

Research

- 5x \$5,000 in SOV for a total of \$25k in research rewards.
- All winners eligible for post-hackathon grants for continuing to develop the project for deployment.

Challenge Description

For those who are good at research to provide possible ideas for:

- Increasing TVL.
- Incentivizing Stakers in Governance.
- New Business that want to launch tokens on our Origins Platform
- Anything positive using Sovryn Protocol and associated smart contracts.

Submission Requirements

- Participants need to be at least 18 years old by June 4th, 2021.
- Participants from everywhere can participate in this online event
- You need to register online as a team or as an individual.
- You can submit individually, or as a team. Teams should include no more than ten people.
- All of your team participants will need to register [here](#)
- Partners and their affiliates are not eligible for participation in Sovrython.

What makes a submission complete?

- Link to a public Github repository containing the team members, presentations, documentation
- The submission must be released under a GPLv3 compatible license
- Projects cannot be edited after submission.

Judging Criteria

Submissions will be judged by a panel of experts based on their technical merits as well as the likelihood of implementation in a manner adding to the functionality of the Sovryn Protocol / Platform.

Winner Announcement Date

Sunday, July 18th

Useful Links:

[Sovryn Code Repo](#)

1. About Sovryn

Sovryn is a non-custodial and permissionless smart contract based system for Bitcoin lending, borrowing and margin trading. Currently Sovryn hosts features like Spot Exchange, Margin Trading, Lending pool and FastBTC Relay (use of Bitcoin almost instantly) and soon promises to add borrowing, perpetual swaps for 20x trading and bitcoin backed stable coins with overcollateralized Bitcoin.

2. Sovryn Governance

To continue on the base concepts of Bitcoin, Sovryn helps in advancing financial sovereignty by adopting a trustless, censorship-resistant and peer-to-peer system of money. Decentralised Exchanges [Dexes] have taken a great leap in developing financial sovereignty on ethereum networks without the need of KYC, which helps the users to hold their tokens while trading, staking, lending or providing liquidity.

With the relatively low effort, participants can vote on the direction of platforms like compound, and uniswap, which hold a known risk such as threat of speculative attacks.

Regardless of whether the token holders are staking or not, they can participate in the governance, hence not incentivizing long-term participation. Also, token holders on such platforms can abuse the model through the use of flash loans, which exploit arbitrage opportunities using large, uncollateralized loans to manipulate and capitalize on the volatile token prices.

2.1 SOV Token

SOV is ERC-20 token minted on RSK sidechain. SOV cannot be used directly to avail the voting benefit, but instead a user must stake their SOV token to get the protocol voting rights.

SOV is designed to provide a pseudonymous, censorship-resistant mechanism for governing the parameters of Sovryn protocol, aligning the incentives for long-term participation. SOV is not a crypto alternative to BTC and thus should not be considered as "altcoin"

2.2 Bitocracy

Unlike ethereum based defi, where the focus is more on decentralised, Bitocracy focus on qualified governance involving participants with skin in the game, aligning incentives for all the participants. At any time, Bitocracy participants can take action to improve or expand the protocol, such as modifying a smart contract, issuing a grant, initiating a bounty, etc.

The series of steps involved are:

- Participant(s) make a proposal in code.
- Stakers vote on the proposal.
- If the proposal is approved, the execution delay begins

If someone disagrees with the proposal direction, then they have the time to walk away before the execution of the proposal.

Staking provides the benefit of voting on protocol changes, additionally providing the staking reward proportional to their share of total voting power. These staking rewards are earned as a pro rata share of the revenue generated by platform from various transaction fees and slashing penalties in case of early unstaking.

References

- Library of Dyor <https://www.sovryn.app/library>
- BlackPaper <https://docsend.com/view/mbhvi379crhagtwp>
- Staking:
<https://www.linkedin.com/pulse/insight-guide-staking-crypto-2021-michael-gebert>
- TVL: <https://medium.com/multi-io/defi-explained-the-tvl-metric-99187587f8f0>