V2 Tokenomics

Velocore V2 Tokenomics

Velocore V2 utilizes two tokens for managing its utility and governance:

- VC
- — ERC-20 utility and reward token of the protocol
- veVC
- — ERC-20 governance token of the protocol
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VC is used for rewarding liquidity providers through emissions.

veVC is used for governance. AnyVC holder can vote-escrow their tokens and receive the same number ofveVC at any time. There is no lock-up period and everyveVC token has the same voting power.

Conversion fromVC toveVC is always possible, but it's irreversible.veVC can be liquidated at any time through theVC /veVC pair on Velocore.

ve(3,3) Mechanics

Velocore mechanics were inspired a blend of two DeFi concepts:

- Vote-Escrow
- — first introduced by Curve to bolster incentives for long-term token holders
- Staking/Rebasing/Bonding or (3,3) game theory
- — designed by Olympus DAO
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Velocore V2 is designed differently from the typical model known as ve(3,3), yet it inherits its spirit.

At the heart of Vote-Escrow is the virtuous cycle structure where high trading volume leads to high trading fees, high gauge votes, high rewards, and in turn high Total Value Locked (TVL). This ensures the utility of the token and prevents distortion in the incentive structure. It's further optimized through the removal of epochs and a real-time voting mechanism.

The spirit of game theory, represented by (3,3), has been re-interpreted to give stakers the freedom to easily find the optimal balance point and act accordingly. While the structure that benefits the entire protocol when everyone stakes their rewards is maintained, the problem of liquidity difficulties faced by existing stakers and the barrier to entry for new users has been resolved. Now thatveVC has transitioned from NFT to a fungible ERC-20, it can be converted toVC at any time according to market value.

V2 Distribution

It's the same as V1

V2 Emissions

It's the same as V1

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