



THE PRICE PROTOCOL

Solve the pain points of the industry and reshape the NFT industry standard

TPP Whitepaper v1.0

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1. Preface

The earliest NFT concept can be traced back to Hal Finney's elaboration on crypto trading cards in 1993. And long after its introduction, it has never been realized on the ground due to technical reasons. It was not until 2017 that CryptoPunks, the world's first NFT project, was released in Ether. after 2017, NFT then entered a period of rapid growth and construction.

Figure 1:NFT Development History			
Seed Phase (1993-2017)	Sprout Phase (2017)	Construction Phase (2018-2020)	Rapid Expansion Phase (2021)
NFT-related concepts were first proposed by Hal Finney in 1993 for CryptoTrading Cards (CryptoTrading Cards) gate, but due to the limitations of technological development at that time. NFT existed only in theory.	June 2017: CryptoPunks, the world's first NFT project, is released in Ethereum In Oct 2017, the DapperLabs team launches a crypto cat game called CryptoKitties, bringing NFT to the forefront.	In 2018-2019, the NFT ecosystem grew massively, developing more than 100 projects led by OpenSea and SuperRare, which made NFT transactions more convenient and improved NFT application areas gradually expanded.	《Everydays: The First5000days》 sold blockchain game Axie Infinity for \$69.34 million with a rapid rise in sales driving the rapid development of the entire NFT market segment.

According to GoinGecko, the global NFT market cap remains low until 2021, with a global NFT market cap of only \$317 million at the end of 2020. In 2021, however, NFT's market cap grows at a high rate, reaching \$12.725 billion globally as of the first half of 2021.



At present, the main difference between NFT and FT is focused on its non-fungibility, non-distinguishability and uniqueness. Relying on the non-fungibility, indivisibility and uniqueness guaranteed by blockchain technology, the uniqueness, authenticity and permanence of NFT-linked assets are guaranteed, thus effectively solving the problem of virtual goods' authentication.

Figure 2: Difference between NFT and FT		
	FT	NFT
Commonalities	Untamperable: NFT metadata and its transaction records are continuously stored and cannot be manipulated or tampered with once a transaction is confirmed.	
	Traceability and verifiability: Based on the storage function of blockchain, NFT and its token metadata and ownership can be traced by letter and can be publicly verified.	
	Transparent execution: NFT-related activities such as minting, sales and purchases are publicly available.	
Differences	Interchangeability: FTs can be interchanged with the same FTs.	Non-interchangeability: NFT is not interchangeable with the same kind of NFT.
	Divisibility: FT can be divided into smaller units of equal value. For example, one dollar can be exchanged for two 50 cents or four 25 cents.	Indivisibility: All NFT data is stored on the blockchain through smart contracts, and each token has fixed information and cannot be divided into smaller denominations.
	Uniformity: All the same FTs have the same specifications and are identical between tokens.	Uniqueness: Each NFT is unique and differs from each other with the same NFT.
Protocol standards	ERC20、ERC223, etc.	ERC721、ERC1155, etc.

2. Platform Overview

2.1 What is TPPStore

TPPStore is a community-driven marketplace for NFT trading. Actively rewarding participating traders, collectors and creators. And combined with our unique guaranteed price protocol, The Price Protocol, we are empowering eco-partnership projects to flourish and increase their NFT value. Secondly, we will issue a limited number of 2,000 Global Chips NFT to the community as a community pass to enjoy the dividends of ecological development, providing connectivity through social programs and community rewards.

Differences with other NFT trading markets

Platform	Types	Fee	Royalties	TPP& Yes/No
OpenSea	Integrated	2.50%	Customization	No
MakersPlace	Artworks	15%	10%	No
Async Art	Artistic&Music	10%	10%	No
Zora	Digital Art	/	Customization	No
Rarible	Integrated	2.50%	Customization	No
TPPStore	Integrated	1%	TOP 5%	Yes

2.2 What is The Price Protocol

The Price Protocol is the leading multi-chain NFT price protection protocol, and our mission is to redefine the NFT industry standard and make NFT a safer investment underlying.

The Price Protocol is the leading decentralized price protection protocol, providing NFT users with reliable, robust and secure NFT price protection services. The Price Protocol not only guarantees unparalleled value preservation and appreciation services, but also provides a sustainable return on investment. Our unique business model will protect your NFT, invest your NFT in mainstream assets, and provide a one-stop solution for your NFT.

2.3 Why Choose The Price Protocol

Although NFT is growing rapidly, most NFT transactions are gathered on the Ethereum public chain, and the huge transaction volume tends to cause transaction congestion and high GAS fees. And the NFT market has pain points such as insufficient liquidity and high price volatility.

Pain point 1: Lack of liquidity in NFT secondary market and high GAS

The scarcity of NFT applies to a range of applications that reflect unique value, but it is also its uniqueness and irreplaceability (uniqueness) characteristics that make it difficult to assess value, which makes NFT free trading difficult to achieve and creates liquidity problems. Therefore, the current NFT and homogenized Tokens (ERC-20, etc.) show multiple orders of magnitude gap in terms of trading volume, and the trading cycle is too long, which ultimately restricts the circulation of NFT assets.

Pain point 2: High volatility of NFT prices

Due to its own properties, NFT cannot be subscribed to the primary market through Token distribution. It can only be circulated in the secondary market through auctions, transfer offerings, and offering of individual NFTs.

The secondary market for NFT is characterized by high volatility and risk, as its price is directly influenced by factors such as supply and demand, investor sentiment, and government regulations. It is difficult to reliably assess NFT at this time, and it will continue to be subject to the uncertainty inherent in emerging disruptive technologies.

We have seen a need in the market for NFT value preservation to enhance the risk management infrastructure of the NFT ecosystem and seek improvements to address the previously mentioned challenges. As a result, we have come up with this solution with core value creation - The Price Protocol.



2.4 Platform Architecture Design

The platform will consist of four layers, including.

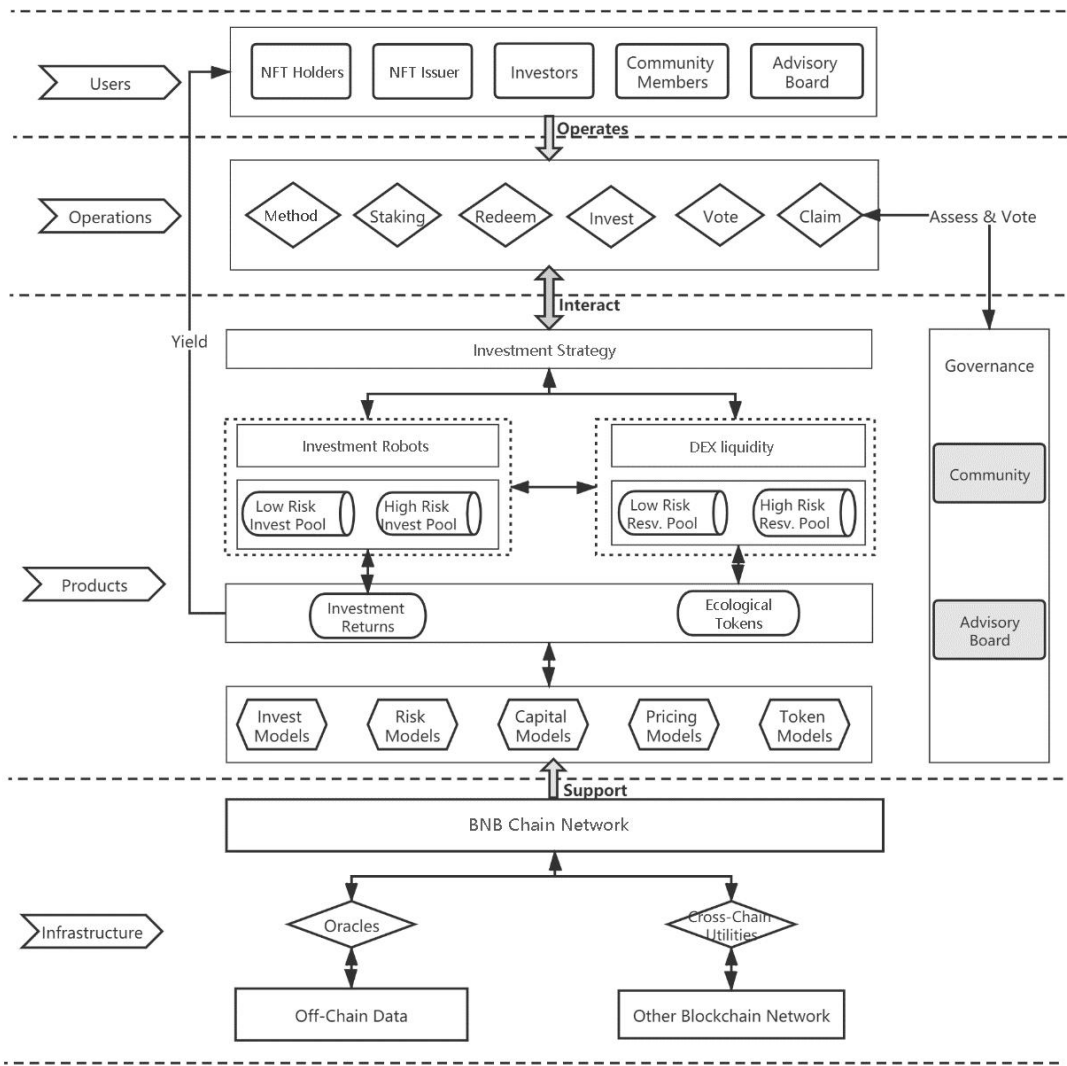
User layer, providing user access functions for covering platform users such as NFT buyers, investors, risk assessors, etc.

The operations layer, covering various user or business operations scenarios that interact with the core product functions.

the product layer, which builds the core functions of the platform, such as ecology, investment, premium model, governance, etc.

The infrastructure layer, which establishes interaction with the BNB Chain network as a foundation and maintains interoperability with external prophecy machines and cross-chain utilities.

The following diagram shows the architectural design of the platform.



3 The Price Protocol

3.1 Product Design

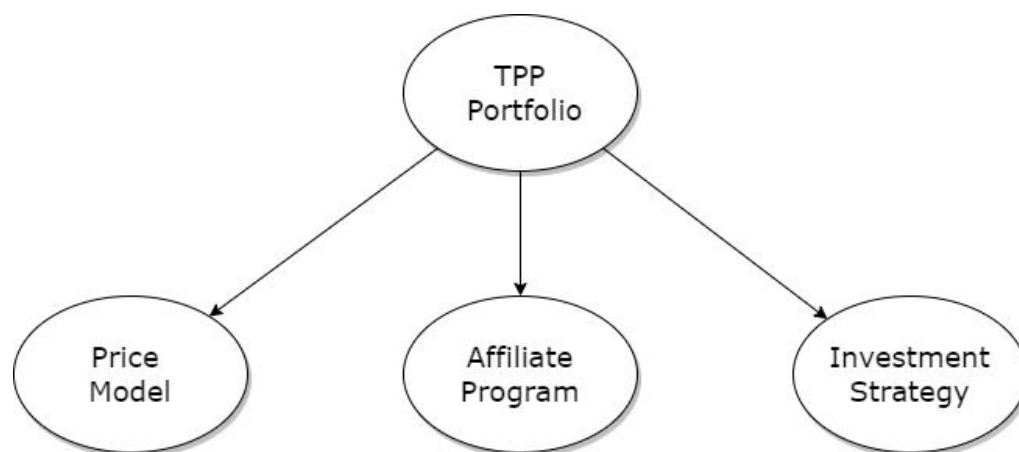
The Price Protocol is designed as a new decentralized protocol designed to provide risk protection infrastructure for the NFT community. The Price Protocol offers a range of combined approaches to TPP-based investments.

Optimized The Price Protocol model to significantly reduce risk

Eco-Affiliate program flowback logic to create sustainable returns for participants

Compound investment strategy to actively and positively reward NFT holders

The Price Protocol currently offers T-based portfolio definitions. All operations will be executed based on smart contracts.



3.2 Mathematical model for NFT valuation

We split the NFT investment return, which can be divided into two components: appreciation and earnings. Value-added corresponds to the price change of NFT, which can be further split into two components, valuation change and earnings, then from moment t-1 to moment t, let R be the investment return and D be the dividend, then we have.

$$\begin{aligned}
 R_{t-1,t} &= \frac{P_t - P_{t-1} + D_t}{P_{t-1}} = \frac{P_t}{P_{t-1}} - 1 + \frac{D_t}{P_{t-1}} \\
 &= \frac{PE_t * EPS_t}{PE_{t-1} * EPS_{t-1}} + \frac{D_t}{P_{t-1}} - 1 \\
 &= \frac{(PE_{t-1} + \Delta PE)(EPS_{t-1} + \Delta EPS)}{PE_{t-1} * EPS_{t-1}} + \frac{D_t}{P_{t-1}} - 1 \\
 &= 1 + \frac{\Delta EPS}{EPS_{t-1}} + \frac{\Delta PE}{PE_{t-1}} + \frac{\Delta PE * \Delta EPS}{PE_{t-1} * EPS_{t-1}} + \frac{D_t}{P_{t-1}} - 1 \\
 &\quad \text{If } \lim_{\Delta t \rightarrow 0} \Delta PE * \Delta EPS = 0, \text{ Then} \\
 R_{t-1,t} &\approx \frac{\Delta EPS}{EPS_{t-1}} + \frac{\Delta PE}{PE_{t-1}} + \frac{D_t}{P_{t-1}}
 \end{aligned}$$

In this framework, it is not the absolute level of valuation or earnings that determines price changes, but their respective rates of change. As with the second law of dynamics, NFT price trends are actually driven by a combination of valuation and earnings dynamics behind them. If PE and EPS move in the same direction, the trend of NFT is easier to judge; if they move in opposite directions, NFT is dominated by the one with the higher rate of change.

3.3 Investment Strategy

In the traditional investment industry, investment firms use their clients' funds to invest in other financial products to generate returns for their clients.

Similarly, The Price Protocol will combine Three Jay capital's years of blockchain investment experience to prudently invest a portion of the returned funds from the The Price Pool in other blockchain financial products to generate long-term investment returns.

The Price Protocol will create an investment function similar to Yearn Finance to design and implement effective strategies. The return on investment will complement the The Price Pool, thereby creating a secure and sustainable investment cycle.

Some of the potential investment plans that will be considered by The Price Protocol investments are as follows.

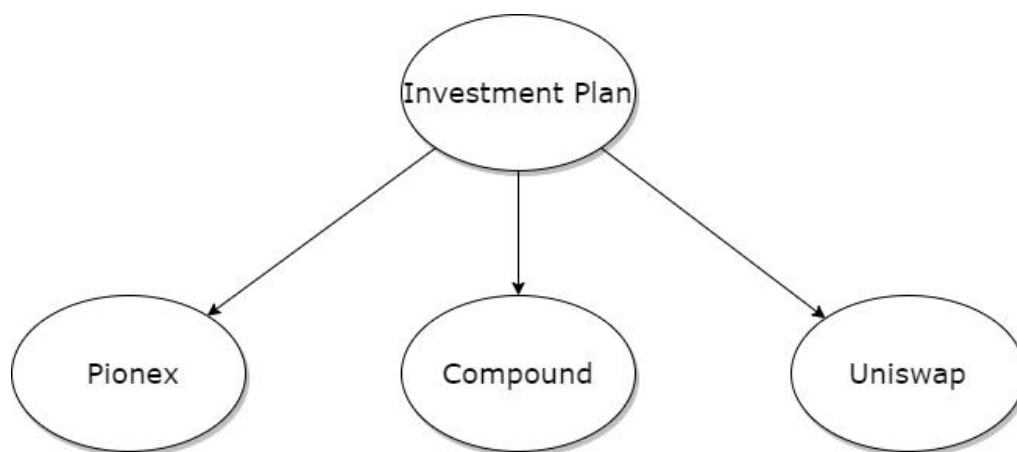
Quantitative trading in mainstream assets at Pionex using fixed investment robots at regular intervals

Pledging funds in lending platforms such as Compound in order to earn interest.

Pledging funds in DEXs such as Uniswap to earn profits as a liquidity provider.

Other eligible investment strategies.

A small portion of the investment proceeds will be used to cover transaction and operating costs and other potential expenses, with the majority of the proceeds flowing back into The Price Pool to inspire confidence in Global Chips NFT holders.



3.4 Risk Assessment

The Price Protocol assigns a security rating of A through E stars to measure the risk associated with it. A higher security rating means that the protocol is more secure and less likely to experience a hack, bug or vulnerability exploit or the severity of such an event.

Ratings will be calculated based on 5 factors with the following weights.

1. Project implementation (10%)

Project type and Technical difficulties ; Roadmap and Ecological progress

2. Project Operations (15%)

Project age and O&M

3. Team qualification (5%)

Team anonymity; Team experience, Development programming experience

4. Audit (30%)

Transparency and vulnerability. Frequency and updates

5. Code (40%)

Permissions Attribution; Testing and Architecture

Integration with external protocols

Security management/multiple signatures

4. GlobalChips NFT

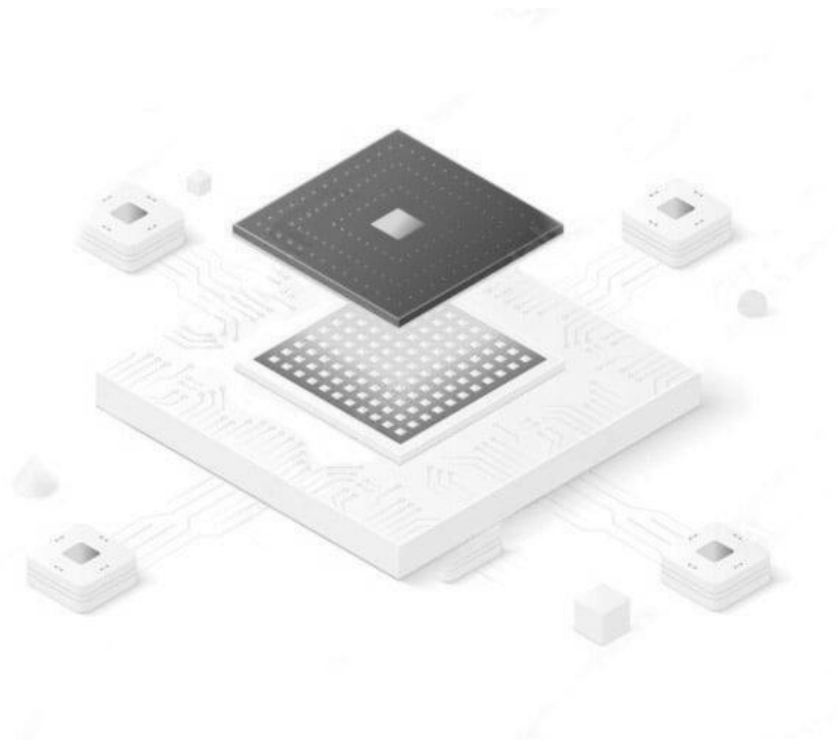
GlobalChips NFT is a community-based NFT, based on The Price Protocol, which was created as a passport to the platform ecosystem. GlobalChips NFT holders can receive airdrops or whitelists. We will also provide benefits to "members" through partnerships with other NFT programs.



Taking BAYC as an example, they are the core participants and the biggest beneficiaries of holding community-based NFT at every stage.

GlobalChips NFT empowers the holder in three main ways

1. Escorting NFT holders with the empowerment of The Price Protocol.
2. Airdrops or casting whitelists for subsequent sub-projects to participate in collaborative projects at a lower cost.
3. Tagging early participants, contributors, and long holders.



4.1 Number of Mint

GlobalChips NFT is limited to 2,000 pieces, and only 1,000 pieces will be circulated in the initial phase at a price of 500USDT; the remaining 1,000 pieces will be Burning Minted in installments in the subsequent ecological expansion phase until they are all Minted.

4.2 Burning Mint

Burning Mint will be held in 100 installments of 10 tickets each. The opening time of each session will be determined by the increase of The Price Pool amount, and each session will be held on a first-burn first-served basis to protect the market demand of NFT and the interests of the holders.

As the Eco-Alliance program continues to advance and The Price Pool capacity continues to increase, Burning Mint will become normalized, empowering the ecology while bringing more revenue to holders.

5. TPP Economics

TPP Coin, or TPP for short, is the native token of the TPPStore trading marketplace for trading, backing digital assets, paying transaction fees, and more.

To ensure a richer economy, we will choose the right time to issue TPP .

TPPStore's main business is the NFT trading market, and with the addition of The Price Protocol, it makes TPPStore target market will be much larger than other NFT platforms, so as a platform token TPP has more demand scenarios and is an important part of the ecosystem It is an important part of the ecosystem.



Global Chips NFT holders will have priority access to TPP airdrop rights, whitelist status to implement commitments to communities.

Tips: More details will be released according to the whitepaper roadmap planning schedule

6. DAO Governance

The Price Protocol will use the DAO governance mechanism commonly used by DeFi projects today, with TPP as the governance token for voting and incentives.

The Price Protocol's governance principles:

The day-to-day operations of The Price Protocol platform will continue to operate without community involvement.

The goal is to encourage maximum community involvement in important areas such as business design, product listings and downgrades, feature additions and removals, technical developments and version releases.

If community governance fails, contingency procedures should be in place as a safety net to protect members.

The governance framework will include two methods.

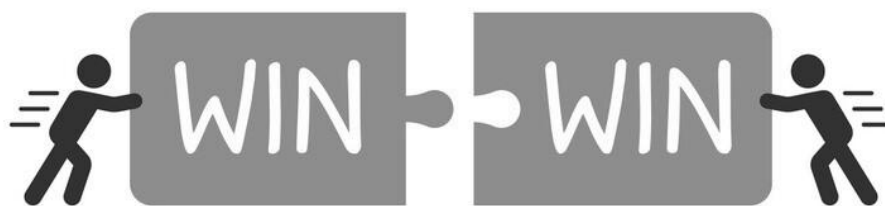
Community Vote: When any new proposal is made, the community can vote for or against the proposal until consensus is reached.

Advisory Board: Comprised of The Price Protocol staff and third-party independent consultants with technical, insurance, compliance and other relevant expertise. They serve as an oversight committee to develop specific rules, review community proposals and implement contingency plans in the event that the community voting mechanism fails.

7. Eco-Alliance Plan

We are committed to be the digital transformation helper of our ecological partners, and build a digital ecology of "business model + financial services + NFT offering" based on TPPStore + The Price Protocol to form a new digital economy entity.

In order to promote the cooperation projects online, we will open a "7to1" competition track, every seven projects to select a high-quality project, incubated as "billion" partners. And from the four dimensions of technical product empowerment, exploring emerging models, playing ecological flow, and creating platform revenue, we will empower partners in all aspects, output one-stop NFT solutions to ecological alliance partners and link partners to explore new ecology, promote the ecological construction of the ecological alliance program, and continue to empower the value of GlobalChips NFT.



Advantages of joining the Eco-Affiliate Program

1. Slippage back into The Price Pool to enhance the value and price of NFT and promote its ecological development and community consensus cohesion.

2. Gradually releasing Burning Mint of GlobalChips NFT according to The Price Pool capacity, so that the ecological token burning positively empowers the value of NFT.

3. GlobalChips NFT holders are the co-builders of the ecology and the biggest beneficiaries of the ecology; trading, destruction, minting, and dividends are effectively cycled under the role of The Price Protocol.

4. The Price Pool is fully contractual execution, locking the pool for five years, discarding permissions within three months, and open and transparent data! Favorable to promote the ecological alliance Plan, to ensure the ecological perpetual development.

8. Route Map

- Promotion of Eco-Alliance Program
- Launch of TPPStore trading marketplace
- Optimization of The Price Protocol model
- Issued platform coin TPP, including token airdrop campaign
- TPP goes live on a large trading platform
- On-line NFT fragmentation management system
- DAO governance voting
- New chain deployment
- Release of multi-chain TPPStore trading marketplace
- Other

