QSR

The primary roles of the QSR token are the following:

1. Support of Quasar’s PoS consensus
2. Payment of transaction fees on the Quasar chain (rewarded to validators)
3. Vault creation (by staking to network validators)
4. Chain-level governance (e.g. voting on protocol upgrades and adjustments to base transaction fees)
5. Q-Treasury governance (e.g. setting swap fees and voting on which vaults should receive incentives)

PoS

Quasar’s proof-of-stake blockchain, built with the Tendermint consensus engine, uses QSR to provide security to the chain. Validators can participate in committing blocks to the blockchain by staking a required sum of QSR.

You can find additional details on Quasar's PoS consensus and how the QSR token is used to secure the chain in the Security section of our documentation.

Governance

The QSR token acts as a governance token. Token holders will decide the future of the protocol by proposing, vetting, and passing upgrades and changes to the protocol. You can find additional details on how QSR is used for chain-level governance in the Governance section of our documentation.

Fees

All transaction fees on Quasar are paid in QSR. Vaults may be able to implement their own fees (e.g. for early withdrawal), but this is not enforced at the chain level.

Vault Creation

To create a new vault, creators are required to delegate a minimum amount of QSR to a network validator. This acts as a barrier to indiscriminate vault creation, alleviating the threat of any spamming of fraudulent or non-productive vaults which would clog the chain’s resources. Moreover, this staking requirement incentivizes vault creators to align with validators on the objective of a healthy and secure Quasar chain. In this way, QSR helps facilitate sustainable scaling and incentive alignment as new vaults are deployed on Quasar.

If the market value of the QSR token drops suddenly and dramatically, consensus-level security may be compromised which is a risk for all PoS blockchains. This effect could be exacerbated by vaults running strategies that generate returns based on QSR depreciation. Requiring QSR for vault creation inhibits any attempt at a coordinated attack aiming to devalue QSR and disrupt consensus-level security. By requiring vault creators to contribute to chain-level security, we can avoid the risk of such a conflict of interest and better align vault objectives with the health and security of the Quasar protocol.

Q-Treasury

The Q-Treasury is the community pool for the Quasar chain. Its objective is to support the sustainable growth of value for the QSR token. To do this, Q-Treasury coordinates strategic issuance, absorption, and containment of the QSR token. All QSR holders are intrinsically participants of Q-Treasury and can take part in Q-Treasury governance decisions such as choosing how to deploy assets, setting swap fees, and voting on which vaults should receive incentives. Liquidity gathered in Q-Treasury can be allocated through governance to fund and provide incentives for endeavors contributing to the Quasar ecosystem. For example, Q-Treasury can potentially be governed to deploy gathered liquidity into other Quasar vaults to jumpstart those that show promise.

With Q-Treasury, Quasar is taking inspiration from the model of protocol-owned liquidity pioneered by Olympus DAO. The Q-Treasury holds a reserve of QSR which is made available to Quasar users via a bonding mechanism. Buyers will be able to purchase QSR with other assets (as long as the Q-Treasury supports it) at a discounted rate. Purchased QSR will be available to the buyer after a short bonding period of several days. This mechanism allows Quasar to regulate the supply of QSR while also gathering liquidity from a variety of sources, allowing QSR to be backed by a diverse set of assets.

Finalized details regarding Q-Treasury and its functions are currently still in development.

Token Allocation

The allocation for the QSR token is as follows:

Max Supply: 1,000,000,000 (61% minted at launch)

- Investors: 21%
- Quasar Founders & Team: 14.5%
- Public Liquidity Seeding via LBP: 4.5%
- Unallocated (future fundraising & team members): 9%
- Incentives: 10%
- Community Pool (future airdrops & community spend): 25%
- Inflation (rate set to 0% at mainnet, 5% after LBP): 15%
- Advisors: 1% Previous User Roles Next Governance