

Waypoint Whitepaper v1.0

Cross-chain Crypto Bridge for moving assets across networks

Abstract

Waypoint (WPNT) will provide bridges between networks, BSC and MATIC initially, with the aim of easing the transfer of assets across various chains. The WPNT token can be bought on one network, bridged and then sold on another so as to allow users to transfer funds. The choice for which chains will be added to the service in the future will be put to a vote before WPNT holders via a governance smart contract. The transfer fees will be kept low, enough to cover the gas and associated costs for bridging and risk. Liquidity will be provided via staking which will carry rewards.

Bridge

As the number of active chains in the crypto ecosystem keeps growing there is an ever growing demand for a means to move funds between them. Sometimes such bridges already exist, as is the case with Ethereum; however, if you need to move your assets while avoiding the Ethereum network and its high transaction fees, your options might be limited. The aim of WPNT is to provide bridges between chains - users can buy WPNT on one network, transfer it over to another, stake it, use it or convert it to another token there. A small adjustable fee will be included with each transaction to cover the gas cost of the transfer, and slippage risks which our contract will initiate on the receiver network. When prices are stable and the slippage costs are low the contract will make a slight profit on the transfer which will go to the project and stakers. As the project grows new bridges will be added as requested by the community.

WPNT has a 4 hour delay after announcement when minting tokens to prevent the possibility of the team taking advantage of the minting functionality, as users can simply sell before the minting occurs which makes the prospect unprofitable in the first place. To account for that, bridging transfers will burn tokens on the sender network and get tokens from the staking contract on the receiver network which will receive the equivalent amount of newly minted tokens 4 hours later. In the rare cases where the staking contract lacks liquidity the bridging user might need to wait up to 4 hours for

their transfer. The rest of the time they will receive tokens within minutes, depending on the network.

We will use internally created contracts for monitoring balances across chains, with plans to eventually partner with third-party oracles providers, thereby eliminating the last requirements of trust in us as providers of this service.

Networks

We wanted to start with 2 active low-fee networks with a large number of users who need to move assets across. As there is currently no way to move your funds to MATIC without paying for ETH gas fees, we settled on those two to start.

The addition of further supported networks will be decided via governance, i.e. the matter will periodically be put to a vote before all holders. Even if BSC and/or MATIC eventually become irrelevant, this will not hurt the project as the aim is to be completely cross-chain.

Governance

Proposals regarding the addition of extra supported networks and other quality-of-life improvements will be put to a vote before the WPNT holders community by the team.

Cross-Chain Transfers

In order to facilitate cross-chain transfers, a smart contract on the sender chain will burn the transferred tokens and take a fee for paying gas costs on the receiver chain. On the other side a different smart contract will mint the equivalent amount and send it directly to the user's wallet. There will also be an option to receive a small amount of the receiver chain's native token for a small fee so users can immediately trade their WPNT.

The minting will have a baked-in 4 hour delay to guard against 'rugpull' concerns, as in the event of a rogue team users will be able to see a large minting operation is scheduled and get their tokens out before the actual minting occurs. In order to reduce wait times for users of the bridge, staking will provide liquidity on both sides of the bridge and tokens will initially be sent to the receiver address from there, with the

minting of the equivalent amount 4 hours later replenishing the amount without any losses or anything extra being burnt or minted.

Token distribution

There will be 50,000,000 WPNT in total with 35% available soon after launch and a further 65% available over the next ~3 years.

15% of tokens will go to the project and team initially. These will be used to provide enough assets and liquidity early on, on each side of the bridge, as a reward to the team, to offset other (e.g. server) costs and for whatever else might be needed.

20% of tokens will be distributed directly via airdrops initially. These will be the main initial allocation to get them in the hands of potential users.

20% of tokens will be distributed as staking rewards over the course of ~3 years. These will be used to distribute part of the remaining tokens while also incentivizing staking so the smart contract can have enough assets for transfers between chains without waiting.

20% of tokens will be distributed as liquidity provider rewards over the course of ~3 years. These will be used to distribute part of remaining tokens while also incentivizing the provision of liquidity on DEXes so users can easily exchange their WPNT tokens.

5% of tokens will be minted as further rewards to users over the course of ~3 years, be it directly or as staking, liquidity or other incentives based on what is required.

20% of tokens will be minted to the project and team over the course of ~3 years. As there is no ICO these will be used as an extra incentive for the team to keep building as well as pay for any additional costs or partnerships during the early stages of the project.

Staking

Staking will provide WPNT on both sides of the bridge, with transfers using the staking pool to send an amount on the receiver network with an equivalent amount being minted back to the pool 4 hours later. Stakers will receive part of the fees from transfers

as a reward when applicable as well as an additional 20% of tokens over the first 3 years to incentivise them early on and distribute the rest of the tokens.

Similar to the 4 hour delay for minting, there will be a 1 day delay for withdrawing staked tokens.

Out of the 10,000,000 tokens to be issued as a staking incentive, 4,000,000 total will be added as incentive over the first year of staking on MATIC and BSC and the other 6,000,000 will be issued as staking rewards on future chains where we will add bridges. The design ensures that there will be significant liquidity where it is most needed, and the less stakers there are on a given network the higher the reward will be there.

Fees

During WPNT bridging the smart contract will have to pay gas on the receiver network to send the tokens directly to the user. A fee will be included on the sender network when the transfer is initiated which will cover the gas based on current gas and token prices. The fees will be slightly larger than the estimated gas costs in order to cover the risk of prices changing on the receiver network. The differences between the amount actually used to cover for buying tokens and paying gas and what the user paid on the sender network will be accrued and used for paying out rewards and other necessary costs.