

DOCUMENT

DeName Tokenomics

Transparent documentation for the protocol.

Public discussion version — 2026-08-14.

This document describes the first version of DeName tokenomics. It is not legal, tax, investment or financial advice.

1. Summary

DeName Token is the market and governance asset of the DeName ecosystem on Stellar.

Key parameters:

- trading pair: DeName/USDC on Stellar DEX;
- maximum supply: 100,000,000 DeName;
- sale reserve: 90,000,000 DeName;
- team reserve: 10,000,000 DeName;
- unlimited issuance is not used;
- project sales follow a fixed algorithm;
- at each step, 1% of the remaining sale reserve is sold;
- starting price: 0.01 USDC per 1 DeName;
- first order: 900,000 DeName at 0.01 USDC;
- target proceeds for every fully sold step: 9,000 USDC;
- buyback is executed against the best available order in the order book;
- freeze, clawback, forced token locking and forced token recovery are not used;
- staking DeName in the protocol grants the right to participate in voting;
- voting weight is proportional to a user's share of all DeName in staking;
- withdrawal from staking has a delay: the initial value is 7 days, and a period from 7 days to 1 year is determined by voting.



Core idea: the project receives development funding through an algorithmic sale of part of the token supply. Governance parameters and the buyback & burn mechanism evolve as the protocol develops.

2. Operation of the domain protocol

DeName is a set of Stellar smart contracts for creating domain zones, registering names, and resolving names to addresses. The on-chain state of the contracts is the source of truth; the API and indexers can make reads faster, but do not replace contract-level verification of ownership, registration expiry, or name records.

2.1. Protocol components

- `root-registry` stores the list of TLDs and each zone contract address. It routes name-resolution requests to the relevant zone and stores the user-selected global TLD for reverse address-to-name resolution.
- `tld-factory` creates new TLDs. It obtains an implementation WASM from `tld-implementation-registry`, deploys a zone instance, initializes it, and registers it in `root-registry`.
- `tld-implementation-registry` maps implementation identifiers to WASM hashes. This makes it possible to create new zones using compatible implementations without embedding a particular zone's code in the factory.
- Each `tld-base` instance manages one zone: the zone owner, name owners, registration terms, yearly price, payment token, grace period, and resolver records.
- `dao-treasury` stores protocol-fee and referral-fee parameters, receives protocol funds, and withdraws them according to an authorized rule.

Protocol contracts on Stellar mainnet:

- **Root Registry** — `CBGDLM4DCPDIOB6WEVTNYJUAMQH2OCF45TYC36ITEHK4GROIJDWQ5LG7`;
- **TLD Factory** — `CBXSWCN5EGTVFHA6R2X7PEIC4KPJMS3I6IY5COTOPQNDOAHQETEM6FWS`;
- **TLD Implementation Registry** — `CDHU7LWK3UX4X6BALYSP0P0DIYVZ5XUM2ZPI57GLF3PEQVFLX4A75TMI`;
- **DAO Treasury** — `CCELO3D03AWKUKRVI53BYXXVUMZXZTZSFU02Y66SIHQXGLRCVBOWQAIP`.



2.2. Name and record lifecycle

Name registration uses commit–reveal: a buyer first stores a temporary hash of the registration parameters, then reveals the name, salt, registration duration, its address and, where applicable, a referrer. The contract verifies the parameters and availability, charges the configured price, stores the owner and expiry date, removes the commit, and emits indexing events.

A name can be renewed while it is active or within the grace period. Once the grace period expires, it becomes available for registration again. The owner may transfer a name to another address, set or clear direct “name → address” resolution, set or clear a primary name for reverse “address → name” resolution, and store keyed text records. These actions require owner authorization.

2.3. Protocol income

The protocol’s primary income is fees from registration and renewal payments for domain names. For each payment, `tld-base` obtains the protocol-fee and referral-fee rates from `dao-treasury`: the protocol share goes to the treasury, the referral share goes to the referrer when one is provided, and the remainder goes to the TLD owner.

An additional source of income is the sale of domain zones. `tld-factory` uses a configured price based on the length of the zone being created and transfers the entire cost of creating a custom TLD to `dao-treasury`.

Current TLD creation prices:

Zone length	Price
2 characters	100,000 USD
3 characters	10,000 USD
4 characters	1,000 USD
5 or more characters	100 USD

These prices are current protocol parameters and may be changed in the future through a published parameter-change procedure.



2.4. TLD implementations and development

The current tld-base implementation covers basic functionality: name registration and renewal, ownership, a grace period, forward and reverse resolution, text records, and a fixed annual registration price. It does not yet store subdomains or provide a secondary market.

The implementation registry architecture makes it possible to create new TLDs using other compatible implementations. In the future, those implementations may add subdomains, other pricing mechanisms, discounts, additional record types, and other zone rules. Migrating an existing TLD to a new implementation requires a separate, pre-published and approved plan: a code upgrade retains the contract address and storage, so data-schema compatibility must be explicitly ensured.

3. Tokenomics objectives

DeName tokenomics must solve two tasks at the same time.

The first task is to provide the project with a source of development funding without a preliminary fundraiser.

The second task is to create a clear, long-term mechanism for token holders to participate in governing protocol parameters.

Tokenomics is successful if:

- the project receives sufficient development budget;
- the sale algorithm is understandable and does not require manual price setting;
- the token supply can be transparently tracked;
- buyback & burn regularly reduces supply;
- holders understand where demand for the token comes from;
- the model can operate on Stellar DEX without separate centralized infrastructure.

4. Token role

DeName Token is the market and governance token of the DeName ecosystem.

The token is freely transferable. Its holder may stake DeName in the protocol and obtain the right to vote. Voting weight equals the holder's share of all DeName in staking.



Voting determines the staking withdrawal-delay period: from 7 days to 1 year; the initial value is 7 days.

Staking does not grant a right to a share of distributed funds. It organizes participation in protocol governance and supports the buyback & burn mechanism.

5. Network, market and trading pair

DeName Token is issued as a Stellar asset.

The primary market is Stellar DEX.

The primary trading pair is DeName/USDC.

The project places sell orders for DeName against USDC. Constant buy orders are not created, except for buyback & burn operations.

If DeName appears on other platforms, arbitrage between those platforms is permitted. If the price differs significantly from Stellar DEX, market participants may buy the token on one venue and sell it on another.

6. Maximum supply and distribution

Maximum DeName supply: 100,000,000 DeName.

Distribution:

Category	Quantity	Share
Sale reserve	90,000,000 DeName	90%
Team reserve	10,000,000 DeName	10%
Total	100,000,000 DeName	100%

No tokens above 100,000,000 DeName may be issued.

The issuing account will be locked as the project matures and the mechanisms for distribution and public reporting are established. Until the account is locked, issuance is limited by the project's public commitment rather than by a full technical guarantee.



After it is locked, the issuing account must not show:

- issuing-account assets;
- sale-reserve assets;
- team-reserve assets;
- a current balance;
- token quantities in circulation;
- tokens issued above the declared supply.

7. Token restrictions

The first version does not use:

- freeze;
- clawback;
- forced locking of user tokens;
- forced recovery of tokens from users.

This decision is important for market trust: holders must understand that, after buying a token, the project cannot arbitrarily block it or take it back through administrative action.

8. Algorithm of project sales

The project sells tokens from the sale reserve under a fixed algorithm.

At each sale step, 1% of the remaining sale reserve is placed for sale.

Starting parameters:

- $S_{\text{sale}_0} = 90,000,000$ DeName;
- $r = 1\%$;
- $P_1 = 0.01$ USDC;
- $Q_1 = 900,000$ DeName;
- $B = 9,000$ USDC.

Definitions:



- R_n is the remaining sale reserve before step n ;
- Q_n is the amount of DeName offered at step n ;
- P_n is the DeName price at step n ;
- B is the target proceeds of one fully sold step.

Formula:

```
R_0 = 90,000,000  
r = 0.01  
Q_n = R_{(n-1)} * r  
B = Q_1 * P_1 = 9,000 USDC  
P_n = B / Q_n  
R_n = R_{(n-1)} - Q_n
```

Thus, each subsequent step sells fewer tokens while the price of the next step rises. With $r = 1\%$, the price increase between steps is approximately 1.0101% .

A project order for the next step is placed only after the previous order is fully executed. After the next step is completed, funds are allocated within the buyback & burn framework.



9. Example of the first sale steps

Step	Tokens for sale	Price, USDC	Target proceeds, USDC	Sale reserve after step
1	900,000.0000	0.010000	9,000	89,100,000.0000
2	891,000.0000	0.010101	9,000	88,209,000.0000
3	882,090.0000	0.010203	9,000	87,326,910.0000
4	873,269.1000	0.010306	9,000	86,453,640.9000
5	864,536.4090	0.010410	9,000	85,589,104.4910
6	855,891.0449	0.010515	9,000	84,733,213.4461
7	847,332.1345	0.010622	9,000	83,885,881.3116
8	838,858.8131	0.010729	9,000	83,047,022.4985
9	830,470.2250	0.010838	9,000	82,216,552.2735
10	822,165.5227	0.010948	9,000	81,394,386.7508
11	813,943.8675	0.011059	9,000	80,580,442.8833
12	805,804.4288	0.011171	9,000	79,774,638.4545

10. Buyback & burn

The source of funds for buyback is the portion of protocol income remaining after funds are allocated to purchase XLM for protocol operations.

Distributed protocol funds are first divided into funds sent to purchase XLM. The remaining funds after XLM purchases are used for buyback & burn.

The frequency of buyback & burn is once per week.

Execution rule: the project sends the available buyback amount to purchase DeName against the best available order in the DeName/USDC order book.

After purchase, tokens are burned.

Buyback & burn objectives:



- create regular market demand for DeName;
- reduce total supply;
- decrease the amount of tokens in circulation or future sale reserve;
- strengthen the link between protocol growth and token economics.

11. Token burning

All tokens bought through buyback must be burned.

Burning must be verifiable on-chain.

The burning report must include:

- buyback date;
- USDC amount allocated to buyback;
- average purchase price;
- amount of DeName purchased;
- transaction hash;
- burn transaction hash;
- cumulative burned supply;
- current total supply after burning.

12. Team reserve

Team reserve: 10,000,000 DeName, or 10% of maximum supply.

Together with each new project sale order, the team receives 1% of the remaining team reserve. The obtained tokens and the remaining team reserve must be disclosed separately from the sale reserve and circulating supply.

12.1. Market making using team tokens

For market making, 20% of each team token tranche may be used. These tokens are offered in a sell order at the price of the next project sale step.

If the sell order is executed, all USDC received is placed in a DeName buy order at the price of the step on which the tranche was received. If the buy order executes, the newly



purchased DeName is offered for sale at the price one step above the purchase price.

This creates a repeating two-sided liquidity cycle: part of the team token tranche is sold at the price of the next project step, and the received USDC buys DeName at the price of the previous step. With each completed cycle, an additional sell and buy volume is maintained in the order book.

Example of the first cycle:

- at the first step the team receives 100,000 DeName; this example illustrates market making and does not replace the team-reserve distribution rule;
- 20%, or 20,000 DeName, is placed for sale at the next-step price: 0.010101 USDC;
- if fully sold, the order yields 202.02 USDC;
- the entire amount creates a buy order at the first-step price of 0.01 USDC;
- once executed, it purchases 20,202 DeName;
- all 20,202 DeName is placed for sale at 0.010101 USDC, one price step above the purchase price.

When subsequent team tranches are received, new sell orders are created by the same principle. Market making does not change total supply and does not replace buyback & burn: it is a separate mechanism for operating with team-reserve funds and tokens.

Public reporting must show:

- total team reserve;
- how many tokens have been distributed to the team;
- how many tokens remain in the team reserve;
- whether there were transfers from the team reserve, including market-making transfers;
- amount of team DeName used for market making;
- active and executed market-making sell and buy orders, their prices, DeName volumes and USDC amounts;
- addresses or groups of addresses to which team tokens are distributed, if disclosure is possible.



13. Liquidity

The project does not maintain a permanent buy order as a price floor and does not buy DeName from the sale reserve. Buy orders may be created only as part of buyback & burn and the team-token market-making mechanism described above.

Market demand is formed by:

- buyers of project sell orders;
- secondary trading between participants;
- buyback & burn according to published rules;
- recurring market-making sell and buy orders created from 20% of received team tokens;
- arbitrage between venues, if the token appears outside Stellar DEX.

Model risk: if there are few external market participants, liquidity can be low and spreads can be wide. Buyback & burn does not guarantee liquidity or a minimum price.

14. Reporting

To build trust in the model, the project must publish regular reports.

Recommended frequency: once per week, in sync with buyback & burn.

Minimum report contents:

- amount allocated to buyback;
- quantity of DeName purchased and burned;
- current active project sell order;
- current project sell-order price;
- remaining sale reserve;
- team reserve balance;
- amount of DeName in staking for voting;
- current staking withdrawal-delay period;
- cumulative burned supply;
- circulating supply;
- links to on-chain transactions.



15. Parameter changes

Base parameters of the first version:

- $S_{\max} = 100,000,000$ DeName;
- $S_{\text{sale}_0} = 90,000,000$ DeName;
- $S_{\text{team}_0} = 10,000,000$ DeName;
- $r = 1\%$;
- $P_1 = 0.01$ USDC;
- $B = 9,000$ USDC;
- buyback frequency: once per week;
- buyback source: protocol income minus funds allocated to purchase XLM;
- trading pair: DeName/USDC.

After public launch, these parameters must not be changed manually without a previously announced procedure.

Parameters assigned to governance may be changed only by a vote of DeName holders in staking. Other parameters must not be changed manually without a previously announced procedure that includes:

- a public announcement;
- an explanation of the reason;
- an assessment of the effect on holders;
- a waiting period before the change takes effect;
- on-chain confirmation if the change concerns accounts, supply, or reserves.

16. Key risks

16.1. Demand risk

The sale algorithm does not guarantee that tokens will be bought. If demand is weak, the project may not receive the planned amount of funding.



16.2. Project-sale pressure risk

The project's continuing sell orders create market supply. If token demand is lower than the volume of project sales, the price may remain near or below the project order on the secondary market for a long time.

16.3. Issuing-account risk before locking

Before the issuing account is locked, the market must rely on the project's public commitment not to issue more than 100,000,000 DeName. This is weaker than a technically locked supply.

16.4. Team-reserve risk

Regular distribution of tokens to the team may be perceived by the market as potential price pressure. Even though the team reserve is only 10%, its movement must be as transparent as possible.

16.5. Legal risk

Buyback & burn may be perceived as a mechanism that creates an expectation of price appreciation. The absence of a formal jurisdiction does not remove legal risks for the team, buyers, and partners.

16.6. Low-liquidity risk

Without permanent buy orders and without a separate liquidity pool, the market may be thin. Users may be able to buy the token from the project but may not always be able to sell it quickly at a similar price.

17. Open questions and further development

The team receives the next tranche of its tokens together with the placement of a new sale order: 1% of the remaining team reserve. This procedure is described in section 12.

The DAO will be created as the project develops. Governance matters and rules for creating and executing proposals will be discussed and gradually implemented.

The conditions for exiting MVP and locking the issuing account, the technical account for buyback, the method of burning the Stellar asset, the format of public reporting, additional liquidity mechanisms, and the legal framework will be determined as the project develops.



It must be decided whether funds for server maintenance are included in the funds allocated to purchase XLM, or whether server maintenance is paid from funds received through DeName token sales.

18. Final model

DeName Token is a market and governance token with limited supply, an algorithmic sale process, and buyback & burn.

The project does not seek funding through endless minting. Instead, it limits maximum issuance in advance, sells part of the treasury reserve according to a formula, and develops governance and token-burning mechanisms.

Core economic hypothesis:

```
more protocol activity -> more protocol income -> allocation of funds to purchase XLM and buyback -> more  
DeName burned -> lower supply
```

This model is understandable, verifiable, and suitable for project development with transparent reporting and gradual introduction of technical guarantees.

