Archway

Token Allocation

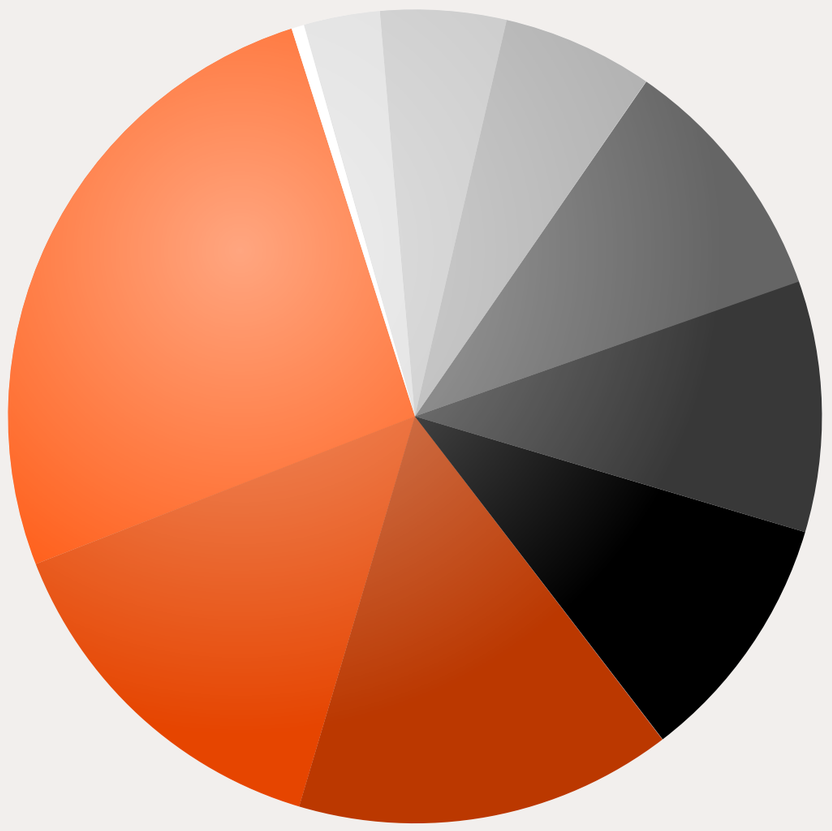
Updated June 2023

This is an updated version of the lockup schedules from the previous one.

OVERVIEW

The Archway protocol aims to distinguish itself from competitors by focusing on creating an economically sustainable token design for ARCH, the native governance token of the Archway protocol. The specifics of the token design, which are key to understanding the unique benefits of the Archway protocol, can be found in the Archway Economics paper.

This paper provides the Archway community an itemized breakdown of the ARCH distributions that will take place at the Protocol's launch. Championing transparency, this document will list and expand upon the initial token allocations.



	% of Supply	# of ARCH
Ecosystem Grants	27.00	270,000,000
Private Sale 01	12.00	120,000,000
Private Sale 02	2.50	25,000,000
Archway Foundation	17.50	174,946,634
Phi Labs	10.00	100,000,000
Community Pool	10.00	100,000,000
Core Contributors	10.00	100,000,000
Airdrops	5.00	50,000,000
Community Sale	2.50	25,053,366
Early Backers	3.00	30,000,000
Testnets and Hackathons	0.50	5,000,000

Some numbers have been rounded.

GENESIS DISTRIBUTION

Community Sale

Allocation: ~2.5%

After confirming purchases, approximately 2.5% of the token's initial supply, or 25M ARCH tokens, were sold on the Community Sale that took place in June of 2023. This allocation aimed to further decentralize the genesis token supply and provide initial access to interested parties across the globe, while equipping the Archway Foundation with resources to support the development and adoption of the Archway protocol. All tokens purchased through the community sale will be subject to a 40-day lockup, and will unlock on an 8-month linear schedule.

** Residents of the United States and other prohibited jurisdictions were not eligible to participate in the Community Sale.*

Core Contributors

Allocation: 10%

The Core Contributors allocation consists of 10% of the initial token supply, or 100M ARCH tokens. A portion of these tokens will be distributed to over 50 individuals who helped bring the Archway protocol's innovative design to life. These individuals contributed to the development, design, growth, and implementation of the protocol. The launch of this protocol has been years in the making, and it has taken many experts countless hours to give breath to this vision. It is important to note that this allocation has not been distributed to its entirety, in order to benefit future core contributors and further decentralize the network.

Each Core Contributor's token allocation will be subject to a 3-year unlocking schedule starting at the token generation event, with an initial 1-year lockup, and will be followed by a per block linear unlocking period over the following 2 years. All tokens allocated are eligible to be staked, but staking rewards will remain locked until the core contributor reaches the 1-year unlock period.

Phi Labs

Allocation: 10%

Phi Labs, a core contributor to the Archway protocol, will receive an allocation of 10%, or 100M ARCH tokens, of the genesis supply. Phi Labs contributes to the creation of community tools, helps maintain and develop the core network, and provides general support to teams building on the Archway protocol. Phi Labs's token allocation will be subject to a 3-year unlocking schedule starting at the token generation event, with an initial 1-year lockup, and will be followed by a per block linear unlocking period over the following 2 years. All tokens allocated are eligible to be staked, but staking rewards will remain locked until the core contributor reaches the 1-year unlock period.

Archway Foundation

Allocation: ~17.5%

The Archway Foundation will receive an allocation of approximately 17.5%, or 175M ARCH tokens, of the Genesis supply. The Archway Foundation is dedicated to the advancement and adoption of the Archway protocol, and aims to foster security, decentralization, and growth for the Archway ecosystem. This allocation is also intended for foundation employees, supporting early liquidity, and community incentives.

Community Pool

Allocation: 10%

The Community Pool will receive an allocation of 10%, or 100M ARCH tokens, of the genesis supply. The Community Pool will be distributed through ARCH governance at the discretion of the Archway community. This supply may be used for activities including, but not limited to, funding dapps, deploying liquidity, and sponsoring community organized initiatives. Any ARCH holder can submit a spend proposal to on-chain governance, provided they reach the minimum deposit requirement. If the proposal is approved by the Archway community, the tokens will be distributed from this pool to be used as intended by the proposal. The expectation is that the Community Pool will be perpetually and programmatically replenished in accordance with the rules of the protocol.

There is a strong expectation that detailed discussions and feedback regarding spending proposals will take place on the Archway forum. The community is urged to be both reasonable and diligent when evaluating such proposals.

Ecosystem Grants

Allocation: 27%

An allocation of 27% of the genesis supply, or 270M ARCH tokens, will go to funding Ecosystem Grants.

The Ecosystem Grants program is designed to foster and support the development of the Archway ecosystem. This allocation will be overseen by a Grants Committee consisting of key contributors from across the ecosystem.

The goal of the Ecosystem Grants program is to empower those who are aligned with Archway's core ethos and are looking to enable the Protocol by providing the most benefit to the users, contributors and the Protocol itself. The program is focused on supporting committed builders and contributors that are advancing the ecosystem through creating key tooling, community resources, applications, research, and educational materials, among other things. A breakdown of the Grants Program can be found here.

Early Backers

Allocation: 3%

Right from the Archway Protocol's inception, early backers catalyzed the growth and advancement of contributing teams. Tendermint and its employees contributed capital, marketing, design, and infrastructure, as well as a network of core Cosmos contributors and partners, services, and more. This multifaceted assistance helped position Archway not just as champions for the development community, but also as thought leaders in economic viability and sustainability. These backers are receiving an allocation of 3.0% of the genesis supply, or 30M ARCH tokens. Early Backers' token allocation will be subject to a 3-year unlocking schedule starting at the token generation event, with an initial 1-year lockup, and will be followed by a per block linear unlocking period over the following 2 years. All tokens allocated are eligible to be staked, but staking rewards will remain locked until the core contributor reaches the 1-year unlock period.

Private Purchasers

Allocation: 14.5%

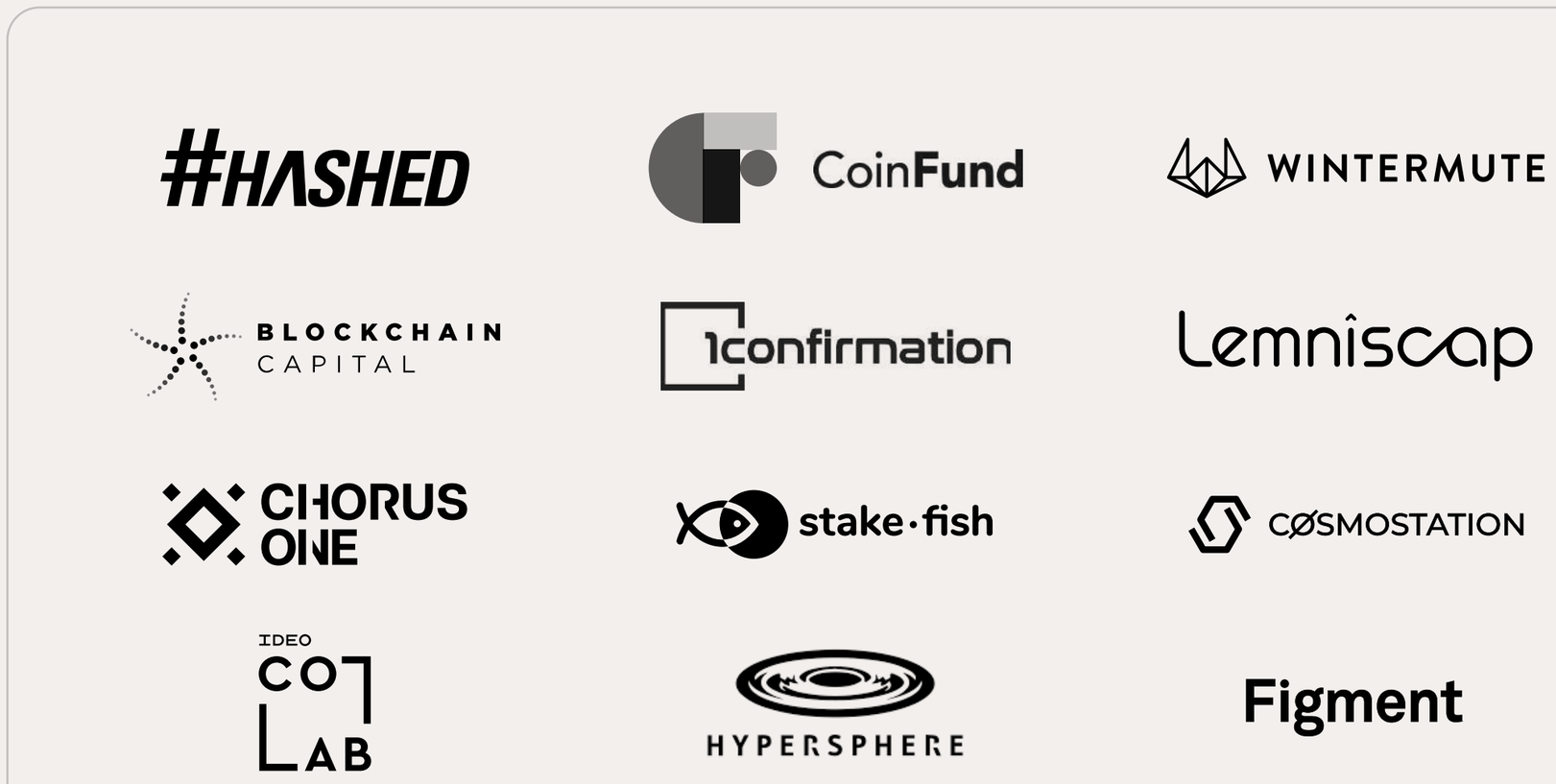


Figure 1

Private Purchasers have the right to acquire an allocation from a pool of 14.5%, or 145M ARCH tokens.

Unsold amounts will be used to fund future private purchasing rounds in order to continue supporting the core development of the Archway Protocol. Private Purchasers' token allocation will be subject to a 3-year unlocking schedule starting at the token generation event, with an initial 1-year lockup, and will be followed by a per block linear unlocking period over the following 2 years. All tokens allocated are eligible to be staked, but staking rewards will remain locked until the core contributor reaches the 1-year unlock period.

Airdrops

Allocation: 5%

The Archway protocol will allocate 5% of the genesis supply, or 50M ARCH tokens, to current and future members of the Archway community in multiple waves. Airdrop mechanisms are expected to be designed to encourage engagement and interaction with the Archway protocol. The Genesis airdrop will distribute a portion of this allocation, leaving the remaining allocation, as well as unclaimed tokens, for distribution in future airdrops.

Testnets and Hackathons

Allocation: 0.5%

Archway has a nucleus of community contributors who have actively contributed to the Titus, Constantine, and Torii testnets through various channels. While some participated in Archway's incentivized Torii testnet, others built on Cosntantine through the various hackathons.

This 0.5%, or 5M ARCH tokens, is allocated to reward testnet and hackathon contributions, pre and post mainnet launch. A portion of these tokens will be distributed to premainnet testnet participants and hackathon winners, and the remaining allocation will be used for future testnet and hackathon incentivization. All of these tokens, regardless of the point of distribution, will be subject to a 1-year cliff with no further lockup.

Inflation Schedule

Archway's emission mechanics will differ from the generic x/mint module in the Cosmos-SDK. Currently, ATOM emissions are set based upon parameters such as InflationRateChange, InflationMin, InflationMax, GoalBonded, and BlocksPerYear. Even without an inflation change based on an arbitrary GoalBonded ratio, staking rewards still decrease as the bonded rate increases. Archway will have a set inflation rate independent of the bonded percentage, and will be properly executed in real time.

Furthermore, a fixed percentage of inflation will be split amongst stakers and developers based on the Dev Inflation Tokens parameter.

For comparison:

Parameter	ATOM
MintDenom	uatom (micro)
InflationRateChange	13%
InflationMax	20%
InflationMin	7%
GoalBonded	67%
BlocksPerYear	4,360,000

Figure 2

Parameter	ARCH
MintDenom	aarch (atto)
Inflation	10%
Dev Inflation Tokens	25%

Figure 3

BlocksPerYear as a guesstimate is inefficient and leads to a difficult user experience for builders and users.

This won't be necessary, as Archway will have time (to the millisecond) factored into each block, which will be used to mint the proper amount of ARCH based on blocktime using the formula:

$$MintB_n = \frac{t_n \, x \; Supply_{(n-1)} \, x \; Inflation}{31557600}$$

For example, for $block_n$, assume:

- Blocktime: 5.004 seconds
- Current Supply: 1,000,544,650 ARCH

$$MintB_n = \frac{5.004 \, x \, 1000544650 \, x \, 0.10}{31557600} = 15.9 \; ARCH$$

Of this, 75% (11.9 ARCH) would go to validators and stakers, and 25% (4.0 ARCH) would remunerate developers based on gas spent on their contracts. This standardized inflation rate leads to an easily predictable supply chart at the governance-controlled inflation parameter compounded each block.

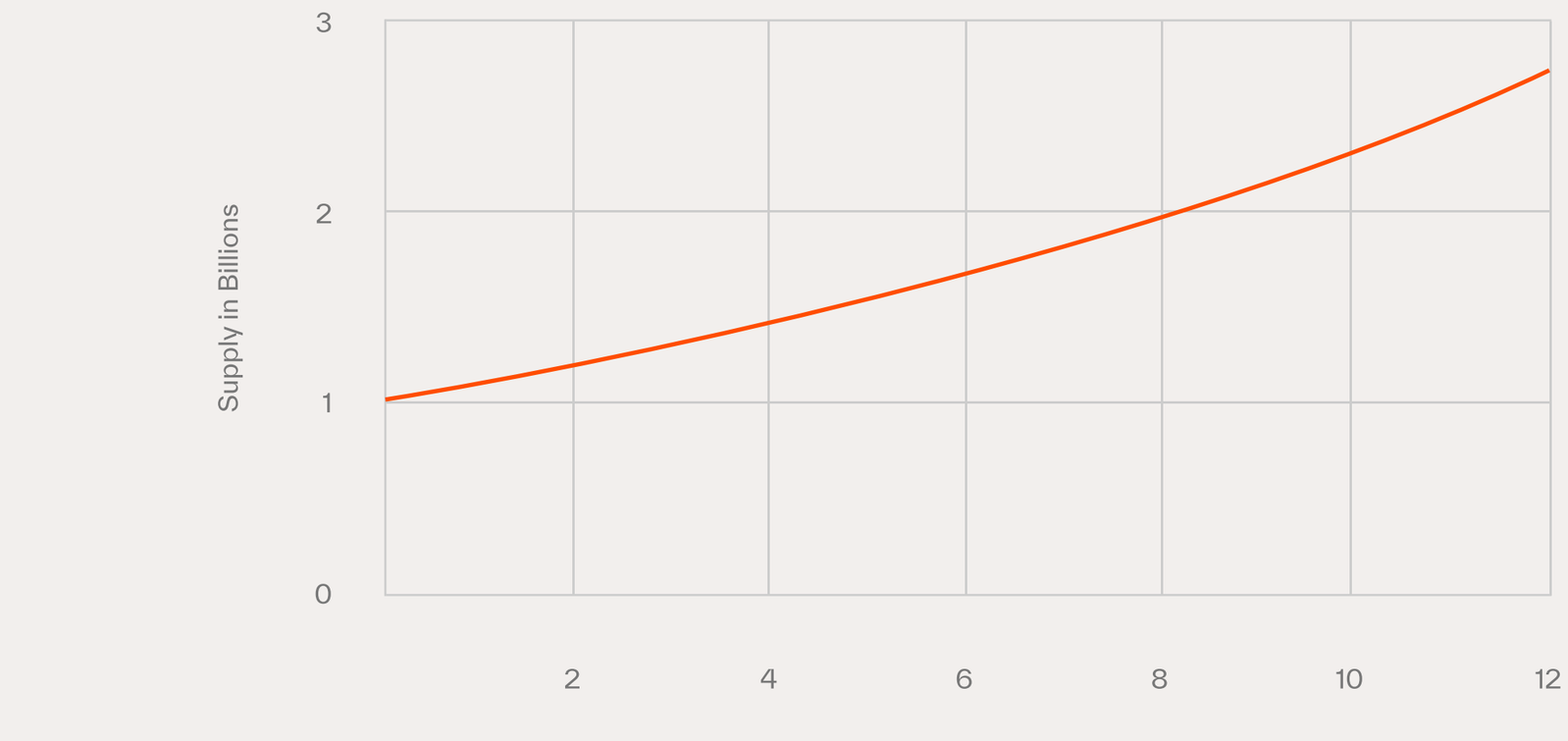


Figure 4

All of the inflation mechanics and parameters are subject to DAO governance. What is presented here is an estimation of what is planned to be included in the first major upgrade post-genesis, if decided upon by Archway Community governance.

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Archway is an open-source protocol that will allow operation of a blockchain network to be known as the Archway Network. The Archway protocol is under development and subject to change. As such, the protocol documentation and contents of this document may not reflect the current state of the protocol at any given time.

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Archway

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