ecosystem improvements are incepted, developed and applied to the ecosystem, including but not limited to:

- Smart Contracts
- Governance processes
- Governance contracts
- Safety Module
- \$CRU Token contract

## **Making DAO more interactive**

The cause of low participation is generally due to the distribution method of governance token, as in most DAOs the early users are the one who gets to own the governance token which makes newcomers feel excluded, and hence only those little slice of early users from the community shows the participation and the second reason is unawareness most of the people don't have the sufficient knowledge of

DAOs so they lack behind when it comes to participation, but here's how we can deal with these issues.

#### Solutions:

- Giving governance token to the group of newcomers, what I'm trying to say is like if a 50 new members join the DAO this month consider those 50 member as a different community which will all together have 1 governance token and as they will spend like 3 to 4 months in our DAO then we can give them each a governance token, this will make them feel part of community and they will be participative in various DAO events like voting for a change, discussions etc. and if we go by this way then our early user will also not feel any kind of injustice to their loyalty.
- A learn to earn system, If we give free education about our DAO and decentralization to our user and will reward them with our native token whenever they will complete a certain class or lesson, and if we made withdrawal system of that native token to users wallet in such a way that the user will only get redeem there token

when they share about our DAO on Social Media like twitter, tumblr etc, then we will gain a lot popularity by organic method which will save us a lot of money for marketing.

