

Day Zero of the New Dawn: Proposal to Migrate the Native Token of the Covalent Network to CXT

Discover Covalent Network's final step in The New Dawn, transitioning from CQT to CXT, enhancing our mission towards AI and Long-Term Data Availability.

2024-07-08

Background

Over the last few years, the Covalent Network has achieved a lot to drive towards the verifiable data mission - launching the Block Specimen Producers and Block Results Producers, decentralizing via 32 geo-distributed operators, launching a revenue buyback program, expanding to the APAC region, doubling down on AI/LLM use-cases, supporting 50,000+ developers via the GoldRush API (formerly known as the Unified API) and new industry-leading products like Increment.

To double down on the conviction behind our vision of building a modular, decentralized data infrastructure, we launched the New Dawn initiative, to compress time by introducing a series of critical announcements, technical, and tokenomics changes via the governance process. These include Arthur Hayes joining the team as a strategic advisor, a funding announcement of "5 milo" to expand into the APAC region, airdrops, and migrating the staking operations back to Ethereum. The traction speaks for itself - with over 22% of the circulating supply now staked to secure the verifiable data mission.

Day Zero of The New Dawn is Here with CXT

Day Zero is marking the end of The New Dawn, with the introduction of a new network token CXT to replace the existing network token CQT. The Covalent Network's evolution from being merely a query provider to becoming the "Ethereum Wayback Machine" necessitates a redefinition of its core mission. The focus now extends to a modular data infrastructure network tailored for **AI and Long-Term Data Availability**. The current token ticker, CQT, fails to encapsulate this expanded vision and the broader scope of the decentralized data infrastructure.

Token Migration		
	Before	After
Token Ticker	CQT	CXT
Token Name	Covalent Query Token	Covalent X Token
Initial Supply	1,000,000,000 CQT	1,000,000,000 CXT
Inflation	0%	0%
Rewards	66,054 CQT per epoch	66,054 CXT per epoch
Contract Address	0xD47144312DbF50465b1C641d016962017Ef6240	To be determined at deployment
Blockchain	Ethereum, ERC20	Ethereum, ERC20
Staking Migration	CQT	CXT
Governance Migration	CQT	CXT

Proposal

Covalent Network proposes the following changes to align the token with this evolved mission:

1. **Change the Token Ticker:** Transition from CQT to CXT to better represent the network's objectives.
2. **Staking migration:** Migrating the staking contract on Ethereum from CQT to CXT.
3. **Governance migration:** Migrating the future governance on Ethereum from CQT to CXT.
4. **Distribution:** Provide CXT to CQT holders on Ethereum.
5. **Increase Liquidity:** Provision improves overall token liquidity.

Moonbeam activity is deprecated. CQT will be deprecated following the ratification of this proposal.

Your Funds Are Safe

Rest assured, your tokens remain secure throughout this migration:

- **Stakers:** All current token holders, operators and delegators will automatically have their staked CQT positions migrated to CXT.
- **Centralized Exchanges:** Covalent has been working with each exchange to support the migration. Exchanges will receive CXT tokens and handle the distribution of CXT to their customers.
- **Self-hosted Wallets:** Token holders using wallets like Metamask, Rabby or Ledger will receive their CXT tokens directly.

Audits

- Quantstamp: [AUDIT LINK](#)
- Hacken: [AUDIT LINK](#)
- QuillAudit: [AUDIT LINK](#)

Centralized Exchange Notes

- **Trading Halts for CQT:** Trading for CQT will stop on Jul 9, 2024 00:00 UTC.
- **Trading Resumption with CXT:** Trading will resume with the new CXT ticker in the hours and days following the successful governance vote and migration, with each exchange having their own schedule for resumption.
- **Existing Exchanges are Ready:** OKX, Gate, Crypto.com, Kucoin.

Community Call

To address outstanding questions with the new token, the Covalent core contributors will host a [community call](#) on Tue, Jul 9 2024 at 13:30 UTC / 6:30 PT / 17:30 GST / 21:30 SGT.

Voting Parameters

Your participation is essential for this transition:

- **Voting Platform:** Snapshot [here](#).
- **Quorum:** 10 million CQT.
- **Eligibility:** All token holders, operators and delegators can vote.
- **Voting Period:** 2 days, starting at Jul 8, 2024 22:00 UTC.

Covalent strongly believes this proposal will enhance the utility of the token, aligning it with the long term vision for AI and decentralized data infrastructure. Covalent invites all token holders and stakers to participate in this crucial decision to help shape the future of the Covalent Network.

FAQ Section

General

What is Day Zero of The New Dawn initiative?

Answer: Day Zero signifies the final day of the The New Dawn countdown. It is a culmination of key announcements and changes for Covalent, including a rebrand, new strategic advisors, airdrops, and funding announcements.

Why is Covalent changing the token ticker from CQT to CXT? What does the "X" stand for?

Answer: Covalent is updating the token ticker to better align with its enhanced mission. The new ticker, CXT, symbolizes the network's broader focus on modular data infrastructure, AI, and Long-Term Data Availability. The "X" represents limitless potential.

What is the contract address for CXT?

Answer: The contract address for CXT is: 0x7ABc8A5768E6bE61A6c693a6e4EAcb5B60602C4D.

Where can I get price information on CXT?

Answer: This is the price information for CXT based on the CXT/WETH pool: <https://www.geckoterminal.com/eth/pools/0xc783d210c483d76d158fd502af6b48439ffed9c5>.

Timeline

How can I participate in the governance vote?

Answer: All token holders, operators, and delegators can participate in the vote via the [Snapshot platform](#). The voting period starts at Jul 8, 2024 22:00 UTC and lasts for 2 days, requiring a quorum of 10 million CQT.

When will trading on centralized exchanges for CQT stop and resume with CXT?

Answer: Trading for CQT will halt on Jul 9, 2024 00:00 UTC, and trading with the new CXT ticker will resume after the governance vote and migration are complete. Each exchange will have its own schedule for resuming trading.

Migration Process

How will the staking migration affect current operators and delegators?

Answer: Current operators and delegators will have their staked CQT positions automatically migrated to CXT without any required action, ensuring a smooth transition. The migration will be a 1:1 ratio. Rewards from the time of the migration will be distributed in CXT.

How will the staking migration affect current operators?

Answer: You don't need to do anything as an operator. Your staked CQT will automatically convert to CXT on the staking contract, ensuring a smooth transition. When you withdraw rewards or tokens in the future, you will receive CXT.

How will the migration to CXT affect liquidity?

Answer: The transition plan includes measures to enhance token market liquidity, supporting a more stable and active trading environment for CXT.

Will my funds remain secure during the migration from CQT to CXT?

Answer: Yes, your funds will be secure. Staked and delegated positions will automatically convert to CXT, and exchanges and custodial wallets will manage the token distribution to their customers.

How long is the migration period open?

Answer: Provided the governance vote passes, the migration is expected to take place over a few hours from the end of the governance vote (Jul 10, 2024 22:00 UTC). Exchanges will have their own timelines for switching the ticker from CQT to CXT and resumption of trading, withdrawals, and deposits; these timelines may run into a few days after the migration (depending on the exchange).

Where can I find the smart contracts for the migration and has it been audited?

Answer: The smart contracts for the migration can be found in our [Security and Audits](#) page. For more details, please refer to the following audit reports:

- Quantstamp: [AUDIT LINK](#)
- Hacken: [AUDIT LINK](#)
- QuillAudit: [AUDIT LINK](#)

What Happens to CQT

What will happen to CQT after the proposal is ratified?

Answer: Once the proposal is approved, CQT will be deprecated and the community will transition to using CXT. This shift will provide better on-chain metrics and improve overall token management.

What will happen to CQT on Moonbeam?

Answer: CQT holders on Moonbeam are encouraged to bridge back CQT prior to the end of the voting period Jul 10, 2024 22:00 UTC. If wCQT is not bridged back before then, holders will not receive CXT in their corresponding Ethereum address and will have to go through a claim process. This is the link to the [Portal \(Wormhole\) Bridge](#). This is a link to a 3rd party [bridging guide](#).

What if I encounter issues or bugs during the migration process and am unable to receive the new CXT token?

Once the new token deploys, token holders can add the token contract in their wallet to view their tokens. For further assistance, please reach out to our support team on our Discord server [here](#) or our Telegram channel [here](#).

Tokenomics

What do I need to do to receive my CXT tokens?

Answer: Token holders will receive their CXT tokens directly to the corresponding address holding the CQT tokens. In order to see the tokens in a wallet (e.g. Rabby, MetaMask, Ledger), the new token contract may require to be added to the wallet (following the steps in their respective guides).

Which exchanges are ready to support the migration to CXT?

Answer: All existing exchanges OKX, Gate, Crypto.com, and Kucoin are prepared to support the transition to CXT. More announcements are coming soon.

Will there be any change to the initial token supply?

Answer: No, there will be no changes to the initial token supply. The supply will remain the same as it transitions from CQT to CXT.

Is there token inflation, or in other words, will there be additional tokens?

Answer: No. Though the CXT token contract supports minting of additional tokens, it is set to 0% and the supply of CXT remains the same as the supply of CQT of 1,000,000,000 tokens. Additional tokens will be minted in the future through a governance process primarily to support community initiatives and staking rewards.

What utility will the CXT token have?

Answer: The utility of the CXT token will remain the same as CQT, continuing to serve as Covalent Network's governance and staking token.