Whitepaper V1

Executive Summary

Makachain aligns technical architecture and economic design to deliver enterprise-ready blockchain payments. On the technical side, a verified-validator PoA model provides instant finality and low latency, while a consensus-gated failsafe allows controlled pauses under exceptional risk-offering the operational assurances large payment processors require without sacrificing transparent governance.

Fees are simple and predictable: every transaction costs USD $0.10, regardless of market volatility. Users may pay in any ERC-20 or native asset; the network automatically converts non-MAKA fees into MAKA, making MAKA the universal settlement asset and creating continuous buy-side demand tied directly to throughput. The baseline fee distribution is calibrated for network health, 65% to the Treasury for growth and operations, 25% to validators, 7% to burn, and 3% to liquidity reinforcement, so increasing TPS compounds both financial resilience and market depth.

Validator incentives are front-loaded to accelerate secure bootstrapping and then taper to a sustainable steady state. At TGE, validators receive 40% of fees; this share decays exponentially toward 25% over 12 months, smoothly shifting value from early security provision toward long-term ecosystem investment. Because fees, not emissions, fund rewards, the system avoids dilution entirely: MAKA's supply is capped, with every transaction reinforcing scarcity via a 7% burn and improving market quality through a 3% continuous liquidity allocation.

The Treasury accumulates assets in both MAKA and stablecoins, enabling disciplined reinvestment into grants, integrations, liquidity programs, and low-risk DeFi strategies. A Node Sale Program decentralizes validation while financing infrastructure, and governance evolves from foundation-led coordination to a validator-driven process (one node, one vote) as the network matures, balancing responsiveness early on with durable decentralization over time.

Taken together, these choices create a circular and measurable value loop: enterprise adoption drives transactions; transactions generate predictable revenue; revenue funds validators, burns supply, deepens liquidity, and grows a multi-asset treasury; that treasury, in turn, finances integrations that further increase adoption. Makachain thus establishes a pragmatic, self-reinforcing path to scale—predictable for businesses, rewarding for validators, and sustainable for token holders.

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Introduction

Makachain is a payment-grade blockchain purpose-built to bridge Web2 transaction flows with Web3 settlement. It combines a deterministic Proof-of-Authority consensus with a validator-controlled failsafe, a fixed-value fee of USD $0.10 per transaction (oracle-denominated and payable in any ERC-20 auto-swapped to MAKA), and a deflationary, liquidity-reinforcing token model. The result is predictable costs for enterprises, resilient validator economics, and a multi-asset treasury that scales with real usage, without inflationary emissions.

Core Innovations

Makachain introduces a set of core innovations that redefine the architecture and economics of blockchain infrastructure, bridging the gap between Web2 payment systems and Web3 transactional frameworks. These innovations are embedded across the network's technical, economic, and governance layers, ensuring scalability, resilience, and real-world applicability.

Deterministic Proof-of-Authority (PoA) Consensus with Failsafe Control

Makachain employs a modified PoA consensus that combines institutional accountability with decentralized validation. Validators undergo formal verification before activation, ensuring technical competence and reliability.

A unique failsafe mechanism allows the network to be temporarily halted by validator consensus in the event of critical failures or security breaches, providing operational safety while preserving decentralization. This hybrid control model positions Makachain as the optimal infrastructure for regulated enterprise payments and institutional blockchain adoption.

Fixed-Value Transaction Fee Mechanism (USD $0.10 per Transaction)

Unlike conventional networks with variable gas fees, Makachain standardizes transaction costs by fixing each fee to USD $0.10, dynamically denominated via oracles. This structure delivers cost predictability, critical for enterprise adoption, while ensuring stable validator revenue streams. Users may pay in any ERC-20 token or native asset, all of which are automatically converted to MAKA. This creates constant buy-side demand and establishes MAKA as the universal settlement token for all network activity.

Adaptive Validator Reward Decay Mechanism

Makachain's dynamic validator incentive model ensures sustainable long-term economics by linking validator rewards to network maturity. Validators begin with a 40% share of transaction fees, which linearly decays to 25% over the first 12 months. This mechanism provides early validators with additional yield during the network's bootstrapping phase while gradually redirecting a higher proportion of fees to the Foundation's treasury for ecosystem expansion.

Multi-Asset Treasury Architecture

The Treasury accumulates fees in both MAKA and stablecoins, depending on the asset used for payment. This creates a diversified, non-speculative reserve structure that reduces volatility and allows for

reinvestment into DeFi strategies such as liquidity provisioning and lending. The model strengthens the protocol's financial resilience and supports its ability to fund grants, R&D, and validator support programs without inflationary token emissions.

Deflationary and Liquidity-Reinforcing Tokenomics

Makachain integrates dual feedback mechanisms, a 7% burn and a 3% liquidity reinforcement per transaction, to maintain long-term price stability and reduce volatility as the network scales. These continuous market operations ensure that growth in transaction throughput (TPS) translates into increased scarcity and liquidity depth, stabilizing MAKA's value and ensuring smooth trading conditions across decentralized exchanges.

Real-World Integration Layer for Web2 Enterprises

Through its fixed-fee system, institutional-grade validators, and oracle-based settlement architecture, Makachain is designed to integrate seamlessly with existing Web2 payment processors and financial systems. This positions it as a bridge infrastructure; enabling businesses to leverage blockchain's transparency and settlement speed without exposing users to its inherent complexity.

Business Model

Makachain's business model is founded on sustainable revenue generation through on-chain economic activity, eliminating the need for inflationary emissions or speculative fundraising. Its design ensures that all network stakeholders, validators, token holders, enterprises, and the Foundation, participate in a balanced and transparent value cycle.

Transaction Fee Revenue

The primary source of revenue for the protocol and validators is the fixed $0.10 transaction fee, which scales directly with network usage. As transaction throughput increases, both the Foundation and validators benefit proportionally, creating a natural alignment between network activity and economic growth. Unlike other blockchains that rely on token issuance, Makachain's fees are entirely usage-driven, linking the protocol's sustainability to real economic adoption rather than speculative cycles.

Treasury Management and Reinvestment

65% of all transaction fees (at baseline) flow into the Makachain Treasury, which is managed strategically to support ecosystem expansion and financial stability. Treasury assets are held in both MAKA and stablecoins, allowing the Foundation to manage operational costs, fund marketing and development initiatives, and participate in on-chain yield strategies to enhance reserves. This approach transforms the Treasury from a passive holding account into an active capital management entity, capable of compounding the network's financial strength over time.

Validator Node Program

Makachain expands its validator base through a structured Node Sale Program, where participants acquire node licenses granting them operational and governance rights. This mechanism decentralizes validation while generating upfront capital for infrastructure and ecosystem development. Validators earn ongoing

rewards from transaction fees, ensuring long-term alignment between operational contribution and financial return.

Ecosystem Growth and Enterprise Partnerships

The Makachain Grant Program, funded by the Treasury, incentivizes businesses, startups, and payment providers to integrate the network into their systems. Grants are distributed under a vesting schedule to ensure long-term commitment and prevent speculative behavior. Through these programs, Makachain promotes an expanding transaction base (TPS growth), which directly increases fee revenue, validator rewards, and volume, creating a circular, self-reinforcing economic loop.

Nodes

Validator Framework

Makachain's operational integrity and performance are underpinned by a Proof-of-Authority (PoA) consensus model governed by a finite, pre-authorized set of validators. This architecture offers a carefully engineered balance between control, scalability, and decentralization, designed to meet the stringent requirements of high-frequency Web2 payment systems while maintaining the transparency and immutability characteristic of blockchain networks.

The system ensures deterministic block finality, minimal latency, and predictable transaction costs, creating a seamless environment for businesses integrating blockchain technology into traditional payment infrastructures. By combining institutional-grade reliability with transparent governance, Makachain establishes a network framework optimized for both regulatory compliance and technical efficiency.

Proof-of-Authority Consensus

The PoA consensus mechanism in Makachain emphasizes performance, verifiability, and systemic safety while maintaining full on-chain neutrality. Validators are pre-approved wallet addresses that undergo a technical and infrastructural verification process prior to activation. Rather than requiring personal identification or centralized authorization, validator eligibility is linked directly to the ownership and operation of licensed node addresses verified by the Makachain Foundation through on-chain registration and performance benchmarks.

This design ensures that only nodes meeting network reliability, security, and performance criteria are authorized to participate in block validation. By binding validator status to verified addresses rather than identities, Makachain eliminates Sybil attacks and central oversight risks while preserving full pseudonymity, aligning with the decentralized ethos of blockchain while delivering institutional-grade reliability.

Unlike Proof-of-Stake (PoS) or Proof-of-Work (PoW), Makachain's PoA does not depend on token holdings or computational power to determine authority. Instead, validators earn operational trust through demonstrable uptime, performance history, and adherence to consensus protocols. This structure provides predictable performance, instant finality, and minimal energy use, positioning the network for high-frequency enterprise and financial applications.

A key innovation of Makachain's PoA design is its failsafe mechanism, allowing validators to reach consensus to temporarily halt or restrict the network in the event of critical system failures, detected exploits, or external security threats. This capability introduces a dynamic safety layer rarely achievable in public blockchains, enabling the protocol to combine the responsiveness of managed systems with the resilience of decentralized governance. The result is a hybrid model ideally suited for enterprise-grade and Web2-integrated operations where uptime, accountability, and trustless coordination are paramount.

Validator Requirements:

- Node Ownership: Each validator must own and operate an officially licensed Makachain Validator Node, tied to a unique wallet address that serves as the validator's authority identifier.
- Address Verification: Validators are approved based on the successful registration and validation of their node address, infrastructure audit, and ongoing performance metrics—not through personal identification.
- Technical Specifications: Minimum requirements for CPU, bandwidth, and storage are enforced to sustain high transaction throughput and maintain service consistency.
- Uptime Commitment: Validators must uphold a minimum uptime threshold to remain eligible for reward distribution and governance participation.

This structured verification process not only guarantees technical robustness but also creates a trusted validator environment that preserves accountability without compromising on decentralization.

Node Sale

The Node Sale Program constitutes the foundational mechanism for expanding and decentralizing Makachain's validator network. Each node license represents a software and operational participation right, granting the holder the ability to operate a validator within the network. Node activations do not represent financial securities or equity investments, but rather technical access rights that underpin network validation and governance.

Funds generated through node sales will be allocated toward core infrastructure development, validator support, ecosystem growth, and ongoing research to further enhance the protocol's scalability and efficiency.

Pricing and Release Strategy

- Initial Price: USD $1,000 per validator node license.
- Price Escalation: Increases by $50 for every 100 nodes sold after the first 2,000.
- Initial Allocation: 2,000 nodes will be offered at the base price to ensure broad participation and stable early activation.
- Phased Expansion: Subsequent batches will be released based on network growth indicators, such as transaction throughput, active projects, and utilization metrics, to ensure validator growth remains proportional to ecosystem demand.

This phased distribution strategy ensures validator expansion occurs in tandem with network adoption, maintaining optimal validator-to-transaction ratios and preventing over-provisioning. By dynamically

adjusting node availability to real network usage, Makachain sustains validator profitability while safeguarding performance efficiency.

The first 2,000 nodes will be available at the base price of USD 1,000, while the final tranche of the initial node sale is capped at 5,000 nodes. The total number of nodes will increase in the future to ensure that the network is safe and can scale accordingly.

Nodes	Cumulative Nodes	Price Per Node (USD)
1-2000	2000	1000
2001 - 2100	2100	1050
2101-2200	2200	1100
2201-2300	2300	1150
….	….	….

Through this carefully structured validator framework and phased activation strategy, Makachain achieves a robust equilibrium between control and decentralization, establishing the ideal infrastructure for scalable, secure, and compliant blockchain-powered Web2 payment systems.

Governance Framework

Makachain implements a progressive governance architecture designed to evolve organically from an initial foundation-led coordination phase into a validator-driven decentralized autonomous organization (DAO). This transition ensures that as the network matures, strategic and operational control progressively shifts toward the stakeholders directly responsible for maintaining its security and performance.

Governance participation is intrinsically linked to validator node ownership, thereby ensuring that decision-making authority resides with entities contributing computational resources, technical oversight, and operational reliability. This structure establishes an equilibrium between efficiency in decision-making during early network stages and decentralized legitimacy as the ecosystem scales.

Governance Principles

- Voting Rights: Makachain operates under a “one node, one vote” system, where each active validator node confers a single vote. This approach prevents dominance by large stakeholders and ensures governance power remains proportionate to the network’s operational backbone rather than token accumulation.
- Proposal Submission: Any validator may submit a Makachain Improvement Proposal (MIP), enabling continuous refinement of network parameters, governance procedures, and protocol functionalities.
- Decision Scope: Governance decisions encompass a wide range of topics, including but not limited to network parameter adjustments, transaction fee calibration, protocol upgrades, and treasury allocation policies. This comprehensive mandate ensures that governance remains adaptive to evolving market, technological, and regulatory conditions.

Governance Procedure

- Proposal Submission: Validators initiating a MIP must submit a formal document detailing the proposal's objectives, rationale, technical specifications, and projected network impact. Proposals that do not meet the minimum documentation and clarity standards will be returned for revision before entering the deliberation phase.
- Deliberation Phase: Following submission, a 14-day open discussion period allows validators to provide structured feedback, raise technical or economic concerns, and propose amendments. This phase promotes collaborative governance by encouraging collective scrutiny and refinement before formal voting begins.
- Voting Phase: Once deliberation concludes, validators cast their votes based on node ownership (1 node = 1 vote). The voting window remains open for 5 days, during which proposals cannot be altered. A minimum quorum of 51% validator participation is required for validity, and a simple majority of 51% of votes cast determines approval.
- Implementation: Approved proposals are executed automatically through on-chain smart contracts or, where necessary, through designated implementation teams operating under Foundation supervision. This dual implementation mechanism ensures both procedural automation and practical oversight during the network's early governance phase.
- Rejection and Resubmission: If a MIP is rejected, the submitting validator must observe a 30-day cooldown period before submitting another proposal. This interval prevents governance spamming and encourages proposers to gather community feedback and refine their concepts before resubmission.

Governance Limitations

To safeguard the network against unforeseen threats or critical failures, Makachain incorporates an Emergency Governance Mechanism under the exclusive authority of the Foundation administrators. In such cases, an emergency vote may be initiated to authorize rapid protocol interventions, such as temporary halts, security patches, or rollback operations, to preserve network integrity.

Emergency votes remain open for 24 hours, requiring a minimum quorum of 33% and an approval threshold of 51% to pass. This system acts as a failsafe governance layer, balancing responsiveness with democratic legitimacy. By limiting the power to initiate emergency votes exclusively to the Foundation, Makachain ensures that such measures are only invoked under verifiable and exceptional circumstances.

Transaction Fees

Every transaction executed on Makachain incurs a fixed fee equivalent to USD 0.10, dynamically denominated through a decentralized oracle system. This ensures transaction costs remain predictable and economically neutral, preserving accessibility for users and enterprises regardless of market volatility.

Users may settle fees in any supported ERC-20 or native token. When payments are made in non-Stable assets, the network automatically performs an on-chain conversion, seamlessly swapping the incoming asset into a Stablecoin. Conversions are executed automatically by smart contracts without Foundation custody or discretionary control.

The post-swap proceeds are algorithmically distributed among four key stakeholders: the Makachain Foundation, node validators, the burn mechanism, and liquidity reinforcement pools, each fulfilling a distinct economic and functional role. The fee allocation model is designed to balance ecosystem growth,

validators sustainability, supply reduction, and market stability, forming a self-regulating feedback loop that strengthens the token's long-term equilibrium.

Validator Incentive Schedule

To stimulate early validator participation and ensure robust network reliability during its formative phase, Makachain employs an exponentially decaying validator reward schedule. At network launch, validators receive 40% of total transaction fees, providing an enhanced return to offset initial operational costs, early-stage uncertainty, and infrastructure deployment.

This elevated share decays exponentially toward the long-term baseline of 25% over a period of 12 months (365 days) following the Token Generation Event (TGE). The decay function is defined as follows:

$$v(t) = v_{min} + (v_{max} - v_{min})e^{-kt}$$

Where:

- $v(t)$ = validator fee share at time t (in days)
- v_{max} = 0.4 = initial validator share at launch
- v_{min} = 0.25 = baseline validator share after 12 months
- K = $\frac{ln(v_{max}-v_{min})-ln(0.01)}{365} \approx 0.0095, chosen\ so\ that\ v(365) \approx 0.25$

This exponential decay ensures that most of the reduction occurs gradually, providing strong incentives in the first few months when validator participation is most critical, while asymptotically approaching the target baseline as the protocol matures.

Correspondingly, the Foundation's share of transaction fees increases inversely to maintain a constant 100% distribution across all stakeholders:

$$F(t) = 1 - [v(t) + B + L]$$

Where:

- B = 0.07 (burn component)
- L = 0.03 (liquidity reinforcement)

This formulation dynamically reallocates fees from validator rewards toward the Treasury as the network stabilizes, expanding funding capacity for ecosystem development, marketing, grants, and research initiatives.

The evolving fee composition can be summarized as follows:

Stakeholder	Description	% of Fee (start)	% of Fee (month 12)	Notes
Makachain Foundation	Treasury growth and ecosystem reinvestment	50%	65%	Accumulated in MAKA or stables

Node Validators	Incentives for network security and performance	40%	25%	Always paid in MAKA
Token Burn	Deflationary mechanism reducing circulating supply	7%	7%	Burned after swap
Liquidity Reinforcement	Continuous liquidity injection to stabilize price	3%	3%	Added to MAKA–stable liquidity pools

Table X.

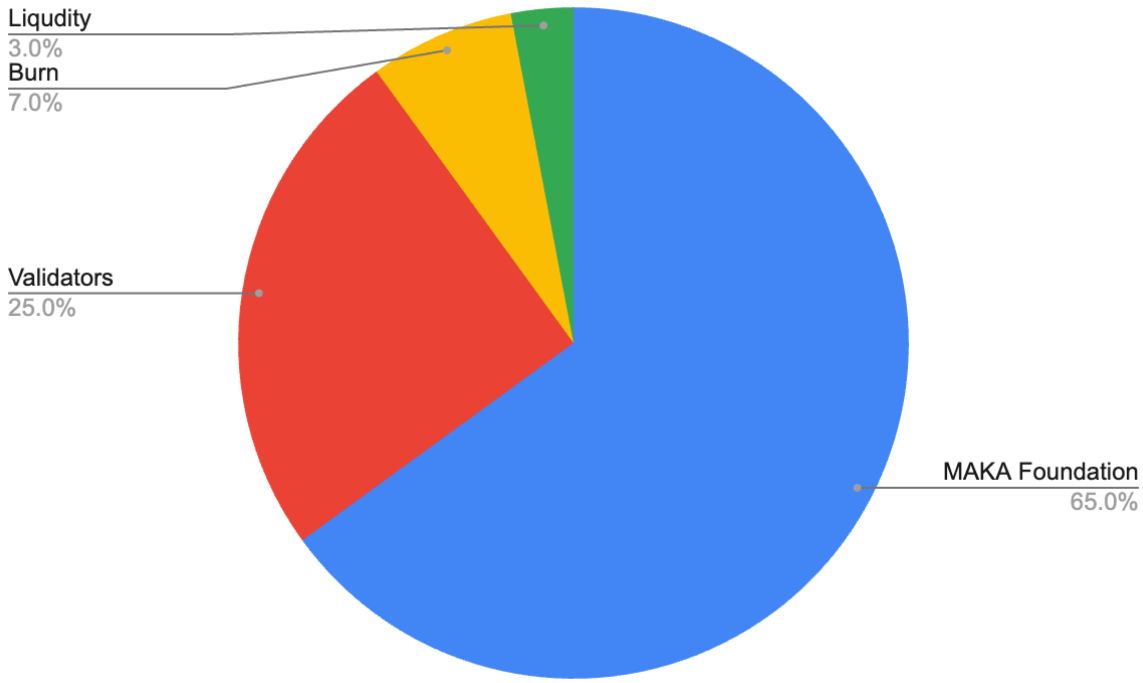


Figure 1.

This progressive and exponential rebalancing ensures that validator compensation remains competitive during the initial growth phase, when node activation and reliability are paramount, while gradually enhancing Treasury capitalization as transaction throughput (TPS) increases.

By transitioning seamlessly from high validator yield to sustainable treasury-driven growth, Makachain achieves a long-term equilibrium between validator incentives, ecosystem expansion, and deflationary tokenomics, laying the groundwork for enduring economic stability and scalability.

Stablecoin Payment Dynamics

Under this configuration, when users pay transaction fees in stablecoins, only the burn (7%) and liquidity reinforcement (3%) portions will be automatically converted into MAKA through on-chain swaps. The Foundation's allocation (50-65%) will flow directly into the Treasury in its stablecoin form, creating a

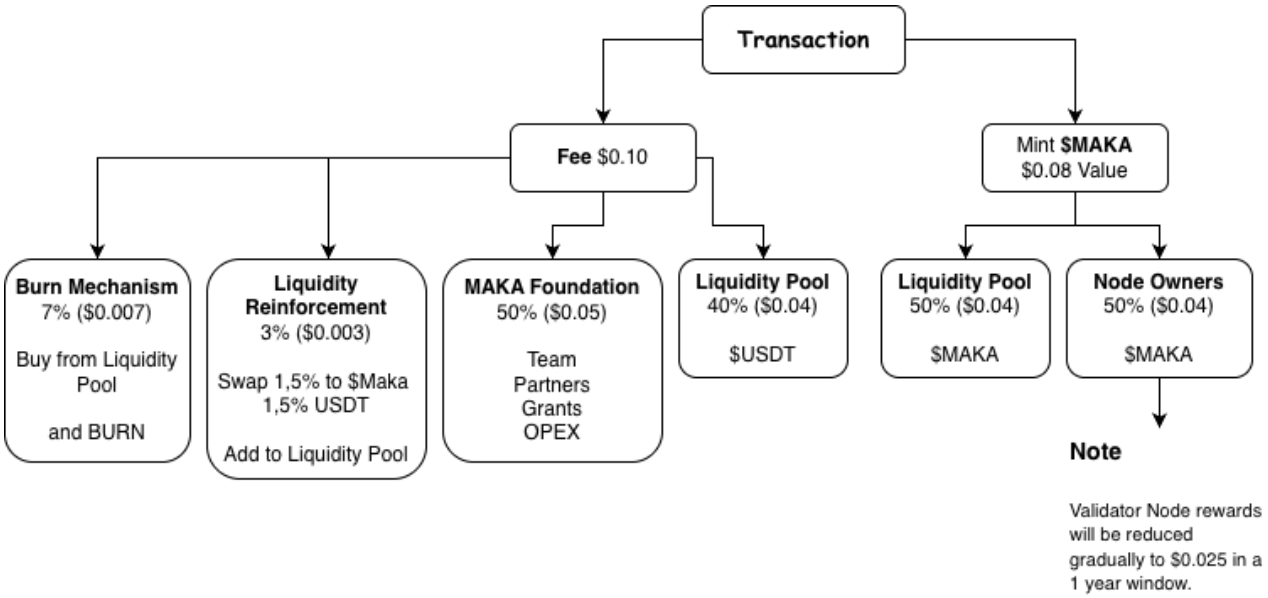
non-speculative, fiat-denominated revenue stream that strengthens the protocol's financial stability and supports ongoing operational expenditures, strategic reserves, and ecosystem initiatives.

This hybrid accumulation model provides dual benefits: it maintains consistent buy-side pressure on MAKA through continuous conversion of burn and liquidity reinforcement portions, while simultaneously diversifying the Treasury's holdings across stable and volatile assets. The result is enhanced liquidity resilience, predictable funding for long-term initiatives, and reduced exposure to market volatility.

By introducing this feature, Makachain ensures a measured transition from growth incentives to structural sustainability. The system thus evolves naturally from an early-stage, validator-driven economy to a self-sustaining, revenue-backed model, where transaction activity and fee generation form the foundation of both validator rewards and Treasury growth.

This approach provides a robust equilibrium between validator sustainability, token demand, and financial resilience, reinforcing Makachain's capacity to function as a reliable, enterprise-grade settlement network for real-world blockchain adoption.

Protocol Flow Diagram



Makanomics

Overview

Maximum token supply: 1,000,000,000
Token ticker: MAKA
Network name: Makachain
Compatibility: EVM

Makachain's native asset, MAKA, serves as the economic backbone of the ecosystem. It has been purposefully engineered to combine utility, stability, and long-term value alignment between the Foundation, validators, and token holders. The token's design reflects the dual mission of Makachain: to enable real-world blockchain adoption through efficient, low-cost payments, while progressively expanding into on-chain financial infrastructure through its forthcoming Layer 2 (L2) solutions.

Token Utilities

The MAKA token performs multiple interrelated roles within the Makachain ecosystem, underpinning its economic, functional, and governance layers. Its design ensures that network utility directly translates into demand for the token, while long-term mechanisms reinforce scarcity and sustainability.

Gas Fee Payment

MAKA functions as the primary medium of exchange within the Makachain network, serving as the default token for transaction and gas fee payments. While users may settle transaction costs in any supported ERC-20 asset, all non-MAKA payments are automatically swapped into MAKA through the on-chain conversion mechanism described in the Transaction Fees section. This continuous conversion process generates persistent buy pressure for MAKA, ensuring that increased network activity directly correlates with token demand and market liquidity.

Web2 Onboarding Incentives

To facilitate large-scale adoption among Web2 enterprises and payment processors, a portion of the ecosystem's reserve is dedicated to strategic incentive programs. These may include:

- Transaction fee rebates to lower the entry barriers for early adopters.
- Co-marketing and integration grants supporting technical onboarding.
- Usage-based rewards tied to network activity metrics.

All incentive distributions will be executed in MAKA, reinforcing its position as the default settlement and reward currency within the Makachain economy. This framework aligns the growth of Web2 integrations with the intrinsic demand for the token.

Collateralization and DeFi Integration

As part of Makachain's long-term roadmap, MAKA will play a central role in collateralizing decentralized financial (DeFi) applications deployed within the network's forthcoming Zero-Knowledge Layer 2 (ZK-L2) for stablecoins. In this context, MAKA will act as both a reserve and insurance asset, ensuring solvency and over-collateralization for synthetic stablecoin issuance and liquidity protocols.

Collateral frameworks will adhere to conservative over-collateralization ratios, governed by transparent on-chain parameters to maintain systemic stability. This integration expands MAKA's functional scope from a utility token to a multi-purpose financial instrument, underpinning the ecosystem's economic resilience. Makachain provides infrastructure for regulated stablecoin issuers and does not itself issue or redeem stablecoins.

Deflationary Mechanism

Every transaction executed on Makachain contributes to token scarcity through the embedded burn mechanism within the transaction fee distribution model. A portion of each transaction fee, equivalent to 7% of post-swap proceeds, is permanently removed from circulation.

This continuous deflationary process aligns MAKA's supply dynamics with network adoption: as transaction throughput increases, the burn rate accelerates, reinforcing scarcity and supporting long-term value appreciation. Over time, this mechanism ensures that network growth and token value remain directly interlinked, establishing a sustainable equilibrium between usage, scarcity, and ecosystem expansion.

The MAKA token represents more than a transactional medium; it is a multi-functional economic instrument anchoring Makachain's network design, validator incentives, and financial evolution. By combining utility, deflation, and collateralization, MAKA ensures that the economic incentives of all ecosystem participants remain fundamentally aligned, paving the way for scalable, sustainable, and real-world blockchain adoption.

Token Emissions

A defining feature of Makachain's economic model is its revenue-backed minting mechanism, which ties every new MAKA token created directly to real transaction activity on the network. Instead of relying on pre-scheduled or inflationary emissions, MAKA tokens are minted exclusively as transactions occur, ensuring that each token entering circulation is fully backed by the fees and economic value generated within the system.

This design establishes a direct correlation between network usage and token creation, aligning supply expansion with verifiable on-chain revenue. The protocol's oracle-denominated fee structure (USD $0.10 per transaction) ensures that every minted MAKA corresponds to a proportional amount of revenue captured by the Foundation and validator network. As a result, token issuance becomes a reflection of productive economic throughput rather than speculative or inflationary growth.

By anchoring emissions to transaction-based value creation, Makachain achieves what can be described as non-inflationary, revenue-backed expansion. New token minted represents a share of operational income rather than artificial supply inflation. Once the total supply cap of one billion MAKA is reached, the minting process ceases automatically, ensuring long-term scarcity and value preservation.

This approach eliminates one of the most persistent structural flaws in conventional token economies, the detachment between emissions and real utility. In Makachain, only active contributors, validators, ecosystem builders, and integrators receive rewards that are fully supported by on-chain revenue streams, not speculative issuance. The result is a sustainable, fair, and self-balancing token economy that grows in tandem with genuine network adoption and economic performance.

Treasury

The Makachain Treasury serves as the central financial entity of the protocol. It manages all funds derived from transaction fees, node sales, and ecosystem grants, and is initially overseen by the Makachain Foundation. In its early phase, the Treasury will be under the direct management of the Foundation's core team, complemented by two validator representatives to ensure operational transparency and community accountability.

As the network expands and governance mechanisms mature, treasury control will progressively transition toward validators, evolving into a DAO-based model. This phased approach reflects the lessons learned from other blockchain projects, many of which faced coordination inefficiencies under premature decentralization. By maintaining focused leadership during early growth, Makachain ensures efficient capital deployment and strategic ecosystem scaling before decentralizing financial authority.

The Treasury oversees all financial operations and strategic reinvestments, including:

- Accumulation and management of transaction fees (both MAKA and stablecoins).
- Funding of the Makachain Grant Program to onboard projects and enterprises.
- Liquidity provisioning and purchasing tokens from the open market.
- Deployment of idle capital into low-risk DeFi strategies to enhance returns and diversify holdings.
- Treasury operations use regulated exchanges and do not transmit or exchange value on behalf of third parties

This multi-asset treasury composition, partially held in stablecoins and partially in MAKA, creates financial resilience and reduces reliance on a single asset for operational sustainability. It also provides the Foundation with the flexibility to support ecosystem growth through both stable and token-denominated initiatives.

Grant Program

The Makachain Grant Program is a cornerstone initiative aimed at accelerating network adoption and expanding real-world utility. Grants are awarded by the Makachain Foundation to projects, startups, and enterprises that integrate Makachain into their operations or contribute to the network's growth. The overarching objective of the program is to attract high-quality projects that drive transaction volume (increase the number of TPS), strengthen the ecosystem, and expand Makachain's presence across diverse sectors.

Unlike traditional grant frameworks, Makachain grants do not follow a fixed lockup or vesting schedule. The amount, timing, and conditions of each grant are determined individually based on the nature, scale, and expected contribution of the recipient project. This flexible approach allows the Foundation to tailor incentives according to specific strategic priorities, supporting integrations, applications, and technologies that most effectively enhance network activity and visibility.

All grants are issued directly by the Foundation, with clear milestones and deliverables defined prior to disbursement. Projects are evaluated not only on technical merit but also on their potential to generate sustainable on-chain usage and ecosystem growth.

By maintaining adaptive funding criteria and linking grant distribution to measurable network impact, the Makachain Grant Program ensures that every grant issued serves a concrete purpose: to increase TPS, onboard new users, and stimulate long-term ecosystem expansion. This dynamic structure transforms grants from passive funding tools into active instruments of network growth and strategic development.

Fees

From each transaction, 65% of the total fee is directed to the Makachain Foundation Treasury, accumulated in both MAKA and stablecoins depending on the asset used for payment. When users pay fees in non-stable assets, the protocol automatically converts them into Stable Token before redistribution. Conversely, when fees are paid in stablecoins, burn and liquidity reinforcement portions are converted into MAKA; the Foundation's share remains in stables.

Through this design, the Treasury becomes both a stabilizing reserve and a growth engine, enabling the Foundation to reinvest strategically in innovation, ecosystem expansion, and validator sustainability.

Burn

A 7% portion of all transaction fees is allocated to the permanent burning of MAKA tokens, introducing a continuous deflationary pressure that strengthens token scarcity over time. Since these tokens are purchased directly from the open market as part of the fee conversion process, the burn mechanism simultaneously increases buy-side demand and reduces circulating supply, establishing a positive feedback loop between network growth and token value.

The burn mechanism also functions as a balancing force within the ecosystem, offsetting the natural sell pressure generated by validator rewards and grant distributions. As transaction volume and network adoption accelerate, the annualized deflation rate is expected to rise correspondingly, reinforcing the long-term appreciation potential of MAKA.

Liquidity

Makachain integrates an automatic liquidity reinforcement mechanism, allocating 3% of every transaction fee to deepen MAKA's on-chain liquidity. Half of this allocation (1.5% of total fees) is used to buy MAKA tokens, while the remaining half is converted (if necessary) into the paired asset, typically a stablecoin, for addition to MAKA liquidity pools.

This continuous liquidity provision ensures that as Makachain's TPS and network activity increase, so does the depth and resilience of the token's liquidity. The result is a progressive reduction in volatility, improved price stability, and enhanced capital efficiency across decentralized exchanges.

By combining deflation, open market purchases, and liquidity reinforcement, Makachain establishes a self-sustaining market architecture that strengthens both the economic foundation and the long-term value of MAKA.

Disclosures and Disclaimers

This Whitepaper is provided for informational purposes only and does not constitute legal, financial, or investment advice. Participation in the Makachain network, node operation, or token use is voluntary and does not represent an offer to purchase securities, shares, or financial instruments in any jurisdiction. The Makachain Node Program is a technical participation mechanism intended to decentralize validation and support network infrastructure; it is not a capital-raising or investment scheme, and proceeds may be allocated to validator operations, treasury reserves, or liquidity provisioning to enhance network stability. All transaction fees on the network are denominated through an oracle-based USD reference rate for operational predictability only and do not constitute a stablecoin, fiat guarantee, or fixed-value promise. Validator rewards are performance-based and derived solely from on-chain activity, not from speculative or passive income expectations. Makachain's automated buyback, burn, and liquidity mechanisms are designed to maintain operational balance and transparency, not to influence token price or guarantee appreciation. Governance participation confers decision-making rights within the protocol but does not grant equity ownership, dividends, or profit-sharing rights in the Makachain Foundation or its affiliates. Treasury and node-sale activities adhere to international standards for Anti-Money Laundering (AML), Counter-Terrorist Financing (CTF), and data protection in alignment with the FATF Recommendations, EU MiCA Regulation, UK FCA Guidelines, Dubai Virtual Assets Regulatory Authority (VARA) principles, and the Monetary Authority of Singapore (PSA) framework. Recipients of this Whitepaper are responsible for complying with applicable local laws and should seek independent legal or financial advice before engaging with any part of the Makachain ecosystem.