

STAKEMOON Whitepaper

This whitepaper discusses the core framework of STAKEMOON - a new and innovative digital currency project that strives to reward long-term token holders in two key manners.

This consists of a taxation policy that penalizes market speculators - resulting in regular dividend payments for existing token holders, and flexible staking rewards.

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Abstract

STAKEMOON is a decentralized platform that promotes an overarching visionary - to reward long-term token holders. The STAKEMOON team argues that this goal can be achieved through two fundamental routes.

First, all STAKEMOON transactions attract a taxation rate of 15%. In a nutshell, this is to demotivate day traders and market speculators from buying and selling the STAKEMOON token as part of a short-term investment strategy. Of this figure, 10% is distributed to existing token holders, while the remaining 5% is allocated to the STAKEMOON liquidity pool.

Second, the team at STAKEMOON are proponents of the long-term benefits of staking. Put simply, those that allocate their tokens to the STAKEMOON protocol will, in turn, receive rewards. This is because the STAKEMOON tokens in question are utilized for the purpose of confirming blockchain transactions and thus - fees subsequently paid by the sender are distributed fairly to those taking part in the staking program.

STAKEMOON Taxation Policy Demotivates Market Speculators

The global cryptocurrency trading arena is now a multi-trillion-dollar industry. While this gives the digital asset arena a firm stamp of approval from an opportunistic perspective - the key problem is that many involved in this space are nothing more than market speculators.

More specifically, a sizable percentage of the cryptocurrency trading sector is dominated by day traders that have no interest or affiliation with any of the digital tokens that they trade. On the contrary, their main objective is to enter a

trade and subsequently close the position within a matter of days, hours, or even minutes.

A direct result of this is that speculative day trading causes enhanced market volatility and wild pricing swings. In turn, this can demotivate new and inexperienced investors from entering the blockchain asset industry for the first time.

This is why the team at STAKEMOON are strong adversaries of short-term cryptocurrency speculators. Instead, it is argued that the ideal token holder is someone that believes in the long-term vision of the respective cryptocurrency project.

With this in mind, STAKEMOON has implemented an innovative taxation policy that penalizes day traders looking to make a quick entry and exit into and from the market.

As this whitepaper covers in the following section - this taxation policy benefits long-term STAKEMOON token holders greatly - as a majority of the collected funds are distributed in the form of a dividend payment.

15% Taxation on All Transactions

The project has implemented a 15% taxation policy on all STAKEMOON token transactions. The reason for this is simple - those looking to speculate on the STAKEMOON token through a day trading system will not find this works well in the long run.

After all, day traders will typically enter and exit trades that remain in place for hours as opposed to weeks, months, or years. More specifically, day traders aim

to make modest but frequent profits - so the aforementioned 15% taxation policy will ensure that this is not financially viable when trading STAKEMOON in the open marketplace.

Furthermore, and perhaps most importantly, this means that the STAKEMOON community will overwhelmingly be dominated by long-term believers of the project - just as it should be.

10% Dividend Policy on All Taxation Proceeds

Once the 15% taxation is collected by the STAKEMOON protocol - the funds are distributed in two ways. While 5% is allocated to the STAKEMOON liquidity pool, 10% is distributed to existing token holders in the shape of a dividend payment.

Below you will find a brief example of how the funds are allocated:

- Let us suppose that a speculative day trader sells 20,000 STAKEMOON tokens in the open marketplace
- The day trader will pay a tax rate of 15% on this figure (3,000 tokens)
- Of the 20,000 tokens sold by the day trader - 10% of this figure (2,000 tokens) is distributed to existing STAKEMOON holders in the form of a dividend payment
- The other 5% (1,000 tokens) is added to the STAKEMOON liquidity pool - more on this shortly.

As per the above example, 2,000 tokens have been distributed to existing STAKEMOON holders. This is allocated on a proportionate basis.

- For instance, let us suppose that you own 2% of the entire STAKEMOON token supply

- In this scenario, you would receive 2% of 2,000 tokens - or 40

STAKEMOON

Crucially, the benefits of the STAKEMOON taxation policy are two-fold. Not only are speculative day traders demotivated from buying and selling STAKEMOON for short-term gains, but proponents of the project are rewarded for holding their tokens over the course of time.

5% Liquidity Addition on All Taxation Proceeds

Make no mistake about it - liquidity is a fundamental requirement when a digital currency trades in the open marketplace. Without sufficient levels of liquidity, buyers will struggle to find sellers - and vice versa. This results in an inefficient marketplace, unfavorable spreads, and ultimately - enhanced volatility.

Taking all of this into account - of the 15% taxation that is implemented on all transactions, 5% of this figure is allocated to the STAKEMOON liquidity pool. In simple terms, this ensures that there is a smooth and efficient transaction flow and more competitive pricing when market participants elect to buy or sell STAKEMOON.

For instance, it is all good and well seeing a digital currency investment that has increased 10-fold. But, if there is not enough liquidity in the market, this 10-fold increase is unlikely to be realized. In other words, if there is not enough liquidity to be able to cash out a digital currency investment at the current market value - this means that the seller will have to accept a significantly lower price.

Crucially, as 5% of all STAKEMOON transactions will contribute to the liquidity pool - the aforementioned issues of market inefficiency can be alleviated to a substantial degree.

1-Year Liquidity Lock-Up

An additional benefit of the STAKEMOON liquidity pool is that all newly added digital tokens are locked up for a 1-year period. This is backed by an autonomous smart contract that is publicly viewable as soon as the funds arrive in the liquidity pool.

This means that no person or entity can withdraw the tokens held by the 1-year smart contract - subsequently ensuring that STAKEMOON functions in an efficient marketplace in the long run.

As this whitepaper covers in more detail shortly - 50% of all pre-sale STAKEMOON purchases that are completed OTC (Over-the-Counter) will contribute to the liquidity pool. This will also be on a 1-year lock-up period through a transparent smart contract.

Automatic Liquidity Pools

One of the most notable benefits that the decentralized finance industry has brought to the cryptocurrency markets is Automatic Liquidity Pools. For those unaware of this term, Automatic Liquidity Pools allow market participants to trade digital tokens without a third party.

Before explaining how this is beneficial for the STAKEMOON ecosystem - let us look at an example of how a cryptocurrency trade typically works in practice when going through a centralized platform.

- Let us suppose that you are currently holding MAKER but wish to swap the tokens for STAKEMOON.

- Under normal market conditions, you would first be required to deposit your MAKER tokens into a centralized exchange.
- Then, you would need to find the relevant market on the exchange - in this case, that would be MAKER/STAKEMOON.
- However, centralized exchanges are unlikely to offer a direct market on the likes of MAKER and STAKEMOON.
- As such, you would first need to sell your MAKER tokens for a large-cap cryptocurrency like Bitcoin. Then, you'd need to use your Bitcoin to buy STAKEMOON.
- Finally, you would then need to withdraw your STAKEMOON tokens to your desired private wallet.

As you can see from the example above, the standard process of transferring one digital token into another is cumbersome, time-consuming, and usually fraught with unfavorable fees.

This is why STAKEMOON has opted to engage with the Automatic Liquidity Pool system. In its most basic form, this permits the exchange of one cryptocurrency asset into another without requiring a seller at the other end of a transaction.

Instead, the buyer can obtain their desired digital asset directly from the Automatic Liquidity Pool at the click of a button. This is funded by those that transfer their STAKEMOON tokens to the Automatic Liquidity Pool - subsequently ensuring that buyers can transact without sellers - and vice versa.

Crucially, STAKEMOON holders are motivated to keep their tokens in the Automatic Liquidity Pool for one core reason - the digital funds will generate interest. That is to say, STAKEMOON holders can earn an attractive yield for as long as the tokens are kept in the Automatic Liquidity Pool.

The interest payments acquired are funded by transaction fees paid by the respective buyer or seller when completing the token exchange. This concept is arguably a win-win situation - as not only does it ensure that the project has sufficient levels of liquidity for those wishing to enter and exit the market at a favorable price - but interest-bearing opportunities are available for those providing the Automated Liquidity Pool with STAKEMOON tokens.

Staking Rewards via the STAKEMOON Platform

This whitepaper has thus far explained the fundamentals of the 15% taxation policy and how this benefits STAKEMOON token holders in the long run. In this section, the whitepaper will discuss the second core benefit of holding STAKEMOON tokens - staking.

For those unaware of what cryptocurrency staking is or how the phenomenon works - the specifics are as follows:

- Blockchains that operate a Proof-of-Stake (PoS) consensus mechanism do not require the services of miners. This is on the contrary to the Proof-of-Work (PoW) system, which requires highly advanced and energy-inefficient hardware to confirm transactions.
- Instead, the PoS network can validate transactions in a much more efficient way. It does this by rewarding those that lock-up their digital tokens on the respective blockchain.
- Any transaction fees that are collected by the PoS blockchain are then distributed fairly to all stakers - in a randomized manner.
- In other words, if the blockchain collects the tokenized equivalent of \$10 and you are staking a total of 1% of the entire supply - you would receive a payment of \$0.10

Although the above example is simplistic, the fundamentals remain constant. That is to say, blockchains supported by the PoS framework allow holders to earn regular, passive income when staking.

In the case of STAKEMOON - all holders will have the opportunity to stake their tokens. This means that by staking your STAKEMOON tokens, you will be able to

earn passive income. This is in addition to the previously discussed dividend distribution policy.

Most importantly, the team at STAKEMOON has opted for a flexible staking model. As such, the STAKEMOON tokens are not locked into a minimum redemption period. Instead, stakers can withdraw their STAKEMOON at any given time.

STAKEMOON Burning Program

STAKEMOON will join a small number of other digital currency projects that have a token burning program in place. This means that periodically, the team at STAKEMOON will remove a pre-defined number of tokens from the total supply.

This follows a somewhat similar principle to a conventional stock buy-back program, insofar that the respective company will purchase its own shares to reduce the overall circulating supply. This typically has the desired effect of increasing the value of the stocks in question - as there is a lower supply of shares in the open marketplace.

In the case of STAKEMOON, the team behind the project will execute a manual token burning policy that is democratic. That is to say, the STAKEMOON community will have a direct say in when tokens should be burnt. This decision-making process will be achieved in a fair and transparent way - not least because the proposal will be voted on by token holders.

The fairest way of achieving this is on a proportionate basis. In other words, 1 STAKEMOON token would equate to 1 vote, while holding 10 tokens would amount to 10 votes - and so forth. It should be noted that this democratic

system of voting on project proposals is not reserved just for token burning. On the contrary, all proposals that could have a major impact on how the STAKEMOON ecosystem operates will go to a vote.

STAKEMOON Platform - Cross-Project Staking

Opportunities

The STAKEMOON token is backed by the team behind StakeCoins.com. For those new to this platform - StakeCoins.com strives to be the go-to hub for all things staking. Not only does this include comprehensive guides, tutorials, and up-to-date news and analysis on cryptocurrency staking- but reviews of the best PoS coins in the marketplace.

Furthermore, and perhaps most pertinently for this whitepaper - the StakeCoins.com platform will be home to the proprietary STAKEMOON protocol. The purpose of this protocol will be to facilitate staking rewards for more than 100+ leading PoS coins.

That is to say, the protocol will allow holders of multiple staking coins to earn rewards - all through a single platform. Ultimately, this is fully in line with the STAKEMOON and StakeCoins.com vision of a future that is dominated by decentralized finance

STAKEMOON Token Launch

The total maximum supply of STAKEMOON is 1 billion tokens. STAKEMOON tokens will be available for purchase in various stages.

Initially, there will be a pre-sale launch - which will consist of 1 million tokens that will be made available at a favorable price.

This will ensure that early adopters of STAKEMOON are rewarded with an entry price that is lower than that of the main token sale.

The STAKEMOON pre-sale token launch will be conducted in Q3 2021.

STAKEMOON Roadmap

STAKEMOON has set out a clear path of goals that it aims to achieve in the coming months and years. These goals are elaborated on further in the sections below.

Q3 2021

Pre-Sale

The first notable event that will take place in Q3 is that of the STAKEMOON pre-sale token launch. As noted, this will allow early adopters of the token to make a purchase at a favorable price.

The pre-sale will be conducted on an OTC basis. This means that a request will need to be made to the team behind STAKEMOON - and subsequently, instructions on how to complete the purchase will be provided. To recap - the pre-sale will make 1 million STAKEMOON tokens available for purchase.

50% of all proceeds from the STAKEMOON pre-sale launch will be allocated to the aforementioned liquidity pool via a 1-year smart contract lock-up.

Pancakeswap Listing

Once the pre-sale offering has concluded, the STAKEMOON token will be listed on Pancakeswap. For those unaware of Pancakeswap - it is a leading decentralized exchange (DEX) that allows users to buy, sell, and trade hundreds of DeFi coins without a third party.

Instead, Pancakeswap utilizes the aforementioned Automatic Liquidity Pool system to facilitate trades. Although the platform was launched as recently as September 2020 - Pancakeswap is already home to millions of daily active users and billions of dollars worth of liquidity within its decentralized pools.

As a result, Pancakeswap is the obvious choice for STAKEMOON's initial exchange listing. As soon as STAKEMOON is listed on the Pancakeswap DEX- this will instantaneously create a marketplace for buyers and sellers to transact. The value of STAKEMOON will therefore be dictated by market forces.

Q4 2021

Additional DEX Listings

The main focus in Q4 2021 will be to finalize additional DEX listings for the STAKEMOON token. While Pancakeswap is arguably the go-to exchange for newly launched DeFi coins, additional listings will help STAKEMOON increase its exposure to the global cryptocurrency arena.

In particular, the team at STAKEMOON will aim to get the token listed at both 1inch and SushiSwap. In the case of 1inch, this popular DEX is already serving over 540,000 users and has access to more than \$32 billion in liquidity sources.

SushiSwap has also grown to exponential heights in recent months, with the DEX now hosting over \$4.3 billion in liquidity. Ultimately, these two additional DEX listings will enable the STAKEMOON token to reach a significantly higher pool of investors.

Q2 2022

STAKEMOON Staking Platform

By the end of Q2 2022, STAKEMOON will achieve a crucial milestone - the launch of its proprietary staking platform. This core feature was discussed earlier in this whitepaper, albeit, to recap - this platform will allow users to stake digital currencies other than just STAKEMOON.

In fact, the team at STAKEMOON aims to host more than 100+ PoS tokens. This will allow STAKEMOON to become the go-to platform for all staking opportunities that are available in the digital asset marketplace.