

[Proposal]

Title: Hybrid Consensus Model: Conventional Validators, Delegators, and Trading Strategy Pools for Numerai

Introduction:

This proposal presents a hybrid consensus model for Numerai, combining conventional validators, delegators, and trading strategy pools to leverage the expertise of participants in both consensus maintenance and trading. By incorporating these elements, Numerai aims to create a dynamic ecosystem that rewards validators, delegators, and traders while ensuring the security and success of the platform. Additionally, this proposal suggests expanding the utility of the Numerai (NMR) token by introducing it as a means of transaction fees within the ecosystem.

1. Conventional Validators:

Numerai will establish a set of conventional validators responsible for maintaining consensus on the blockchain. These validators will actively participate in block production, validation, and network security. They will earn rewards based on their validation activities, contributing to the stability and integrity of the platform.

1. Delegators:

To provide flexibility and engagement opportunities, Numerai will allow users to delegate their tokens to validators of their choice. Delegators can entrust their tokens to validators, who will represent their interests in the consensus process. Delegators will receive a proportional share of the rewards earned by validators, creating a mutually beneficial relationship.

1. Trading Strategy Pools:

Numerai will introduce individual trading strategy pools, enabling traders on the platform to showcase and execute their trading strategies using their own funds. Traders will have the opportunity to generate profits based on the performance of their strategies within these pools. This feature promotes participation and diversity in trading approaches.

1. Validating Trading Strategy Pools (VTSPs):

Validators who possess trading expertise and wish to collaborate with traders can form Validating Trading Strategy Pools (VTSPs). VTSPs will combine the consensus maintenance skills of validators with the trading strategies provided by traders. Validators within VTSPs will earn rewards for their validation activities and receive additional incentives if the trading strategies within their pool achieve success.

1. Rewards, Incentives, and NMR Utility:

Participants in the Numerai ecosystem will be rewarded based on their contributions and success. Conventional validators will earn rewards for their consensus maintenance activities. Delegators will receive a share of the rewards earned by validators proportional to their stake. Traders will earn profits based on the performance of their trading strategies, while validators within VTSPs will receive additional rewards if the strategies in their pool prove successful.

Furthermore, Numerai will enhance the utility of the Numerai (NMR) token by incorporating it as a means of transaction fees within the ecosystem. Users will be able to utilize NMR for paying transaction fees when participating in trading strategy pools, staking tokens, or executing other actions within the Numerai platform. This increased utility of NMR will further strengthen its value proposition and encourage broader adoption within the Numerai community.

Conclusion:

By implementing this hybrid consensus model and introducing NMR as a transaction fee currency, Numerai aims to harness the strengths of conventional validators, delegators, and traders within its ecosystem. This approach fosters a collaborative environment, rewards active participants, and ensures the security and success of the platform. Clear governance mechanisms, economic incentives, and ongoing evaluation will be essential to maintaining fairness, integrity, and the utility of NMR within the Numerai ecosystem. This proposal sets the foundation for a dynamic and prosperous future for Numerai and its participants.