Abstract

Two or three sentences that summarize the proposal.

Create ApeCoin Launchpad as a first step for the native marketplace. All the primary sales on the launchpad should be conducted through the $APE token. $APE token should have a discovery utility on the Launchpad, providing wisdom-of-crowd assessment of the listed collections.

Motivation

A statement on why the APE Community should implement the proposal.

ApeCoin community should drive NFT creators to the ApeCoin umbrella brand. Additionally we need to create a sustainable utility mechanism for the $APE token. According to the AIP-3 budget plan .3% of the Ecosystem Fund is allocated to the creation of ApeCoin NFT marketplace. While our own NFT marketplace is a strong long-term goal, it should be noted that in the short-term it can be more realistic to utilize ApeCoin brand for the launchpad and build up the ecosystem of NFT projects that are eager to be part of our community. ApeCoin NFT marketplace can be a logical step forward after the Launchpad is fully operational.

Additionally, the outlined token design for the Launchpad will create a sustainable utility for the $APE token and incentivize the growth of the ApeCoin community, which is our core target as the ApeCoin DAO.

Rationale

An explanation of how the proposal aligns with the APE Community's mission and guiding values.

At the moment $APE token has a very limited utility and does not provide any sustainable growth mechanisms. We are a strong community of people who believe in the future of NFTs and the open metaverse. The utility of $APE token should be centered around this community power and should foster the creation of new Web3 native assets and experiences while promoting the ApeCoin brand.

At the moment NFT space on Ethereum lacks any reliable discovery mechanism. They are all centralized and based on the pre-paid influencers, promoters and shillers. For a non-professional user it is nearly impossible to grasp, which NFT projects are legit and which are a scam. ApeCoin DAO can serve as a wisdom-of-crowd signaling mechanism to distinguish NFTs with higher upside potential. $APE holders who choose to participate in this signaling mechanism by staking their $APE tokens will be incentivized with the pro-rata distribution of the primary/secondary sales fees from the NFT collections that they've decided to support. Launchpad collections with high $APE staking value will have a schelling point and thus result in larger primary and secondary sales.

NFT secondary sales volume is the core metric that defines a quality NFT project. If we will allow $APE holders to bet on the future primary/secondary sales of the listed collections it will create a feedback loop mechanism. Strong NFT collections will attract a lot of $APE stakers → NFT buyers will pay more attention to the collections with high $APE staking → these collections will generate more secondary sales fees → they will generate more revenue for the $APE stakers → the loop reenforces itself. At the same time it can be beneficial to stake your $APE to the collection with a small staking volume if you really believe that it has upside potential, because you will receive a larger portion of primary/secondary sales fees. Collection owners will be able to buy $APE tokens and stake them for their own collections, which will effectively serve as a paid promotion.

Essentially it is a betting mechanism on the future primary/secondary sales of the listed collections. This mechanism will provide a sustainable utility for the $APE token and can potentially establish ApeCoin brand as the DAO for high-signal NFT collections. If this design takes off, it will allow ApeCoin to become a de-facto primary discovery mechanism for a wide variety of NFTs. Later on it can easily be rolled out to the ApeCoin NFT marketplace

Key Terms (optional)

Definitions of any terms within the proposal that are unique to the proposal, new to the APE Community, and/or industry-specific.

ERC-4626 Tokenized Vault Standard:

A standard for tokenized Vaults with a single underlying ERC-20 token. The following standard allows for the implementation of a standard API for tokenized Vaults representing shares of a single underlying ERC-20 token. This standard is an extension on the ERC-20 token that provides basic functionality for depositing and withdrawing tokens and reading balances.

Ethereum Improvement Proposals

EIP-4626: Tokenized Vault Standard

A standard for tokenized Vaults with a single underlying ERC-20 token.

Royalty Fees:

NFT marketplaces like OpenSea allow to set up secondary sales fees. Every time an item is sold on OpenSea, the project owner can take a percentage of the sale as revenue. The beneficiary for the secondary sales fees can be set up manually. Revenue will be distributed in bulk once a month to the payment address specified.

OpenSea Developer Documentation

10. Setting fees on secondary sales

Earning crypto every time an item is sold on OpenSea

Primary Sales:

NFT sales that are happening on the Launchpad at the minting.

Secondary Sales:

NFT sales that are happening on third-party NFT marketplaces.

Specifications

A detailed breakdown of the platforms and technologies that will be used.

Smart-Contracts

- Vault contract. ERC-4626 tokenized vault contract. For each collection listed on the launchpad a separate Vault contract should be created.
- VaultFactory contract. A factory smart contract that allows to create ERC-4626 tokenized vaults for each listed collection

The Vault contract should specify the following variables:

a) address of the project owner (NFT creator)

b) address of the ApeCoin treasury

c) proportion of primary sales fees that should be transferred to the project owner

d) proportion of primary sales fees that should be transferred to the ApeCoin treasury (Launchpad commission)

e) proportion of primary sales fees that should be transferred to the $APE token stakers/signalers.

(c + d + e should equal 100%)

f) proportion of secondary sales fees that should be transferred to the project owner

g) proportion of secondary sales fees that should be transferred to the ApeCoin treasury (Launchpad commission)

h) proportion of secondary sales fees that should be transferred to the $APE token stakers/signalers.

(f + g + h should equal 100%)

The Vault contract should implement the following functionality:

a) depositing APE tokens and minting sAPE-XXX vault specific tokens

b) burning sAPE-XXX tokens by withdrawing APE tokens

c) redistributing incoming capital flow form the primary/secondary sales to the project owner and ApeCoin treasury

d) pro-rata time-weighted claiming of the remaining rewards by the holder of sAPE-XXX tokens

e) changing the project owner payout address

When collections is listed on the OpenSea or any other marketplace it should put the Vault address as the payout wallet address.

Front-end integration.

A dedicated launchpad section on the ApeCoin website. This section should include all the collections that have been listed on the launchpad, including live, upcoming and completed mints. Each collection should have an interface that allow users

to deposit $APE tokens. Each collection should display a historical APR for the $APE token staking.

I am not an expert on the UI/UX side, so would appreciate any suggestions.

Project Listing / Gatekeeping

Personally, I am a fan of permissionless technologies and would really like the idea where any project can permissionlessly call VaultFactory contract and list on our platform. At the same time I understand the risks associated with such model. I propose to set-up a centralized vetting team, that would be controlled by the ApeCoin DAO. This team would collect all the required information on the collection in the predefined format, dox collection owners (if necessary), and list the project on the Launchpad. The VaultFactory contract in this case would be controlled by a multi-sig.

In future, we can transitions form centralized vetting to DAO vetting, and then to the permissionless listing, if DAO would find it useful.

Steps to Implement

The steps to implement the proposal, including associated costs, manpower, and other resources for each step where applicable.

1. Establish the project team. The team should include product/project manager, smart-contract developer, front-end developer, listing manager, bd manager, marketing manager. 1-2 weeks.
2. Implement smart-contracts. SmC developer should implement the smart contract functionality outlined above. To my assessment, the implementation is quite trivial, the feature-complete MVP should take 2-3 weeks working part-time. I'll be happy to take on this part or collaborate with any volunteers. I really like this idea and it looks fun to play with, so no upfront payment is required. If the project is successful, the compensation can be negotiated afterwards.
3. Formal security audit of smart-contracts. We need to contract some established security audit company. They are usually oversubscribed, so it can take some time. Its better to make arrangements with them as soon as possible in order to book a slot. ApeCoin has a strong brand name, so I believe there will be no problems in getting a strong team onboard. I have some good contacts, but would appreciate any help on that side. 2-3 months of waiting time, 3-4 weeks for the audit, up to $50K, probably less.
4. UI/UX. We need a strong front-end engineer with web3.js / ethers.js knowledge to drive this process. It should not be a problem to find one. Would appreciate any help. Timing and costs TBD, depend on the front-end engineer compensation.
5. Formalization of the vetting process. Should be done by the listing manager. 2-3 weeks. Costs depend on the listing manager compensation.
6. Business development. We really need to have a strong start with such initiative. The first listing should be a no-brainer success: strong dev team, quality art, interesting mechanics, alignment with ApeCoin DAO values. It will take some time to find/incubate such project. Its even better to have a list of 3-5 NFT collections that will be launched on the platform during the first month of operations. If we take the road of incubation, the cost for creating a single collection to my knowledge should be around $20-50K. Up to 3 months.
7. Marketing activities. ApeCoin Launchpad should have a strong outreach in all relevant media platforms. The timing and costs would heavily depend on the marketing manager compensations and marketing budget.

Processes 2-7 can be conducted in parallel.

Timeline

Relevant timing details, including but not limited to start date, milestones, and completion dates.

Milestones:

- Establishing team and internal processes
- Completion of smart contract feature complete MVP
- Completion of the formal security audit
- UI/UX
- Formalization of the vetting process
- Live marketing campaign
- Set of initial NFT collections

The most time consuming steps are Security Audit and getting initial NFT collections. Both of them can take up to 3-4 months, all the other stuff can be done in parallel.

Firstly, I want to see if the community is onboard with my idea and find volunteers that would like to participate in the pilot. It is the core purpose of this AIP Idea. If there is enough support from the community, we will be able to provide a more comprehensive execution plan and cost estimation, that will be in the foundation of the formal AIP.

Overall Cost

The total cost to implement the proposal.

It is too early to make any final estimations. Here is my best guess:

- 6 team members: up to $600K per year at max, but I would target for less tbh. Pilot should be done in 3-4 months with up to $150K in compensations. Future compensations should depend on the success of the project
- Smart Contract Security Audit: up to $50K
- Marketing costs: up to $100K
- BD / incubation costs: up to $100K

TOTAL: up to $400K for feature complete pilot