

# Tokenomics

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# Introduction

**YouBallin is a user-powered platform that celebrates and empowers Talent by enabling Fans and Legends to discover, connect with, and directly support Talent.**

We provide our Talent with unprecedented access to reliable revenue streams, industry resources, and growth opportunities. We do this with innovative and equitable decentralized technologies to give all users unmediated control over their journey to success.

YouBallin is built with these core values in its DNA:

- Built on top of a Polygon layer, with data stored in a decentralized way through IPFS.
- Security Intellectual Property through NFTizing content using our innovative fractionalize and renting algorithms.
- Decentralization — to the extent allowed by existing technology, blockchain and otherwise.
- Full control over content produced and merchandise sold by users.
- Smart and innovative algorithmic design that will enable discovery and promotion of early-stage talents.
- Transparency, security, and fairness for all users — this means transparency into our data economy and fair revenue models.

In this document we describe how the tokenomics of the ecosystem works, and how it benefits our users.

# Users on the Platform

There are six main types of users on the platform in the post-MVP era. During the MVP we will start with the first four as described below.

## Talent

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Talent join the platform to grow their career by showcasing their skills, selling NFTs, getting mentorship from each other and Legends, and even booking brand sponsorships. They have their own local token that users can buy to support them. For example, Talent can allocate a pool of their local token (for free or at a premium) – which they are able to offer to the community based on their reputation score – to the Legends that support them.

## Fans

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Fans join the platform to support newly discovered Talent, and to follow their favorite Legends. They do this via transparent social media features. Fans can enter drawings sponsored by Talents and Legends. They also can buy merchandise from Talents and Legends using the global token.

## Legends

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Legends are famous, connected celebrities, and are iconic both within and outside their industry. They are validated by YouBallin before joining the platform as a Legend. They join the platform as coaches and endorse new Talent. Like Talent, they have their own local token that appreciates in value. When a Legend wants to support a new Talent, they spend time developing the Talent and increasing their help to raise the value of the Talent's local token.

## Brands

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Brands and advertisers are companies looking to reach and gain the latest insights into a global community. They sign contracts with Talents and Legends to advertise their products, or they can place advertisements on a Talent or Legend's profile wall. The vast majority of the advertising proceeds will go to the Talent or Legend, except for a small share that goes to the platform for operational expenses. Like all users, Brands will also be able to access the platform's Reputation Dashboard, powered by the YouBallin Reputation Algorithm. Through

this dashboard they will be able to identify the top performing Talent with whom they can form appropriate partnerships and campaigns.

## Super Fans

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Super Fans have premium benefits. A Fan becomes a Super Fan when they support Talents and Legends directly by purchasing their local tokens. When a Super Fan supports a Talent or Legend, a small percentage goes to the platform to maintain the operational expenses. The rest will go to the Talent or Legend.

## Representatives

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Representatives can use the platform to find future Talent and Legends to represent. They can come from various organizations, like talent agencies or sports clubs and teams. They can engage with them and sign deals. Like all users, Representatives will be able to access the platform's Reputation Dashboard, powered by the YouBallin Reputation Algorithm. Through this dashboard they will be able to identify the top performing Talent who they can approach for representation.

# Platform Tokens

## 2-Token Economy (post-MVP era)

The platform has two tokens. YouBallin believes in abundance and creating opportunities, so our 2-token economy allows our users to support each other in multiple, mutually beneficial ways.

These tokens will only be of use on the YouBallin platform. Outside of the platform, the tokens can be exchanged for other tokens on a decentralized exchange (DEX) and any other exchange where the token will be listed.

Initially, at the MVP era we focus on building a healthy and strong global token and at a later stage by analyzing users' activity secondary fans tokens will be launched. A few months after the MVP era the data will enable us to boost the reputation algorithm that will allow valuation of secondary local tokens.

### MVP Era

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1. Buy and sell NFTs
2. Fractionalize NFTs
3. Rent NFTs
4. Tip Talent
5. Donate to Talent or charity events
6. Create games (Talent Shows or other Play-to-Earn games)
7. Gain access to premium features

### Post-MVP Era

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1. Purchase local tokens launched by Talent and Legend
2. Run marketing campaigns
3. Gain access to (extra) premium features
4. Buy exclusive items
5. Sign equitable smart contracts

## Global Token

The ecosystem will launch with the global token initially, which all users can use. Global tokens are the main currency of the YouBallin ecosystem that allow users to:

- Brands can endorse a Talent by purchasing the global token and sending it to a Talent. Talents can keep the global token or choose to liquidate that amount in DEXes and centralized exchanges.
- The YouBallin platform will hold a small percentage of the sent amount for operational costs, for buying the Talent's local token, and to periodically burn the supply (this is a deflationary mechanism to reduce the token supply and thus increase the value of the remaining tokens in circulation).
- Brands and Representatives also use the global token to make contracts.

During an initial period of at least six months, Talent will share videos of their work, post about their achievements, and so on. These activities will feed into a Reputation Algorithm. After at least six months, the algorithm will assign **Reputation Ranks** to users in relation to each other (a **Reputation Curve**).

## Local Token (Post-MVP era)

After this initial period some Talent and Legends will have a Reputation Rank high enough to be able to offer a **local token**. A local token creates the **local economy** of the Talent or Legend. **Only Talents and Legends can offer a local token.**

Fans and Super Fans can use local tokens to:

1. Store value — Fans and Super Fans who believe in the Talent can buy the token to support the Talent.
2. Purchase items from Talent or Legend — Talents and Legends can auction off personal items (t-shirts, instruments, etc.) to Fans and Super Fans.
3. Attend exclusive events hosted by Talent or Legend (i.e. a live concert).
4. Access special perks from the Talent or Legend (i.e. the Talent creates a birthday wish video for the Fan).
5. Get discounts.

### **Talents (post-MVP secondary tokens)**

Depending on their reputation and potential, Talent will be able to mint different supplies of tokens and at different values. The platform will essentially have a tiered reputation system where Talents with a higher Reputation Rank will be able to mint more tokens.

Talents with a higher Reputation Rank will be able to mint more tokens because the potential for their token's value to appreciate is much higher.

Talents will hold 50% of their token and will not be able to sell it for a vested period of time. Legends and Talents will be able to work together to increase the Talent's Reputation Rank.

Later on, there will be a special token offering again for the Talents to raise funds for their activities.

### **Legends (post-MVP secondary tokens)**

Upon joining the YouBallin platform, a certain amount of local tokens will be sent to a Legend, and correspondingly their own local token equivalent will be locked for a fixed period of time.

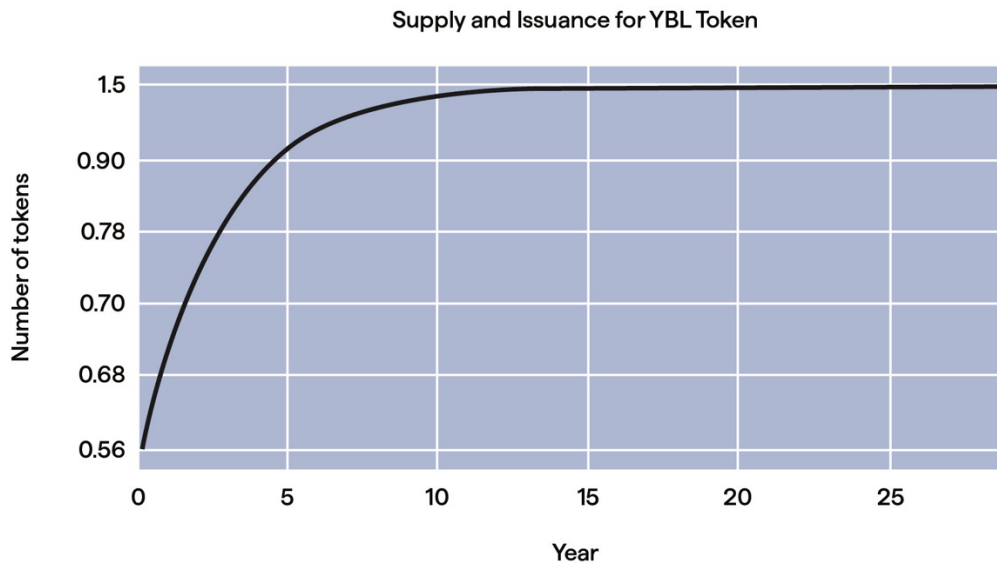
Talents and Legends will also be able to mint tokens to distribute to their fanbase for support. These will be through Play-to-Earn competitions, polls, etc. The mechanism is inflationary for the token, but it also increases Fan and Super Fan engagement. The amount minted will be a very small percentage (<1%) of the total supply at that point in time and this can only happen a limited number of times per year (3-4).



## Token Supply

The total supply (global and local) will be limited to 1 Billion tokens and will be minted in such a way that 90% of the supply will be released in the first four years. About 99% of the supply will be circulated by year 10.

The total supply will follow the formula below (t relates to days).



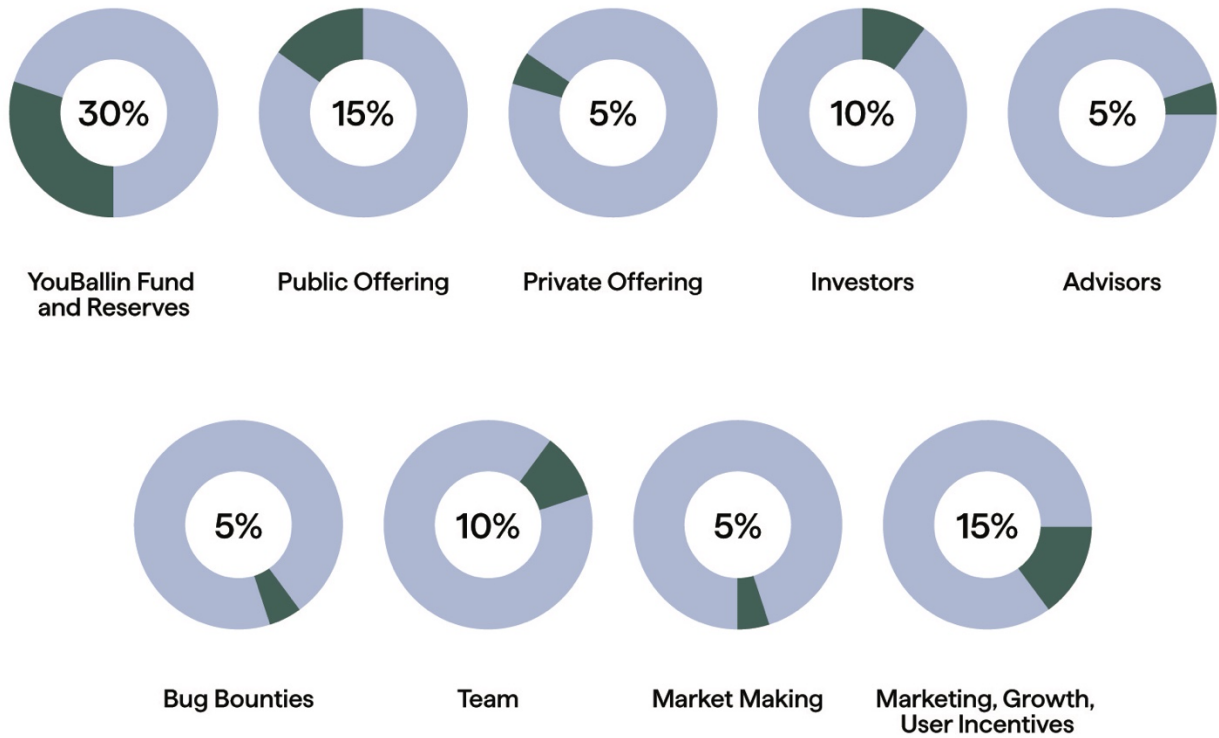
$$\text{Total Supply}_t = 500M + 500M * (1 - \exp^{-t/1000})$$

The protocol will hold 30% of the tokens in a reserve, used to fund future development and incentivize users to sign up using airdrops.

15% of the supply will be released for public offering and 5% for private sale.

The remaining 50% will be allocated to advisors, founders, the development team and marketing. The distribution is supplied in the figure below.

## Token Distribution



Token supply in the reserve will be used to incentivize users to join YouBallin platform and for future development.

# Rewards and Token Mechanisms

We use different mechanisms to incentivize users to buy and hold onto the tokens.

## Global Token

- Access to all events and item sales from Talent
- Discounts from Talents
- Used to purchase local tokens
- Tip Talents
- Buy advertisements
- Fee for all contracts between Talent and Brands, Representatives, etc.

## Local Tokens (post MVP era)

- Discounts on products sold by Talents
- Priority access to NFTs from Talents
- Tickets to special events and 1:1 sessions with a Talent
  - i.e. lunch with the Talent
- Exclusive interactions with Talents
  - i.e. a Talent asks Fans and Super Fans to vote on the name of a new song
  - i.e. bespoke birthday videos or message from a Talent

## Static NFTs

- Can be used to “nft-ize” context, e.g. posts, videos, etc.
- Fractional ownership is allowed
- Retrieve back yield

## Dynamic NFTs

- Can be used to launch NFTs
- Fractional ownership is allowed
- Conditions can be dynamic and change over time
- Access to features that vary over time

## Special Badge NFTs

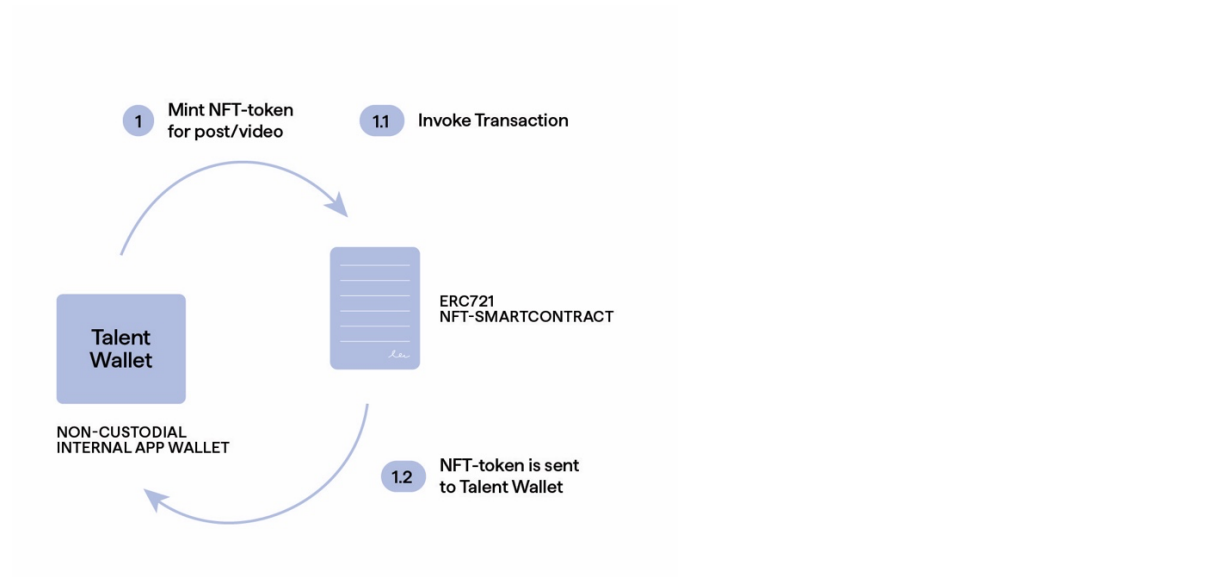
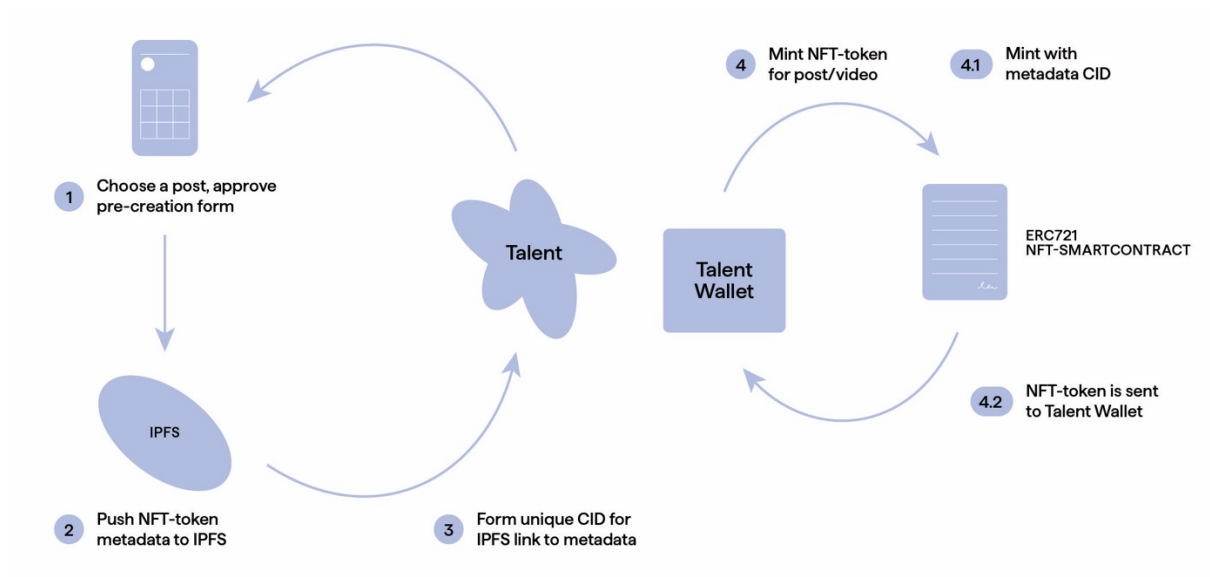
- Will be displayed on the user profile
- Premium access to features
- Access to features that vary over time
- Long-life connection with the foundation

# NFT-based Operations

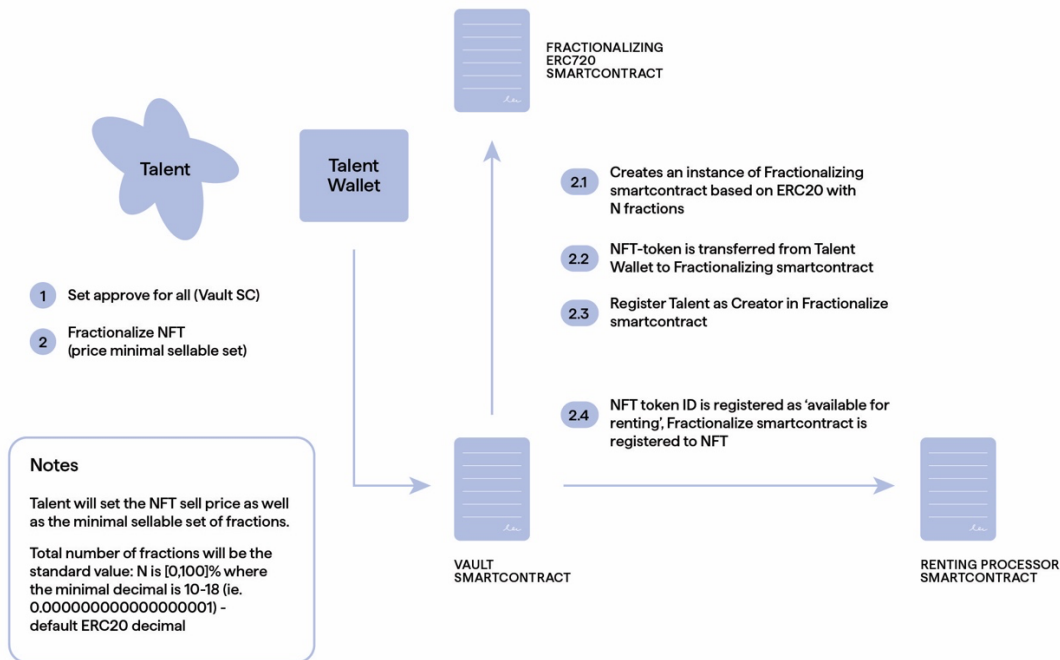
The platform will generate revenue from the following interactions.  
The fees will be used in the future for the development.

NFT Types	Description
NFT'izing' process	<p>Any content (post, picture, video, reel) can be and NFT through the "Make NFT" process.</p> <p>Users can register their creation of mind through the NFTizing process and use them for future benefits.</p> <p>Brands would be in position to advertise on the platform on a particular content through the acquisition of NFT or a fraction of it.</p>
Fractionalize	<p>A user can split an NFT into a set of splits and sell at a price.</p> <p>This gives opportunity for multiple people to co-own NFTs of high value.</p>
Rent	<p>NFTs and fractions can be set for rent by the owners for a price and for a given period.</p> <p>Brands would be in position to advertise on the platform on a particular content through the renting of NFT or a fraction of it.</p>

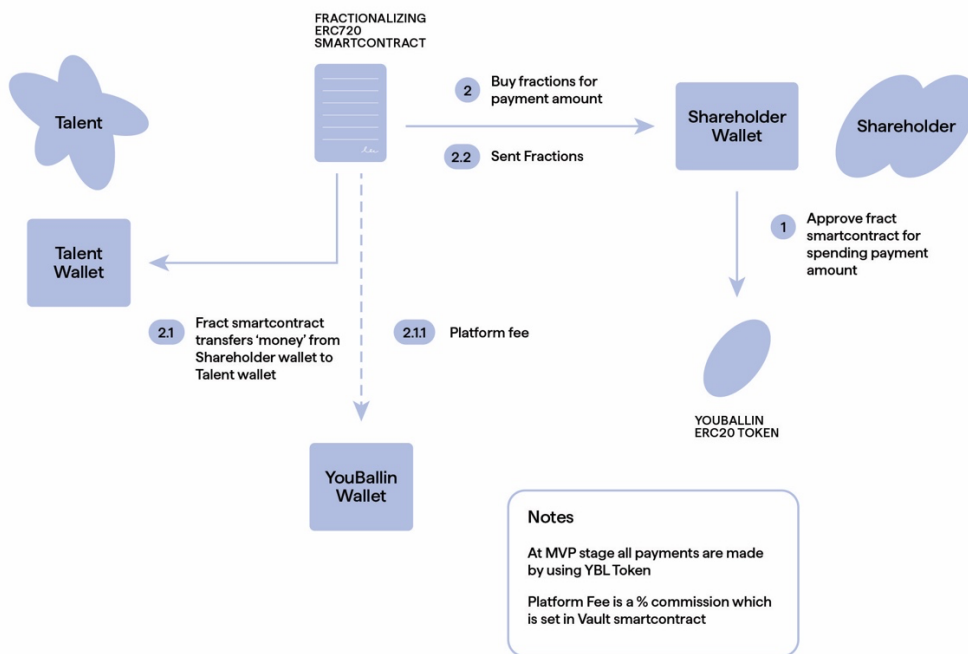
## Step 1. Mining NFT for Intellectual Property



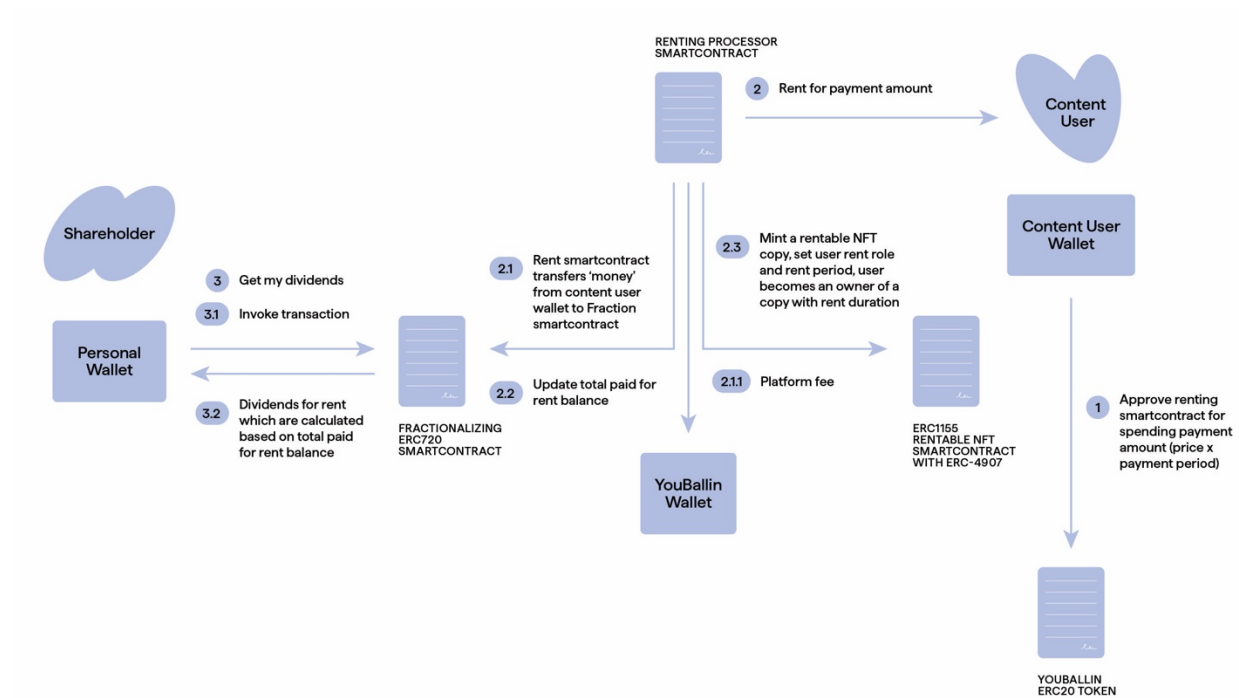
## Step 2. Fractionalizing



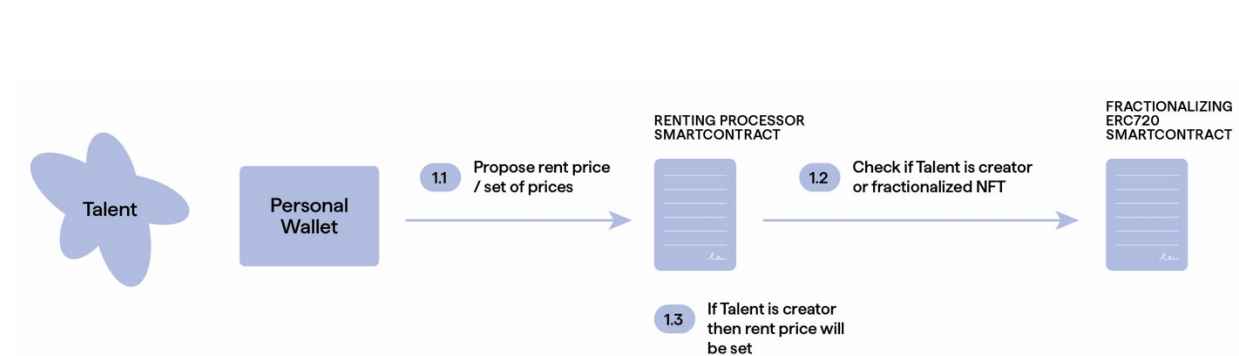
## Step 3. Shareholders Buy Fractions



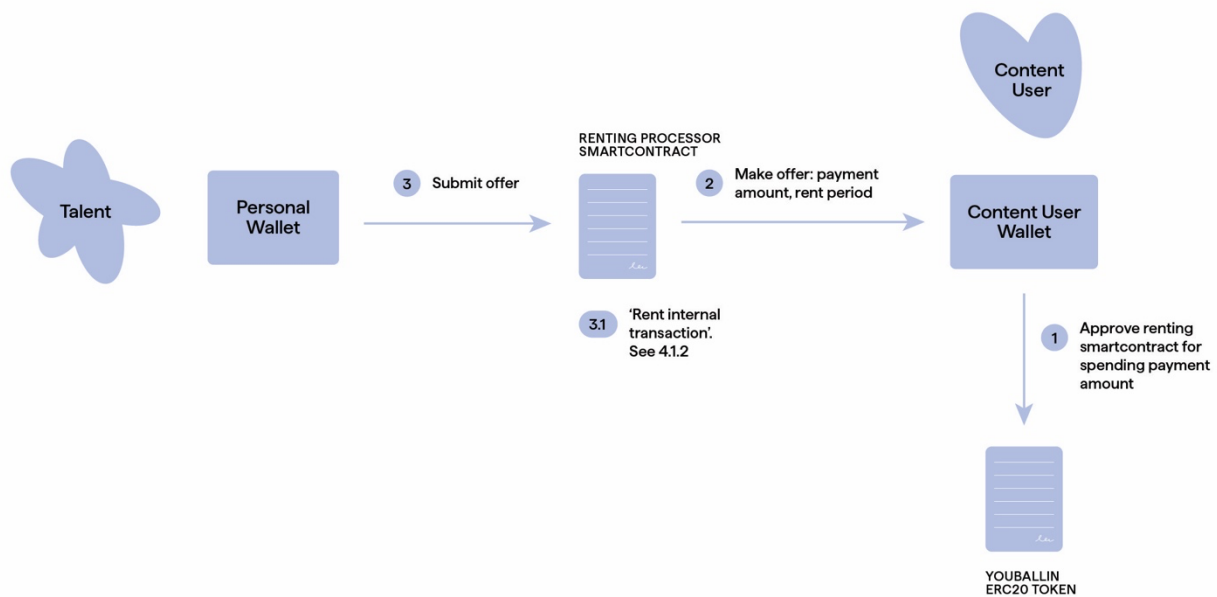
## Step 4.1 Renting Process



## Step 4.2 Renting Support Process: Setting Price



## Step 4.3 Renting Alt Process: Rent for Custom Price



## Reputation Algorithm

The Reputation Algorithm is a tool unique to YouBallin that promotes transparency and fairness. It takes many factors into account to calculate a user's Reputation Rank. If you want to learn more about how our Reputation Algorithm works and what factors go into it, check out our [White Paper](#).



# Revenue Streams

The platform will generate revenue from the following interactions. The fees will be used in the future for the development of new features and marketing actions in favour of users. They will all be paid using the global token.

- 5% fee on each advertisement deal
- 5% fee on every endorsement, sponsorship, and representation deal
- 1% fee on buying items through the marketplace
- 1% on create, buy, sell NFTs
- 0.5-1% on fractionalization NFTs and renting NFTs

YouBallin wants to maintain the abundance of global tokens for all users, so a small fee will be applied to all events (NFTs, Talent Shows, etc.). This practice burns tokens and keeps them available for future transactions.

## OnChain

The YouBallin project team made a strategic decision to leverage the benefits of the Polygon chain, and the rationale behind it is multifold.

One of the key attractions of the Polygon chain is its impressive scalability, as it can process up to 65,000 transactions per second on a single side chain. This unparalleled transaction speed eliminates bottlenecks and provides an efficient, frictionless user experience. Additionally, the network boasts extremely low gas fees, making it cost-effective for all types of transactions. With the ecosystem of the YouBallin project expected to facilitate a high volume of transactions, these benefits provided by Polygon chain make it a perfect fit.

The blockchain action plan for the YouBallin Project Launch starts with focus on establishing a single contract on the chain that enables users to deposit tokens, which can be instantly swapped with YBL (YouBallin native token) and Matic (Polygon Native Token), based on a tiered system. This system is designed to incentivize early buyers and control token price manipulation while enabling organic community growth.

The foundation of this blockchain action plan relies on a smart contract that permits users to deposit USD tokens, which are then instantaneously swapped for YBL and Matic tokens. This contract aims to simplify and expedite the token swapping process, thus improving the user experience and reducing the friction typically associated with cryptocurrency transactions.

The tiered pricing approach is instrumental in providing early buying incentives and controlling token price manipulation. Early buyers can receive better swap rates, thus encouraging early adoption and investment. Simultaneously, this tier-based system allows for controlled price setting, preventing price manipulation that could destabilize the token value.

The proposed action plan also fosters independence from external factors such as liquidity providers (LPs) or exchanges. By avoiding reliance on these entities, the plan mitigates potential challenges like liquidity shortages, high listing fees, or manipulation risks associated with third-party platforms.

The instant swap mechanism will naturally add liquidity to the project, strengthening its financial health and overall attractiveness to investors. The built-in early buying incentives will also help to organically grow the community, fostering an engaged and loyal user base.

Building on the action plan for the YouBallin project, implementing a strategic airdrop program can add another layer of community engagement and growth. By offering token airdrops for performing certain tasks on the application, you incentivize users to actively participate in the platform and foster community development. This approach can assist in gaining the initial user base and setting the foundation for more advanced features in the future.

Airdrops are a common strategy used in the cryptocurrency world to increase user engagement and distribution of a new token. By offering YBL tokens as rewards for completing tasks within the application, you can effectively incentivize users to engage more with your platform and enhance your project's visibility.

In addition, implementing a referral program where users are rewarded for inviting their friends to the platform can drive organic growth and create a viral effect. Not only does this introduce new users to the platform, but it fosters a sense of community and camaraderie.

Hosting competitions can also be a great way to attract users and keep them engaged. By offering YBL tokens as rewards for winning these competitions, you not only incentivize participation but also create a fun and engaging environment.

Once you have established a stable community and user base, you can start to integrate more complex token swapping mechanisms. This might include support for credit card transactions, which can further improve accessibility and usability.

YouBallin's token economics strategy is the creation of a decentralized pool of YBL (YouBallin token) to Matic (Polygon chain token), and YBL to USD token pool. This unique approach ensures that every time a user purchases tokens, the application directly conducts the swap or sale within the pool itself. It induces a mechanism that pushes the token price higher with each transaction, creating an upward price pressure.

This automated transaction process not only enhances the price traction of YBL token but also establishes potential arbitrage opportunities. In the context of decentralized finance, arbitrageurs play a crucial role in ensuring price efficiencies across different markets. Here, they could take advantage of price discrepancies between YBL-Matic, YBL-USD and other possible pairs. Their active participation would further stimulate the token trading activity, ensuring liquidity and stability in the market.

Moreover, the positive price traction and arbitrage opportunities create an attractive proposition for liquidity providers. By depositing their tokens into the pool, liquidity providers receive transaction fees as a reward, thereby earning passive income. Given the potential for YBL token price appreciation, this becomes an even more lucrative opportunity.

The YouBallin team acknowledges the significance of these liquidity providers in the ecosystem and is proactively engaging in early discussions for their support. By securing this support well before the launch, the project aims to ensure robust liquidity from day one. This strategic decision will instill confidence among participants and foster a healthy trading environment, setting the stage for the project's long-term success.