



Introductory Documentation

Decentralized Finance built on the Flare Network

A short introduction to the Flare Finance ecosystem consisting of FlareX, FlareFarm, FlareUSD, FlareLoans, FlareMine, and FlareMutual.



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SECTION 01

Introduction



Smart Contracts ensure that all financial transactions and personal information handled through a platform is decentralized and trust free.

Without smart contracts, the decentralized web would not exist and your information would remain in control of the host you utilize. Additionally, XRP holders are currently unable to generate non custodial yield on their assets participating in the rapidly expanding, interoperable DeFi revolution.

Thanks to Flare Network enabling smart contract functionality on the XRPL; XRP will become fully programmable money.

Once the Flare Mainnet is launched, Flare Finance will begin to deploy the first Decentralized Finance (DeFi) platform for XRP and Flare holders.

Flr.Finace will deliver a handful of non custodial, decentralized financial infrastructure including swaps, stable currency, yield farming, asset-backed loans, insurance, and yield mining for the first time to both XRP and Spark holders.

This document will provide a brief overview of our products in layman's terms, to help the average user get acquainted with the Flare Finance Ecosystem. In this document, Spark will be referred to as FLR and Trustless XRP will be referred to as FXRP.



SECTION 02

Flare Finance



Flare Finance is the first DeFi platform built on the Flare Network. It utilizes smart contracts to offer a non custodial environment for trading, farming, loans, insurance, and mining.

Flare Finance offers 6 financial products allowing the users of the Flare Network to act as their own yield generating bank and exchange without giving up custody or control of their assets to a centralized party.

These six products are:

FlareX
FlareFarm
FlareUSD
FlareLoans
FlareMutual
FlareMine

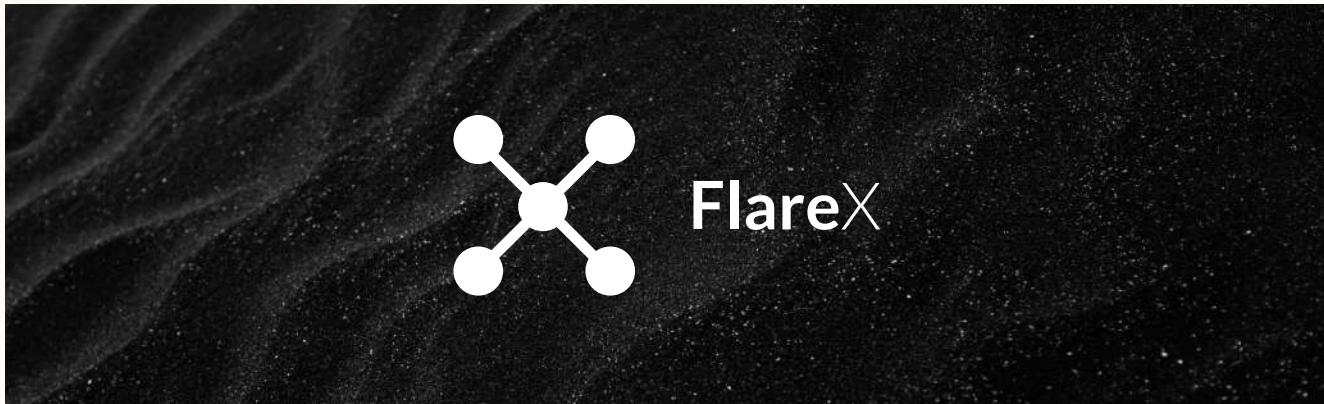
Users can interact with all of the products in our ecosystem through their Flare Wallets. They can earn passively by staking or providing liquidity for the exchange.

Flare Finance increases the utility of Spark (FLR) and Trustless XRP (FXRP); combining the best of XRP (very fast settlement), Ethereum (smart contracts) and Avalanche (consensus) to create the natural evolution of DeFi.



SECTION 02

FlareX



FlareX enables users of the Flare Network to swap currencies and earn passive income providing liquidity to liquidity pools providing traders with Decentralized On-Demand Liquidity (DODL) through a simple and easy to use interface. In later releases, it will feature a completely decentralized spot and margin exchange allowing any and all pairings to trade and utilize leverage in a professional trust-free environment.

Any tokens deployed on Flare Network can be listed and traded on FlareX. Listings and whitelistings are subject to community governance voting which takes place over a 3 day period and requires a minority vote of the ecosystem.

The main pairings traded against on FlareX are:

***/FLR
***/FXRP
***/YFLR
***/FUSD

FlareX charges a maker fee (liquidity provider) of 0.075% and a taker fee (swap initiator) of 0.075% and both parties earn YFLR at a preset distribution rate.

Governance over the FlareX Platform is performed by YFIN and YFLR Holders.

Holders vote on new listings, project white listings and any proposed changes that are to be made to the platform.



SECTION 02

FlareFarm



FlareFarm is a Decentralized Yield Farming Platform.

Yield Farming is a fair token distribution model in which users stake one token to mine a pool of assets (tokens, NFTs or rewards) distributed via smart contract over a fixed period of time. A user's mining rate is dependent on their contributed share of the total staking pool.

(Example: Tim and Jim stake 40 tokens and 60 tokens respectively to mine a pool that issues 1000 tokens per day at a rate of return based on the weight of that initial contribution. Tim earns 400 tokens per day and Jim earns 600 tokens per day as they hold 40% and 60% of the pool respectively until more stakers join the pool, reducing their overall share percentage and rate of return. Mining continues until the pool rewards are entirely depleted.)

FlareFarm gives users the ability to earn non-custodial yield on select Flare based assets. Initially, holders of YieldFlare (YFLR), Spark (FLR), Trustless XRP (FXRP), and FlareUSD (FUSD) can participate in yield farming YieldFin (YFIN), the main governance token of the ecosystem. YFIN's whole supply will be mined through ecosystem participation alone with no pre-mine or team allocation.

Holders can provide liquidity for pairs of FlareX to mint Liquidity Pool (LP) tokens and stake LP tokens to earn YFIN.

After the initial mining period ends, Capacitors will be released. Enabling holders to take part in second tier yield farming with more diversified means of profit farming.



SECTION 02

FlareUSD



FlareUSD enables the users of the Flare Network to have an immediately available stable coin currency. FlareUSD (FUSD) is USDT, USDC, or DAI on the Flare Network.

It can be minted and burned at any time by initiating an Asset Swap on FlareX. It is done so by staking or withdrawing USDT, USDC, or DAI to/from an Ethereum Smart Contract, which then allows the FlareUSD Contract to mint or burn an equal amount of currency on the Flare Network.

FlareUSD maintains its variable dollar to dollar peg at all times, since it is asset-backed one for one by Ethereum-Based Stable Currencies.

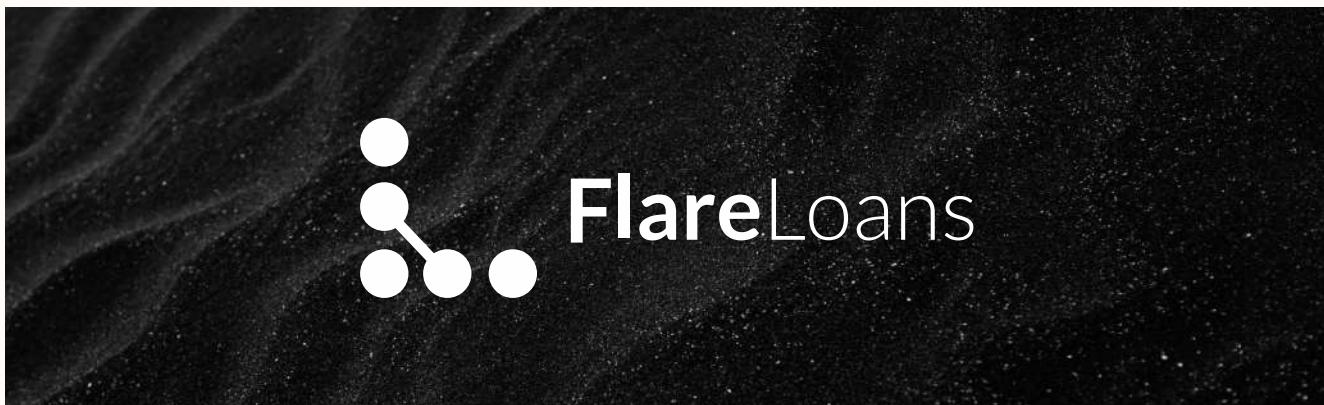
FlareUSD can be used like any other stable coin and will always maintain its USDT, USDC, or DAI asset-backing.

Holders of FlareUSD can use their FUSD to issue bonds, certificates of deposit, and other financial products, rewarding varying APR's based on ecosystem health and status.



SECTION 02

FlareLoans



FlareLoans is an asset-backed loans issuance platform which provides DODL by enabling holders to pool their assets to be loaned against a borrower's collateral. The ecosystem consists of "Creditors" and "Debtors" who make up the decentralized lending network. Creditors offer a variety of lending products to debtors who in turn pay interest? on their desired loan products to the creditors.

Lending or Borrowing earns the obligated parties both the allocated APR (minus a 1.5% fee) and a correlating amount of YFIN.

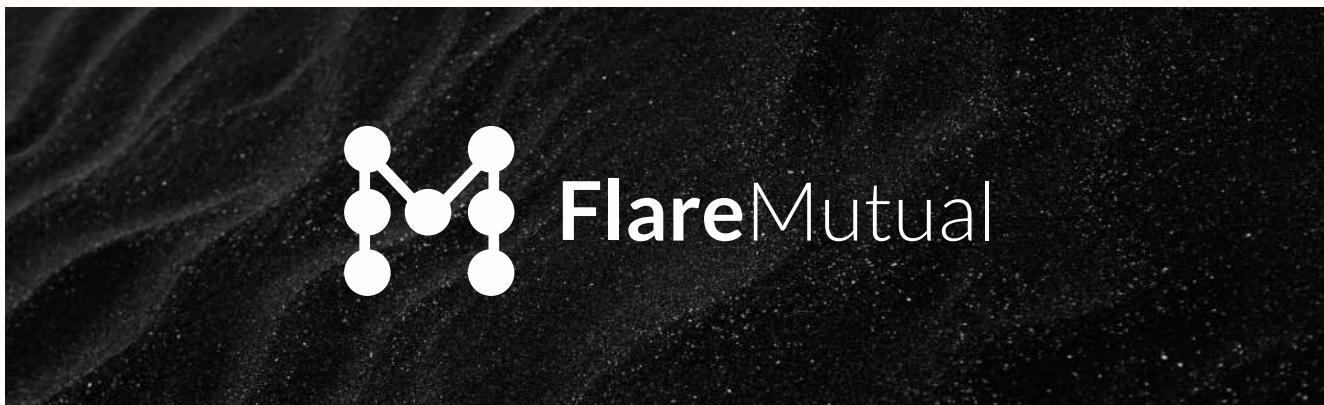
Defaulting on a loan payment begins what is called a "collateral issuance" that replaces the missed loan payment, with the amount owed to the creditor from the debtors collateral pool. Debtors do not lose all of their collateral pool, and instead, can continue payments as regular at any time to save their remaining collateral pool.

Defaulting for longer than the loan term, results in a full issuance of the debtors collateral pool, creating an immediate 20% profit margin for creditors.
All loans are fully asset-backed 120% and allow the ecosystem to run trust free on contracts built on the Flare Network.



SECTION 02

FlareMutual



FlareMutual is a decentralized mutual fund that allows people to share risk together without the need for an insurance company.

It covers new developing projects on the Flare Network and allows them to insure their risk against events like smart contract failure, hacks, and bugs that may affect a new ecosystem providing peace of mind to their users.

Holders of FLR, FXRP, YFLR, YFIN and FUSD are able to participate in mutual funds and can collectively back projects applying for insurance in either the pre or post launch phase.

Staking one's currency against the security of a project's smart contract provides "cover" to this project in the event of an issue.

Claims can be submitted by users of the project in the event of an issue and can either be approved or denied by the members providing cover to the smart contract.

Members of the mutual earn shares of the fee pool that is accumulated from the project requesting insurance as well as an additional distribution of YFIN.

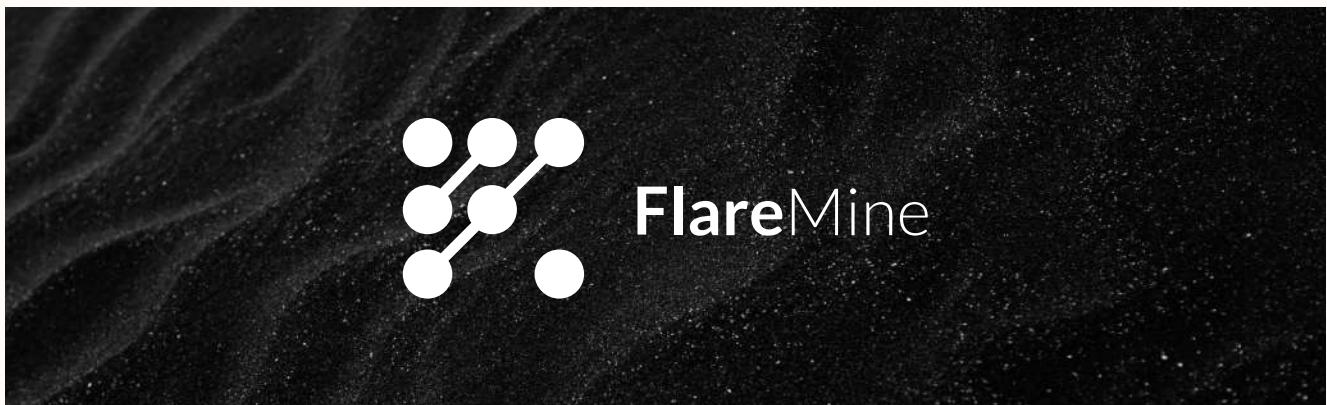
Each project creates a different mutual pool, and all of the smaller pools together form the mutual fund.

While each pool provides oversight of the designated project, the mutual fund provides oversight over all pools.



SECTION 02

FlareMine



FlareMine is a decentralized yield mining platform that allows owners of Bitcoin or Ethereum mining rigs to mine Spark (FLR).

Miners contribute their hashrate to a centralized mining pool that actively mines Bitcoin and Ethereum at the best rate possible.

The mining pool contributes these funds to an automated trading bot which swaps for Spark at the best rate possible.

This Spark is distributed back to the miners at a rate determined by their contribution to the pool's total hashrate, along with an additional distribution of YMIN.

This action results in price support, upward price pressure, and a minable Spark Token for the Flare Ecosystem.



SECTION 03

Tokenomics



The Flare Finance Ecosystem utilizes a 3 token ecosystem to provide governance, fee replacement and rewards.

In addition to the ecosystem tokens, Spark (FLR) and Trustless XRP (FXRP) will be utilized extensively within all products of Flare Finance.

The Tokenomics of Flare Finance were developed to create a harmonious financial ecosystem that delivers an all in one solution for the Flare Network to build on.

This being general introductory documentation, a detailed explanation and breakdown of each token allocation will be provided in the future release of our Financial Paper.



SECTION 03

YieldFlare Token



YieldFlare Token (YFLR) is the ecosystem's main platform token. It will be utilized across all products and has a main focus on utilization within FlareX and FlareFarm.

Its initial use cases will include serving as a fee replacement token on FlareX, the primary staking token to farm YFIN, and a secondary governance token to the ecosystem used to vote on proposals and new token listings.

The Total Supply of YieldFlare is

110,000,000 YFLR

WITH THE FOLLOWING DISTRIBUTIONS:

40,000,000 YFLR

DAO OFFERING DISTRIBUTION

40,000,000 YFLR

POOL MINING

10,000,000 YFLR

TEAM ALLOCATION

10,000,000 YFLR

RESERVES

10,000,000

FOUNDATION



SECTION 03

YieldFin Token



YieldFin Token (YFIN) is the ecosystem's main governance token. It will be utilized extensively across all 6 products within the ecosystem with a primary focus on governance and reward structure.

It's initial use case will be to serve as the main reward token on the FlareFarm platform provided as a result of staking in one of the available distribution pools. It will also serve as a distribution token for FlareLoans and FlareMutual upon platform release.

Once acquired, it can either be staked to earn more YFLR (released over a vesting period) or utilized to vote on governance proposals submitted by the team and other community members.

The Total Supply of YieldFin is

11,000 YFIN

WITH THE FOLLOWING DISTRIBUTIONS:

8,000 YFIN

YIELDFIN MINING

1,000 YFIN

FLARELOANS DISTRIBUTIONS

1,000 YFIN

FLAREMUTUAL DISTRIBUTIONS

1,000 YFIN

RESERVES



SECTION 03

YieldMine Token



YieldMine Token (YMIN) is the ecosystem's main rewards token. It will be utilized primarily on the FlareMine and FlareX platforms.

It's initial use case will be to serve as a rewards token for providing mining power to the FlareMine Pool, as well as a mining rate multiplier on the FlareX platform.

Once acquired, it can either be burned to increase the rate at which one mines YFLR for staking YFIN, or sold on the market to traders interested in lowering their trading fees.

The Total Supply of YMIN is indefinite and will be distributed at a rate of

100,000 YMIN

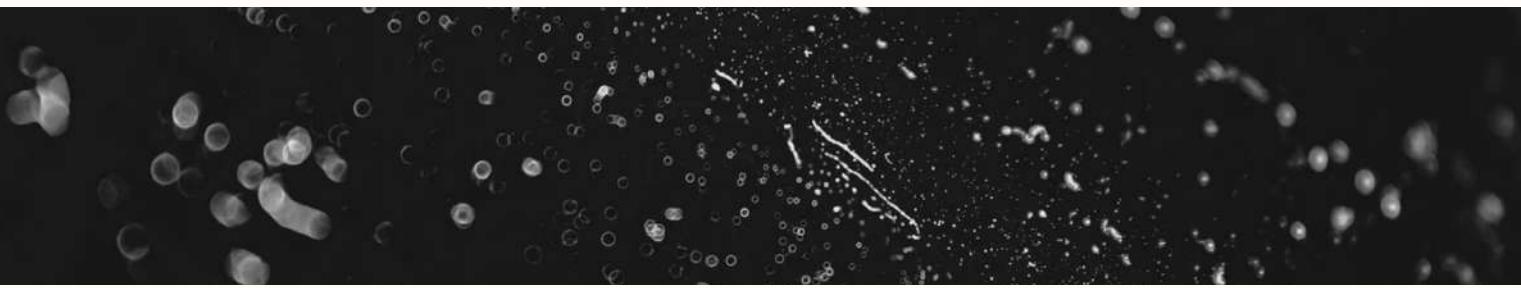
PER DAY

and will adapt with the amount of miners who join on the network, the weight gap between miners in hashpower contributions, and the proposals submitted by the community.



SECTION 04

Governance Structure



Governance within the Flare Finance Ecosystem is handled by automated, decentralized proposals and voting structure.

The amount of votes one is allocated is determined by the amount of YFIN and YFLR that the voter holds.

Both tokens enforce governance, but handle separate tasks within the governance structure as a whole.

Governance is a key part of the Flare Finance Ecosystem and places the power of steering the future of the ecosystem in the hands of the holders themselves.

With proper utilization of the Governance Structure; new products, fresh liquidity, and profiting mechanisms can be developed to serve the ecosystem.



SECTION 04

Voting and Weight Structure



Voting within the ecosystem is a privilege awarded to holders of YFIN or YFLR.

Voting is as simple as signing a transaction with your wallet that reads your current balance and assigns an equivalent amount of votes to your option of choice.

In the Flare Finance Ecosystem, YFLR carries a 1x vote weight and YFIN carries a 10,000x vote weight on platform based governance proposals.

While both offer a chance to vote on governance proposals (fee schedules, mining rates, reserve pools, etc.), YFLR is the only governance token that carries the option to vote on new listings and white listings on FlareX, as well as the ability to vote on how the 10,000,000 reserved YFLR is utilized in the future.

YFIN on the other hand, carries a larger voting weight and is the only governance token that carries the option to vote on how the 1,000 reserved YFIN is utilized in the future. Additionally, it carries the benefit of permanently being utilized in each product to come.



SECTION 04

Proposals



Proposals within the ecosystem are an option available to all holders of YFIN or YFLR.

Proposals cost a fee of 250 YFLR or 0.0025 YFIN to create. The associated fee is sent back to the reserve pool for future utilization.

Once a proposal is submitted, it can not be taken back. It can only be voted to be approved or denied.

Different types of proposals carry different types of quorum requirements. These quorum requirements vary from 10% quorum up to 70% quorum. (100% quorum is when the total token supply circulating has voted)

The different types of proposals in the ecosystem are: Fee Schedule Proposal, Mining Rate Proposal, Governance Proposal, Listing Proposal, Whitelisting Proposal, Payment Proposal, Development Proposal, Security Proposal, and Marketing Proposal.

All proposals are reviewed by the team for relevance and content before going live. Transactions, listings, whitelistings, and fee schedule/mining rate changes for approved proposals will all be processed by the smart contract.

Any other approved proposals will be carried out by the assigned team.



SECTION 05

Distribution



A large, abstract graphic element at the bottom of the page features a dark gray to black gradient background with several light gray diagonal stripes. A prominent, lighter gray V-shaped cutout or arrow shape points upwards from the bottom center towards the middle of the page.

Distribution of all tokens within the ecosystem are handled autonomously via smart contracts including the initial DAO Offering of the YieldFlare Token.

Upon completion of the DAO Offering, Farming and Mining will begin, allowing holders of YFLR, FLR, FXRP, and FUSD to begin harvesting YFIN and YMINT from the platform.



SECTION 05

DAO Offering

(YieldFlare)



Distribution of the initial 40,000,000 YieldFlare will take place via an Initial DAO Offering. All holders of FLR (excluding the official Flare Foundation Addresses) will be airdropped a proportioned amount of the 40,000,000 DFLR (DAO Flare), which will then allow them to swap this for YFLR on our platform.

You will only have 7 days to conduct your swap, on the 7th day, all unclaimed YFLR will be burned or moved to the reserve pool. (This will be the first governance proposal voted on by YFLR holders over the 7 day claim period)

10,000,000 Tokens are reserved for the team with 9,000,000 placed in a 12 month vesting contract and 1,000,000 tokens made readily available for use by the team for marketing, development, and organizational costs.



SECTION 05

Yield Farming

(YieldFin, FlareLoans, and FlareMutual)



Distribution of the 8,000 available YieldFin Tokens allocated to the FlareFarm is conducted over a period of one year from the moment that mining begins. This equates out to approximately 21.9178 YFIN per day across all pools, or 0.00025-0.00051 YFIN per block depending on average block time.

Distribution of the 1,000 available YieldFin Tokens allocated to the FlareLoans Pool is conducted over a period of one year from the moment that collateralization begins. This equates out to approximately 2.7397 YFIN per day across all pools, or 0.000031-0.000063 YFIN per block depending on average block time.

Distribution of the 1,000 available YieldFin Tokens allocated to the FlareMutual Pool is conducted over a period of one year from the moment that collateralization begins. This equates out to approximately 2.7397 YFIN per day across all pools, or 0.000031-0.000063 YFIN per block depending on average block time.

The reserved 1,000 YieldFin Tokens (plus any proposal fees) will be automatically unlocked and added to the mining pool upon completion of the initial mining period.

At any time before the end of the initial mining period, and after at least 25% of the supply is mined, the community can begin to utilize the governance platform to vote on how to use the reserve pools.



SECTION 05

Yield Mining (YieldMine)



Distribution of the YieldMine Token (YMIN) is ongoing until all YFLR is mined and circulating. The supply is indefinite and will continue to grow until all YFLR is mined at a rate of 100,000 YMIN per day or approximately 1.16-2.32 YMIN per block.

Mining will only last for 1 year in the ecosystem, after which, the supply will reduce based on deflationary mechanisms.

By the end of mining, the max supply of YMIN should be approximately 75,000,000 tokens. The supply will decrease as holders burn their YMIN to increase their mining rate to mine YFLR.



SECTION 06

Community

TWITTER

<https://twitter.com/FlrFinance>

TELEGRAM

<https://t.me/FlrFinance>

DISCORD

<https://discord.com/invite/4fMMkf2>

MEDIUM

<https://www.medium.com/@FlareFinance>

GITHUB

<https://github.com/flrfinance>

