

DED Tokenomics

Prepared for: DOTisDED Community
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Updates in Version 2

From the start of this project, DED has aimed to:

- Drive new users & liquidity into Polkadot eco
- Distribute DED as fairly as possible
- Keep things simple unless complexity can be justified

In keeping with these principles, DOTisDED KOLs have made the following changes to the DED Tokenomics.

- There will be no 'official' DED treasury. Instead, the DOT Treasury will receive their linearly proportional share of DED, which will effectively serve as a proxy for the 'DED treasury'.
- Deployment of DED will follow a 'push' model, i.e. a 'traditional' airdrop mechanism. This is preferable to a claims process because it ensures all DOT wallets receive their DED tokens, whereas a claims process would yield a *less* fair distribution and complicate the process from the end-user's perspective.

No Pre-Sale

Pre-sales of tokens is a standard way of raising capital for a project in the web3 ecosystem. We are not saying it is wrong or right to have a pre-sale.

We do, however, believe that a pre-sale could be viewed as favoring a select group of individuals at the cost of all other \$DED holders. Also, given the nature of venture capitalism, early investors are incentivized to sell holdings as number goes up.

We've chosen to avoid taking the pre-sale route. The benefit is a more fair distribution to all \$DOT holders. The cost is, we don't have any funds other than the money/time/resources individual community members are willing to volunteer with no expectation of compensation.

No Team Allocation

There is no formal “team”, so there cannot be a “team” allocation. For more on the origin story of DOTisDED, please join our telegram and check the pinned posts.

Again, by not allocating tokens to a formal team, the distribution becomes *more* fair to all \$DOT holders. That is, a larger allocation can be made to the airdrop at the cost of funding a formal team.

This obviously presents a hurdle when trying to get anything done. It is also an excellent filter, as it removes potential bad actors. The result has been Polkadot-natives who are passionate about seeing our ecosystem grow dedicate time, energy, and money towards building DOTisDED and deploying our flagship Polkadot-native memecoin, \$DED.

100% Airdrop

Believe it or not, airdropping a meme token to all DOT addresses is not straight forward (note: there is something ironic - memeworthy even - that it took a meme token to reveal this to the greater ecosystem).

For example, DOT can exist as a native asset simply held, it can be staked, liquid staked, LP'ed, crowd-loaned, cross-chained, or farmed on a variety of L1's. To ensure a *fair distribution*, the DOTisDED project aims to reward *all DOT holders* in their various forms.

The simplest way to achieve this is to airdrop DED to each and every DOT wallet, which would include: native DOT holders, CEX sovereign accounts, L1 sovereign accounts, and the DOT treasury. From there, it would be up to the various L1s and CEXs to distribute DED (or not) to their users.

The method above is both simple and fair, as it does not arbitrarily apply preference to one form of DOT over another. It provides our ecosystem L1s with the autonomy to distribute DED how they see fit. It also provides some unique leverage in getting CEXs to integrate with Asset Hub, to the benefit of the whole Polkadot ecosystem.

DED Treasury

This is the biggest change from the DED Tokenomics v1 proposal. There will no longer be an official DED Treasury. Instead, the DOT Treasury will receive their proportional share of DED supply.

Here's why:

- Setting up and managing an 'official' DED treasury adds complexity, work, and elements of trust. As a community driven project with no team-allocation, it is impractical and unsustainable to add complexity/infrastructure that relies on the good-will and volunteer efforts of community members.
- Airdropping DED to the DOT treasury aligns with the simple, linear airdrop mechanism we aim to employ, reducing complexity.
- At the moment of the airdrop, the composition of DOT holders and DED holders will be 100% aligned. Utilizing the DOT Treasury and OpenGov mechanism for accessing the 'DED Treasury' seems like a perfect way to encourage alignment between DOT and DED.
- This also circumvents any doubts that the DED Treasury will somehow be manipulated/abused/stolen, since access to it will be gated by DOT holders in a trustless manner.

Token Distribution

- Fixed supply
- Linear Distribution of 1,000 DED : 1 DOT
 - No minimum, no maximum
- Total supply of \$DED: 1,398,998,491,000 (1.398 Trillion)
 - Note: this amount matches the *current* total supply of DOT * 1,000. The true total supply will be based on the total DOT supply *at snapshot* * 1,000.

Allocation	Percentage of DED supply	Quantity
Airdrop to \$DOT addresses	100%	1,398,998,491,000
Total	100%	1,398,998,491,000

Some Examples

1. Alice has 15 DOT on her Nova wallet staked in a nomination pool. Alice will receive 15,000 DED at airdrop.
2. Bob has 1,000 DOT on Binance. Bob's DOT is custodied by a Binance wallet; so, Binance will receive 1,000,000 DED. It is up to Binance to distribute (or not distribute) DED to Bob.
3. Charlie has 500 DOT locked in vDOT on Bifrost. Charlie exchanged his DOT for vDOT; Bifrost is in custody of the DOT. Bifrost will receive 500,000 DED, which they can now distribute.
4. The Polkadot Treasury owns 42.8 million DOT (~3.06% of DOT supply). The Polkadot Treasury will receive 42.8 *billion* DED (~3.06% of DED supply).