

TERRAPORT WHITEPAPER



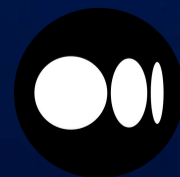
TERRAPORT.FINANCE



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WELCOME TO TERRAPORT

Terraport is an autonomous DeFi platform using smart contracts on the Terra Classic blockchain and based on a circular economy model capable of infinite self-sustaining. The entire ecosystem is powered by a native deflationary token called \$TERRA, which will be used to access various features of the platform.

Utility

Terraport's goal is to bring utility to the entire Terra Classic ecosystem and make DeFi accessible to everyone. You can receive daily rewards in different ways, trade assets on-chain and cross-chain, participate in the funding of new projects and have fun in the entertainment section, while burning \$LUNC in an automated system handled by users through Governance.

DeFi

You will be able to access directly from your DeFi Wallet (Terra Classic Station) without registration or KYC verification.

Unlike CEXs (centralized exchanges) like Binance, KuCoin or Coinbase, Terraport doesn't hold your funds when you trade: you have 100% ownership of your cryptocurrencies.

Thanks to the Liquidity Pools, you will never have limits or interruptions, so you can trade 24/7.

SECURITY

Terraport was born to be a safe and anonymous place for users to trade, earn and invest funds.

The entire Ecosystem will adopt various measures to protect users and to ensure safety, including:

- **Decentralization:** Terraport is controlled by Governance, collectively all users who have an interest in the growth of the project will be able to participate.
- **Smart Contract Audit:** Terraport's smart contracts will be certified via Security Audit by CertiK, to ensure that everything is running properly as described in this White Paper. (<https://skynet.certik.com/projects/terraport>)
- **KYC (Gold):** CertiK's institutional KYC service provides private identity and background verification for project teams through a rigorous vetting process while maintaining the highest standards of data protection. (<https://www.certik.com/resources/blog/7pSqAsYSLro9gMFeuljPsj-how-we-do-kyc>)
- **Bug Bounty Program (CertiK):** is a reward program offered by projects to ethical hackers who identify security issues in software. It ensures the security of decentralized applications and smart contracts in the WEB3 ecosystem. By offering rewards, projects demonstrate their commitment to security and build trust within the blockchain community.



Introduction

Terraport Swap is an Automated Market Maker (AMM) protocol based on constant products liquidity pools and implemented through smart contracts on the Terra Classic blockchain. The protocol enables decentralized on-chain exchanges of different Terra Classic ecosystem assets.

What is a Liquidity Pool?

Liquidity pools represent the core of the DeFi ecosystem and are an essential part of an Automated Market Maker (AMM).

A liquidity pool is a smart contract where funds are deposited and blocked.

This allows you to receive LP tokens: collateral assets used to enable various functions, including trading without intermediaries or decentralized lending.

Who is a Liquidity Provider?

A liquidity provider makes his funds available to increase the amount of assets available in a liquidity pool, earns "LP tokens" in proportion to the amount of assets he makes available compared to the overall liquidity in the pool. Every time a trade takes place, 0,22% of the transaction fee is distributed among all liquidity providers.

If a liquidity provider decides to withdraw the liquidity provided, it will receive the deposited assets + the due share of commissions on transactions that took place within that pool. In this phase the LP tokens owned are burned automatically.

Terraport Pool

Terraport Swap uses constant product pools. This type of pool is a good choice for high volatility token pairs (e.g. \$LUNC-\$USTC), as it facilitates trading even during large and sudden market movements, also adapting to primary markets, where it happens more frequently that traders speculate and act on outside information, despite high slippage.

How constant product pools works

Constant product pools keep their reserves balanced according to the following equation:

$$R_x \times R_y = K$$

R_x and R_y are the reserves of token X and token Y, respectively, and K is a constant. Each asset trade will change the values of R_x and R_y , but only in ways that satisfy this equation. If a trader wishes to sell Δx amount of X tokens, he will receive Δy amount of Y tokens such that:

$$(R_x + \Delta x)(R_y - \Delta y) = K$$

To add liquidity, liquidity providers deposit X tokens and Y tokens at a ratio that matches the current price (R_x / R_y). The additional liquidity increases the value of k. Intuitively, with more liquidity in reserve, traders will receive more output (Δy) for a given input (Δx). Thus, higher liquidity reduces trade slippage.

\$TERRA Farming

Farming allows users to earn \$TERRA while supporting Terraport by staking LP tokens.

To access Farming it is necessary to become a Liquidity Provider and obtain collateral LP Tokens, then it will be possible to farm the LP Tokens in the corresponding farm where liquidity has been provided.

Rewards

The Farming system enables dual profit through:

- LP Rewards: the share of rewards from trading fees due to liquidity providers.
- Farm rewards: the APR of the farm in which the LP tokens were staked.

Why double profit? Because when you stake your LP tokens in a farm to earn \$TERRA, you are simultaneously providing liquidity to the pool, also earning the share of rewards from trading fees due to liquidity providers.

TRADING FEE

All authorized pairs in Terraport's liquidity pools have a trading commission rate outside the spread applied by the pricing algorithm.

The commission is set at 2% for each trade and will be deducted from the transaction of the asset received by the trader. This is a temporary tax that will be reduced to 0.3% (0.08% treasury 0.22% liquidity providers) after the completion of the recovery plan, as discussed with the community.

This will allow Terraport Swap to operate safely at all times, reward liquidity providers and burn up the circulating supply of \$TERRA and \$LUNC through the treasury.

TRADING FEES	2%
Liquidity Providers	0,22%
* Terraport Treasury	1,78%

* TERRAPORT TREASURY	
Liquidity Provider	45%
TERRA Burn	30%
Staking Pool	10%
Security	10%
Community Pool	5%

LAUNCHPAD

Terraport Launchpad is a funding system for new projects on the Terra Classic network that allows developers to raise funds and support the launch of new utilities within the network. Developers can submit their project to Terraport Governance, following a successful vote a Terraport model funding campaign will be launched.

How it works

Launchpad is a fundraising system based on a decentralised platform. In this system, investors, in addition to obtaining the token at a pre-sale price, get an extra return for providing liquidity to the token exchange pool of the new project.

Submitting a project will be simple and free:

1. The project team creates a new proposal which clearly explains:
 - The project;
 - How it works;
 - Functionality;
 - Financial mechanisms.

The team shares the project proposal with the Terraport team, explaining the project allowing the Terraport team to analyse it and assess it for inclusion in the platform.

2. If the project is approved for inclusion, a project funding tab will be created in the "Launchpad" section based on the request.
3. Users will be able to access funding by snapshotting their \$TERRA tokens. The amount snapshotted will determine the amount of funds that can be allocated to the project to be funded.
4. When the funding phase is over, users who have participated will receive the new token at a presale price and get an extra return for providing liquidity to the first exchange pool of the new project.

GOVERNANCE

TERRA DAO

Terraport is in the hands of the Community Governance, will not be managed by a small number of select 'privileged' people.

Community Governance will be delivered through the "TERRA DAO".

DAO (Decentralized Autonomous Organization) is made by all the users who will have the most who are interested in the development and growth of the Terraport platform.

To join and be a functioning member of the TERRA DAO with the ability to make proposals and vote you must hold the \$TERRA governance token.

Governance token: TERRA

In order to initiate new proposals and to vote you will need to hold the Governance token \$TERRA in your wallet.

\$TERRA holders will receive a voting power usable in governance in a 1:1 proportion with all \$TERRA owned in their wallet (including staked).

Governance Proposals and Voting Processes

Terraport Governance proposals will be used to propose ideas, fund projects, change parameters, and community opinion.

Initially there are 2 types of Proposals:

- **Execute Contract Proposal:** To change the parameters defined in each platform component and spend money from governance.
- **Migrate Contract Proposal:** To upgrade the smart contracts.

To create a new proposal you will have to freeze \$TERRA tokens until the end of voting, this will serve to prevent spam and prevent malicious people from endangering ecosystem.

Voting

Initially 2 options are available for voting:

1. **YES** - I support the proposal;
2. **NO** - I am against the proposal;

How it works:

Proposal voting period: 5 days

Lock before execution: 2 days

Expiration period: 5 days

Quorum: 51%

Threshold: 51%

Proposals are accepted if they fulfil this conditions:

- Quorum is reached with 51% of the total circulating \$TERRA votes.
- Threshold is reached if the number of YES votes is greater than the number of NO votes and greater than the quorum.

If the above conditions are not met, the proposal will not pass.

TERRAPORT TREASURY

Terraport is an autonomous DeFi platform implemented through smart contracts and based on a circular economy model capable of self-sustaining indefinitely. The implementation of this economic model occurs through treasury: a percentage of all fees accumulated within the Terraport platform are sent to a smart contract called "Treasury." The purpose of this contract is to optimize the use of all transaction fees in the platform by dividing them every 7 days for the following purposes:

- Buyback & Burn \$LUNC
- Buyback & Burn \$TERRA
- Staking contract funding
- Governance funding
- Security & Management
- Provider (temporary stability funding)

Buyback & Burn

The treasury will be responsible for reducing circulating supply of \$LUNC and \$TERRA by swapping a portion of the available funds into \$LUNC and a portion into \$TERRA, respectively, then sending the assets to the burn address. This will make it possible to greatly reduce the amount of \$TERRA in circulation over time by increasing its value and at the same time reduce the \$LUNC circulating by performing weekly burns of several billion. A win to win system that rewards users who invest in the platform and at the same time contributes to reducing Luna Classic's supply problem.

Staking Pool

The Treasury will finance the staking pool by allocating a portion of the available funds, this will guarantee infinite rewards for all users.

Terraport Governance Funding

By allocating a portion of the available funds, the Treasury will finance the Terraport Community Pool, this will allow governance to always have funds available for all needs.

Security & Management

As mentioned above, Terraport is an autonomous DeFi platform implemented through smart contracts and based on a circular economy model capable of self-sustaining itself indefinitely. However, there are some cases that require manual actions such as the implementation of new functionalities, maintenance of server costs or security checks on newly implemented functions. Treasury will allocate a portion of the available funds to Security & Management activities enabling a sustainable maintenance of the entire ecosystem.

Stability Funding

By allocating a portion of the available funds, the Treasury will finance the Terraport Provider Contract, this will allow an automatic liquidity providing from the contract to cover the recovery plan discussed with the community.

STAKING TERRA

Terraport will reward users who want to stake their \$TERRA :

Locked Staking

You may choose to stake your \$TERRA for predetermined periods to get an amplified APR:

Lockout period	APR
14 days	16%
3 months	19%
6 months	24%

TOKENOMICS

Terraport Token / \$TERRA

Terraport will be powered by a native deflationary token called \$TERRA.

To increase its value, \$TERRA will be burned by:

- A percentage of every trade made on Terraport;
- A percentage of the treasury weekly;
- Commissions on Launchpad.

Supply

Max Supply: 1.000.000.000 (1B)

Name: Terraport

Ticker: \$TERRA

Chain: Terra Classic

DISTRIBUTION

\$TERRA max supply is set to 1,000,000,000 (1B).

There will be no ability to run any mint over max supply (Max 1B), only deflationary features will be implemented as outlined in this document.

Supply distribution:

MAX SUPPLY	1.000.000.000
Presaled	114.088.816
Unsold (Burned)	245.911.184
Liquidity Pool	150.000.000
Development pool	120.000.000
Staking pool	200.000.000
Marketing	100.000.000
Community Pool	50.000.000
Builders	20.000.000

Liquidity Pool

The liquidity pool fund is allocated in the provider contract in order to activate the stability system of auto liquidity providing.

Development Pool

These funds will be used to develop new projects on Terra Classic, improve and update the platform.

The entire development pool is allocated in governance.

Staking Pool

The staking pool tokens will remain locked up in a contract not counted in the circulating supply.

It will be financed and replenished thanks to the treasury and will serve to pay the vesting rewards and then reward standard and locked staking.

Marketing

Marketing tokens will be used exclusively for:

- Sponsorship and partnerships with representatives from the crypto world and Terra Classic network.
- Referrals for Presale1 and Presale2.
- Random giveaways for Twitter, Telegram and Discord channels.

Community Pool

The entire Community pool is allocated in governance.

Builders

Founders team will receive 20.000.000 tokens in total (Wallets will be made public), released over 4 years. These tokens will be allocated through the Governance process and paid out only after a governance proposal is approved.

VESTING

To ensure proper price consolidation, a vesting time will be applied on tokens presold. At launch, a percentage will be released based on the purchase stage, the remaining percentage will be released according to the following table:

Purchase period	Launch release	Vesting
Private Sale	50%	Remaining 50% released in 12 monthly tranches
Investors Sale	50%	Remaining 50% released in 12 monthly tranches
Presale 1	50%	Remaining 50% released in 12 monthly tranches
Presale 2	50%	Remaining 50% released in 12 monthly tranches

Vesting Incentives

Amplified incentives will be applied during this period depending on the purchase period in the Vesting Vault contract.

How APR works?

Terraport Vault uses a scalable formula: a portion of the locked tokens will be released each month, the APR will be applied on the remaining amount of tokens in the contract when the monthly amount is paid.

TERRAPORT FEATURES

- ❖ Deflationary Governance Token
- ❖ Burns \$LUNC
- ❖ Burns \$TERRA
- ❖ On/Off Ramp
- ❖ Contributes to LUNC Community Pool
- ❖ TerraClassic development
- ❖ Utilities
- ❖ Full Defi platform
- ❖ Launchpad
- ❖ Trading
- ❖ Entertainment
- ❖ Staking
- ❖ Cross-Chain

SUPPLY:

Max Supply: 1.000.000.000 (1B)

Name: Terraport

Ticker: \$TERRA



"Per aspera ad astra..."

"Per aspera ad astra..."