

Abstract

There is currently no staking pool available to Otherside deed holders, other than the public pool. As such, Othersider holders receive the same staking benefits as the general public. This staking structure does not acknowledge or align with the important role the Otherside plays within the ApeCoin ecosystem. Providing higher reward yields to Othersider holders would be mutually beneficial to ApeCoin and the Otherside: ApeCoin holders would be encouraged to hold Otherside deeds, and Othersider holders would be encouraged to hold ApeCoin. This proposal outlines how this problem can be addressed without negatively impacting other stakeholders.

TLDR:

- Otherside NFT holders will be able to stake their deed within the public staking pool and receive double the staking rewards as compared to non-deed holders (the general public).
- The distribution of staking rewards from the public pool will be recalculated using a weighted average where the weight of deed holders shall be twice that of the general public.
- No further ApeCoin will need to be allocated for staking rewards since we are only recalculating how rewards are emitted from the public pool.
- BAYC/MAYC/BAKC holders would not be negatively impacted since their pools would remain unchanged and no further ApeCoin emissions would occur.

Motivation and Rationale

Should Otherside land owners be given preferential staking rewards over to the general public?

Yes. ApeCoin is the native currency of the Otherside. In the years to come, the Otherside will certainly play a critical role as the primary marketplace where ApeCoin is regularly exchanged for digital goods and services. Preferential staking rewards acknowledges the important role Otherside land owners play within the ApeCoin ecosystem and helps cement this special relationship.

How much additional staking rewards should Otherside deed holders receive?

While an exact number might be a point for discussion, most would agree the yield should be higher than received by the general public, and lower than the yield received by BAYC/MAYC/BAKC. The proposed yield (2 times the general public yield) attempts to balance acknowledging Otherside holders, while still keeping staking rewards enticing for non-deed holders.

Should Otherside deed holders be given their own staking pool?

We argue against this approach. Creating a new staking pool would require a large allocation of ApeCoin to service the 100k Otherdeeds that exist. This allocation would either need to be diverted from an existing pool, or require a large new emission of coins. Both of these approaches would negatively impact current stakeholders and as such would likely be opposed.

Implementation

Send a request to Horizen Labs to update the staking interface with the following features:

- Allow Otherside deed holders to stake their deeds in the public staking pool.
- Recalculate the distribution of staking rewards in the public pool to provide double the yield to staked deed holders as compared to non-deed holders.
- Establish staking limits for staked deeds (possibly 100 to 500 ApeCoins per deed)

Overall Costs

Expected cost is zero (or close thereto). No additional ApeCoin will need to be allocated for staking rewards.

The only possible cost will come from implementing the new reward distribution structure for the public pool. As part of this proposal, we would ask Horizen Labs to provide an estimate as to the time and cost (if any) needed to integrate these changes.