Soda Xchange (SODAX): ICON's Next Chapter

Governance

ICON_Foundation May 2025

Since its launch in 2017, the ICON Project (ICON) has focused on building technology for efficient, seamless decentralized finance (DeFi) applications. Over the past year, ICON contributors and the community successfully pivoted to using DeFi products to support the enshrine and burn mechanism, bringing direct value to $ICX.

This strategy has already yielded meaningful results:

- ICON now connects **12 chains across 7 tech stacks**, broadening our interoperability and allowing Balanced Network to rapidly rise in the rankings (as per DefiLlama 🔗).
- We launched an **SDK for intents and solvers**, enabling **low-slippage** cross-chain swaps with **near-instant finality**.
- By integrating with aggregators and swaps, **ICON's cross-chain messaging standard** is seeing broader adoption — directly benefiting $ICX holders.

With our initial DeFi thesis validated, we are excited to share our plans for the next phase to invigorate ICON ecosystem growth. While many of the use cases pioneered in crypto over the past decade have failed, DeFi has shown continued resilience and growth. We are thus positioning ourselves to grow with it with renewed focus for powering the next generation of DeFi applications.

We're deeply grateful to the ICON community for sharing your thoughts, feedback, and vision over the years, many of which are reflected in the changes to come. As we step into this next chapter as SODAX, we're excited to continue building a future where independent blockchains can transact freely — on an Xchange that is eXceptional.

Introducing the Next Evolution of ICON

Today, we are excited to announce that ICON is transforming into **Soda Xchange (SODAX)** — a vertically integrated DeFi App Platform. Supporting this launch, we've acquired sodax.com 🔗 — our community's new base of operations for building digital wealth through a wide range of DeFi products and tools. By merging key DeFi primitives (money market, CDP-style stablecoin, DEX and more) relying on our infrastructure, all within one web interface, we will bring the fastest, most seamless DeFi experience available. As the new brand name suggests, the project aims to build the most secure and transparent platform to help grow your digital assets portfolio.

SODAX

SECURE ONCHAIN DIGITAL ASSETS XCHANGE

The Unified Liquidity Layer: SODAX boosts capital efficiency through a fully decentralized Unified Liquidity Layer, giving our community and partners unmatched cost savings. It is made possible thanks to the combination of our cross-chain tech, intents-based solvers, and network-owned liquidity, further combined with improved deflationary tokenomics, and built-in incentives.

Network-Owned Liquidity: This core liquidity is used by SODAX and its partners to strengthen their DeFi products. It includes major digital assets like BTC, ETH, BNB, SUI, SODA, INJ, AVAX, SOL, and more — held natively on their own blockchains. Protocol ownership ensures stable, permanent liquidity, significantly reducing operational risk and costs, compared to renting liquidity. Partners can easily tap into this liquidity using our **Solver SDK**, enabling instant cross-chain swaps and flat onramp experiences. This smooth integration helps partners grow faster, improve user experience, and unlock new protocol fee opportunities.

A New Hub Chain

As part of SODAX's new direction, **we are officially migrating our hub chain infrastructure from ICON to the Sonic blockchain**. This move reduces token emissions and operating costs, while increasing scalability and protocol fee potential. Sonic will serve as the hub chain for SODAX, enabling faster and more efficient cross-chain transactions and liquidity.

Running a Layer 1 network comes with high direct and indirect costs — from infrastructure and validator management to ecosystem support. Migrating to Sonic allows us to eliminate those burdens and reinvest millions of dollars toward builders developing fee-generating DeFi applications. With our deep infrastructure experience, we'll continue contributing to Sonic in areas aligned with our growth.

Sonic is a high-performance, EVM-compatible Layer 1 blockchain that combines parallel execution, asynchronous PoS validation, and leaderless consensus — delivering some of the fastest finality without compromising security. Its developer-friendly tools support protocol development, and its fee monetization model (FeeM) redistributes up to 90% of transaction fees to builders for long-term value.

This decision follows extensive independent research based on the technical benefits as core decision factors. It's a strategic step that supports the next phase of SODAX, and most importantly, our developer teams enjoy building on Sonic. It's fast, more productive, and more cost effective. It just makes sense.

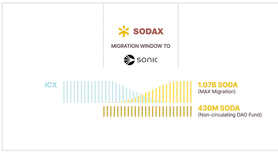
$SODA Token Migration

Alongside our move to the Sonic Network, **both $ICX and $BALN will be migrated to $SODA** — simplifying governance, reducing complexity, and concentrating value into a single, stronger token for SODAX. Balanced has played a critical role in ICON's evolution, and we wish for its community to remain an important part of what comes next.

The migration of $ICX to $SODA will occur at a 1:1 ratio with no lock-up, and $ICX will remain redeemable for $SODA at the same rate until further notice. **Migration from $BALN to $SODA** will be supported with a **migration incentive program** based on lock-up duration (the Balanced forum 🔗 for more details).

Over the coming weeks, we'll provide additional details, guides, and AMA sessions to support the community through this transition.

$SODA Token Supply



$ICX launched in 2017 with 800 million tokens. Today, total supply is under 1.07 billion, a 33.5% increase over 7.5 years, or a Compound Annual Growth Rate (CAGR) of ~4.0%. In early 2024, the introduction of Network Owned Liquidity (NOL) increased emissions to ~6% annually, which currently sit at ~5.6% — remaining low compared to peers.

1.5 Billion Max Token Supply: The $SODA migration is set to introduce a supply cap — improving long-term supply dynamics. $SODA will have a fixed max supply of 1.5 billion tokens, replacing the previous uncapped model. This includes a one-time mint of **~430 million non-circulating tokens** which will remain under the control of the SODAX DAO. This fund will be used to fund growth initiatives (e.g., liquidity mining, partnerships, user acquisition) with the goal of being phased out, in favor of protocol fees.

Protocol-Owned Liquidity (POL): (previously Network-Owned Liquidity) The network has accumulated around $5 million in NOL, visible on our burn page 🔗. This liquidity will be retained by SODAX and utilized as working capital to generate protocol fees for enshrine and burn. With more efficient intents-based execution, new integrations like Polygon no longer require liquidity pools. Therefore, **we are now able to end emission-generated NOL purchases**, as originally planned — with SODAX's POL instead expanding through an allocation of protocol fees.

Additionally, our move to **Sonic** removes the so-far necessary emissions represented by validator rewards, clearing more tokenomic headwinds and allowing us to rebuild our incentive model around protocol fee-generating activities — a better fit for SODAX's future.

SODAX Fee Model

SODAX builds on the economic enshrinement model introduced with Balanced, now enhanced through a broader suite of DeFi products. Lending, Money Markets, and many others will unlock new synergies under our Unified Liquidity Layer and the SODAX brand:

- Full $BALN merger immediately **doubles protocol fees from trading**.
- Efficiency gains from intents-based execution will drive **increased transaction volume**.
- Collective benefits of our Unified Liquidity Layer will allow SODAX to offer **the most competitive swap and loan rates** in the industry.
- Protocol Owned Liquidity (POL) will generate yield via lending, staking, and liquidity provision.
- **More protocol fee streams** from new product launches and affiliate-style partnerships.

SODAX's decentralised flywheel model focuses on automatic **reinvestment of protocol fees**, not emissions, back into the project. Protocol fees generated by SODAX will be allocated as follows:



This structure supports long-term sustainability by increasing POL, reducing supply, growing the DAO treasury, and rewarding participation. Paired with the improved token supply model and Sonic migration, SODAX offers aligned incentives for holders, traders, and governance.

Conclusion & Next Steps

SODAX is a natural evolution of ICON's mission, focused specifically on DeFi. By consolidating all DeFi products under the SODAX brand and platform, we aim to increase protocol fees, improve marketing efficiency, and lower operating costs. Migrating to the Sonic Network removes the expense of maintaining our own blockchain infrastructure, allowing us to redirect resources toward growth.

These strategic changes make it possible to introduce a max token supply, lower inflation, and generate multiple fee streams — reinforcing long-term sustainability and ongoing enshrine and burn mechanism.

In the coming days, we'll launch a series of network proposals requiring immediate validator action. The first will be a vote to approve the plan outlined above. Subsequent proposals will then address specific steps in ICON's transition to SODAX. Validators are urged to stay informed via the proposal tracker and ICON Discord alerts.

TLDR:

- **ICON is rebranding to Soda Xchange (SODAX)**, with a new website: sodax.com 🔗.
- **SODAX**, powered by the Unified Liquidity Layer and Solvers, will become a seamless DeFi App Platform.
- **$BALN will merge fully with $ICX and migrate to $SODA**, bringing:
  - **Max supply** of 1.5B tokens
  - Double the effect of **enshrine and burn**.
- **ICON is moving its hub chain infrastructure to the Sonic Network**, a high-performance EVM L1 that redistributes up to 90% of fees back to builders.
- **Validators should remain alert** for a series of network proposals to enact this transition.
- **More announcements and AMAs** to come on the road ahead and token migration.

2 ♡ 🔗

$SODA Token Migration Progress and Supply Details 13

6.0k views 6 links 4 min read

ICON_Foundation May 2025

Below is the correctly formatted network proposal

This vote is a temperature check for what has been proposed in the latest update !https://forum.icon.community/t/soda-xchange-sodax-icons-next-chapter/3992

Below is a summary of what has been completed so far and what's coming next:

Completed Work

- **New relay infrastructure**: Deployed to mainnet, connecting all existing chains.
- **Money Market contracts**: Deployed on Sonic mainnet.
- **New asset managers**: Deployed on all existing chains.

These pieces form the foundation of the new infrastructure that will allow us to better utilize Network Owned Liquidity (NOL).

We've also built supporting SDKs to make integration easier for front ends—whether for market interfaces or cross-chain swap services.

Next Steps (In Progress)

- Deployment of new **bnUSD contracts** on all connected chains.
- Updated **Solver** with enhanced functionality.
- Solver connected to all chains we're integrated with.

These upgrades are targeted for **mainnet by the end of May**.

We're sharing this to give validators insight into how far along the infrastructure changes are.

What's Next

This current proposal is a **temperature check** to gauge agreement on the proposed direction.

If this proposal passes:

- Within the next week, we will submit a **formal network proposal** to update emissions:
  - **Remove all emissions** going to NOL and CPS.
  - This would **reduce ICON's total emissions to 3%. There is no change to staking rewards**
    After that:
- A second proposal will follow to **migrate 25% of the existing NOL** to the new infrastructure. This is required before we update our front ends.

♡ 🔗

ICON Network Phased Halt to Emissions 2