

Brokkr New Tokenomics

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We spent the last few months rebuilding the product and changing the scope of what Brokkr does. But as we continue building, we need to start paying more attention to tokenomics, which needs rework as well. And with the outlined changes, we can make a difference.

What's planned:

1. Burn 45% of the supply
2. RealYield
3. More incentives
4. Arbitrum pool

A bit of intro

Our initial token model launched with 1 billion tokens. It covered POL, Floor Price, Bonding, and Staking. But with all that happened last year, we must adjust the approach as certain features no longer align with our new vision and market conditions.

Burning 45% of the Supply

The crazy last year changed many things and disrupted the token inflation and the planned features. We don't need 1bn tokens especially when a big part of them wasn't distributed as planned.

After extensive discussions with the community and DeFi OGs, we've decided to burn 45% of our total token supply. This is a big move towards keeping our token system healthy and balanced for the long run. Some "pools"

will be affected more some less, but the result should be a healthy balance between the community, team, and private investors.

We plan to burn the tokens in mid-December.

Notes:

1. All Private investors are fully vested after the burn
2. Unused tokens from the IDO were added to the Operations and some of them will be immediately added to the BRO-AVAX pool to increase the pool depth.

RealYield: The Core Feature

RealYield remains the key part of the tokenomics. It's all about generating fees from our strategies and giving bBRO token holders their share. Initially, the split will be 60:40 between Brokkr treasury and bBRO holders, gradually shifting in favor of the holders. The success of RY is tied to our traction and TVL

, which means to continue prioritizing product development.

Looking ahead, we plan to replace the bBRO token with a more straightforward Staking & Liquidity Providing multiplier next year. It's more practical and fits Brokkr better. We'll ensure that our long-term stakers, who supported us through the bBRO phase, are well rewarded.

The additional utility will be based on the traction and the actual app usage to incentivize actions where we accrue the most value. It could be accessing advanced strategies and cross-chain vaults & DCA (if the THORChain connection works)

, or decreasing performance fees. There are a lot of options, but we will implement them after we gain traction.

Expanding Incentives: LP & App usage

We're broadening our incentive program beyond staking. We need to encourage specific actions that can directly help Brokk's functions — App usage and Liquidity providing. With the new system, we can dynamically incentivize what's needed.

LP Rewards

A deep and healthy liquidity pool is vital for our longevity and user confidence. And these incentives help us maintain it.

App Usage Rewards

Users are at our core, without them, there won't be Brokk. We will incentivize Brokk strategies as a way to increase awareness and grow our user base. Then we will look into user referrals which is a great marketing tool during bull runs.

Staking Rewards

We will remove the Custom Unstaking Period and replace it with one unified period. We will also change the rewards — the primary incentive will be tied to bBRO and RealYield.

The long-term stakers will also have a simple way to move into LP if they want.

Arbitrum pool: 2024

In early 2024, we plan to move our Avalanche pool to Arbitrum. Arbitrum offers more opportunities due to their activity, stronger metrics in TVL and users, and also because of our Arbitrum scope. Generally, it aligns well with our DeFi app.

It should be a fairly smooth process as both are EVM-based chains and we can basically "copy-paste

" all contracts. This will be a nice change compared to when we moved from Terra to Avalanche. This will also let us incentivize the LP strategies on Arbitrum.

Also, it is possible to get a grant to migrate to Arbitrum.

Continuous Improvement

These changes are significant and are a big step in Brokk's life. Tokenomics will become better and will give us more flexibility that can be translated to better service to the users. And users and TVL is the main thing we will go after in 2024, so give us your feedback on things you would like to see!

We have the LP strategies ready in Beta, and we are finishing the last steps before a full release. A lot of new things are coming. Before Christmas, we will introduce a complete overview of the Brokk product and the roadmap for 2024.