

# DAOSYS

## Smart DAO Protocol for Decentralized Finance

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# OUTLINE

1. Introduction

2. Governance

3. Architecture

4. Tokenomics

5. Roadmap

# OBJECTIVES

## FIRST EVER SMART DAO PROTOCOL

Similar to Ethereum in the sense that both protocols work with decentralized immutable storage

Instead launching contracts from chains, we work with Diamonds

## SELF-SOVEREIGN CAPITAL COORDINATION

Does this via its new Autonomous Service Engine technology

Made possible through an extension of the multi-facet proxy called Diamonds outlined in EIP-2535

## MASTERNODE YIELD FARMING

First of a new class of DAOs

System of trustlessly investing Masternode yields into a DeFi liquidity provider

# Introduction

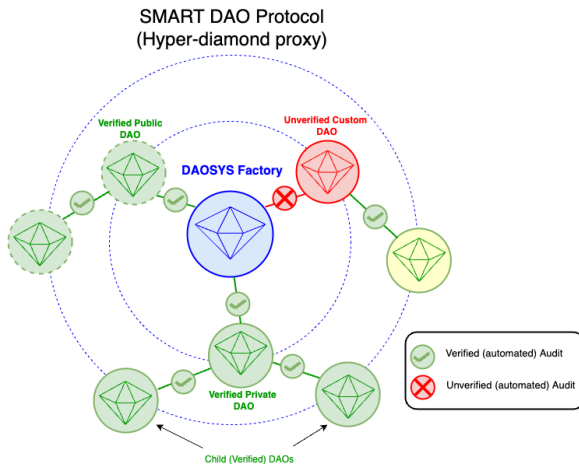
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## INTRODUCTION: OVERVIEW

The features that DAOSYS will have are as follows:

- ◇ Smart DAO protocol via hyper-diamond proxy
- ◇ Self-sovereign via trustless automatic integration
- ◇ Seamless fast deployment using secure templates
- ◇ Hyper-diamond standard
- ◇ Collateralized VE (vesting) indexing token
- ◇ Automated audits of child DAOs
- ◇ Fully backed (eg, DAI, SYS)
- ◇ Non-speculative asset
- ◇ No code or low code deployments via user interface
- ◇ New emergent behavior and innovation for DeFi

# INTRODUCTION: SMART DAO PROTOCOL



**Figure 1:** DAOSYS as the smart DAO protocol, utilizing the hyper-diamond proxy; see EIP-2535

## INTRODUCTION: SECURITY

When a DAO joins the DAOSYS ecosystem it will be either verified or unverified, which is a security attribute that will dictate the way it conducts itself on the network

- ◇ **Public-verified:** most common type of DAO on the network and are essentially clones of DAOSYS
- ◇ **Public-unverified:** second most adopted usecase on the network having freedoms akin to a Redhat or AWS EC2 licence agreement
- ◇ **Private-verified:** may be used as a public testnet to vet new ideas that are uncommon to the network
- ◇ **Private-unverified:** may be useful to those looking setup smart wallets with modules consisting of a host of sophisticated asset managing DeFi strategies

# Governance

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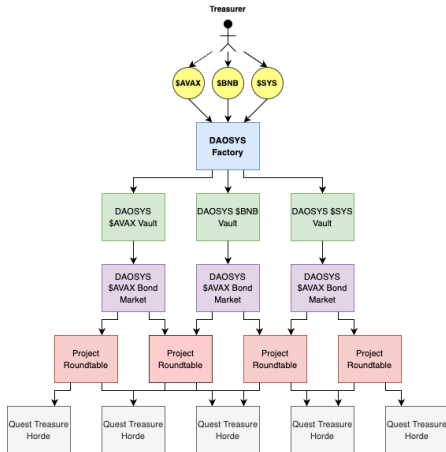


# GOVERNANCE

A user creates a DAO by selecting which vaults and bond markets they would like to include. These vaults may come from one of four sources:

- ◇ Reuse an existing vault
- ◇ Recreate an existing vault
- ◇ New pool with new investment strategy
- ◇ New pool with custom code

## GOVERNANCE: NEW POOL WITH CUSTOM CODE



**Figure 2:** DAOSYS Governance Structure: new pool with custom code (ie, Quests)

# Architecture

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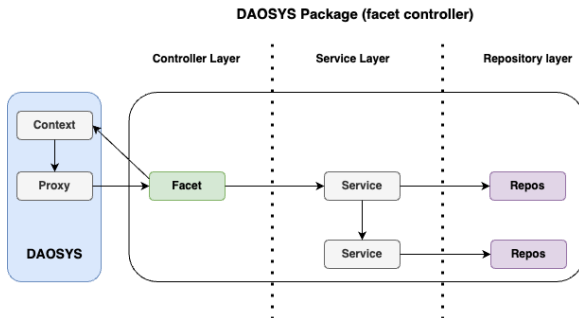
# ARCHITECTURE: STRUCTURE OF THE HYPER-DIAMOND STANDARD

Three-tier architecture is a well-established software architecture that organizes backend applications into three logical computing tiers, which include:

- ◇ Presentation tier: controller classes
- ◇ Application tier: services classes
- ◇ Data tier: repository classes

The utility of this is to manage properly structured code to make it easier for other developers to work with. Thus, no matter what the application (eg, API, CLI, etc.), it is important to approach software design in this way, which is what we are introducing into our DAOSYS smart contract implementations, namely the Hyper Diamond Standard.

# ARCHITECTURE: DAOSYS PACKAGE

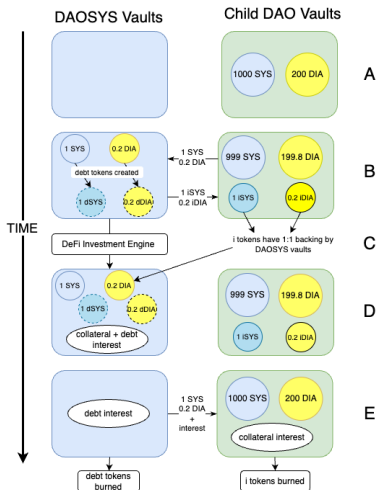


**Figure 3:** Three-tier structure of the DAOSYS package

# Tokenomics

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# TOKENOMICS: GENERAL MODEL



**Figure 4:** Tokenomics model representing minimum commitment of publicly and privately verified child DAOs

## TOKENOMICS: BASIC STEPS

The five steps of the tokenomics model described in Fig. 4 are as follows:

- A Initially assume DAOSYS vaults contains no assets
- B Triggering event stimulates a small deposit from the Child DAO vaults into the DAOSYS vaults
- C DAOSYS will send both these debt and collateral tokens through a DeFi investment engine
- D DAOSYS vault will collect interest from these newly acquired collateral and debt assets
- E Child DAO recalls the original collateral and all its earned interest, while DAOSYS keeps the debt interest



# TOKENOMICS: SIMULATOR

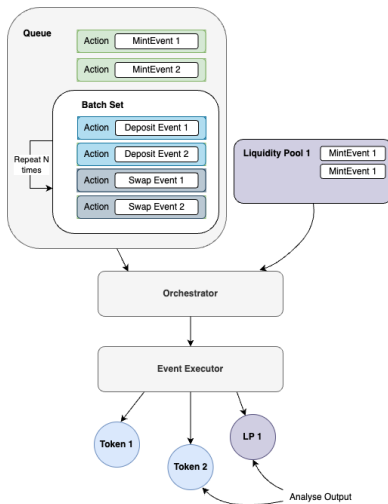


Figure 5: System components to DeFi Python simulator for DAOSYS

# TOKENOMICS: SIMULATOR (2)

Simulator Component	Description
Agents	Entities that engage with the system, and are subcategorized into tokens and users
Events	Agnostic events that take place within the system (eg, mint, deposit, withdraw, swap, and rebase)
ModelQueue	Queue of univariate events that are modelled aprior that can be fed into the system as events
Actions	Event actions that are fed into the system performed by agents; they can either be single stand-alone independent event actions or chained together with dependency
ActionChains	Actions that have dependencies on other actions as inputs
ActionBatch	Batches of actions placed together into a repeatable sequence; there is only one assigned time delta per the pass of each batch, and there is no limit as to the number of batches that can be created
Liquidity Pools	Pool of two token agents managed by constant product trading
Orchestrator	Manages agents and actions working within the system
Event Queue	Queue of storable actions
Event Executor	Final step which executes queue of action events

**Table 1:** Descriptions of DeFi python simulator components; refer to Fig. 5 to see how components interact with one another.

# Roadmap

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# ROADMAP: EXPECTATIONS

Prior to mainnet release:

- ◇ Syscoin's L2 (ie, Rollux) must launch first along with Syscoin's Proof-of-Data Availability (PoDA)
- ◇ It is our intention that DAOSYS be launched when Rollux goes live
- ◇ We are expecting to launch DAOSYS in the early part of 2023 with crypto's first Masternode Yield Farm as its first functioning child DAO

## ROADMAP: USECASES

Explored usecases:

- ◇ **Masternode Yield Farming:** Syscoin plans to incentivize Masternode operators where they can put yields to work by investing them into a DeFi liquidity provider which will be automated in a trustless manner through DAOSYS
- ◇ **Index Tokens (Crypto ETFs):** since DAOSYS itself is a non-speculated asset backed index of cryptos, for the first time we introduce a new class of cryptos called index tokens or crypto ETFs. The intelligence of the DAOSYS protocol will allow for the seamless, secure deployment of these index tokens using one of its readily available templates addressing this important usecase.

**Thank you!**