ABSTRACT

This AIP proposes a rewrite to the staking system proposed by Animoca Brands inAIP-4 for ApeCoin and the Bored Ape Yacht Club (BAYC) NFT ecosystem: Bored Ape Yacht Club, Mutant Ape Yacht Club (MAYC), and Bored Ape Kennel Club (BAKC).

Yuga Labs has done a phenomenal job for all of us in the community, but releasing the token & then dropping 5 proposals written by other companies, without giving our community a way to contribute or the proper time to discuss has not sat well with the community. We need a rewrite of the staking proposal as well as a rewrite of the proposed AIP-5 as well.

Why is a rewrite needed? There are three main reasons:

1. Because the current proposals by Animoca Brands are already in need of work as cited by their CEO here: https://twitter.com/ysiu/status/1507056660405112849?s=20&t=NKnOYl76-jPmih8dD3rGjQ

2. Because staking is an important mechanism, long term, for our community & it only feels right that we write this proposal.

3. Because this DAO has the biggest chance of success of any DAO ever created. If ApeCoin DAO doesn't work no DAO will ever work. We have both a major financial incentive and a deep passion for our community. You can't ask for more, when asking people to be members of a DAO. We are the community. We are the DAO. LFG APES.

Staking participants will be able to stake ApeCoin and use the Bored Ape Yacht Club ecosystem NFTs to receive ApeCoin from a preset pool over a set period of time, with the BAYC ecosystem NFTs remaining in their owners wallets at all times & remaining tradeable at all times.

MOTIVATION

Staking models should seed the growth of the related token and NFT ecosystem, for the long term benefit of NFT holders, $ape coin investors, & members of the overall ape community (dogs are members too). Staking models do this by expanding the audience while incentivizing early adopters and existing ecosystem participants.

The pools will be set up to specifically recognize the varied assets within the ecosystem, with a total of four distinct pools being active during each staking period.

RATIONALE

The core goal of this AIP is to ensure that the staked BAYC ecosystem NFTs remain tradable regardless of a specific NFT's status in relation to a stake, so that the growth of the ecosystem isn't constrained by the lockup of staked assets. This helps to provide liquidity or the option of liquidity to NFT holders, helps to ensure that sales still happen of the NFTs which Yuga Labs makes a cut of (a very good thing for this community), & allows anyone in the world to join the community at any time & participate in staking.

SPECIFICATIONS

The eligible ecosystem assets for staking or committing to staking pools are ApeCoin, BAYC, MAYC, and BAKC NFTs. ApeCoin can be staked directly up to any amount during the Period.

Users can commit any number of BAYC, MAYC, and/or BAKC NFTs to the incentive pool during the Period. Committing an NFT is the act of attributing ApeCoin for a specific NFT, which then allows that NFT to earn and claim incentives, as long as the ApeCoin remains attributed. Think of it as if the NFT is a safety deposit key. The NFT provides access to the staked ApeCoin tokens previously attributed to it.

A BAKC cannot be committed on its own, regardless of any direct ApeCoin being staked. It must always be paired 1:1 with a BAYC or MAYC NFT in order to be initially committed. This requires ApeCoin to be attributed to each of the NFTs. Once the BAYC or MAYC is paired with a BAKC, the BAYC or MAYC cannot be paired with another BAKC, unless the original BAKC that was paired is uncommitted to the incentive pool.

ApeCoin Token Lock and Claim:

Accumulated ApeCoin can be claimed at any time without the need to also claim staked ApeCoin and without affecting the commitment status of an NFT. All accrued ApeCoin generated from a stake is claimed at once, when initiating a claim. The staked ApeCoin can be claimed, along with its accrued ApeCoin, directly by the original staking wallet. However, these are two separate transactions.

Staked ApeCoin is still valid to be used to vote in the ApeCoin DAO. To claim the accrued ApeCoin from a committed NFT, the same NFT needs to be present in the wallet to claim. If another user has an NFT that is committed to a stake, they can make the claim even if they didn't make the original NFT commitment. Think of this as the NFT being the key to access the staking incentives.

Users can stake ApeCoin and commit NFTs to the staking pool at any point during the Period, but the duration of an active stake directly affects the accrued ApeCoin, due to the time-weight combination incentive structure. The NFTs can be

uncommitted from the staking pool by the NFT holder at any point in time.

ApeCoin Accrual:

The ApeCoin that can be accumulated from staked ApeCoin, or any ApeCoin attributed to NFTs, is dependent on the amount of ApeCoin staked by the user, the duration of the stake, and the total amount of staked ApeCoin in the relevant staking pool.

Maintained NFT Tradability:

Only ApeCoin is ever staked. The owner of a specific NFT at the claim point is able to claim the accrued ApeCoin tokens attributed to that NFT, even if they were not the one who originally initiated the staking commitment. Although tradable, committed NFTs cannot be recommitted, unless a holder has previously uncommitted the NFT.

The Foundation's website UI will be updated to have an option to enter the BAYC, MAYC, or BAKC token ID and check the following:

Is the MAYC, BAYC, or BAKC currently committed to a staking pool?

Does the BAYC or MAYC have a committed BAKC companion NFT?

NFTs that are currently committed will have an updated status in a UI that serves as a notification for potential buyers, so they're aware of the commitment status, and the amount of ApeCoin that NFT has earned, before purchasing.

STEPS TO IMPLEMENT

A proposal to be drafted and approved via the ApeCoin DAO for the allocation of ApeCoin for AIP-6, and the duration of the Period. (1 month)

Development of the AIP-6 staking smart contract (2 months)

Website design & implementation to include: staking and unstaking UI, for both direct ApeCoin stake and commitment of NFTs to stake, status of staking pools: amount remaining, accrual rate: current accrued, current weight (2 months in simultaneous timeframe as the smart contract work)

Smart contract security audit and QA (1 month)

The overall time frame for this project is projected to be 2-3 months but all members of this community want to reaffirm that we want to do it right, whenever & if ever the project comes to a decisions point to do it right & delay a bit longer versus rush something out the door, we want the project leads to choose to do it right.

OVERALL COST

$300,000 – $500,000

This estimate includes smart contract engineering, full stack engineering, UI/UX design, Project Management, QA, and auditing services by a qualified company to be announced within two weeks of the approval of this AIP.

Also, this project will be completed by a qualified company to be chosen by the ApeCoin DAO Council.

As per the rules of the ApeCoin DAO please mark this as the official start time of the 7 day window for open comment.

@rdm_41 will be holding a twitter spaces tomorrow to discuss and gather community feedback and a draft AIP will be submitted officially in 1 week.