# RISE Ecosystem Whitepaper

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## I. Introduction & Vision

#### 1.1 Purpose and Intended Readers of the Whitepaper

This whitepaper is intended to provide a comprehensive explanation of the RISE ecosystem's technical architecture, protocol logic, economic model, and long-term development roadmap. As a crypto-native experiment centered around the concept of "structural price appreciation", RISE is not merely a token or a Layer 2 project. It represents a holistic framework that integrates mechanism innovation, on-chain governance, economic logic, and executional efficiency.

This whitepaper is written for the following audiences:

- **Investors**: Those seeking to deeply understand RISE's growth model and value support mechanisms.
- **Developers**: Builders looking to develop assets or applications on the RISE Protocol or RISE Chain.
- Nodes & Participants: Contributors who have participated or intend to participate in the RiseCoin economy.
- **Researchers & Analysts**: Observers focused on mechanism evolution and blockchain economic design.

We aim to maintain rigor and clarity in our content — with logic that is provable, formulas that are verifiable, a roadmap that is transparent, and risks that are manageable.

#### 1.2 The Web3 Evolution and RISE's Value Proposition

Over the past decade, Web3 has evolved from Bitcoin's trust reformation to Ethereum's smart contract paradigm, followed by the explosive growth of DeFi and NFTs post-2020. However, a truly convincing **sustainable growth model** has yet to be widely validated.

Take today's mainstream DeFi assets as an example. Most are still reliant on:

• **Speculation-driven behavior**: Price growth based on users' imagination of future value;

- Emotion-led volatility: Intense swings in the absence of structural support;
- Ponzi-like capital rotation: New investors fund old ones ultimately unsustainable.

RISE challenges this model with a simple question:

"What if price growth isn' t driven by buyers, but by the mechanism itself?"

RISE introduces a "phase-based only-up" protocol, where price appreciation is directly tied to:

- Token supply reduction (burns)
- Dividend incentives
- Referral network effects
- Liquidity pool controls

The aim is to solve the problem of "how to make prices rise" not through speculation, but through structural design.

#### 1.3 The Philosophy of RISE: Mechanism-Driven vs Emotion-Driven

Most tokens in the traditional crypto market are built on speculation, human psychology, and unsustainable hype. They rise quickly — and fall even faster.

RISE begins with a different question:

Can we encode growth directly into the protocol?

By embedding logic into smart contracts:

- Selling triggers destruction (88% of tokens sold are burned)
- Dividends are distributed automatically
- Referral relationships are stored immutably
- Liquidity pool states trigger structural logic switches

RISE replaces emotional speculation with enforceable rules. We don't rely on market sentiment — we institutionalize growth.

#### 1.4 The Future We Are Building: Structural Growth and On-Chain

#### Fairness

RISE is not designed for short-term price pumps or marketing gimmicks. We're building a long-term, sustainable financial ecosystem that runs entirely on-chain:

- $\checkmark$  Every action triggers positive feedback
- $\checkmark$  Every transaction reduces total supply
- $\checkmark$  Every participant receives rewards based on protocol-defined logic
- $\checkmark$  Every rule is transparent, traceable, and programmable on-chain

This is a crypto world where growth is **predictable**, **replicable**, and **collaboratively constructed**.

We believe:

The market can be driven by speculation — but it can also be tamed by structure.

That belief is the foundation upon which this whitepaper — and the RISE ecosystem — begins.

#### II. Market Challenges and Mechanism Rationale

#### 2.1 Seven Structural Problems in Today's Crypto Asset Landscape

To understand the logic behind the RISE Protocol, we must first examine the deep-rooted structural issues in today's crypto asset ecosystems. These problems span across technical, psychological, governance, and systemic levels—resulting in the common lifecycle we see today: "a project peaks at launch, then crashes shortly after." Here are the seven most pressing issues:

- 1. Emotion-driven price swings: AMM models rely solely on buy-sell pressure with no supply-side constraints.
- 2. Liquidity instability: When liquidity is pulled, the system collapses—project teams have no control over price curves.
- 3. Lack of sustainable yield: Most tokens lack true dividend mechanics, relying solely on price speculation to attract new buyers.
- 4. Unsustainable referral schemes: Multi-level marketing structures often devolve into Ponzi-like systems with no value feedback loop.
- 5. Excessive centralization: Teams often hold too much control, leading to trust issues and frequent "rug pulls."
- 6. Unverifiable mechanisms: Core protocol logic is hidden or mutable, resulting in black-box operations.
- 7. No exit buffer: Once user sentiment collapses, everyone rushes to sell—causing an instant liquidity vacuum.

These are not just flaws of individual projects—they' re symptoms of an industry still lacking structural maturity.

#### 2.2 The Systemic Limitations of AMM Models—and the RISE Solution

Automated Market Makers (AMMs) are foundational to DeFi, but they carry significant systemic flaws.

The AMM model is based on the function  $x \cdot y = kx \setminus dot y = k$ , where price is dictated purely by trading behavior. That means:

- For prices to rise, someone has to buy.
- Price increases occur when users remove tokens from the pool and inject capital.
- Price drops happen when users add tokens back to the pool and extract liquidity.

This creates two critical vulnerabilities:

- 1. The more users sell, the more the price drops—leading to a death spiral.
- 2. If liquidity drains out entirely, the token price collapses to zero—irrecoverably.

#### RISE offers a counter-design:

- **Rewrites sell path:** Tokens are not returned to the pool—they are burned (88% of each sell).
- Maintains exit liquidity: Sellers receive a hybrid of 45% BNB and 55% RSC from the pool.
- **Triggers protocol rewards**: Each sale also fuels LP and Node dividends, sustaining incentives.
- **Dynamic circuit breaker**: When RSC in the pool drops below a set threshold, burn logic is disabled and AMM logic resumes—ensuring survivability.

#### 2.3 Is "Only Up" Possible? Structural Validation of RISE Logic

A token that *never* goes down is a fantasy. Markets are driven by liquidity cycles and emotional swings.

However, a model that tends to go up in phases, under defined constraints, can be designed.

RISE accomplishes this through three layers of structural logic:

- 1. **Deflationary pressure**: The burn mechanism continuously reduces supply.
- 2. Dividend shield: Sell actions still reward LPs and Nodes, preserving incentive stability.
- 3. **Pool control logic**: Smart contract functions dynamically determine whether burning is enabled, preventing liquidity exhaustion.

In mathematical terms, if:

```
\label{eq:dSdt} dSdt < dDdt \Rightarrow Pt+1 > Pt \ frac \ \{dS\} \ \{dt\} \ < \ frac \ \{dD\} \ \{dt\} \ \ \ \ P_{t+1} > P_t
```

Where:

- SS: Token supply (shrinking via burns)
- DD: Holding demand (stimulated by incentives + dividends + referrals)

As long as the rate of burning exceeds the rate of sell pressure, price will structurally trend upward.

#### 2.4 How RISE Avoids a Ponzi Structure: Three Key Safeguards

RISE is not another "new bottle, old wine" project. It was structurally designed to avoid Ponzi dynamics from day one.

Here's how:

- 1. No team-controlled tokens, no locked dumping: All tokens enter the liquidity pool; the team holds zero reserves; everything is executed on-chain.
- 2. No exit dependency on new capital: Sellers don't require new buyers to exit—returns are automatically calculated and paired with burns.
- 3. Rewards are behavior-based, not referral-based: Dividends come from transaction fees, not from pyramid-style payments.

In addition:

- All logic is executed on-chain, with fully open-source contracts.
- Users can join and exit freely—no forced binding, no custodial dependencies.
- The protocol features a built-in safeguard mechanism to enable **soft** landings, avoiding sudden collapse.

RISE may be one of the closest real-world implementations of a structurally non-Ponzi token system in today's crypto landscape.

#### III. RISE Protocol: Detailed Mechanism

#### 3.1 Protocol Definition: What is the RISE Protocol?

The **RISE Protocol** is a smart-contract-based token issuance framework designed to achieve "phase-based upward-only" price behavior. Unlike traditional AMM (Automated Market Maker) or static pricing models, the RISE Protocol drives price appreciation through mechanisms such as dynamic supply control, token burning, and incentive loops—shifting price momentum from emotion to mechanism.

At its core, the protocol represents a crypto-native growth paradigm based on behavioral triggers, liquidity modulation, and automated dividends. All logic runs entirely on-chain, ensuring fairness, transparency, and automation.

#### 3.2 Core Mechanism Components

RISE consists of the following key modules:

#### a. Burn Logic

- Every sell action triggers a burn mechanism: by default, **88%** of sold tokens are burned.
- The remaining **10%** is allocated to the mining pool (for LP and node rewards), and **2%** goes to the technical fund.
- Burning reduces circulating supply directly, increasing token scarcity.
- When the liquidity pool holds less than **21 million RSC**, the burn mechanism is **automatically disabled** to prevent liquidity exhaustion.

#### b. Referral Incentive Mechanism

- For each transaction, the upstream inviter receives 1% 1.5% of the transaction amount as a referral bonus.
- The referral system is single-layered and binding, established via unique identifier or on-chain mapping.
- Referral rewards are settled instantly, encouraging user-led viral growth.

#### c. Dividend Distribution (LP / Node)

- All liquidity providers (LPs) receive **weekly dividends** based on their LP share (from 2% of all transaction fees).
- Node users earn an **additional 0.5%** of the total trading volume from users under their referral network.
- All dividends are automatically triggered and executed on-chain, and can be publicly queried and verified.

#### d. Dynamic Pool Control Function

- The circulating RSC supply in the liquidity pool is the core determinant for whether burn logic is active:
  - If Bt>30,000,000B\_t > 30,000,000: Burn is enabled
  - If Bt<21,000,000B\_t < 21,000,000: Burn is **disabled**

Function expression:

$$\begin{split} &\delta \ (Bt) = \{1, Bt > 30 \times 106 \ (Burn Enabled) \ 0, Bt < 21 \times 106 \ (Burn Disabled) \ delta \\ &(B_t) = \left\{ cases \} \ 1, \ \& \ B_t > 30 \ times \ 10^6 \ quad \ text \ (Burn Enabled) \right\} \\ &(0, \ \& \ B_t < 21 \ times \ 10^6 \ quad \ text \ (Burn Disabled) \ end \ cases \ delta \ delta$$

This control mechanism ensures sustainable token scarcity while preserving exit liquidity.

#### 3.3 Parameter Design & Adjustability

At the time of deployment, the RISE Protocol is initialized with a set of default parameters. These can be updated in future iterations via DAO governance proposals.

Parameter	Symbol	Default Value
Referral Rebate Rate	RrefR_{ref}	1% - 1.5%
LP Dividend Rate	$R1pR_{1p}$	2%
Node Dividend Rate	$RnodeR_{node}$	0.5%
Burn Rate (on sell)	RburnR_{burn}	88%
LP/Node Reward Pool Share	RLP/nodeR_{LP/node}	10% total from sell
Technical Fund Allocation	$RtechR_{tech}$	2%
Reward Settlement Period	TrewardT_{reward}	7 days

#### 3.4 Phase-Based "Only-Up" : Thresholds, Triggers & Reset Logic

The RISE Protocol is **not designed to eliminate all price corrections**, but rather to introduce an **upward-biased structure** through contract-governed behavioral triggers. Mechanism flow:

- When **buying dominates**, the RSC in the liquidity pool decreases → burn logic remains active → supply reduces → price trends upward.
- When selling dominates, burn volume increases → RSC flows back into the pool → once pool supply falls below 21M RSC, burn is disabled → AMM logic reactivates.
- If selling continues under AMM logic  $\rightarrow$  pool RSC increases  $\rightarrow$  once pool exceeds **30M RSC**, AMM logic is deactivated  $\rightarrow$  burn logic resumes.

This cyclical structure allows:

- Amplified uptrends during bull markets
- Auto-stabilization during bear cycles
- Dynamic transitions between protocol logic and AMM fallback

RISE is not a "forever up" system—but it is a **predictable**, controllable, and **programmable** path to sustained upward momentum.

#### IV. RiseCoin: Experimental Asset of the Protocol

#### 4.1 Strategic Role of RiseCoin: The Prototype of the RISE Protocol

**RiseCoin (RSC)** is the first experimental asset deployed under real market conditions to validate the mechanisms of the RISE Protocol. It is not just a token—it is a mechanism validator.

- As the **prototype validator**, RiseCoin serves to test the full-chain logic of burning, dividends, referral, and liquidity pool regulation.
- As a **trial-run asset** for ecosystem deployment, RiseCoin helps initiate and operationalize the node system, LP pool structure, whitelist-driven growth, and community engagement.
- As the **first official application** on the upcoming RISE Chain, RiseCoin will migrate to the RISE mainnet in the future, becoming the template and reference standard for RISE-native assets.

#### 4.2 Issuance and Circulation Logic of RiseCoin

- Total Supply: 1 billion RSC tokens; all tokens are injected into the bottom pool and purchased freely by users.
- No pre-mining, no private sales, no team reserves—RiseCoin is fully market-driven and decentralized in circulation.
- All buy/sell transactions are executed by smart contracts on-chain, with a **5% transaction fee**, distributed as follows:
  - Referral rebate: 1% 1.5%
  - $\circ$  LP dividends: 2%
  - $\circ$  Node rewards: 0.5%
  - Technical fund: 1%
  - $\circ~$  Token burn: up to 88% on sell transactions

#### 4.3 Node & Whitelist Mechanism

RiseCoin introduces a hybrid model that balances decentralization with community-driven growth—built on a Whitelist-to-Node Upgrade Model:

• Whitelist Acquisition:

Eligibility is earned by completing promotional tasks or inviting valid token holders. Each address may purchase up to 5 whitelist slots.

• Whitelist Privileges:

Includes early access to token sales, LP unlock benefits, and referral-based rewards.

• Node Incentive Structure:

Upon reaching certain growth milestones (e.g., 30 valid whitelist users + LP locked), users can upgrade to nodes. Nodes enjoy extra downstream dividend rights and DAO proposal privileges.

• Node LP Unlock Model:

Combines linear release + performance-based acceleration + permanent lock guarantees—designed to reward long-term commitment.

#### 4.4 RiseCoin & RISE Protocol: A Closed-Loop Integration

RiseCoin is not just a token "linked to" the RISE Protocol—it is the direct embodiment of the protocol' s mechanism. The two are inseparable:

- Every RiseCoin transaction serves as real-world data to verify how RISE Protocol operates in live markets.
- Each token burn, dividend, referral reward, or liquidity fluctuation directly reflects the execution of RISE logic.
- RiseCoin will serve as the **reference template** for all future assets issued on the RISE Chain via the RISE Protocol.

In short:

The RISE Protocol defines the mechanism, RiseCoin validates the mechanism, and the RISE Chain carries the mechanism.

RiseCoin is the executor of the theory, the footnote of the structure, and the starting point of the ecosystem.

### V. RISE Chain: Native Execution Layer for Mechanism-Driven Assets

#### 5.1 Why Do We Need a New Chain?

The operation of the RISE Protocol and RiseCoin does not initially require a dedicated blockchain. So why create a new chain—**RISE Chain**? The answer lies in three key reasons:

- 1. Execution Performance Bottlenecks: Existing chains such as BSC, Ethereum L1/L2 suffer from limitations in throughput, state access, and parallel execution capabilities. They cannot support the high-frequency logic required for referral rewards, dynamic burns, and real-time LP computation.
- 2. Native Integration of Contracts and Assets: As a scalable issuance mechanism, the RISE Protocol must allow multiple assets to be "mechanism-issued" in the future. This requires the chain to natively recognize and execute protocol-defined logic.

3. Governance and Data Independence: RISE Chain is designed to serve as the foundational infrastructure for protocol parameter governance, DAO voting, LP state tracking, and liquidity analytics.

RISE Chain is not just a new blockchain—it is the performance layer and native execution environment purpose-built for mechanism-driven crypto assets.

#### 5.2 RISE Chain: Technical Architecture Overview

RISE Chain adopts a **modular**, **EVM-compatible architecture**, optimized for high concurrency and strong security. Key technical components include:

- **Parallel EVM Engine (pEVM)**: Reconstructed execution layer based on BlockSTM principles, supporting multi-threaded contract execution—far beyond traditional Geth single-threaded design.
- Continuous Block Pipeline (CBP): Decouples consensus, execution, and state updates into parallelized processes, maximizing block time efficiency to near 100%.
- Versioned State Tree + High-Speed Storage (RiseDB): Replaces MPT with a NOMT-like structure and integrates log-structured storage (LSM Tree) to accelerate contract state read/write operations.
- Light Client Comms + Sequencer Module: Compatible with Layer 2 infrastructure, while reserving upgrade paths for zkRollup or EigenDA integration.

RISE Chain targets:

- *¥* 10,000+ TPS
- $\leq 100$ ms confirmation latency
- $\geq$  55 Gigagas/s execution throughput

#### 5.3 Interoperability with L1s and DA Modules

RISE Chain does **not aim to replace existing public chains**—it is a complementary performance layer and modular infrastructure that integrates with:

- Ethereum: Acts as a Layer 2 execution layer, with optional state rollups back to L1.
- Celestia / Avail (DA Layers): Used for storing transaction data, governance states, and snapshots.
- LayerZero / Axelar (Cross-Chain Protocols): Enables cross-chain asset bridges, referral mapping, and governance sync.
- **EigenLayer (Restaking)**: Enhances security and supports decentralized Sequencer infrastructure.

#### 5.4 On-Chain Asset Models and Protocol Deployment Rights

RISE Chain is not built solely to serve RiseCoin—it is designed to support the launch of **hundreds or thousands** of mechanism-based assets in the future.

Asset classes on the RISE Chain include:

- 1. **RISE Native (RRC-20) Assets**: Structurally appreciating tokens issued via RISE Protocol templates.
- 2. Standard ERC-20 Tokens: Fully EVM-compatible assets that can migrate to RISE Chain and be traded via standard DEXs.
- 3. **Protocol-Composed Assets (Index/Bundle Models)**: Asset baskets or indices composed of multiple RRC-20 tokens, with weights governed by smart contracts or DAOracles.

**RISE Chain provides protocol-level deployment rights** for RRC-20 templates. Project teams can freely issue new tokens based on the standard template, subject to:

- Smart contract structure verification
- Security audits
- Parameter compliance reviews

RISE Chain is not just a chain for RiseCoin—it's the foundation for a new era of mechanism-driven digital assets.

#### VI. Economic Model and Mathematical Expressions

#### 6.1 System Variable Definitions

- T: Total supply of RiseCoin (RSC), fixed at T = 10<sup>9</sup> (units: tokens)
- P\_t: Market price of the token at time t
- B\_t: Remaining amount of RSC in the liquidity pool at time t
- U\_t: User token balance at time t
- L\_t: LP tokens held by a user at time t
- R\_fee: Transaction fee rate, fixed at 5% (Rfee=0.05)
- R\_ref: Referral rebate rate (1%-1.5%), based on user level

#### 6.2 Buy-In Logic Formulas

#### When a user buys RSC using BNB:

- Input amount: V\_buy
- Tokens received:Q\_buy =  $(1 R_fee) \times V_buy / P_t$
- LP token formation logic (if joining the liquidity pool):
- LP\_add=min (V\_bnb/2, Q\_buy ×P\_t/2)

#### 6.3 Sell-Out Logic Formulas

When a user sells Q\_sell amount of RSC:

- Token burn: Q\_burn=0.88 ×Q\_sell, ifB\_t >  $21 \times 10^{\circ}6$ ; 0, ifB\_t  $\leq 21 \times 10^{\circ}6$
- Technical reward:Q\_tech=0.02×Q\_sell
- Mining pool allocation:Q\_pool=0.10×Q\_sell
- User returns (split between BNB & RSC):

V\_return = 0.45  $\times$  P\_t  $\times$  Q\_sell (BNB); Q\_return = 0.55  $\times$  Q\_sell (RSC)

#### 6.4 Dividend Distribution Mechanism

#### 4.1 LP Holder Dividends (Weekly)

Assume total distributed dividend per cycle is D.

- User's LP holding proportion:  $\lambda = (L_t / \Sigma L)$
- User's dividend:D\_user= $\lambda \times D$

#### 4.2 Node User Dividends (based on referral network trading volume)

Let total trading volume under a node be  $\Sigma V_i$ :

- Fee base:F=R\_fee  $\times \Sigma V_i$
- Node reward:F\_node=0.005  $\times$   $\Sigma$ V\_i

#### 6.5 LP Unlock Mechanism

#### 5.1 Whitelist Users

• Let locked LP for whitelist user be Lwi, released over 3 months: L^(1)\_wl=0.6 × L\_wl, L^(2)\_wl=0.2 × L\_wl; L^(2)\_wl=0.2 × L\_wl

• Early release: for every 2 valid referred users, unlock an extra 10%:

L\_advance=0.1  $\times$  [n/2]  $\times$  L\_w1

#### 5.2 Node Users

- Same logic applies: L^(1)\_node = 0.5 × L\_node, L^(2)\_node = 0.1, L^(3)\_node = 0.1
- Remaining 30% is permanently locked. Every 30 new valid addresses from the team unlocks 10% additionally.

#### 6.6 Control Rule Functions

#### Dynamic Burn Trigger Function

 $\delta (B_t) = 1; \quad \text{if } B_t > 30 \times 10^{\circ}6 \text{---burn enabled} \\ 0; \quad \text{if } B_t < 21 \times 10^{\circ}6 \text{---burn disabled}$ 

## VII. Smart Contract Architecture and Fully On-Chain Execution Logic

#### 7.1 Definition and Value of "Fully On-Chain"

"Fully on-chain" doesn't simply mean code is deployed on a blockchain—it means that governance, execution, data recording, and value distribution are all conducted automatically by smart contracts without manual intervention or centralized manipulation.

In the RISE ecosystem, full on-chain execution is reflected through:

- All buy/sell flows are executed by contracts, with users interacting directly with the liquidity pool.
- All referral bindings and reward distributions are recorded and enforced on-chain.
- All LP and node dividends are auto-settled—no need for manual claiming.
- All protocol parameter adjustments are handled via DAO proposals and on-chain voting.

This represents a model of "rules embedded in code" — making growth dependent not on human behavior, but on on-chain trust structures.

#### 7.2 Modular Smart Contract System

The RISE Protocol is built with **composability and modularity** at its core. The system includes the following major contract modules:

- Core Protocol Contract: Manages transaction routing, LP add/remove logic, and fee processing.
- **Referral Module**: Tracks binding relationships and handles real-time referral reward computation.
- **Reward Engine**: Periodically triggers and distributes dividends to LP and node holders.
- Governance DAO Contract: Handles governance proposals, contract upgrades, and on-chain voting.

• **Proxy Manager**: Implements UUPS proxy structure for secure and flexible contract upgrades.

Each module is deployed independently and supports upgradeable, combinable architecture—making it adaptable for multiple current and future assets.

#### 7.3 Security Strategy and Upgradeability

To ensure long-term operational security, RISE contracts implement a multi-layered safety framework:

- UUPS Proxy Architecture: Separates contract logic and state, allowing seamless and secure upgrades of individual modules.
- Multisig Permission Control: Core administrative privileges are held by a multi-signature wallet (e.g., Gnosis Safe) to prevent unilateral abuse.
- **DAO Parameter Governance**: Critical parameters such as burn ratios and referral rates must be modified through DAO proposals and on-chain votes.
- Emergency Pause Function: The contracts include a configurable Pause mechanism, which can halt all transactions in extreme security events.

#### 7.4 Contract Events & Gas Optimization Strategy

To facilitate integration with users, DApps, and indexers, RISE contracts expose a set of standardized event logs:

- BuyExecuted (address user, uint256 amount, address referrer)
- SellExecuted(address user, uint256 burnAmount, uint256 returnedBNB)
- ReferralBound(address user, address inviter)
- LPRewardClaimed(address user, uint256 reward)
- NodeRewardDistributed(uint256 total, uint256 cycle)

Gas optimization strategies include:

- Using compressed storage patterns to reduce SSTORE costs
- Adopting a **pull-based dividend model** to avoid iterating over all users during each settlement cycle
- Decoupling referral binding from settlement logic to minimize call-chain complexity
- Implementing **fallback logic** to prevent transaction reverts in case of write failures

RISE's contract architecture prioritizes not only correctness and security, but also scalability and efficiency for future expansion.

## VIII. Ecosystem Roles and Participation Mechanisms

#### 8.1 Classification of Ecosystem Participants

In the RISE ecosystem, different participant types are categorized into five core roles based on their behavioral paths and incentive mechanisms:

- **Token Holders:** The most basic participants—holders of RiseCoin or RRC-20 tokens who benefit from deflationary gains.
- **Referrers**: Users who refer others and establish binding relationships, earning trading rebates and long-term network expansion rewards.
- Node Users: Participants who complete referral tasks and stake LPs to meet protocol thresholds, thereby unlocking downstream dividend rights, DAO proposal privileges, and early access to future asset launches.
- LP Users: Users who provide liquidity to RiseCoin and earn recurring trading fee dividends, as well as a portion of the 10% mining pool allocated from sell-side transactions.
- Whitelist Users: Early contributors with token purchase privileges and growth potential through referral-driven expansion.

#### 8.2 Node System and Incentive Pathways

The node system lies at the heart of RISE's viral growth and decentralized execution:

- How to Become a Node: Complete 5 direct referrals + 30 valid whitelist users under your network + reach the required LP stake threshold.
- Node Privileges:
  - Earn **0.5% of trading fees** from all users under your network.
  - Enjoy priority in DAO proposal rights and governance vote weight.
  - $_{\odot}\,$  Gain early access to  $new \; asset \; launches \; \text{on RISE.}$
  - Receive dividends from the 10% mining pool generated during RSC sell transactions.
- Node LP Unlock Mechanism:

30% of node LP is permanently locked. The remaining can be dynamically unlocked via "team performance" achievements.

#### 8.3 Referral System and Viral Growth Logic

RISE introduces a blockchain-bound referral system with on-chain integrity and user-side confirmation:

- Binding Method: Referrals are established using a dedicated referral token (TJGX) + confirmed through manual transfer or transaction hash binding.
- Referral Reward Rate: Ranges from 1% to 1.5%, dynamically adjusted based on the number of active users under one's network.
- **Referral Structure**: Single-level structure only—no multi-layer commissions, eliminating Ponzi-like hierarchy risks.
- **Referral Value**: Beyond rebates, referrals contribute to a user's **ecosystem score**, influencing their eligibility for node upgrade or NFT-based rewards.

#### 8.4 LP System and Yield Rights

Liquidity Providers (LPs) are the core engine behind protocol sustainability:

- How to Obtain LP: Users send BNB to a designated smart contract to mint LP tokens.
- Dividend Mechanism: Receive 2% of platform transaction fees, distributed periodically based on LP share.
- Unlocking Logic: Initially locked LP can be gradually released based on time + performance triggers (e.g., successful referrals, node qualification).
- Exit Mechanism: Users can send LP tokens back to the pool contract and receive 50% BNB + 50% RSC.
  - If self-held LP drops below 30%, the user is deemed to have forfeited their node rights.

#### 8.5 Whitelist System and Early Participation

The whitelist mechanism is a foundational design for early-stage trust building and viral launch:

- How to Qualify: Through referrals, task completion, or NFT-based identity verification.
- Purchase Rights: Each address can mint up to 5 whitelist slots and receive early access to token sales (e.g., first 5-minute priority).
- Whitelist Dividends: Successfully referring others who bind to the whitelist earns LP rewards.
- Upgrade Path: A user must complete 5 direct referrals + 5 "5×1" tasks to become eligible for node minting.

In RISE, every user role is tightly coupled with an incentive mechanism—forming a **growth-through-participation model** that is transparent, on-chain verifiable, and structurally composable.

#### IX. Development Roadmap and Stage Objectives

The development of the RISE ecosystem follows a four-phase strategy: Experimentation  $\rightarrow$  Expansion  $\rightarrow$  Standardization  $\rightarrow$  Cross-Chain Integration.

#### 9.1 Phase I: Protocol Deployment & Mechanism Validation (Q4 2024

#### - Q2 2025)

- Deploy the RISE Protocol on BSC and launch its first asset, RiseCoin
- Conduct full on-chain testing of referral, burn, dividend, and liquidity control mechanisms
- Establish the node and whitelist systems to complete a minimum viable incentive loop

#### 9.2 Phase II: RISE Chain Mainnet Launch & Asset Migration (Q3 2025

#### - Q1 2026)

- Launch the RISE Chain mainnet with full RRC-20 asset support
- Migrate RiseCoin to the RISE Chain as the first native structural asset
- Deploy core infrastructure: block explorer, asset issuance portal, and cross-chain bridges

#### 9.3 Phase III: Standardized Mechanism Asset Ecosystem (Q1 - Q3

#### 2026)

- Open RRC-20 asset templates, allowing projects to freely issue mechanism-based tokens via RISE Protocol
- Establish a "Mechanism Asset Working Group" to standardize RRC-20 / RRC-Index / RRC-Asset categories
- Release RISE DAO governance modules and the **Mechanism SDK** for asset deployment

#### 9.4 Phase IV: Modular Integration & Cross-Chain Expansion

#### (Starting Q3 2026)

- Integrate with modular ecosystems like Celestia, EigenLayer, LayerZero, zkStack
- Build cross-chain referral mapping layers to synchronize incentive contracts and reward flows
- Form the RISE L2 Governance Alliance and help bring mechanism-driven assets into major DeFi and stablecoin structures

RISE's vision is not to be just another project but a new economic paradigm where protocols themselves become the foundation for long-term value creation.

#### X. Risk Control and Legal Compliance Strategy

#### 10.1 Smart Contract and Technical Security Measures

From day one, the RISE Protocol was designed with multiple technical security layers:

- Modular architecture with proxy-based contracts: separates logic from storage for secure upgrades
- Multisig wallets (e.g., Gnosis Safe) for sensitive permissions
- Emergency Pause Function: to freeze all trading under extreme risk conditions
- Third-party security audits before public launch and ongoing open-source auditing by the community

#### 10.2 Market Mechanism & Systemic Risk Mitigation

RISE integrates several safeguard mechanisms to handle market volatility and structural imbalances:

• **Burn Threshold Control**: If the RSC in the pool drops below 21 million, burning is automatically disabled to preserve liquidity

- LP Unlock Buffer: Release schedules and team performance metrics prevent mass exits
- **Dynamic Dividend Adjustment**: DAO governance can tune LP/referral/node reward rates based on market feedback

#### 10.3 Governance & Decentralized Authority Separation

- All key parameters (e.g., fee rates, burn ratios, LP weights) cannot be changed by the core team; they require DAO proposals and votes
- The DAO implements **on-chain voting** with thresholds, cooldowns, and opposition veto windows to avoid abuse
- Governance proposals include built-in cooling-off and dispute periods to ensure adequate community review

#### 10.4 Legal Compliance and Global Regulatory Strategy

RISE has been designed from the start with **jurisdictional flexibility and global legal compliance** in mind:

- No centralized token issuance, no team pre-mining, and no custodied assets—minimizing securities risk
- Fully on-chain operational model with open-source, immutable smart contracts
- Plans to establish **offshore governance entities** (e.g., Singapore or Cayman) to support international collaboration
- External auditors conduct legal reviews and support the disclosure of compliance documentation (e.g., whitelist terms, node KYC policies)

#### 10.5 Institutional Integration & Global Expansion

In future phases, RISE aims to support:

- **On-chain identity modules** (e.g., SoulBound NFTs) for compliant whitelist and node tagging
- Partnerships with cross-chain KYC and **RegTech** providers

• Regulatory filings for mechanism-based assets in jurisdictions such as Hong Kong, Dubai, and Singapore

RISE is not an experiment to evade regulation—it' s a long-term ecosystem designed to build compliant, mechanism-driven assets for the global Web3 economy.

## XI. Appendix: Formula Collection / FAQ / Glossary / Version Info

#### 11.1 Mathematical Formula Summary

1. Buy Quantity Formula: Q\_buy =  $(1 - R_fee) \times V_buy / P_t$ 

#### 2. Sell Action Logic:

- Token Burn:Q\_burn =  $0.88 \times Q_{sell}$
- Tech Fund Allocation:Q\_tech =  $0.02 \times Q_{sell}$
- Mining Pool Dividend: Q\_pool = 0.10 × Q\_sell
- User Return: V\_return = 0.45  $\times$  P\_t  $\times$  Q\_sell; Q\_return = 0.55  $\times$

#### $Q_{sell}$

#### 3. Referral Reward Logic:

- Direct Referral Bonus: F\_referral = R\_ref × V\_buy
- Node Network Bonus: F\_node = 0.005  $\times \Sigma V_ref$

#### 4. LP Dividend Logic:

• LP User Reward: D\_user = (L\_t /  $\Sigma$ L) × D\_total

#### 5. Dynamic Burn Switch Function:

•  $\delta$  (B\_t) = 1 if B\_t > 30,000,000; 0 if B\_t < 21,000,000

#### 11.2 Frequently Asked Questions (FAQ)

## Q1: How does RISE achieve "phase-based only-up" price behavior? A: Through mechanisms like burn, dividends, and referrals to reduce supply, increase user participation, and control burn activation via pool thresholds.

#### Q2: Does RiseCoin have pre-mining or team reserves?

A: No. All RiseCoin enters the pool for open market trading. There is no pre-allocation or team-held tokens.

#### Q3: What are the requirements to become a node?

A: Refer 5 users, grow a network with 30 valid whitelist members, and stake sufficient LP tokens. Once met, the node role is automatically activated with dividend rights.

#### Q4: Is the referral system multi-level?

A: No. Referrals are one-level, on-chain bindings to avoid Ponzi-style commission structures.

#### Q5: Can the smart contracts be changed?

A: Core logic is immutable. Adjustable parameters can only be modified through DAO proposals and on-chain voting. All contracts are open-source and tamper-proof.

中文术语	English Term	Description	
RISE 协 议	RISE Protocol	A protocol that enables structural price appreciation via mechanism-driven logic	
RiseCoin	RiseCoin	The first experimental token issued using the RISE Protocol	
底池	Bottom Pool	On-chain liquidity pool for buy/sell interactions	
推荐人	Referrer	User who invites others and earns commission from their trades	
LP 用户	Liquidity Provider	User who provides liquidity to the pool and earns dividends	
节点	Node	Advanced user role with dividend and governance rights upon meeting conditions	
白名单	Whitelist	Early-stage participants with special access rights and contribution potential	
DAO	DAO Governance	Decentralized Autonomous Organization for governance and upgrade decisions	

#### 11.3 Glossary (Chinese - English Terminology)

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#### 11.4 Version and Contribution Info

- Current Version: V1.0
- Last Updated: April 2025
- Initiated By: RISE Labs / RiseCoin Core Team / RiseProtocol Alliance
- Reviewed By: RISE DAO Community Governance Committee
- **Contribution Methods**: Submit Pull Requests via GitHub or email to <u>core@riselabs.xyz</u>

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