Akson: a next-generation deflationary token developed on the Binance Smart Chain, combining self-liquidity and frictionless hold and earn philosophy.

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Abstract

The Akson protocol aims to solve the problems of previous tokens, including rewards for mining, farming, and providing liquidity. Mining can be an expensive and environmentally damaging activity, but it remains attractive because of the opportunities it offers. As an alternative to mining rewards, we propose that holders participate in a consideration of smart contract tokens to produce tokens within their wallets. Another theme is facilitating and maintaining liquidity in decentralized exchanges. Such exchanges require liquidity for user participation, and as a solution, we propose using a smart contract feature to automatically capture liquidity for use in decentralized exchanges and hold it in custody independent of the user. The combination of these token metrics can offer significant benefits to the community within the decentralized venue.

1. Introduction

Decentralized finance is made possible by the use of decentralized exchanges in conjunction with liquidity pool smart contracts. For any token on the smart chain to have an availability to be exchanged on a decentralized exchange, it must have an available liquidity pool of tokens for exchange. The challenge remains on how to properly incentivize users to participate in such liquidity pools. Recognizing this, developers have attempted to meet these conditions by using various token metrics with incentives for the user to provide liquidity in the pools. An automated liquidity acquisition feature in which users are offered rewards through reflections is an alternative to traditional farming rewards. These reflections act to distribute tokens proportional to volume, and could therefore provide an incentive for holding. Reflections and automatic liquidity acquisition can contribute to stability. Tempering the combination of these token metrics can provide useful incentives for Akson token adoption.

2. Automated Liquidity Acquisition

We understand that liquidity is critical in any trading environment. By definition, decentralized liquidity is simply the accessibility of tokens managed and controlled by a smart contract, hosted by a decentralized exchange. Traditional order books have long since been superseded by newer technologies and have been replaced by liquidity pools in a decentralized location. Adequate incentives to add liquidity are a key factor in any decentralized environment. Problems arise when the liquidity pool provider loses the incentive to add tokens into the pool, which occurs after the token pair is subject to impermanent losses from arbitrage. As a solution, liquidity can be added by a smart contract function using market activity from all swaps and transfers. A portion of these swaps and transfers will be captured by the smart contract and used with the *swapAndLiquify* function. For this to happen, the portion of the 5% fee from swaps and transfers can be held in a stand-alone pool within the contract itself and automatically converted to the liquidity pool. The liquidity is then managed by the contract as it is sold and matched accordingly, thus relieving users from having to undergo any impermanent loss scenario. Large liquidity pools act to decrease the volatility of swap impacts relative to the overall available supply. Therefore, as the token matures, self-liquidity can be attributed towards increasing market stability that can absorb large market activity.

3. Token Reflection

Static, frictionless reflection rewards accrue simply by holding your tokens, and feature an innovative hold-farming reward structure that differs from conventional pool-farming rewards. The idea behind this feature is to eliminate token dependencies and avoid pooling funds into unverified third-party smart contracts, external website interfaces, and transaction fees required to claim rewards.

Previous decentralized token models rely on user action in order to obtain rewards. The proposed solution is to use a compound reward structure that does not require additional fees in a smart contract function, also known as token reflection. To achieve this, reflection must occur without cost or impact to the user. Given the static reflection rate set at 5%, the volume of market activity will directly impact the amount of token reflection based on the percentage of tokens held by the user relative to the total supply.

Akson token address on Binance Smart Chain: 0xcccb876edd9849d3bba0f0bfb0116d8b78f062c1
https://bscscan.com/token/0xcccb876edd9849d3bba0f0bfb0116d8b78f062c1