Abstract |

Last week the ApeCoin DAO official marketplace launched! The launch followed the community's approval of AIP-98 allowing Snag Solutions to build a marketplace for ApeCoin DAO, enabling the sale of Yuga NFTs with reduced marketplace fees. No ApeCoin DAO funding was requested in the first AIP, and we're now requesting funding to drive marketplace adoption via tokenomics that will go entirely back toward community incentives + cost of development.

The purpose of this AIP is to:

1. Outline the proposed tokenomics for the ApeCoin marketplace

2. Request 9.6M $APE to fund incentives for ApeCoin marketplace buyers & sellers.

3. Request 200k $APE to fund design, development, security, audit, and maintenance of the tokenomic system, with the code to be made available to the ApeCoin foundation for use in future proposals.

Motivation |

The launch of the official ApeCoin marketplace was a major win for the DAO. Yuga's BAYC, MAYC, Kennel & Otherside NFTS have traded for >$5B since launching last year, and based on YTD trading volume the DAO would net >$11M in annual revenue from a .25% fee.

Not only is the marketplace a first meaningful revenue stream for the DAO, but it also demonstrates the power of the ApeCoin community within the NFT ecosystem. It has the potential to be expanded and create a DAO-owned marketplace that collects fees from all collections, expanding ApeCoins reach.

With each sale on the community marketplace routing funds back to the DAO, it reduces fees for holders (.25% in $APE, .5% in $ETH) while maintaining royalties for the creators.

This would also be the first tokenomics reward system focused solely on rewarding users. Many marketplaces, such as LooksRare, reward users but capture the majority of generated value for themselves. Their models see users as a resource to be monetized by attracting short-term volume. Our www.apecoinmarketplace.com tokenomics would push 100% of rewards to the user, where they belong.

We believe a sustainable ecosystem must include marketplaces that are community driven and support creators. This is an outsized opportunity for ApeCoin to be leaders of an ethically composed web3.

About Us |

@Zheerwagen is CEO of Snag Solutions, a BAYC, MAYC, and ApeCoin DAO member. Prior to snag Zach was an early leader at DoorDash where he built the merchant side of the business and powered similar direct sales channels for brands like Chipotle, Panera, and Papa Johns.

Snag Solutions creates white label marketplaces to help NFT creators take control of the buying experience and reduce seller fees. They were approved to build an official NFT marketplace for the DAO and work with Goblintown, Genuine Undead, and more. Snag provides tools to help projects and their communities build sustainable ecosystems.

Solidity.io is a full-stack Web3.0 solutions firm and product incubator focused on providing blockchain development services, smart contract solutions, and audits. Solidity.io is run by MAYC and ApeCoin DAO member Alex McCurry.

Rationale |

The goal in funding tokenomics to drive adoption is to create a self-sustaining marketplace. Opensea and Magic Eden have validated how sticky marketplaces can be after capturing the majority of volume by maintaining near-monopoly control of ETH/SOL ecosystem volume in the wake of increased competition.

Once we capture the majority of Yuga volume we'll have a sustainable revenue stream:

1. Generating revenue for the DAO with the ability to grow this revenue stream as Yuga NFT volume grows OR as we add new collections to the ApeCoin Marketplace.

2. In the future the community can choose to expand the marketplace to support all Yuga collections (CryptoPunks, Meebits, 10KTF), or eventually, all collections.

[

1600×900 116 KB

](https://global.discourse-cdn.com/apecoin/original/2X/7/7b77baa58c3fab971af057be704d6c0be708f29f.png)

1. Making the ApeCoin marketplace the go to destination for Yuga NFT trading. By growing traffic to Apecoin.com we'll build a platform to which we can deploy new features, building value for the DAO.

Investing in DAO infrastructure now can help increase $APE value by creating sustainable revenue streams and grow the treasury in the process. If successful, the community will receive significant rewards, and treasury value will increase substantially, increasing $APE holder value.

Turning the ApeCoin marketplace into the de facto location for Yuga NFTs will be a strong statement on the power of the community and build a sustainable revenue stream for the DAO!

Specifications |

We propose a budget of 9,600,000 Apecoin to fund the architecture, design, and development of an ApeCoin based rewards system for the ApeCoin Marketplace. As a means of incentivizing adoption, we'll reward a variety of behaviors on the marketplace that drive sustainable growth.

- Half of this goes to listing vs. purchasing raffle rewards. 4.8M $APE each.

Listing rewards:

Similar to LooksRare's reward system we need to incentivize native liquidity to sustain usage

- Listings: In order to create the most robust Yuga asset orderbook in the entire NFT ecosystem we need to incentivize native listings.

- Unique Listings: In order to create a competitive edge, superior orderbook, and incentivize the migration of Yuga asset holders onto the marketplace, we propose incentive multipliers for Yuga assets solely listed on the ApeCoin marketplace. By incentivizing listings available only on the ApeCoin marketpalce we'll create a competitive edge by rewarding impactful behaviors.

- Floor Price-to-List Price Ratio: In order to ensure a fair rewards system, rewards multipliers will be put in place for assets listed near floor or trait floor. (i.e. an asset within 2% of floor will receive a higher reward rate per day than an asset listed 200% above floor.

- The trait floors will help us make a much more precise and less gameable version of LooksRare listing rewards by protecting against wash trading & abuse.

- The trait floors will help us make a much more precise and less gameable version of LooksRare listing rewards by protecting against wash trading & abuse.

Buyer-Side Raffle:

To create excitement around the marketplace and drive usage, we propose funding a buyer-side raffle on the purchase of Yuga assets. Mechanics:

- Each Yuga collection will have a weekly $APE allotment that's raffled to all collection buyers weekly.

- 50% of raffle entries will go to purchasers of native listings, and 50% will go to purchasers of any token via www.apecoinmarketplace.com. This way we incentivize all buying, but disproportionately incentivize native purchasing.

[

1600×900 152 KB

](https://global.discourse-cdn.com/apecoin/original/2X/a/a033d10afc0a1838cb98aafd4273e033a0b4c4a7.png)

[

1600×900 130 KB

](https://global.discourse-cdn.com/apecoin/original/2X/a/aac15728bae47b99c7ac6df0191ff8fc607fbaf4.png)

Key Deliverables:

- Claim Contracts and Front-end

- Rewards Back-End/Smart Contract

- Global Rewards Dashboard Front-end

- Token De-Listings Tracking System

- Floor Tracking Oracle for Reward multiplier

- Emission Rate Scenario Simulation and Stress Testing (Washtrading Prevention)

- Back-End/Smart Contract Audit + Front-End Audit/QA

- 6-month reward system management, oversight, and maintenance.

- Snapshot tracking system for retroactive rewards and early adopter bonuses

Timeline & Steps To Implement |

Tokenomics system will take approximately 3 months to complete. After development is complete, we will conduct an audit and community-driven bug bounty program.

1. Collect feedback from the community and incorporate for AIP-Draft

2. Vote approved, development begins

3. Tokenomics Design and Technical Architecture

4. Emission rate scenario mock-ups

5. Volume spike circumstance assessment and incentivization

6. ~2 month to complete development and test the tokenomics system(s)

7. Tokenomics launch!

Overall Cost |

The total request is:

1. 9.6M $APE to fund token rewards

2. 200K $APE to fund development and auditing broken out by:

3. 125K $APE to Solidity.io for up front development

4. 45K $APE incremental to Solidity.io for 6-months optimization

5. 30K $APE to TBD auditor for full stack audit

Two Notes:

1. We had several conversations with prospective dev partners and solidity.io offered by far the best combination of 1) cost 2) ability to take on the full scope of work.

2. If any other reputable vendors with tokenomic design experience are available for less, we're open to considering.

3. We can also add HLV (Horizen Labs Ventures) to this scope of work for an incremental $100K-$150K USD (25K-40K $APE) in order to support initial tokenomic design.

4. Any feedback is appreciated! We recommend adding HLV to ensure tokenomics are optimized from launch, but held off on adding budget prior to consulting the community.

Full view of development + set up costs:

[

1600×324 190 KB

](https://global.discourse-cdn.com/apecoin/original/2X/6/65a9aa382264a6a7ad2422ace2f461ce84d634bf.png)

[

1600×183 67.1 KB

](https://global.discourse-cdn.com/apecoin/original/2X/2/21366d74900481403533cb8210f855d0ca5067d3.png)

Proposals submitted to the AIP Ideas category can be vague, incomplete ideas. Topics submitted here are not required to be submitted as a formal AIP Draft Template, however, you may still use the template if you wish.