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EthaEarn Logo Banner Slim

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A Blockchain Built Loyalty program for rewarding customers with Ethereum cryptocurrency.

USDC\$10,000 Requested

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## SUMMARY

Website: [www.ethaearn.com](http://www.ethaearn.com)

High Level Proposal [[External PDF](#)]

## The EthaEarn

loyalty program will simplify the barriers for new users to enter the web3 ecosystem, by facilitating merchants (of any size, industry and scale) to reward shoppers with Ethereum cryptocurrency. The crypto rewards sit in a yield generating smart contract which supports the financial sustainability of the program.

Any Shopify merchant can add the free EthaEarn Shopify App to their online store, and reward customers in Ethereum. To maximise merchant participation, the merchant doesn't need any experience or interaction with cryptocurrency to reward their customers. For shoppers, they have an entitlement to Ethereum placed into their decentralised non-custodial digital wallet, and can withdraw/transfer/use it when they want. Utilising Lido, the yield generated while Ethereum rewards are not withdrawn is a revenue source for the operations of the EthaEarn program.

Phase one of EthaEarn, is a pilot in the New Zealand market. Capital raising in 2025, once the pilot is live and functionally operational, will generate the funds required to securely scale, design and regulate for global markets.

The total Pilot project cost, including web3 architecture and development, web2 set up, regulatory compliance, security audits, and project administration (design, UAT, project management) is \$166,000. A LEGO grant, via Lido, of USDC\$10,000 will be used as a contribution towards the cost of the Smart Contract build and security/integrity audit. Other (small) sources of funding are from [Te Pokapū Auaha Callaghan Innovation](#), this is a New Zealand government agency "that fund, upskill and connect entrepreneurs."

The EthaEarn Shopify app is currently in the final stages of Shopify approval, with great response from Shopify. We have an architected web3 solution, and build of both web2 and web3 components has commenced. Estimated go-live is February 2025.

Due to the costly nature of AML, KYC and Financial Services compliance in each jurisdiction, EthaEarn will be a for-profit entity to provide incentive for venture capital investment. The project is currently seeking legal advice on intellectual property considerations, but is optimistic that its smart contracts can be open source under the terms of licensing agreement that aligns with investor requirements.

## ABOUT THE FOUNDERS

The founders of EthaEarn, bootstrapping this project, are marketers and business owners with a longstanding passion for cryptocurrency, especially Ethereum. Being passionate to support the Ethereum ecosystem and drive democratisation and utilisation, their agenda is to remove the fear and simplify the barriers to entry that many mainstream crypto 'curious' consumers face. Cryptocurrency is plagued by a few bad actors creating negative experiences and fuelling media with clickbait headlines. The EthaEarn program is developed with its values of simplicity, transparency and efficiency at the core to make better conversations for crypto curious consumers.

The founders are project managing web3 engineers and web2 developers to architect, build and peer review the EthaEarn platform.

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## PRODUCT OVERVIEW

There are four functions that make up the EthaEarn program so merchants can reward their customers with Ethereum.

1. Earn
2. Deposit
3. Yield Generation
4. Withdrawal
5. Earn

A merchant on Shopify will install the EthaEarn Shopify App to their online store. They will set a % reward for specific products or the 'entire store'. Merchants can choose whether customers automatically get rewards, or whether the customer needs to 'claim' the reward. The merchant pays EthaEarn using commission payments, just like other apps on the Shopify Apps Marketplace. A decentralised digital wallet is generated for the customer.

1. Deposit

After 14 days (to allow for order cancellations, returns, chargebacks, etc) the merchant will be charged the % commission (fiat) on the qualifying products in the purchase. Shopify pays out the commission, in fiat, to an EthaEarn bank account. On the first day of every month, "Ethaday", EthaEarn deposits the crypto reward for all transactions that have been paid.

In order to maximise FX fee/gas efficiencies, EthaEarn does a single exchange of fiat to Ethereum for all earning entitlements since the previous Ethaday. EthaEarn admin authorises a bulk payment of fiat into a third party exchange, and the Ethereum is deposited into the EthaEarn admin wallet.

The customer entitlement is then used for the Rewards Smart Contract to mint an Ethereum mirror token (eeETH) which is deposited into the customer's digital wallet. Gas sponsorship is used to ensure the gas for deposits is reimbursed from the customer's entitlement.

For simplicity, the Ethereum mirror token (eeETH), deposited into the customer's digital wallet, is displayed as Ethereum in their EthaEarn account. For full transparency with crypto-experienced users, they can access their digital wallet private key, see the eeETH mirror token within their digital wallet, and interact with the Rewards Smart Contract directly (e.g. via Etherscan) to process their Ethereum withdrawal independently.

1. Yield Generation (Lido)

We anticipate that most EthaEarn customers will leave their earnings inside the program. While this happens, EthaEarn will generate a yield from the total customer entitlement.

To do this, every Ethaday, while the eeETH is minted and deposited into the customer's digital wallet, the Rewards Smart Contract sends the Ethereum into a Lido Liquidity Pool to generate yield, receiving stETH back from Lido as collateral in the Rewards Contract.

1. Withdrawal

eeETH, which is a mirror token of the customer's earned Ethereum, has a one-to-one peg with stETH and represents the customer's entitlement to Ethereum. It is hard-coded into the Rewards Smart Contract that eeETH can be exchanged for Ethereum via the Withdrawal process by the entitlement holder wallet address. An active user account can withdraw their Ethereum (and send it to another digital wallet or De-Fi platform) whenever they want (subject to KYC/AML verification etc.).

The Withdrawal process will trigger the burning of eeETH and the exchange of ETH for stETH between the Rewards Contract and the Lido Liquidity pool via the claim request process. Gas sponsorship is utilised to fund the gas of the request and is reimbursed to the Rewards Contract from the customer's entitlement. The customer receives the principal Ethereum earnings (equivalent to their eeETH balance minus fees/gas) to their designated address. The yield generated from the customer's entitlement is kept by EthaEarn.

Thank You, from New Zealand.

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