Unibot V2 Migration — Tokenomics Upgrade

Unibot · 4 min read · Jun 7, 2023



First and foremost, we'd like to thank our incredible community who coalesced behind this initiative. The idea of this upgrade was one initially raised by the community and as a **definitive majority** agreed to pursue a migration to make upgrades to our token, we're fired up to put our full force behind this decision. We always put the **community first** and will do everything in our power to make improvements that benefit you all.

Now, on to business.



As the overall sentiment was that a DAO vote would slow down the process, voting proceeded within our holder's channel.

Migration Plan

The upgrades with this migration will serve two purpose:

1. Remove the auto-burn
2. Deepen the liquidity

1. Removing the Auto-burn

Unibot launched with a burn mechanism that regularly burns the $UNIBOT tokens within the Uniswap V2 pool at a low rate. Over time it became evident that the auto-burn was creating a bottleneck in the growth of liquidity by discouraging users from adding to the liquidity pool.

As a short-term solution, the team deployed ~70 ETH from its reserves to initiate buybacks and continue to fund the LP. Due to the strong token price performance this approach had diminishing returns. The community proposed ideas for the team to execute on a more sustainable, long-term solution. With that, removing the auto-burn became our priority for the new contract.

This simple adjustment has **several benefits**:

1. Grow the liquidity pool without limitations allowing investors to trade with size
2. Attract additional liquidity providers
3. Allow tokens that would have been burned to be available for buybacks, liquidity provider incentives, and much more

2. Reviving Tokens for Liquidity

Another decision reached by the community was to revive the tokens previously destroyed by the auto-burn, and use them to deepen the liquidity. By doing so, the team will maximize the impact of the ETH reserves that will be deployed in the seeding of liquidity after the token migration.

We will firstly migrate the existing Uniswap V2 liquidity. Then we will pair ETH from the team reserves with the ~32k previously burned $UNIBOT tokens and add it as additional liquidity to the Uniswap V2 pool, more than doubling the amount of liquidity available. As was previously the case, the team's liquidity positions will be locked.

Deeper liquidity will attract larger trade volume, resulting in an increase in protocol revenue that ultimately flows onto holders.

We're extremely fortunate to have holders who, while understanding the implications of this decision, voted to move forward with it. As a reward to our holders for driving these changes, we are excited to announce that we will **increase the revenue share from transaction fees from the current 25% to 40%.**

Revenue Share Increase

We originally intended to launch our revenue share this week, but have decided to push the launch to next week in order to focus on the migration.

Originally, token holders could expect to earn the following revenues:

1. 25% of all transaction fees
2. 1% of all trading volume

We are increasing rewards! The new revenue share distribution will be:

1. **40% of all transaction fees**
2. **2% of all trading volume for those who claim during the window outlined below (2x boost for 90 days)**
3. **Otherwise, 1% of all trading volume**

We also have several key features that will be revealed after the migration that we have in store for our holders.

Migration Details

Regarding the migration date, we intend to start the migration **between June 12th (Mon) and June 14th (Wed)**. The current plan is to **run the claim for 2 days** during which you will simply have to approve a transaction that will send your UNIBOT V1 tokens to the migration contract and automatically receive back UNIBOT V2 tokens to your wallet. For the UNIBOT V2 tokens, transfers will be paused until trading goes live.

If you miss the claim window, we will take a snapshot upon disabling claims and open up a second claim indefinitely for those who missed the initial claim. **With that in mind, please DO NOT trade UNIBOT V1 tokens after the first claim is disabled. For those who go through the first claim, they will be eligible for the 2x revenue share effective immediately.**

Following the disbursement, the team will add to the new $UNIBOT liquidity pools at which point trading and transfer of the new $UNIBOT tokens will go live.

As we proceed over the next several days, we will be announcing more details on every step of the migration.