Artistica

Protocol Whitepaper

V1.0

Ishaaq Ziyan

ishaaqziyan@gmail.com

June 2022

This document describes the theory behind the Artistica protocol explaining the technical implementation of the project

Tezos & Gitcoin hackathon | **Unlocking Web3 for The Arts & Culture**

Contents

1. Introduction.

Welcome to Artistica, the next-gen DAO which empowers all artists, curators, collectors, and galleries on Web3.0.

This platform is not just for artists and curators, but also for collectors and galleries.

The protocol is designed to connect artists, collectors, curators, and galleries together in a decentralized way.

What is a **DAO**?
DAO stands for **Decentralized Autonomous Organization.**
Simply, A DAO is an organization constructed by rules which are encoded into a piece of software which is more transparent and more community driven.

2. How Artistica DAO will be implemented.

The DAO will consist of a **governance token**, named as **Artistica** which has a maximum supply of **200,000,000 Tokens,** where the ticker is **"TICA"** and is built on **Tezos Blockchain** along with the necessary policies.

Here is how tokenomics are proposed.

1. Ecosystem Reserve
2. Foundation Reserve
3. Institutional Backing Round
4. Marketing Reserve
5. Public sale round
6. Advisors Reserve
7. Community treasury

Now, for more detailed information on how tokenomics will be implemented.

2.1 Ecosystem Reserve.

Inside the DAO, which should be decentralized as a protocol, most of the tokens will be allocated to the ecosystem reserve.

This includes early adopter rewards, which will incentivize early users for helping evaluate the protocol before the beta release of the system.

As mentioned previously as early adopter rewards, these tokens will be given to artists who signed up and submitted their artworks before a pre-defined snapshot.

According to this proposal, **35% of the token pool** will be allocated to the ecosystem reserve, so the protocol will be driven by the community instead of being manipulated by a few whales.

The proposed vesting schedule is as follows:

30% at Token launch, and the rest 70% being vested after a 3-month cliff followed by a 2-year linear release.

2.2 Foundation Reserve.

This depicts the potion which has been reserved for the Core team. The portion will be **10% of the total pool of tokens**.

The vesting schedule is as follows:

18% at the token launch, followed by a 5-year equal quarterly vesting.

2.3 Institutional Backing Round.

This might be quite confusing, but institutional backing is important to back the system for a certain time, so it can pass certain challenging times and use that funding for the necessary research.

A portion of **15% will be allocated to the institutions**.

The vesting schedule is as follows:

3-month cliff after token launch, following a 3-year equal quarterly vesting.

2.4 Marketing Reserve.

This portion of the token pool which is **10%**, will be used for marketing purposes, bounties etc. by the core team to promote the ecosystem.

The vesting schedule is as follows:

20% at the token launch, followed by a 3-year equal linear vesting following a 2-month cliff.

2.5 Public Sale Round.

This is the portion which is **5%** will be sold to the public on a first-come, first-serve basis.

This type of sale is ideal to bring retail investors to participate in the DAO.

The vesting schedule is as follows:

12-month equal weekly vesting starting from token launch after a 3-month cliff.

2.6 Advisors' Reserve.

This portion of the token pool which is **5%**, will be reserved for the advisors, especially for the team besides the core team who had proposed various patches and fixes to ensure security inside the ecosystem.

The vesting schedule is as follows:

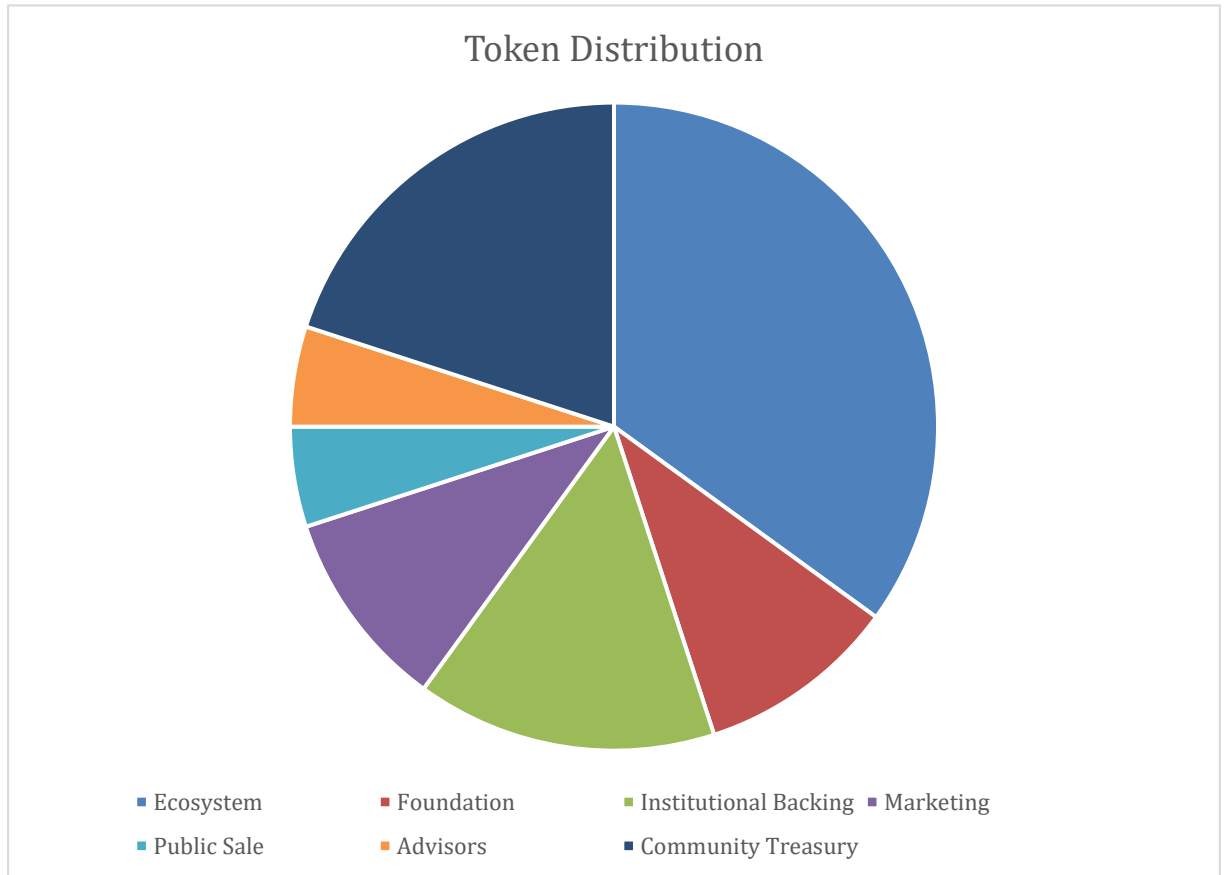12% at the token launch, followed by a 3-year quarterly vesting.

2.7 Community Reserve.

This portion which will be the rest of the **20%** of the total pool of tokens, will be reserved to defend against governance attacks etc. in the protocol.

The vesting schedule is as follows:

12% vesting at the token launch, followed by a 5-year equal monthly vesting.

3. Token Distribution.

Token Distribution

- Ecosystem
- Foundation
- Institutional Backing
- Marketing
- Public Sale
- Advisors
- Community Treasury

This chart depicts how the total token pool will be distributed.

4. How the DAO Works.

4.1 Governance.

As described above, the token will function as the Governance token which will be used for voting on various proposals on the protocol.

4.2 Proposal Passing.

To pass a set of proposals these conditions must be fulfilled.

1. The allocated duration for voting will be set for 1 week.
2. The minimum threshold for passing the vote should exceed **51%.**
3. To pass the proposal, the maximum veto threshold is to be set to **33.4%.**

If this percentage is exceeded, the proposal will be declined.

4. Minimum Quorum is to be set to **10%**.

If this percentage is not satisfied, the proposal will be rejected.

5. How to defend against Governance attacks.

In case of a governance attack by large wallets, there will be a separate section for voting only for retail wallets, which will conduct a special vote to release an amount of the community treasury to defend the vote from the retail wallets.

After the defending, those tokens will be programmed to be sent to a special pool called "**The Defence Pool**," where these tokens will be locked again until any other governance attack occur.

These tokens in the Defence pool will function as the Rook of a Chessboard, which will be used to defend the protocol, which as a result will make the DAO fully community driven.

6. Using the protocol in favour of the users in the platform.

In the DAO, which is suited for all as proposed above, the artists and creators who are into the platform should be valued as well.

So, in this case, these proposals are to be implemented in the DAO to recognize artists and creators.

6.1 Creators and Artists.

Implementing a necessary form so artists and creators can submit their work to the form, where the core team will amend it to a governance proposal and send it to the governance page for voting.

To avoid unnecessary interruption of the onboarding process of the creators, this type of vote will be set for **3 days**, and if the artist/creator reaches the minimum threshold of **51%** (excluding No with Veto) they will successfully onboard the protocol as soon as the voting ends.

This type of governance will be used to recognize true artists and creators with a true passion so they will get

the true value they deserve, which also will keep bots and scammers away.

The above-proposed defence pool tokens will also be applied in case of any kind of governance attacks.

The creators and artists will be paid a **pro-rata** number of tokens from the ecosystem reserve according to their monthly volume of sales on their NFTs, artworks etc. as a token of appreciation for being a crucial part of the network.

During a resale of any artwork, **10%** of the platform fee will be sent to the real creator of the artwork automatically.

Now for the proposals to incentivize curators, collectors, and galleries on the platform.

6.2 Curators.

In this cultural and art DAO, curators play a massive role by caring for and developing a certain set collection of artworks.

So, to incentivize them, they will be also paid **1%** per artwork collections' floor price, and once they hit a certain threshold, they will be awarded special badge NFTs as a token of appreciation.

The pay-out will be released on a certain day of the next month, which will be vested linearly daily, since the pay-out.

6.3 Collectors.

Collectors value artworks, so they also are a massive part of the ecosystem as well.
For collectors who hit a certain threshold of monthly volume, they will get a **10-30% off on platform fees**.
This will be done to encourage more users to use the platform in return.
Also, collectors with at least different 1000 artworks on hold at the end of the month, will get a special badge to stand out among other users as a top performer in the market. (There will be a snapshot at a certain time on the last day of the month)

This will also be displayed on the leaderboard, where also random users on the leaderboard will be given credential NFTs.

6.4 Galleries.

- Galleries will display the masterpieces across the platform.
- After achieving a certain volume of sales on artworks, each gallery will receive a tick ✓ symbol as a recognized gallery on the platform.
- Galleries will get paid with some tokens **pro-rata** if a certain quarterly volume is reached at the end of the quarter of each year.

The snapshots will be taken each day at a random period.

7. How to combine these forces together in a Metaverse.

All these forces should be integrated into a necessary metaverse environment.

Following the integration, both the previous platform and metaverse platform should work on a parallel model one-to-one, so users who are not interested in the metaverse version can also still participate in the project as well.

Further decisions are to be taken by the community via amending necessary voting proposals.

8. Potential challenges and risks.

Hacking plays a significant role as a risk, where users' assets and related wallets will be compromised.

To prevent this issue, the project will implement a set of ethical hackers who will be working around the clock on a **shift basis**.

These ethical hackers can be incentivized by paying them from the Marketing reserve on a per hour basis, as the protocol lies in their hands.

If institutions must protect their identity, they will have to request the core team.

If the core team passed the request, they still will be able to engage in the protocol,

But they will not be able to participate in any governance proposals, as this will harm the whole ecosystem as a result.

If any individual wants to leave the community,

They will have to pay a 0.1% of the native tokens they hold to the community treasury via a smart contract, and they are free to take the rest of the native tokens off-chain.

This number of tokens which are taken to the treasury will be still used for the defence proposal which is described in the governance section and will be returned if the individual returns to the protocol.

9. Conclusion.

- Artistica is implemented to power artists, creators, collectors, and galleries on Web3.0.

- Instead of the agent representing the modern world, the DAO will create a platform which will connect artists, curators, galleries, and creators directly.

- Even the collectors and galleries will be incentivized so the community will be always engaging with the project.

- The project will also have a dedicated section for institutions as well.