artèQ
Whitepaper v.1.7

NFT Investment Capital

that brings together the finest Classic,

Contemporary and Digital Masterpieces

> "Welcome to the next generation of art investment. It's
> not a matter of "if" NFTs will have a huge merger with the
> analog art world, but "when". For artèQ, the "when" is
> now, and we are prepared to pioneer this shift."

Farbod S.
artèQ Chief Troublemaker

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Why invest in artèQ?

Everything started with an ambitious idea: bringing the most sought-after analog masterpieces to the digital world by making blockchain technology work for the art ecosystem. The so-called NFTs, or non-fungible token, made it possible for us. NFT is a unique and immutable piece of code recorded on a distributed, decentralized public ledger (blockchain), that reveals ownership, and provenance of digital assets, finally helping the community to overcome one of the most enduring challenges of the art world; the lack of transparency.

The most creative and straightforward approach to invest in the revolutionary potential of NFTs is with artèQ's Coin ARTEQ. The coin serves as a metaphor for how the art world is changing. ARTEQ makes it simple and transparent for people to engage in the appreciation of art, and it also aids digital artists in making money off of their creations.

NFTs represent a fundamental shift in what ownership means in a world that is becoming more and more digital. They are not only a useful tool to market digital art. NFTs are here to stay and have already changed the landscape of the art world by simultaneously removing enduring barriers to entry for artists and art lovers as well as slow-moving and exclusionary business models. And as pronounced as boom-and-bust cycles may be in the years to come, NFTs are here to stay and they've already changed the landscape of the art world by simultaneously removing longstanding barriers to entry for artists and art lovers while eliminating slow-moving and exclusionary institutional middlemen.

artèQ's mission is to transform the booming crypto art market with artèQ NFT Investment Capital into an accessible investment opportunity to cater to investors looking to cash in on NFT-Art as an alternative asset class. artèQ is gathering the best artworks of notable artists from the traditional and digital world. Up until recently, digital art was a specialized field within the art industry. In part because there was no method to collect it, and was long overlooked by conventional art galleries and auction houses. Why would anyone pay such a high price for something they could just copy and paste from the Internet? How can something that is easily and endlessly reproducible be given value?

Diamonds and precious metals have long been regarded as sources of value due to their significance in the earliest human civilizations. The use of art as a symbol of riches and power, however, is motivated by the same element that gives diamonds and pearls a comparable function: they are not only stunning to look at, but also signify money and power. Reproducibility is the foundation for the digital's disruptive power. It is solely focused on encoding information as a string of digits in order to make it endless and easily replicable. But the art market was seriously threatened by the simplicity of copying.

The Future of art and the NFT revolution

The solution provided by artèQ to this age-old issue is very tasteful. NFTs circumvent the digital scarcity of artworks. When ownership is connected to a record in a public, immutable ledger, digital artworks initially become collectible. This accomplishes the task of making it simple to distinguish between actual owners and those who merely happen to have a copy on their hard drive for the first time.

The immediate and transformational practical effects affect both digital artists and collectors. This is so that artists can transfer ownership of their digital works, but also so that anybody with an Internet connection can create and sell those works through a network of open, decentralized marketplaces. As a result, they enable digital artists to totally avoid the exclusive, sluggish institutions of the art world in addition to entering a market for art that is still dominated by their paint-and-plaster equivalents. Thus, the artèQ ecosystem also enables the works of marginalized artists to gain from the revolutionary rise of NFTs and to operate outside the constrained bounds of art institutions. As a result, there is an unprecedented diversity of art investments available to investors in the field of fine art.

The main purpose of artèQ Token is to represent this diversity and appreciate the asset-value collected by artèQ. The artworks in possession of artèQ are actively traded on various Auction Houses including artèQ's Auction House or directly negotiated with collectors, museums, and art galleries around the world. ArtèQ seeks to nurture connections with institutions and artists to always guarantee the best purchase condition of artworks.

Our expertise and technology paired with the endless possibilities brought about by NFTs will eventually result in a highly valuable token, offering great growth opportunities to all investors, i.e. token owners, collectively known as artèQ Community, as they hold/stake while the token prices increase. Furthermore, we are developing artèQ towards becoming a DAO or Decentralized Autonomous Organization, collectively managed by its members through governance token and independent of central authorities or single institutions. There will be more as we expand our services and products. Auction House and NFT Marketplace is a service that we're working on. artèQ Mètapolitan will be artèQ's representation in the Metaverse, enabling a new immersive experience of art. Around the extraordinary art we gather, there will be digital worlds to marvel at, impressively complementing our real world dependence gallery in the center of Vienna.

Those who own artèQ token will not only benefit from this massive world creation and simulation of real experiences, but will receive special services and privileges in the artèQ ecosystem as they grow their medium and long-term investments in artèQ. We have consulted intensively and extensively with some of the very great minds in the fields of art, technology and investment. Little by little, the artèQ universe of Web3 experts molded to perfection before all of our watchful eyes. We are proud to present it now and invite you to be part of the future of investing in art.

Where Masterpieces meet Crypto

The art world is a powerful global marketplace that is composed of artists, galleries, museums, collectors, and related professionals. Art trading usually takes place through traditional exhibitions, art fairs, and auctions. Recently, however, the market witnessed a dramatic shift toward digital channels. Many galleries and auction houses have stepped up their online sales operations, creating online exhibition rooms and using virtual reality presentations to engage collectors. As the art world moves sharply online, a great deal of attention is drawn to the emergent market of crypto art.

Our goal is to promote this market broadly by making it simple to trade art at the nascent stage of the metaverse. The phrase „Metaverse," first used by Neal Stephenson in the cyberpunk novel Snow Crash, has changed from being a term of science fiction to a reality that tech behemoths like Facebook, Apple, and Tencent are building in less than 20 years. In a metaverse, avatars used by users to interact in virtual reality. In this parallel reality, avatars can, for example, trade digital products and build economies, precisely imitating the real world (with some quirks added).

Amid this paradigm change, it becomes critical to develop mechanisms to combat fraud and secure authenticity and ownership of artworks in the virtual space. That is when blockchain technology comes into play to make a difference in the art industry. At its core, Blockchain is a decentralized database maintained by numerous users across a network of computers. It cryptographically connects blocks that store immutable information on all transactions conducted within the system. More and more individuals are joining this new reality and devoting their time and energies to construct in it as our current world quickly shifts to becoming digital. Since many artifacts now only exist in digital form, artèQ Capital NFTs have become the accepted global solution to the ownership and copyright issues.

By utilizing this technology, artèQ builds a link between the established art world and the rising possibilities of Web 3.0. The NFT Masterpieces, which are not intended to be a replacement for physical copies but rather their alter-ego within these new virtual universes, connect the two realities. They must continue to exhibit the traits of their physical counterpart: Individuality and Authenticity—in order to fulfill this duty. By developing distinctive NFT Strategies, we provide museums and organizations that maintain well-known works of art with a new way to increase their worth. This new chance will help them with the financial load of conserving creative history and give them a cutting-edge tool to indirectly promote the actual pieces and the organizations that preserve them.

Key Terms and Definitions

This section aims to introduce to you some key terms and definitions that will help you navigate easily through this white paper. Due to the rather novelty of blockchain and cryptocurrencies, we find it relevant to explain some technical vocabulary associated with crypto activities and the artèQ's operation. The terms are arranged in alphabetical order to facilitate the search.

Analog Art

Any art where the material making the art is manipulated by hand, like paint. Also referred to as traditional art.

Art Acquisition Committee (AAC)

In the context of this white paper, the AAC consists of a group of experts from the traditional and digital art scene that manages the NFT as artworks. They are oversee purchasing, holding, and selling NFTs. In addition, they conduct internal valuation by monitoring the value of the NFT collections owned by artèQ over time.

Blockchain

Blockchain is a decentralized database maintained by numerous users across a network of computers. It cryptographically connects blocks that store immutable information on all transactions conducted within the system.

Buy-back

At certain points in time, when the overall value of funds (ETH + token + NFTs) exceeds ARTEQ token's market capital, Treasury Contract buys a number of token equivalent to the difference between the values. This is called buy-back as artèQ buys/collects/removes its own token from the market.

Crypto Art

Crypto art is a category of art related to blockchain technology. In other words, a digital or analog (in the digital version) art minted on the blockchain; creating a Non-Fungible Token (NFT).

Cryptocurrency

A unit of currency that only exists digitally.

Decentralized Exchange (DEX)

A decentralized exchange or DEX is a peer-to-peer marketplace that connects cryptocurrency buyers and sellers.

DAO

DAO is the abbreviation for Decentralized Autonomous Organization. A DAO is collectively owned and managed by its members. They have built-in treasuries that no one has the authority to access without the approval of the group. Decisions are governed by proposals and voting to ensure everyone in the organization has a voice.

Digital Art

Art that is in digital forms, such as video files, audio files, 3D files and other digital media.

ERC20

The abbreviation stands for Ethereum Request for Comments. The ERC-20 is a technical standard used for some of the smart contracts on the Ethereum blockchain. It provides a list of rules that all Ethereum-based token must follow.

ETH

ETH is the abbreviation of Ether, the native cryptocurrency of the Ethereum network, a decentralized, open-source blockchain with smart contract functionality. In the context of this white paper, ETH and cash are used interchangeably, unless otherwise stated.

Exchange Contract

The Exchange Contract holds all token that are available to be traded on the market at a certain time point.

Liquidity

Refers to the number of token and ETH that are used to provide liquidity for trading on the exchange.

Non-Fungible Token (NFT)

A non-fungible token is a piece of code stored on a digital ledger - blockchain - that represents the ownership of a unique digital asset. Non-Fungible means each asset is individual and can't be replaced with another.

Over-the-counter (OTC)

Over-the-counter, abbreviated as OTC, refers to trades that take place outside of regular exchanges, namely over-the-counter trading.

Smart Contract

A smart contractor, or simply contract, is a self-executing contract with the terms of the agreement between buyer and seller being directly written into lines of code and runs on blockchain.

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Staking	A process, where crypto holders put their coins to proposal to enable updates of the blockchain instead of mining - in return, they receive a reward.
Token	Token - or crypto-token - consists of units of value developed on top of an existing blockchain network. In other words, a token represents an asset residing on a specific blockchain. In the context of this white paper, the terms Token and Coin(s) may be used interchangeably to refer to artèQ Token.
Treasury Council (TC)	In the context of this white paper, the Treasury Council, abbreviated as TC, is responsible for the artèQ token value maintenance.
Treasury Contract	The Treasury Contract stores the ETH, token, and NFTs used for short-term activities that are eventually taken from and placed back into the trading contract, according to artèQ's need. The treasury contract holds all the holdings of artèQ that are not available to be traded on the market at a certain time point.
2 of 2 multi-sig	Multi-sig, short for Multi-signature, is a form of technology that provides additional security for cryptocurrency transactions. Essentially it means that spending cryptocurrency requires more than one approval or sign-off for the transaction to go ahead.

Disclaimer: For the avoidance of doubt. artèQ does not offer dividends or any other share of profits distributed to artèQ token holders. artèQ token holders invest in the appreciation of the artèQ token due to a reflecting rich collection of well-selected art masterpieces by the experts of artèQ. Holders of artèQ tokens invest also in the token's growth. As members of the artèQ community, token holders have the right to vote within the DAO, on all issues affecting the token. They speculate on an increase in the value of the token, and can freely trade it, when the token price fluctuates in the centralized and decentralized public markets. In addition, as the artèQ ecosystem grows, token holders can receive products, special services, discounts and certain privileges.

Executive Summary

We created the first NFT Investment Capital that brings together the finest masterpieces from the analog and digital world to the NFT space. Additionally, we foster cooperation between traditional and digital artists to co-create artworks for the NFT space and establish strategic partnerships with museums and art galleries to launch special NFT projects. Our curation and investment specialists have many years of experience and an established network of businesses in the regular art market which enables us to acquire artworks with the best pricing conditions. In the virtual space, we use state-of-the-art mechanisms to monitor talented digital artists with track records and strive to learn about exclusive drops before their release.

artèQ wants to pioneer the digital revolution in arts by establishing an ecosystem of related business activities: The Online Auction House, physical and virtual art Galleries, Strategic Partnerships, Digitalization Centers, and the „loan-to-value" program; an exclusive lending system for token and NFT holders. These activities are part of our strategy to create synergy to support and leverage the artèQ NFT Capital. The underlaying NFT Masterpieces serve as a key to a „Golden Circle" of great art enthusiasts, up-and-coming artists, and well-known critics, bringing them together in a social network for their mutual benefit in addition to its collector value and use in metaverse shows.

artèQ leveraging this technology, creates a bridge between the traditional art world and the expanding potential of Web 3.0. We offer museums and foundations, that preserve renowned artworks, a new way to enhance their value through the creation of unique NFT Strategies. This new opportunity will also support them in the economic burden of preserving artistic heritage, while providing them with a cutting-edge tool to promote, indirectly, the physical works and the institutions that conserve them.
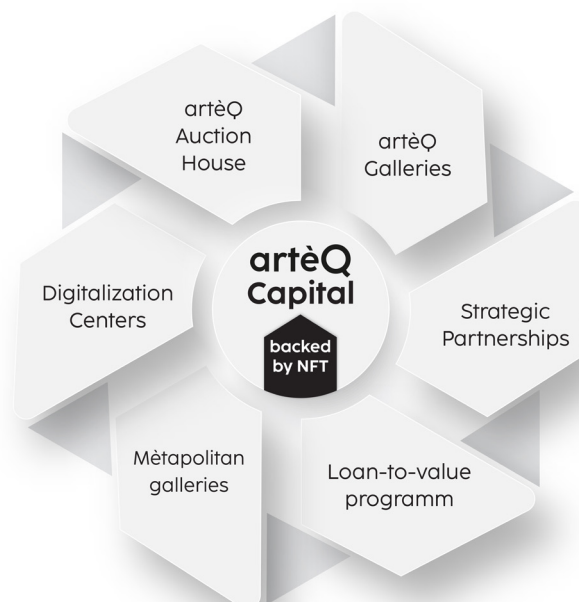
The artèQ Auction House is a powerful online platform where NFT arts are put up for sale. Using state-of-the-art technology, we bring together analog and digital art masterpieces in an exclusive virtual setting. Unlike most NFT marketplaces, artèQ is not a public auction house. To get featured on the auction platform, artworks need to undertake a selection process where only the best pieces are chosen. By doing so, we guarantee that each artwork available on the platform meets high-quality standards. The artèQ auction house is a window to the best NFT available on the market.

The artèQ art galleries are confluence points where the traditional and virtual art worlds coexist. They are creative and democratic spaces hosting regular exhibitions to promote seamless integration of digital and analog artworks. artèQ has opened its first gallery in Vienna and others are to follow soon. Taking a step further, artèQ is also exploring the metaverse. We are opening virtual galleries in established metaverse platforms as well as creating our own metaverse space; the artèQ Mètapolitan.

For artèQ, building a strong community around art and artists is one of our core values. Therefore, our partnerships with local galleries and museums are one of our most important assets. Besides co-creating NFT projects, these partnerships enable us to bring famous masterpieces to the NFT space. To strengthen our bonds within the community, we will open the first artèQ digitalization center as a co-working space for artists to come together and experiment with new possibilities by using our infrastructure and facilities.

To keep our token owners loyal and their investments safe, we provide them with special privileges and services, including the possibility to stake the token (committing your crypto assets to support a blockchain network and confirm transactions) at a 4% annual percentage rate for ARTEQ. Additionally, we'll also offer staking opportunities for all NFT projects powered by artèQ at 3.5% annual percentage rate.

Holders benefits and utilities may vary according to the volume of token held. Utilities might also be added or changed as the project evolves. To learn more about the benefits for holders visit the link below: https://arteq.io/utilities

Tokenomics

ARTEQ – The Token

ARTEQ is a Utility ERC20 token built on top of the Ethereum blockchain with a fixed supply of 10 billion units in infinite circulation. They are used for operations and decision consensus of the artèQ Investment Capital, with the majority of its applications in the DAO to be implemented. The distribution of the token to the public may be carried out through the following channels:

- **Stock Market:** Our stock exchange trade offerings on regular stock markets via ARTEQ International Securities Identification Number (ISIN)

- **OTC:** Counterpart for Initial capital raised during our pre-sale round

- **DEX:** Token offering on Decentralized Exchanges like UNISWAP

- **CEX:** Token offering on Centralized Exchanges like BitMart

The artèQ token Smart Contract on the Ethereum main network is deployed to the following address:

0x0debAEB1Ba41900148f625Bd6DBae22B576D620b

The ARTEQ smart contract is not upgradable since the underlying contract implementation cannot be changed or replaced. We perceive the immutability, transparency and security of the Ethereum blockchain as a valuable gift that keeps us forever loyal to our purpose and to what we have promised the token owners.

The proceeds from the artèQ's business activities will be regularly reinvested in curated NFT to be added to the artèQ's collection.

Token Contracts

To enhance our approach to the well-being of managed capitals and investments, the following contracts play a crucial role in artèQ tokenomics ecosystem:

Admin Contract

The Admin Contract provides multi-signature task management and acts as a temporary vault to present capitals. The ARTEQ holdings of this contract will be merged into the Treasury Contract. This contract will eventually be used to facilitate the inside policies related to handling payments and regulatory obligations.

The smart contract is controlled by a group of 5 to 10 admin wallets and every administrative action taken by any artèQ contract requires an agreement of more than half of the admin wallets. As the initial admin wallets, the following 6 accounts have been defined. A quorum of 4 votes is needed to agree upon a certain action.

Admin Ethereum EOA	
0xbf49C5eBE1FabBAcd645098Fcd2abe294A8Fc145	Admin 1
0x71F62690A184C7a210E13195A289C46b4E45cfE6	Admin 2
0x548730EF6C35CCaC1Caa7772c2F24d153Ef3b1d9	Admin 3
0x230570b469886beFbbC87CDA34b2a92A17Bd2C4A	Admin 4
0x2a6c2a875d54D431996A415B5cc45493e634b15E	Admin 5
0xf4440d0963c986178b025832a6729A312Dd07b8b	Admin 6

The Admin Smart Contract on the Ethereum main network is deployed to the following address:

0x554823B9dDB01304252b84DAfedFB2214e7E5FD8

Treasury Contract

The Treasury Contract collects and reserves all capitals and NFTs, such as not-distributed artèQ token and reserved holdings. The allocated reserves can be used to carry out different tasks related to the artèQ's mission and values, including but not limited to acquiring new NFTs and staking opportunities.

The Treasury Contract is responsible for managing liquidity in our UNISWAP V2 pool by adding and removing artèQ token. The Treasury also buys back and sells ARTEQ token according to DAO's voting results.

Even though operating primarily on top of the Ethereum and Polygon blockchains, artèQ has the intention to expand its operations to other chains soon. The artèQ Investment Capital will then have a Treasury Contract deployed on each blockchain to hold the respective reserves.

Market Overview

The increase in private sales between 2019 and 2020 reflects a growing need for discretion and quick transactions. When it comes to NFTs, where payments are done instantly utilizing cryptocurrency and a crypto wallet, both of these factors are crucial. With a sizable and distinct sector of youthful purchasers, online-only auctions have recently gained popularity. While Sotheby's has doubled the number of buyers under 40, Christie's claimed that 32% of new buyers in online-only auctions are between the ages of 23 and 38. The so-called Millennial generation, defined as those who were born between 1980 and 2000 and who make up the bulk of retail investors in the cryptocurrency market, makes up the new generation of collectors. Many businesses, notably the art world, have been destroyed by Covid-19 and the ensuing restrictions. The number of visitors to the top 100 art museums in the world decreased by 77% from 203 million in 2019 to 54 million in 2020. Less money is available to conserve the artistic history due to decreased profits, and a decline in the cultural offerings is predicted for the future.

Blockchain technology has been rapidly gaining popularity recently. Web3 is set to emerge as the foundation of something bigger than the technology industry has ever anticipated, while the bulk of the world's population is attempting to devise new ways to benefit from blockchain and cryptocurrency. The decentralized version of the internet, or Web3, is a new breed that intends to replace the current internet. Users can communicate and work together in a smart way using this network without having to worry about centralized or data-specific repositories. The NFT market is expanding exponentially, increasing from a total market capitalization of 720 million at the beginning of 2021 to 5.3 billion at the end of the same year. This has piqued the interest of major multinational corporations and encouraged their entry into the sector, including Ferrari, Gucci, Adidas, Nike, Dolce&Gabbana, Lamborghini, Disney, Alibaba, and many others. artèQ has taken this evolution into consideration, and has aligned its token distribution along these lines.

Token Distribution

The token distribution considering the total number of token to be issued will be carried out as follows:
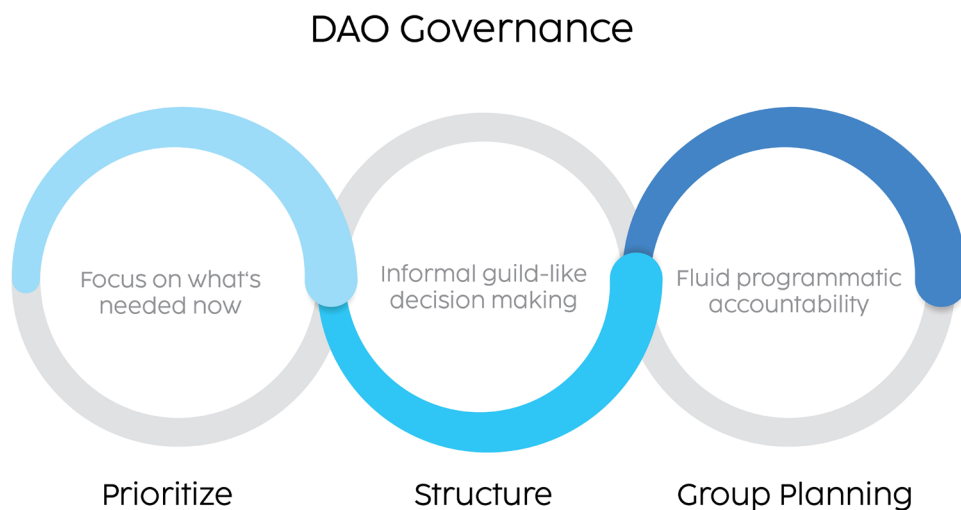
Distribution Section	Share	Number of ARTEQ Token
Team & Pre-Sale	10%	1,000,000,000
Marketing & Development	3%	300,000,000
Treasury	87%	8,700,000,000
Exchanges	TBA	-
Total	100%	10,000,000,000

Detailed information about the token in circulations may be found in the following link:
https://coinmarketcap.com/currencies/arteq/

DAO System

DAO stands for Decentralized Autonomous Organization, an organization represented by rules encoded as a transparent computer program, controlled by the organization members, and not influenced by a central government. All projects within the DAO are strategically prepared, proposed, and discussed by the management or members, and then decided upon decentrally by the DAO tools. arteQ's DAO system consists of a set of Aragon-powered[2] smart contracts deployed on Polygon, enabling token holders to participate in strategic decisions in the artèQ DAO.

DAO Governance

Focus on what's needed now	Informal guild-like decision making	Fluid programmatic accountability
Prioritize	Structure	Group Planning

Aragon is using Polygon as a full-stack scaling solution. By joining the Polygon ecosystem, Aragon cuts the cost dramatically for DAO creation, management, and voting on Aragon, as well as speeds transactions and promotes a seamless user experience.[3]

2. https://medium.com/quiknode/building-daos-with-aragon-c8b95956a405

Aragon Govern is a pioneering framework for frictionless DAO governance with on-chain execution and plug-in dispute resolution. It uses optimistic governance i.e. all proposals are passed by default unless challenged and resolved in Aragon Court. Optimistic Governance assumes that all actions are legitimate unless proven otherwise. Aragon Govern, however, does not run on the Polygon blockchain yet. As soon as the integration occurs, artèQ DAO will adopt Aragon Govern as its DAO management tool.

3. https://finance.yahoo.com/news/aragon-deploys-polygon-optimize-dao

Value Appreciation & Liquidity Supply Mechanisms

The actual value determination of the artèQ token and accuracy of assessment are duties of two important bodies within artèQ: the Art Acquisition Committee (AAC) and the Treasury Council (TC), as will be introduced below. Most importantly, the trust in the valuation of the token lies in the fact that most of the information is available on the blockchain and therefore is not subject to changes or manipulations of any kind.

The Art Acquisition Committee consists of a group of experts in art investment that assesses the NFT market. They are in charge of purchasing, holding, and selling NFTs. Most of the artèQ's NFTs are acquired for the last traded price through various auction houses and marketplaces. However, for special artworks, we seek direct negotiation with museums and galleries to guarantee the best conditions. In addition, the AAC conducts internal valuation by monitoring the value of the NFT collections owned by the artèQ Capital over time. The Treasury Council (abbreviated as TC) performs regular internal valuation by monitoring the value of the NFT Art portfolio over time.

The results of the internal valuation are communicated transparently and regularly through artèQ media channels. The Treasury Council, is also responsible for the ARTEQ token value maintenance. By buying back or selling artèQ token on the market, the value of the ARTEQ token should be maintained and must closely reflect the total value of the assets (ETH + token + NFTs) in the Capital/Treasury Contract. The TC must also take action to adjust and manage the price of ARTEQ in the market. If necessary, the TC must supplement automated market making with measures to be submitted to the DAO for voting (see more in the Market Making section). Additionally, the TC makes sure that artèQ does not hold too many ARTEQ token within its holdings. The figure below illustrates the dynamics within our ecosystem.
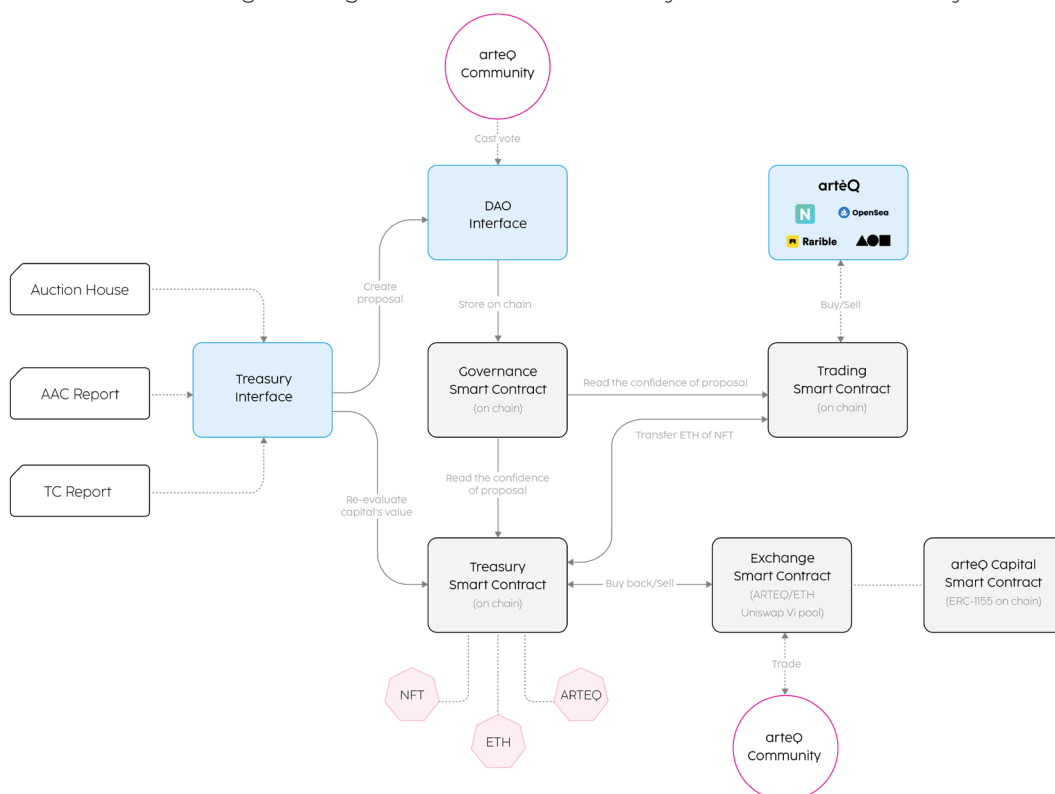
Optional Valuation Criteria

The external value or market capital of the ARTEQ token is determined by the market, as active trading takes place on exchanges. The sum of the total number of tokens in circulation multiplied by the last traded price, derived from the ARTEQ/ETH exchange rate, defines the total external value. The intrinsic value of the ARTEQ token is at least equal to the total value of the holdings of the artèQ, which consists of a sum of two values:

· The number of ARTEQ token times the last traded price in ETH
· The amount of ETH in the treasury and exchange contract

The difference between external token value and intrinsic token value is the spread, which should be corrected by the Treasury Council via oracle services in the following manner if the external value is less than the intrinsic value:

· Buying or selling ARTEQ token on the market
· Providing liquidity in the form of ARTEQ/ETH in the event of positive performance and not enough liquidity for a buyback

This re-balancing should be done automatically in certain periods (e.g. every hour) and the publication of the planned measures can positively influence the market price of the ARTEQ token.

Market Making

Market making consists in providing liquidity on a defined cryptocurrency by submitting both bid and ask limit orders on a crypto exchange. A fast and stable technology and proper risk management are essential to make market performance successfully. artèQ's Treasury Council is responsible for ensuring that the market price is at least around the intrinsic value of artèQ. To achieve this, it can propose one of the following measures and bring them to a vote within the DAO:

1. Providing liquidity for the decentralized exchanges fully systematic 24/7: This will make more ARTEQ/ETH pairs available in the market. This only increases the exchange rate's liquidity without necessarily changing the price. It will also raise the number of tokens that the general public can trade. By making more tokens available in this way, more Ether is also added as an underlying asset at the same time. This raises the external value or market capital of artèQ. The intended result is an increase in demand and an enhancement in the exchange rate as a knock-on effect.

2. Buying back tokens from the market fully automated 24/7: when the value of ARTEQ stock increases, tokens are bought back from the market with the reserve of ETH in the treasury repurchased. This process reduces the number of tokens that are available for public trading, while creating buying pressure on the market, driving up the price of the token.

3. Selling tokens to the market with constant function Market Maker System: if the value of the ARTEQ stock decreases, the Treasury Contract sells a corresponding number of tokens to the public market and receives ETH in return. This reduces the underlying blocked liquidity in the form of ETH, which causes the external value to decrease, while the number of tokens available for public trading increases, which pushes the price down.

Staking

Staking is becoming increasingly important on the crypto market. In this process, crypto owners use their coins to update the blockchain - in return, they receive a reward. In other words, crypto owners use their coins to add new blocks to the associated blockchain and receive a reward for doing so. The market is growing, in part because staking requires less energy than crypto mining and is therefore more environmentally friendly.

For staking, artèQ plans an annual rate of 4% and a minimum initial holding period of one and a half years. Staking will be possible from July 2022. Additionally, we'll also offer staking opportunities for all NFT projects powered by artèQ at a 3.5% annual percentage rate. Proposed changes have to be signed off by the DAO.

Use of token proceeds

Proceeds from ARTEQ token sales will be used to support the artèQ ecosystem, the value of ARTEQ and to foster NFT Art projects. On the one hand, this must be used in particular, but not exclusively, for costs of the ARTEQ infrastructure and for the listing at centralized and decentralized exchanges, and on the other hand to support the artèQ DAO for the promotion and strengthening of artèQ. If crypto assets of the artèQ ecosystem are to be transferred to artèQ for acquisition of NFT Art, this process must be first approved by the DAO. Any profits from the NFT transactions will be returned to the artèQ ecosystem.

Transitioning into a DAO

To reinforce our commitment to decentralization and to our community, artéQ NFT Investment Capital is set to become a Decentralized Autonomous Organization, or simply DAO as it is widely known. This trend toward decentralization has not just begun with the development of the internet. The radio initially consisted of a number of AM stations, eventually added FM stations, and later acquired satellite capabilities that allowed everyone to receive a wide range of stations. In general, Web3 and the way identity works there are similar to satellite radio. The arc of modern communication system history thus bends in the direction of decentralization.

By implementing a DAO system, we facilitate our community participation in critical decisions about the future of artèQ and ensure transparency. Unlike most DAOs on the market, artèQ relies on a professional management team to elaborate proposals. We believe that aligning expert inputs with community consensus is one of our main strengths and contributes to a promising future for artèQ.

A DAO operates with rules and targets leveraging blockchain technology. Generally speaking, artèQ central management will create proposals about the future operations of the protocol and then put it up for community voting. Proposals that achieve some predefined level of consensus are then accepted and enforced by the smart contract.

In order to utilize the best practices available out there, artèQ has decided to use Aragon System as its main DAO engine. With the current maturity and the well-accepted security level that Aragon solutions bring, artèQ community can easily and securely participate in the key and core operations of the artèQ Investment Capital.

The artèQ management team, the investors, and our great community, have always been sensitive to the environmental issues and the downsides introduced by blockchain technology. For such reasons, and in order to contribute positively, artèQ Investment Capital has decided to use Polygon for deploying its DAO system. This brings several advantages to our community, and the environment we all live in. Less gas fees, green technology, Polygon's low-energy consumption fingerprint, and EVM friendliness, are a few to mention regarding the pros of this decision.

It is worth mentioning that since artèQ Investment Capital has various Treasury contracts deployed on various blockchains (Ethereum and Polygon for the moment), the voting results will get transferred to other chains to be used by the contracts and operations needing DAO permissions.

Properties of the DAO System

The following list contains all the properties that the artéQ Investment Capital's management team thinks that the final DAO solution must have:

1. Fairness - Fairness is the most important property of the DAO system and the very fundamental reason behind its existence. Members of the DAO, namely voting token holders, must be able to participate in the voting. To enable an on-chain voting system, our team decided to work with Aragon Govern, a third-party solution for governance. There will be a voting token which allows holders to vote and add weight in proportion to the number of token held.

2. Strategy-Oriented - This property would allow artèQ admins to override a passed decision that goes against the artèQ Investment Capital's interests. Strategic goals and plans are set by the central management team for the Capital's growth and must not be violated.

3. Multi-Chain - It must be cross-chain operable. Voting can take place on a suitable blockchain and the results can be used by contracts deployed on another one. This is not given by default as part of Aragon architecture, however, the artèQ oracle services will transfer and archive the voting results continuously on other chains to make them usable.

4. Flexible - It must be generic enough to cover all off-chain possible actions and to accommodate further developments. For instance, voting results should be easily usable by the current and future contracts. That's why we have special smart contracts acting as voting archives which can be used by any on-chain contract or off-chain service.

5. Sustainable and efficient - The DAO operations should be gas-efficient and as green as possible. This is one of the reasons why Polygon is our main target to deploy the artèQ Investment Capital's DAO system and Aragon DAO contracts.

6. Secure - Safety is at the forefront of our organization at any time. None of the artèQ Investment Capital's assets should be at risk because of using a DAO System. That's why we suggest anyone in the community interact with the artèQ DAO system through the Aragon Client. The Aragon team has devised and put good ideas at work to secure the transactions in their front-end and protect assets. In addition, artèQ is also utilizing zero-knowledge proof. ZKP is quite effective to get around privacy problems on the Web3.

Zero-knowledge proof is a cryptographic technique that can be used to demonstrate ownership of knowledge without divulging its specifics. A technique in which a prover persuades a verifier that it has successfully carried out a computation containing secret data without disclosing the secrets is known as a zero-knowledge proof of work, also known as a zero-knowledge proof of computation.

7. Organized - With the help of a number of clever security features, artèQ makes sure that exploiters trying to steal the blocked assets and plunder the DAO treasury are stopped. For instance, empty voting enables this since it works by having the exporter borrow the token, do the vote, and then return the loan with the token. Instead of direct token vote our solution might be to require token holders to lock their token, with voting rights proportional to the number of token locked and the duration of the lock. This mechanism reduces the number of attack opportunities.

In addition, we are testing „poison pills," a classic financial tool that can raise the price of an acquisition and add other barriers to hostile takeover bids. These „poison pills" might be incorporated into governance rules and smart contracts such that a vote cannot be used to override them. The exploiter could suffer a „huge dilution" as a result of this. Furthermore, regardless of how much a holder owns inside the network, we intend to implement voting limits that narrow their ability to vote. As a result, voting is equitable for holders of smaller ownership.

We also want to avoid tactical voting because it often does not lead to the best decisions. Quorum-based voting also leads to governance lock-ins when the quorum cannot be reached, which forces conservatism, as only extremely popular proposals can be adopted, while simple proposals are difficult to bring to a vote.

For this reason, we are reviewing the options for future use of Persuasion Voting, Quadratic Voting and Holographic Consensus (HC). HC-mechanism associates a prediction market with each proposal. Forecasters can bet money for or against a proposal they believe will be accepted or rejected. If they predict correctly, they benefit financially.

Proposals that are predicted to pass are „boosted" and the vote is changed from a 50% quorum to a relative majority (where only the yes and no votes are taken into account and no quorum is required), making the hurdle for proposal adoption much lower than for proposals on which no capitals have been wagered.

These years, the focus has been on the further growth of DAOs, which is of great interest to investors as well. Web 3 specialists like Alex Tapscott think that advancements in DAOs are one of the most crucial topics that investors should pay attention to during the crypto winter. The Marshall Islands have begun to formally recognize DAOs as legal entities. According to Tapscott, DAOs might be soon a useful resource management tool for every regular organizations.

DAO Architecture

In the following figure, we present the building blocks of the designed DAO system based on Aragon architecture and terminology.
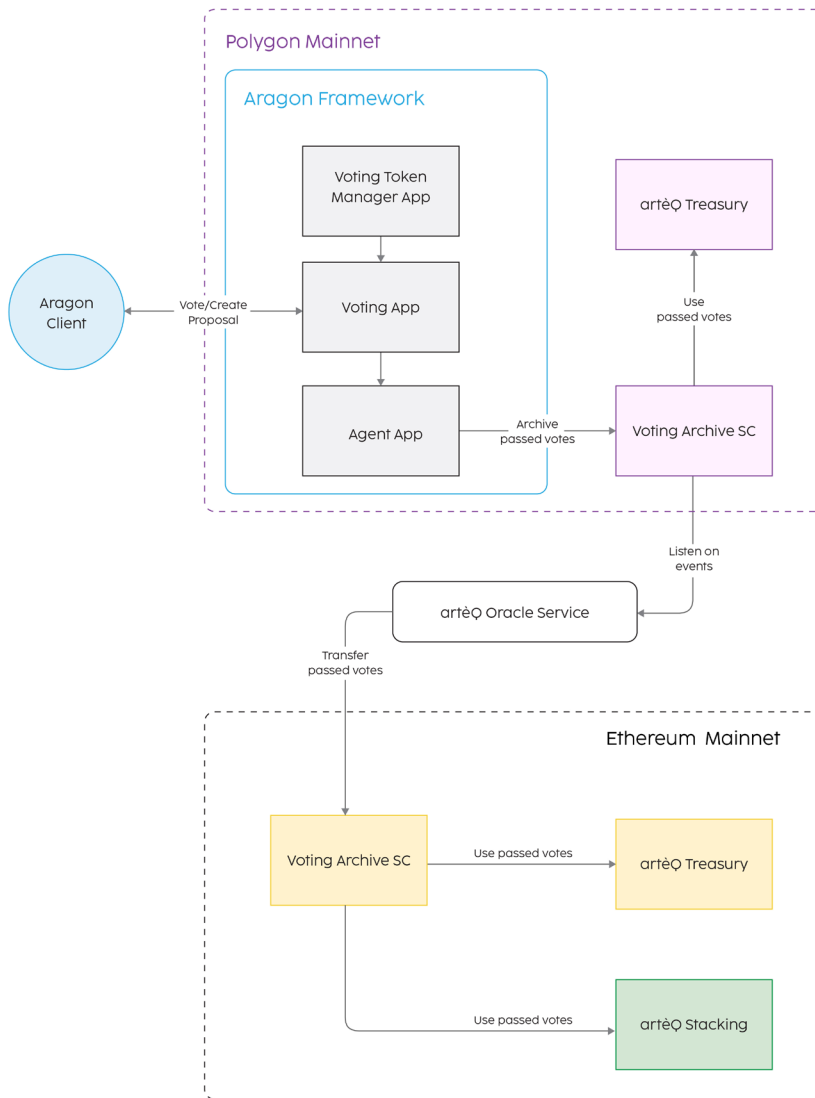
Invest in the Future

artèQ will pave the path to the future of crypto art collecting and aims to become a reference Investment Capital. With artèQ, you are placed among world-class works of art like the Klimt Kiss from the outset while also breaking into one of the most promising technology driven asset classes. The whole thing is operated by a simple, quick, and effective tool that, as a dashboard all in one, provides the ingenious artèQ reference mechanism so that the user may view his investments at all times with just a mobile phone. Due to the great experience of artéQ NFT professionals, the job is simple to do and artèQ members profit from the token's gain in value at the same time. Our curation and investment experts have a solid business network and years of experience in the NFT art industry. The artèQ Coin is strengthened by artèQ's access to these elite investment opportunities. Holding ARTEQ, on the other hand, does not securitize any rights to the purchased NFT portfolio.

However, by raising the value of the token and its many features like Farming, Staking, free Festival Participations and Free Museum Tickets, holders of artèQ tokens indirectly profit from the growth of the artèQ art NFT portfolio. artèQ DAO Members also have the ability to vote and influence changes to the governance of the artèQ ecosystem with their tokens. Holders of artèQ tokens do not gain any NFT rights or access to the works of art. However, in accordance with community rules and DAO voting, the artèQ DAO must use the financial gain from art sales in the artèQ ecosystem to advertise the ARTEQ token.

The instability and flexibility that have defined the art industry in recent years have created the ideal conditions for changing the dynamics of the art market. Virtual platforms have promoted an increase in the sector's transparency and awareness, starting a process of change that encourages market participants to try new things. By comparing the supply and demand for collectibles, it can be said that several of the major trends from 2021 have been confirmed or are expected to rise in 2022, demonstrating a strong drive for technological advancement.

We provide museums and foundations, who protect well-known works of art, with a fresh method to raise their worth by producing distinctive NFTs. This new chance will help them with the financial load of conserving creative history and give them a cutting-edge tool to indirectly promote the actual pieces and the organizations that preserve them.

In addition to having collector value and being used in metaverse shows, artèQ underlines once again that it sees his Masterpieces as a key to a "Golden Circle" of notable art aficionados, upcoming creators, and well-known experts, bringing them together in a new social network for their mutual benefit. We invite you to join us in this endeavor and invest now in art powered by technology as an asset class that is revolutionizing the market.

Visit arteQ.io for further information and follow the official profiles on Twitter and Discord to keep up with the latest news.

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