



Guapcoin Blockchain Tokenomics Vote

The Guap Foundation
March 20, 2021



Topics

About Guapcoin

- Purpose and Design

Current Limitations

- Misreported Max Supply
- Masternode and Staking Rewards Expiry
- Rewards Lost Due to MN Instability
- Treasury Budget and Voting System Needs Implementation

Solution

- Dynamic Coin Supply
- New Rewards Structure
- Implement On-chain Voting

Overall Benefits

How to vote Yes (approve change)

How to vote No (unapprove change)



About Guapcoin

The beginning:

Guapcoin is a cryptocurrency which began as an ERC-20 token on the Ethereum network in 2017. Ethereum is best known for smart contracts which define a list of rules that all Ethereum based tokens must adhere to such as...

- how the tokens can be transferred,
- how transactions are approved, and
- how users can access data about the token and its total supply.

Guapcoin today:

Guapcoin migrated from the Ethereum network to become an independent blockchain similar to Bitcoin, but with faster transactions, Proof of Stake, and a lightweight network which rewards full node owners based on 24/7 availability and 10,000 Guap collateral (for masternodes), and overall staked balance (for staking addresses). The blockchain also has advance voting, treasury, and proposal system (however it is not fully implemented in the current version).



Current Limitations

1. **The max supply of Guapcoin was previously stated at 90 million.** Guapcoin actually has a dynamic coin supply (by virtue of Guapcoin forking from the PIVX project).
 - a. Using a dynamic coin supply will allow coin supply to continue to grow, but it will do so gradually. Inflation is dynamically kept in check by the burning of transaction fees, and is offset by masternode and stake rewards that are returned to active users of the Guapcoin network. These twin features help manage the coin supply and protect against hyperinflation.
2. **The block reward (shared by masternodes and stake addresses) will be reduced to 1 Guap per block in less than 2 years.** This reduction in ROI reduces incentive for stakers and masternode holders to continue to support the network -- unless the cost per Guap increases exponentially from the current price. (Remember stakers and masternodes help create new blocks, secure the network, facilitate instant transactions, and generally make the blockchain go.) It is imprudent to rely on exponential price growth to support the future of the network.



Current Limitations Continued ...

3. **Lack of an on-chain treasury fund.** While the original design allows for a portion of all rewards to go to an on-chain treasury fund, this advanced function's implementation has not yet been completed. The treasury fund's sole purpose is to support proposals for development, marketing, ambassadors, Guapcoin business grants, and expanding Guap services beyond the borders of its current use.

4. **Lack of a masternode governance and voting system.** Until this function is implemented and activated, MN owners are unable to participate in voting on proposals, enhancements and changes to the Guapcoin blockchain.

5. **VPS reliability issues led to many MN owners missing out on receipt of rewards.**



Solutions

The Guap Foundation has the responsibility to keep the Blockchain viable, we propose the following updates to resolve the current limitations:

1. **Leave the dynamic coin supply system in place**

- What does this mean: The supply will continue to grow; however transaction fees on the network will help manage the coin supply and protect against hyperinflation.
- A dynamic growing supply of coins better supports our mission to put cryptocurrency based tools and liquidity in the hands of billions among the African Diaspora for actual use, versus a forced scarcity model that promotes holding, hoarding and control of the supply in the hands of a few.



Solutions Continued ...

2. Restructure the reward system.

As the current reward system will cut rewards in half by mid June 2021, and will essentially end rewards altogether in less than 2 years, we propose a new structure that should incentivize staking and masternode participation into the foreseeable future, provide funding for the on-chain treasury, and simultaneously give masternode holders that missed out on rewards at the current (about to expire) level to recoup. See slides 9 and 10 for details on the proposed structure.



Solutions Continued ...

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Solutions Continued ...

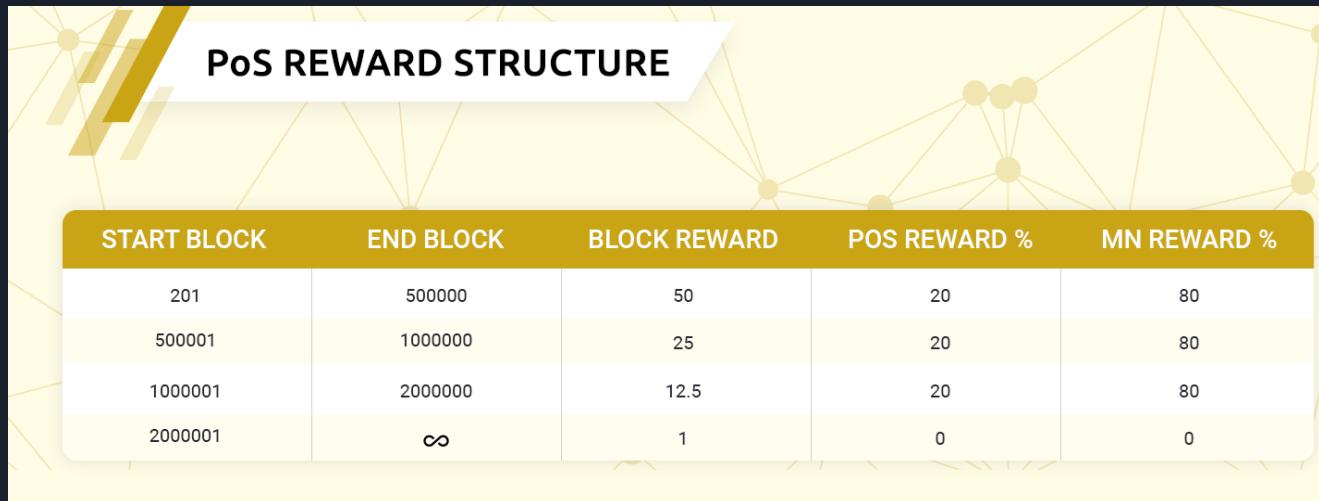
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Current Rewards System

Below is a look at the current rewards system:

1. The next halving of the block reward down to 12.5 Guap is approaching at block 100001 (ETA mid June 2021).
2. In 2 years, the block rewards would be down to 1 Guap at block 20000001.



PoS REWARD STRUCTURE

START BLOCK	END BLOCK	BLOCK REWARD	POS REWARD %	MN REWARD %
201	500000	50	20	80
500001	1000000	25	20	80
1000001	2000000	12.5	20	80
2000001	∞	1	0	0



Optimized New Rewards System Proposal

Below is a look at the proposed rewards system [64% to MN, 20% to Staking, 16% to Treasury]:

1. 25 Guap block reward will extend to block 2,000,000
 - o 16 Guap reward to MN , 5 Guap Proof of stake reward , 4 Guap to Treasury
2. 20 Guap block reward starting at block 2,000,001 and extending to block 4,000,000
 - o 13 Guap reward to MN , 4 Guap Proof of stake reward , 3.2 Guap to Treasury
3. 15 Guap block starting at block 4,000,001 and extending to block 6,000,000
 - o 10 Guap reward to MN , 3 Guap Proof of stake reward , 2.4 Guap to Treasury
4. 10 Guap block reward starting at block 6,00,001 and extending to block ~
 - o 7 Guap reward to MN , 2 Guap Proof of stake reward , 1 Guap to Treasury



New Rewards System Continued ...

- ~ 16 percent of rewards per block will be allocated to the treasury fund.

Start Block	End Block	Block Reward	MN Reward (64%)	POS reward (20%)	Treasury (16%)
500,001	2,000,000	25	16	5	4
2,000,001	4,000,000	20	13	4	3.2
4,000,001	6,000,000	15	10	3	2.4
6,000,001	∞	10	7	2	1



Benefit Summary of Proposed Changes

1. Increased circulating supply will support customer and merchant demand while adding liquidity to new exchanges and additional services.
2. Rewards will encourage and incentivize masternode owners to maintain the integrity of the network while allowing the recoupment of rewards lost due to server instability.
3. Treasury rewards will allow funding to advance the technology and use case of Guapcoin.
4. Onchain voting will allow MN owners to perform governance decisions on the budget and direction of Guapcoin, delivering on the decentralized vision of Guapcoin.
5. Proposals can be submitted on chain and voted on by the governing body



How to Vote: Masternode Owners Only

1. To vote YES, to approve this proposal

Send 20 Guap to the following address: GLHcXfGMRvhzL5Nb9vTj7UQyUNHsZDwiv1

1. To vote NO, to disapprove the proposal

Send 20 Guap to the following address: GbWoi2D7ANRZ9rFwe9GKotcy58TFk3QDMV

NOTE: Funds are non-returnable and will be used to support the Foundation and Dev team.



Questions?

Further details are available upon request.

Guap Foundation

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