

Echo

Hello World. Hello Crypto.

ECHO is the platform for crypto investors to explore, engage and earn with their favorite crypto projects.

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1. The Vision

Echo was born from a vision of creating a smaller world. A world where people live fulfilling lives in tight-knit communities where they feel like they belong.

At Echo, we:

- Strive to make this small world a better place
- Believe transparency creates long-lasting trust
- Draw on the differences in how we think
- Embody a service mindset
- Challenge the status quo

2. Project and Industry Background

Most “mainstream” cryptocurrency exchanges, a retail investor’s typical gateway into cryptocurrency investing, only list a very small set of well-established, high market cap tokens. While these projects are reliable, more adventurous and less risk-averse investors wishing to find niche projects to invest in and support, both for upside potential in token project price as well as alignment with project goals, are given the shorter end of the stick.

Two of the largest token listing platforms, Coingecko and CoinMarketCap, which do require projects adhere to a “legitimacy checklist” but do not explicitly check if projects are “memes” or even scams / rug pulls, have seen an exponential increase in userbase since crypto’s progressive foray into the mainstream since late 2020.

While it’s natural that not all actors searching for projects or engaging in an existing project have the same level of knowledge (both about the project and the ecosystem), typically deemed “asymmetric information” in traditional finance, Crypto is more social in nature and reliant on network effects (as a recent market study from Goldman Sachs suggests).

In an attempt to survey the overall landscape of cryptocurrency adoption, through the lens of a data driven analysis reliant on querying the coingecko API for its 8000+ tokens, have found that projects with the highest trust scores, developer ratings, and liquidity, are DeFi native projects and financial applications – in development since the last bull run of 2017. Projects in the “social” category and others attempting to leverage blockchain beyond cryptocurrency, are on average not scored as highly. The bottom line is that as a retail investor exploring opportunities in blockchain ventures and applications beyond cryptocurrency and DeFi, I am forced to face an economic and technological “chasm of knowledge” to be crossed.

Our current efforts to list reliable projects and aggregate project information have yielded a micro-platform with X listed tokens, Y in review tokens, Z partnerships. No tokens we have listed have, to date, been subject to hacks or have performed voluntary exit scams (See Section 8).

3. The Problem

The current crypto ecosystem is largely reminiscent of the early days of the internet- anonymous and largely un-indexed.

Crypto enthusiasts and retail investors alike, wishing to socially participate in the ecosystem must enter the space through various fragmented channels – from telegram groups, twitter feeds and reddit threads with scattered and incohesive updates, to listing sites themselves which may not have updated info – all this to finally reach an investment decision: a process known as DYOR (Do Your Own Research), which has become synonymous with a stigmatized “be in the know, or lose your money”. After joining the community through its social channels, genuine member inputs are mixed with bots and paid ‘shillers’ that deter from true collaboration and community building.

The strong misalignment of informational and social channels for projects which do not yet have network effects in place, but may provide value to the crypto space overall, is a symptom of the deeper social issue of a fragmented and unsafe crypto community rife with bad actors and fake engagement which overshadow genuine interest and support, and that ultimately kills projects and communities.

There is no blockchain-native social platform to safely explore, engage, and inform oneself on vetted crypto projects, leveraging the blockchain paradigms of tokenized incentivization for providing accurate content, decentralization, and permissionless trust to create communities of practice where validated membership and engagement are an immutable standard.

4. The Solution

Echo is a decentralized social platform that empowers crypto enthusiasts to explore, engage and earn rewards around reliable blockchain projects, while creating a safe space to connect with like-minded members and teams.

Echo is crypto’s community of practice. Investors can **explore** vetted projects that undergo a strict selection process, are validated by the community on-chain, and aggregates up-to-date information about the project in one place. Investors are incentivized to **engage and earn** for every contribution they make to crypto projects and the larger ecosystem, validated on-chain to create a safer crypto community.

Echo is powered by a sustainable social protocol, bringing about web3-native social – incentivization for genuine engagement, validation of member investment in a project for associated content posting, and the ability to form a genuine crypto identity based on your portfolio, continued contribution, and philanthropic support, all create a permissionless social ecosystem of transparent trust – a blockchain-powered tight knit community.

Echo’s contribute-to-earn mechanism is powered by its utility token, and overall platform governance and listed project support are coordinated and executed via the Echo DAO and its associated governance token.

5. Product

The ECHO dApp is a mobile-first decentralized application centered on the three core aspects of the value proposition outlined in Section 4: Explore, Engage, and Earn.

The first of these three aspects, Explore, is the one for which we have validated a need for retail crypto investors to have a platform for vetted projects (see section 8). The initial release of the dApp will focus heavily on the Explore aspect.

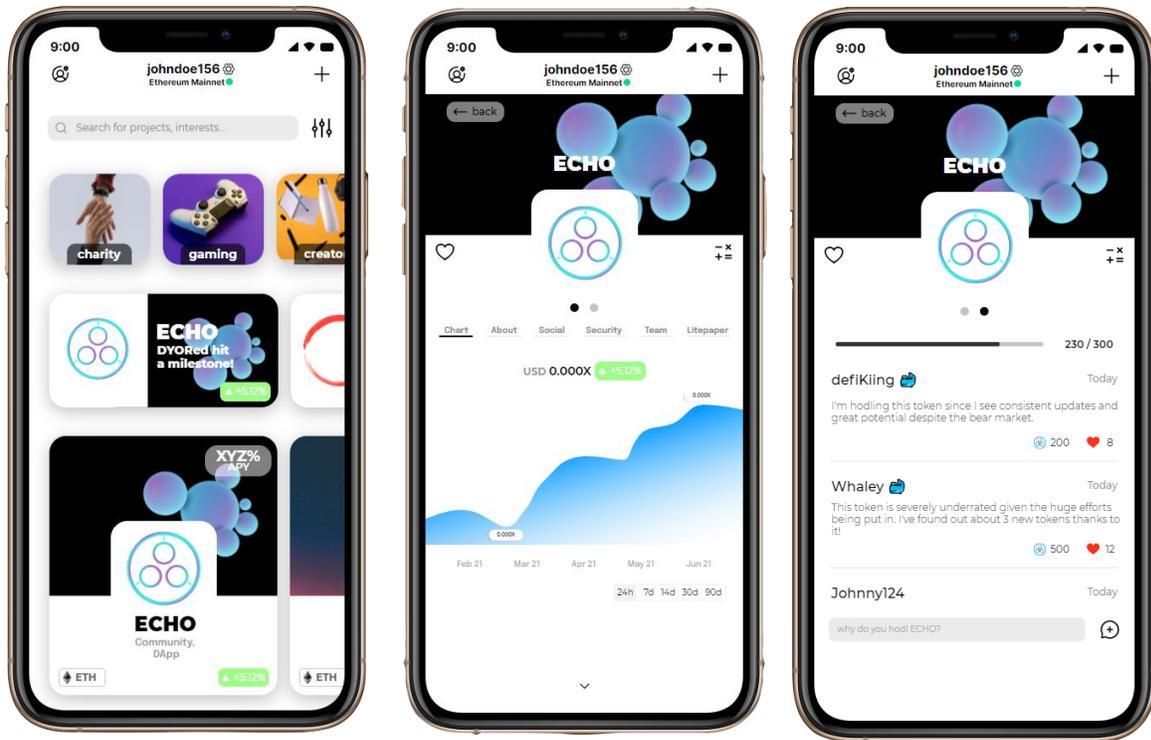
The introduction of the Engage and Earn capstones is correspondent with the implementation of the Echo Protocol discussed in-depth in Section 8, in which token project pages become on-chain token communities, and where members may participate in the contribute-to-earn core loop of the platform – providing valuable content within a project’s community in exchange for rewards, along with several additional incentives.

In this section we cover the Explore capstone first and define Points of Interest (Pols), then discuss Engage and Earn in terms of “reward actions” and “spend actions” which employ the platform’s utility token and relate this to Crypto Identity and additional incentives for active members on the platform.

*NB: The ECHO DApp does **not** provide custodian wallet services and is **not** an exchange for crypto assets in any form.*

a. Explore

Token Project Discovery is the core section of the dApp upon first major release, in which members are able to browse through vetted token projects (must be listed on Coingecko and trading for at least 24h) whose selection is curated by the team. Each listed token will be required to have real utility through social initiatives in various crypto interests such as gaming, art, influencers, charity, etc.



Members may browse curated projects falling under a specific theme of their choosing, and express interest for a given project - this is akin to a liking or bookmarking feature. Once a given project is selected one may see a summary of all the main token, contract, and team metrics - which currently requires the use of multiple tools, and is given the option to socially engage the project through comments. Social engagement is discussed in more detail in the next section.

Each project listed on ECHO ascribes to a Point of Interest. Points of Interest are on-chain representations of the various facets of the crypto community, a categorical “bucket” of blockchain projects, whose community members are identifiable as token holders. Points of Interest are at the core of the Echo Protocol: all rewards for social engagement “earn actions” and “spend actions” materialize on-chain through association with a point of interest. Points of interest enable the core contribute-to-earn loop on the platform, as well as the additional incentives loop (Points of Interest staking) discussed in the next section.

With regards to revenue model, discussed in depth in Section 7, the dApp implements an advertising model to help reliable blockchain projects get in front of the right investors.

b. Engage and Earn

Rewards are the ECHO platform’s retention backbone, they act as a way to drive genuine member engagement, promote activity, increase the circulating supply of ECHO, and be circulated to project support and charitable initiatives.

The contribute-to-earn core loop of Echo drives the Engage and Earn core aspects of the value proposition. Token project community members can provide valuable content (as deemed by the community itself)

for rewards in the utility token, according to a predefined set of “earn actions”, and spend tokens on the platform via “spend actions”. Earning and spending ensure a complete economic cycle of the utility token irrespective of inflationary or deflationary tokenomics.

The “earn actions” are:

1. Comments – Top upvoted comments in a project’s comment section (upvotes checked for project token holding) are granted a reward
2. Questions – Posting a question in a project’s Q&A section will prompt thread creation. Upon successful / accepted answers, the question asker will receive a share of the reward – split between them and the accepted answer(s).
3. Answers – Providing an accepted / highly upvoted answer in a project’s Q&A section will result in reward generation, split between the accepted answer and the question asker.
4. Listing a project
5. Vetting a project

The “spend actions” are:

1. Point of Interest NFTs – tokens are burnt to mint NFTs which may be cosmetic in nature and contribute to a member’s crypto identity or which entitle loyalty staking access, at a higher price point
2. Boosting comments and posts – tokens are burnt to raise comment visibility in project comment sections, and Q&A thread visibility in Q&A sections
3. Tipping member contributions – tokens are burnt when tipping any content contribution, this will result in an increase in platform points for the member being tipped, and a small increase in member points for the member tipping.

Active members who successfully complete earn actions – are additionally rewarded with **ECHO Points**. Points are earned if the community has found your contributions useful and therefore are a measure of overall seniority, and trustworthiness on the platform. The points tie into a member’s overall crypto identity on the platform and their ability to unlock additional incentives, such as NFT badges and loyalty pool staking, discussed in Section 6.

ECHO Points are also earned when supporting listed projects financially with the utility token, and when utility tokens are staked on a Point of Interest to earn fees on rewards being completed by active members. Both these actions are part of the Web3 Sustainability loop for ECHO, discussed in the next Section.

c. Crypto Identity and additional Incentives

We believe that by empowering project communities within a secure blockchain-native environment, prospective investors and long-term members alike can enjoy completeness and trustworthiness of information.

This is possible both via updated project information from the community and due to diverse and rich information obtainable by means of social proof validated on-chain that can foster tight knit communities when appropriately incentivized.

ECHO point milestones yield NFT badges which can be used cosmetically as part of the member profile, as well as to unlock additional incentives like participating in loyalty staking pools. Other forms of recognition are granted in project support and DAO participation (governance token possession).

In order to be able to claim rewards altogether, members must have a minimum balance of the utility token at all times, as the protocol will restrict access to holders. Additionally, when inspecting social content for a token project community, those which are holders of the token belonging to the project will be identified, as a social proof that members providing content for rewards have an investment in the project as well as the platform.

Therefore, crypto identity and trustworthiness is defined via visible inspection of ECHO points, utility token holding, project token holding, and NFT badges. New members may easily form an idea of a project and gauge overall trustworthiness and liveliness of a project community which is currently not possible to inspect anywhere else.

6. The Echo Protocol

This section motivates and outlines the specification of the ECHO protocol, which serves as the on-chain backbone for the member facing dApp.

The protocol has Points of Interest (see previous section) as its core, under which rewardable and spendable actions for communities (token projects) receive on-chain confirmation, hold rewards in escrow, and disburse them to contributing members.

Points of Interest are a representation for overall platform-level interest in the communities the members wish to support. Members may stake utility tokens in Point of Interest Pools and earn a small fee on rewardable actions when completed by active members. This allows for passive income incentivization, which unlike a traditional yield farm is linked directly to platform activity and value generation through provision of quality informational or social content, in active communities. This “core loop” is discussed in a later subsection, within the context of ECHO’s Web3 sustainability loop.

We then briefly touch upon criteria for project listing, which falls initially upon the judgement of the ECHO team, but will transition, along with several other fundamental decision-making features, to the ECHO DAO, whose role we discuss both as a Support and as a Governance DAO. The token economics of the utility and governance tokens are then outlined, concluding with the associated initial distribution and release schedules.

a. How our protocol enables ECHO’s long-term vision

As mentioned in Section 3, ECHO identified an informational need for the average retail crypto investor to find the majority of the information relative to a Token project in a single place, within the context of a platform where tokens are “pre-filtered” by a competent third party in terms of bringing utility to the crypto space or outside of it, in other words, excluding meme coins, “shit” coins, and outright scams.

While large coin listing platforms, mainly CoinGecko and Coin Market Cap impose some credibility criteria for listing, these typically do not exclude meme coins, and favor very large cap tokens which power established projects and have a relatively low risk profile in financial terms. However, retail investor

interest lies in upside potential which typically means combining multiple sources of information to perform DYOR on small cap alt-coins.

To iterate, this issue of fragmented information for new projects underpins a lack of a secured venue for trusted communication, where it is possible to validate whether community members and contributors are token holders, and where incentives, validation and recognition lock in a sense of trust which can lead to community growth. Indeed, Goldman Sachs recently proposed a “crypto P-E ratio” based on community and network size.¹

It is in tackling this social issue, that we ultimately aim to develop the “Proof of Community” protocol, which leverages blockchain’s new-era paradigms of transparency and permissionless trust to enable the safe and vetted informational content of a community to 1) Be available to all its members without the need for external validation or cross referencing, 2) Have all major aspects of the community’s functions be visible through organic interaction, and 3) where incentivization promptly rewards those providing valuable content, hence enabling *de facto* discovery of valuable information, members, projects, and communities by virtue of the aligned goals of its members.

N.B. The Echo protocol functionality that was briefly summarized above and which will be discussed in depth below does *not* tick all the boxes in terms of being “proof of community”, as in our current conception this may require a proprietary consensus mechanism perhaps on a blockchain which is not EVM based.

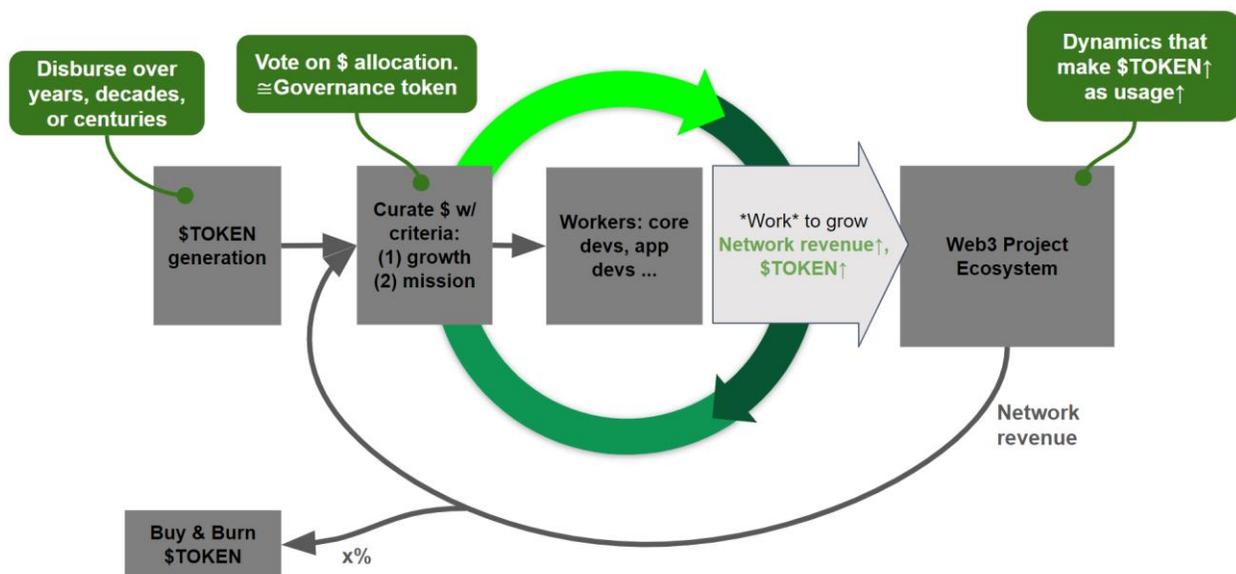
We believe that having platform members ascribe to “Points of Interest” via reward completion for social and informational contribution to token projects, and the ability to stake towards Points of Interest allows for fostering positive community incentive feedback loops. Points of Interest indicate the pulse of community activity under it, additionally identifying where support may be needed. At scale, this alone may provide a high-level overview of sentiment and activity in the larger crypto ecosystem.

b. ECHO’s Web3 Sustainability Loop

The Web3 Sustainability loop is a conceptual framework for token ecosystem growth through positive feedback and allocation of value to network actors who enable its growth.

The framework was first proposed by the Ocean Protocol team in the context of Ocean tokens allocation, the role of its Grants DAO, and its hosted data marketplaces. We adapt this framework to cater to the ECHO protocol specification but with the key difference that the basic building block of agent interaction is not a two-sided buy and sell marketplace.

¹ <https://finance.yahoo.com/news/how-to-find-bitcoin-and-other-crypto-asset-fundamentals-goldman-sachs-194103057.html>



<https://blog.oceanprotocol.com/the-web3-sustainability-loop-b2a4097a36e>

The basic building block of agent (member) interaction is in our case a one-sided rewards issuance in exchange for provision of social or informational content associated to a specific Point of Interest, which is not explicitly priced until the rewards are issued. As such, it is necessary to have a mechanism to supply the Point of Interest's available rewards pool.

In the current protocol specification, we assume that the available rewards pool is not able to be self-sustained until sufficient network effects are reached, which is the point at which the communities on the platform have an explicit interest in funding their members for content contribution by supplying a Point of Interests reward pool with platform utility tokens.

Until this is the case (in ECHO's growth phase) we conceive three sources of external subsidy for periodic recapitalization of POI reward pools:

1. Programmatically via protocol, allocating a % of the initial token supply to all POIs at a given frequency (monthly),
2. As a result of ECHO Support DAO decision making: The DAO holds its own % of the initial token supply which it may choose to allocate to provide this "rewards liquidity" upon concluding an appropriate voting round,
3. As a result of member's or listed project owners own liquidity provision in the utility token, in exchange for additional incentives and status NFTs.

Under the above assumption, namely that POI reward pools are sufficiently liquid for projects listed on the platform, it is possible to derive a % of issued rewards as network revenue, a % of which can be redistributed as DAO funds and as passive income for members who have staked towards the P.o.I. The derivation of funds available for points 1 and 2 above is discussed in a subsection (e.) below.

i. The Core Loop

As alluded to earlier in the section, ECHO's core loop constitutes a contribute-to-earn model where members engage with communities, initially token projects, and earn rewards through predefined forms of engagement deemed to add value and trust to the token team's space on the platform.

These rewards are associated to a Point of Interest like charity, gaming, etc, and to which multiple projects may ascribe. Each project must ascribe to a single point of interest. The rewards that members earn are taken from a rewards pool, where funds are stored on-chain.

As a core incentivization, members may stake utility tokens towards the point of interest, earning passive income in the form of fees from completed reward actions by members. This incentivization mechanism is similar to yield farming, however passive income is derived as a direct result of member activity for a given point of interest, hence strongly relating community value generation to passive participants.

We believe this induces a *network effect*: members who stake tokens for a Point of Interest have a literal stake in the community's activity being high as it benefits their own rewards. At the same time, it creates inclusion for members who wish to show support a Point of Interest, locking token value, but do not actively contribute to the social and informational content generation of the communities.

As mentioned above, the recapitalization of PoI reward pools come from programmatic allocation from a % of the token supply from Support DAO funding, and from members or project teams themselves.

A % of fees members earn for completing rewardable actions are distributed as:

1. Network revenue,
2. Passive Income for members staking towards the PoI,
3. Liquidity for the PoI itself.

Additional token subsidy is derived from the release schedule (token minting) discussed in subsection (e.), and it is assumed that at a given level of platform usage, token projects and other listed communities of practice can provide a % of their revenue from external activities to funding member rewards in their communities on the ECHO platform, in a self-sustaining way, or requiring minimal financial intervention from the ECHO Team or ECHO DAO.

The sustainability loop is thus described as:

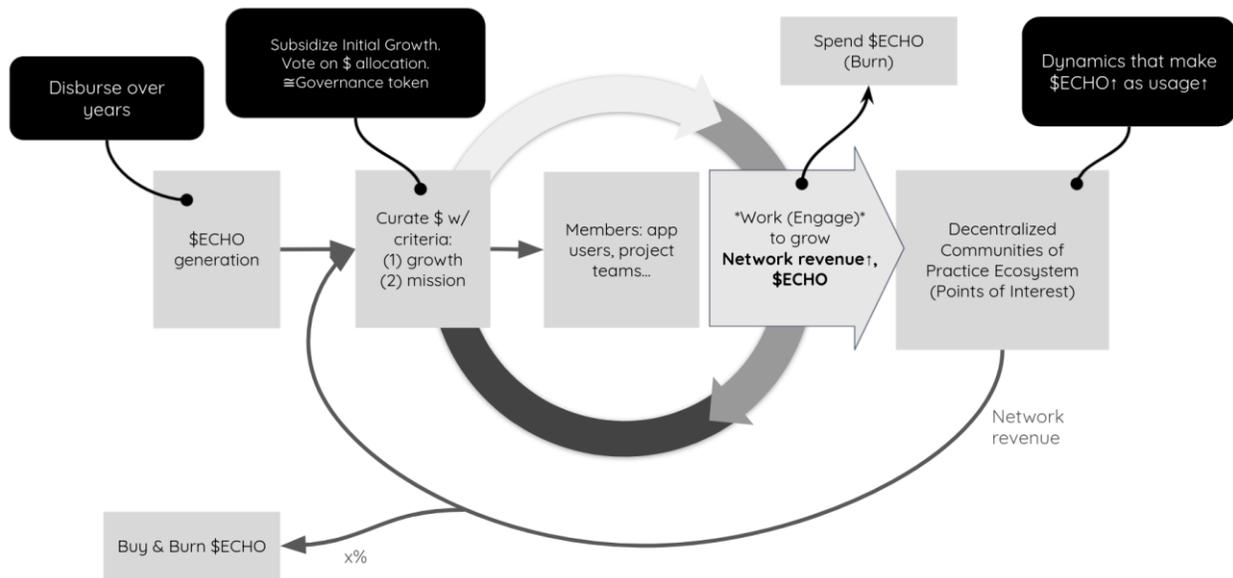
1. Projects are listed, attributed to a Point of Interest, and engaged with, by the community, issuing rewards,
2. PoIs are funded by network revenue, rewards, and subsidized by the ECHO DAO until they become self-sustaining,
3. As projects' communities engage and add value, network revenue goes up and \$TOKEN goes up, and ever-more funding goes to the community.

The contribute & earn loop is partially offset by a set of "spend actions" primarily conceived in the form of content boosting / advertisement boosting and promotion which induces token burn, as well as potentially burning a percentage of network revenue itself.

The reason for this offset loop is for one to provide a way for members to employ the utility token within the ecosystem beyond liquidity provision, and in such a way have direct transactional value. Additionally, overall value is provided to token holders through the resulting deflation.

Utility token dynamics will hence be inflationary in the initial promotion and adoption phase of the ecosystem, but less so as the ecosystem matures, and higher token price results in more monetary value for less token issuance.

The full loop may be graphically represented as:



ii. The Support (Additional Incentives) Loop

As outlined in the previous sections, it is our belief that the fundamental mechanism for incentivizing a decentralized base of actors to align according to common goals must be part of the platform’s fundamental functionality.

Indeed, a recent study from Mechanism Capital² finds that incentivizing new members only via liquidity mining / yield farming with no direct relationship to the project does not have a lasting effect for the project’s health. With this in mind, it is however common to see new projects provide liquidity mining incentives on top of protocol-level incentives to attract an initial base of members.

Whilst staking and earning on completed rewards is more fundamentally related to the platform’s usage, initial passive income may prove to be unsatisfactory till platform activity is sufficient. To this end, premium staking pools will be made available for utility and governance token holders. The liquidity to be mined will be provided directly from a percentage of the initial token supply, but in a much smaller proportion than that reserved for providing liquidity to PoI rewards.

We tether access to these pools to platform usage by requiring the member has either accumulated sufficient “platform points”, which are an on-chain record of completed activity (think experience points

² <https://www.mechanism.capital/native-token-liquidity/>

in a gaming setting), or are staking for a Point of Interest. No such restrictions apply to liquidity mining with the governance token used for ECHO DAO decision making.

Upon hitting certain milestones in terms of platform points members may be eligible to receive NFTs, otherwise purchasable on the open market, or purchasable internally through burning tokens, which for one serve as an addendum to the member's crypto identity on the platform, and will be visible as part of their profile, and which may be staked as proof of access in future liquidity mining programs, with rules determined by the Governance DAO.

As part of Echo's vision to support philanthropy, a percentage of network revenue will be redistributed to DAO-selected charitable initiatives, as a percentage of that which is distributed to the actors mentioned in this section.

c. Criteria for Listed Projects / Communities

In order for the ecosystem to be perceived as trustworthy, and for the engagement of platform members to happen sustainably, the communities which are listed, must themselves be engaging enough for members of their community and community leaders themselves to create trustworthy content and provide updated information in exchange for platform rewards. We initially restrict the scope of communities to low market cap token project communities and token teams, who find their venue of expression and community interaction primarily on Telegram and twitter, for which prospective investors spend large portions of time on a multitude of channels, social and informational before (sometimes hastily) making an investment decision, or DYOR.

Thus, the initial characterization of the platform is crypto-native, and the problem of long-winded and incomplete DYOR is resolved by requiring detailed token project information upon listing, with initially manual verification of information accuracy, and an evaluation of whether the project is set out to provide utility to the crypto space or outside of it by the time their roadmap may be executed.

In addition to accurate informational, transactional, and price / liquidity related discovery functionality for vetted projects, the *de facto* community interaction for these projects then occurs as a result of the contribute-to-earn loop, where the various facets of community presence and information can be inspected. Currently, the projects listed, as well as those marked as "in-review" on DYORed fit these criteria.

The ECHO DAO, discussed in depth in the next section, has the role of performing this vetting process, taking this over from the core team which initially performs this function (as has been the case for DYORed), voting for a project listing (which may be requested by any member) is done via proposal.

d. The ECHO DAO

Large decentralized ecosystems with associated incentivization mechanisms require a form of governance and support in terms of bodies which ascribe to those same paradigms. While Echo's team and associated legal entity has a major role to play in steering platform direction, a consortium of actors including those benefitting from platform usage are those who should be at its governance.

We subdivide the role of the DAO into two categories: Support DAO, for validating listing projects, supporting Points of Interest via liquidity, and providing support / grant funding for existing projects; and

Governance DAO whose main goals are to ensure overall financial sustainability and adjust tokenomics and incentives rates for member rewards, earn side and spend side.

i. As a Support DAO

As a Support DAO, the goal is to promote and maintain the financial health of points of interest, through allocation of funds for point of interest rewards and promoting + increasing visibility of projects linked to the point of interest (with or without grant funding).

The support DAO must maintain a survey of the health / rewards distribution for all existing points of interest, and have the final say on new projects being listed for each new point of interest, via proposal voting with the governance token. Its functions are primarily:

A) *Pol Liquidity Support*: The DAO has a portion of the total supply available for liquidity injection operations. For a given point of interest, members themselves may provide value in utility token to be issued as rewards for those completing content. At a larger scale, the DAO may intervene to provide a more significant amount of reward liquidity, whose function is to boost or revive community activity around the Pol and linked projects.

Liquidity Support will work in voting rounds, with one or more Pol's being able to receive aid per round. In order to vote on which Pol, an on-chain vote of governance tokens is conducted, with the highest voted Pol's obtaining the funding shortly thereafter. This complements the initial recapitalization of Pol's at the protocol level; however, this operation may continue even after projects begin funding their own community rewards out of their revenue.

B) *Project Visibility support*: Projects linked to Pol's can submit requests for promotion / visibility (discover) as well as grant funding to the DAO. The same voting mechanism applies here, with the top projects being considered for a given voting round

C) *Project / Community Listing*: Ensure listing requests for token projects contain valid information and assess whether the token's utility and existing community are an appropriate fit for listing. Vote via proposal.

ii. As a Governance DAO

Maintain an eye on rewards distribution (minting and burn rates) and adjust as a function of platform activity and utility token price.

- Change minimum and maximum rewards available in escrow on "earn actions" - for each reward type independently,
- Change minimum and maximum amounts of tokens burnable on "spend actions" - for each action type independently,
- Make changes to the token rewards schedule issuance as a function of activity and token price, make changes to the mintable rewards cap,
- Make changes to protocol level automatic subsidy to Pol's and its issuance rate over time,
- Change "premium" / "loyalty" staking pool allowable APY
- Select a new charity for a percentage of overall network revenue fees for donation

All of the above require governance token voting via proposals, as with the Support DAO.

Loyal members with high amount of points/Echo in their wallet have easier requirements for DAO participation.

Governance token holders may choose to stake in premium pools as with those available for loyal / long-term members. Staked tokens will not be available to be pledged for voting on proposals, Support or Governance side.

e. Token Distribution and Release Schedules

As of this draft, the precise amount of initial token issuance, and the issuance schedule are undefined. However, the final parameterization of this will include initial utility token issuance for:

- Points of Interest Rewards Liquidity ~50%
- ECHO DAO Governance Fund Vehicle ~25%
- Initial Liquidity for open market operations / trading on exchanges ~10%
- Company General Purpose Fund / Support Vehicle ~10%
- Founding Team / Advisory Board ~5%

Out of an initial total supply, new utility tokens will be progressively minted in accordance with ecosystem adoption and serve primarily to provide further capital for rewards and / or project support funding led by the Support DAO. These new utility tokens will be minted according to a minting release schedule. T

he ideal shape of the release schedule is that of exponential saturation, with a larger amount of tokens being minted closer to initial issuance date, in accordance with the growth phase, and less tokens later in the cycle, in expectation of business maturity and token price increase: the provision of the same monetary value can be achieved with less issued tokens. The token release schedule will assume the form of piecewise exponential growth in the very short term followed by exponential saturation till the token cap.

f. Token Economics

Utility token economics are largely inflationary in the initial phase of reward issuance and minting. The core sustainability loop's deflationary component is assumed to become more prominent when platform adoption burn rate on token "spend" actions, % of network rewards burnt, and manual token burn events overshadow the minting schedule at the corresponding point in time.

i. ECHO Utility Token

The utility token must be EIP-20 compliant on all EVM blockchains and portable via token bridging to other EVM-compatible chains and layer 2 sidechains. Third party token bridges, consist in the creation of a two-way pegged ERC677 token. Tokens on the native chain can be transferred to and from these chains by employing the bridges via a web interface.

Blockchain	Bridge
Ethereum	Native
Polygon (POS Chain)	Official Matic Bridge
xDai	Omnibridge (AMB)
BSC (Binance Smart Chain)	Omnibridge via xDai
Harmony	Official ONE Bridge

The token will extend OpenZeppelin solidity contracts and implement minting and burning with the appropriate access controls from other smart contracts constituting the protocol which have minting and burning roles.

The logic of taking network fees on token issuance for earn actions and rewards explained in Section 6 a. is likely to be factored into the rewards issuance contract or contracts relative to Point of Interest functionality.

ii. ECHO Governance Token

The governance token must likewise be EIP-20 compliant on all EVM blockchains and portable via token bridging to other EVM-compatible chains and layer 2 sidechains. The governance token contract should have voting-related functionality such as that which can be found in the token contracts for Uniswap and Balancer.

With regards to voting for proposals, a recent practice is also to employ Snapshot.js, a web3 based (but off-chain) token pledging solution which holders of a given token (checked by contract address) can vote on a given proposal according to preset or custom rulesets for weighting token balances of governance token holders.

Simulation of token economics can at present be carried out through agent-based CAD software such as cadCAD by Blockscience and tokenSPICE by Ocean Protocol. This software will be looked into for economic simulation of the various moving parts of the protocol to ensure its sustainability.

A conceptual map of the protocol and funding schematic (for one Point of Interest) can be found below:

Full smart contract specification and design following further validation and iteration on the above mechanism will follow in a future version of this document, mainly the Technical Whitepaper.

7. Business Model

We create a dedicated section for business model and revenue generation, which consists of an advertisement model where token projects may promote their community and their token to the broader base of members, while fully maintaining the privacy of the user. Advertisement revenue will be encompassed in the Web3 sustainability loop under “network fees”.

The advertisement model consists of:

- a. Push notifications: All members are notified on a daily basis with a swipe-able collection of promoted tokens. These notifications also allow for collection of sentiment and discoverability data, in full respect of member privacy, which is helpful at the platform level as well as for the advertisers themselves.
- b. Featured projects: Project teams can pay to list themselves on the first page of the explore page to be easily discovered by prospective investors.
- c. Ranking on category lists: Project teams can promote themselves to the top of Points of Interest to be discovered by a niche audience for lower visibility but potentially higher ROI due to the high engagement within POIs.

Payments for advertisements can be made in cryptocurrencies, and will initially be restricted to ETH or stablecoins. As the platform’s usage grows and ECHO’s core and support loops provide an increase in token price, it will additionally become possible to pay with the utility token, factoring into “network fees”.

With regards to the broader “network fees” model as core component of the Sustainability Loop, revenue, in the platform’s token may then be derived from:

- Advertisement Spend by Projects,
- Fees on reward issuance (sourced from those taken for staking and providing liquidity),
- Fees on “spend actions” - a large % is burnt, a smaller % is taken as network fees and/or reinjected into Point of Interest liquidity,
- Fees for usage of developer-facing APIs which provide and condense publicly available data on the platform (pay-per-use or subscription in tokens).
- Fees for Member to Business transactions for Goods and Services (beyond social advertising to social commerce – advances in dCommerce solutions such as Boson Protocol make this accessible medium-term)
- Fees for Partner placement services like CEX wishing to enable direct purchase of the project token from the platform.
- Fees for Large project teams wishing to use the platform as a community management venue (ex: en-masse push notifs to wallet addresses on events)

8. The Current Use Case: DYORed by ECHO.

As a Proof of Concept for an initial attempt at solving the problem of long-winded DYOR (Do your own research) we established DYORed (<https://www.echo.place/token>).

DYOR is retail investor “due diligence” in crypto, which typically requires a long search and manual filtering process on token listing platforms for token projects whose utility resonates with the investor, and once found requires consulting multiple sources, from listing sites themselves to the project’s social channels, where many information requests cannot be served by the project team at once.

To iterate, the problem of long winded DYOR is essentially one of information asymmetry and fragmentation, which is underlined by the deeper “social” issue of not having a venue for the project’s community to transparently present all required information and allow new prospect investors to gauge additional information themselves by inspecting social proof.

DYORed consists of a CMS + webpage where project teams have requested to list their project as part of this “crypto safe space”. Upon sufficient community interest (comments) the team performs an in-depth due diligence of the project and if criteria are met, all of the token’s information – with unique additions including fundraising, a condensed commentary on smart contract functionality, and a quick “security token” risk assessment based off of the Howey Test and of the Crypto Rating Council’s risk scale out of 5 – are presented for each token project.

We currently have 8 listed tokens, 10 tokens in review, and over 200 community comments overall. We are partnered with informational and promotional telegram groups (AMAs) as well as Ferrum Network all as cross-referral partnerships but with potential to unlock further ecosystem value.

9. Roadmap

Q4 2021

- Beta release of DYORed the app
- Utility and governance token tokenomics on testnet
- 50 listed tokens and 5 strategic partnerships
- Community Scaling
- Accelerator application / partnerships / financing

Q1 2022

- Off-chain product release
- Utility token seed / private sales for Q2 launch
- Core loop Audit (High Tier Audit Firm, ie: Certik)
- Earn-to-contribute core loop and points of interest contract backend on testnet, dApp integration
- 200 listed projects

Q2 2022

- Core loop and DAO mainnet pilot (v1)
- Governance token launch

- Additional incentives loop and further DAO functionality contracts on testnet
- Off-chain advertising model pilot
- 500 active projects (communities)
- 25K Monthly Active Members

Q3 2022

- Full Web3 Loop and Protocol release (Core loop v2, Additional loop v1)
- Advertisement testnet integration
- 1000 active projects (communities)
- CEX / Listing Platform Partnerships
- 250K Monthly Active Members

Q4 2022

- Community tokenization onboarding beyond token projects pilot
- Protocol support for non-project tokenization in testnet
- Support and Governance DAO extensions
- 1k project communities + 500 tokenized communities
- dCommerce Integration
- 1M Monthly Active Members

10. Team

Louis Régis

Chief Strategy Officer

Education: Bsc. EHL, Switzerland

Experiences: Rothschild & Co, Credit Suisse

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Giulio Trichilo Chief Innovation Officer

Education: MFE. EPFL, Switzerland

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11. Disclaimer

The sole aim (the "Purpose") of this lite paper (the "Lite Paper") is to provide details on the ECHO Project's (as defined herein)

The Draft Lite Paper and its contents do not constitute, and are not intended to constitute, an offer for sale, prospectus, or invitation to subscribe for or purchase Tokens, nor shall the Draft Lite Paper, or the truth of its delivery, form the basis of or be depended upon in connection with any contract or commitment to acquire such Tokens.

The Lite Paper is not a suggestion to buy Tokens, and neither the Lite Paper nor its contents are intended to be used as "investment advice."

Potential purchasers of Tokens are strongly encouraged to seek clinical advice before making a purchase. There is no representation or warranty made about the information in the Draft Lite Paper that has not been checked, and such information should not be relied upon.

Investors should anticipate the risk of losing their entire investment. Current capital market rules and protections do not apply to token sales or coin offerings. Potential buyers should be mindful that there is currently no developed demand for the Tokens.

The claims in the Lite Paper may be considered “forward-looking statements”. Forward-looking statements are typically identified by the words “may”, “will”, “should”, “plan”, “expect”, “believe”, “intend”, “project”, “goal”, “target”.

Forward-looking statements are based on current assumptions and are subject to a variety of known and unknown threats, uncertainties, and other factors that could cause actual Token results to vary materially from any future performance expressed or implied by such forward-looking statements.

You should not put undue faith in forward-looking statements, and no commitment is made to publicly update or amend any forward-looking statements made herein, whether as a result of new knowledge, future events, or otherwise.

Appendix A – Currently Launched Charity Token

Echo Technologies Ltd. Has issued an ERC-20 compliant token on the Ethereum blockchain, which has resulted in over 20ETH in donations to the India Covid Crypto Relief fund, and is now targeting the Leukemia and Lymphoma society, with the following token economics:

The economic model relies on redistribution of transaction fees to three separate vehicles as follows: 3% of transaction fees are taken for donation, 2% for passive yield generation (RFI) and 1% are burned.

12. The 3% transaction fee for donations is taken for each trade (each internal call to the ERC-20 standard's `_transfer()` function implementation). This set of fees is accrued in the Echo Token's contract in ECHO tokens and reinjected as liquidity in ETH via interaction with the associated Uniswap V2 Pair - and then forwarded to the designated charity address.
13. The 2% reflection fee taken from each transaction is redistributed to all holders proportionally to their holdings as is done in the RFI (reflect.finance) token - as such, the ECHO token forks from this.
14. The 1% burn 'fee' subtracts 1% of each transaction from the total supply of ECHO - a deflationary model which induces scarcity with each trade. While this does not guarantee an appreciation in price it does base itself on the principle of scarcity.

The community can change the 'tokenomics' parameters via on-chain confirmation of interaction with the ECHO Token contract. Donation percentage, reflection percentage, and burn percentage may be changed 5 times throughout the lifetime of the contract and at minimum intervals of three months. Each parameter may be changed independently, under the constraint that the donation fee be the largest.

The community may also change the charity address via confirmation of interaction with the ECHO Token contract. There are no limitations in terms of number of times or frequency.

While contract interaction may be done via an arbitrary smart contract provided the correct access rights are in place, the initial manner in which voting is concretely done is via a dedicated Gnosis Safe multisig wallet. Where community members which hold tokens above a certain threshold and perform a KYC process (kept private between them and the core ECHO team) may be added as safe owners. Provided the transaction signature threshold is reached, the tokenomics percentages and charity address parameters will be modified.

Compatibility of Issued Token with ECHO Protocol Specification

As described in section 6f, the ECHO protocol, according to present specification, will employ an EIP-20 compliant mintable and burnable utility token, with no implicit fee-taking, and an EIP-20 compliant governance token, with inbuilt voting functionality.

The currently circulating ECHO token smart contract is non-upgradeable (this is seen as a security risk), and is not mintable or burnable from external contracts with appropriate access rights – % burn in tokenomics is implicit and function visibility does NOT extend outside the contract itself. As such, it is incompatible with protocol specification as utility token, since the smart contracts constituting the protocol will have appropriate access rights for burning tokens on user actions, and minting tokens exclusively according to the token release schedule.

The currently circulating ECHO token smart contract also does not contain on chain voting and checkpointing functionality, which is implemented via a creation of an appropriate set of functions within contract code. While it may be used for voting on third party platforms such as Snapshot.org, on-chain voting capability of the current token is inexistent.

If the ECHO protocol is to incorporate the current token in its specification, this must be *alongside* the planned utility and governance tokens, as a specific medium for philanthropy-related transactions, or issued as staking rewards in loyalty pools.

If the ECHO protocol is *not* to incorporate the current token in its specification (protocol specification does already imply the circulation of “network revenue” to selected charitable initiatives), it must be transferrable in value for current investors to either the utility or the governance token to be issued, in accordance with a value transfer strategy to be decided at a later date.

A hybrid approach is also possible in the case of inclusion of the current token in protocol specification, where holders of the existing token may choose to transfer part of their token value over to the utility or governance tokens the protocol supports and keep part of it for transactional use / platform-driven value accrual as a result of inclusion in protocol specification, albeit with a more marginal role due to tokenomics limitations.