# Impossible Finance

**The Abbreviated Vision -** for our genesis story, please <u>check out our full vision doc</u>.

In 2020, Decentralized Finance (defi) saw an **explosion** of **money legos** supplanting Traditional Finance (TradFi) products. With defi being open-source, the holy grail of defi is to aggregate liquidity and talent together, not build in isolation. At **Impossible Finance**, we bring together investors, users, and projects into a cohesive **multi-chain** ecosystem. Despite tenures at centralized exchanges, our contributors believe that defi's composability will power the **best project-launching mechanisms**, hence the motivation for the **Impossible Incubator**. By employing a **builder-first model**, we focus on launching top teams to ensure quality deal flow for investors and retail users alike. To advance the structure of early stage investment, we introduce the **Impossible Economy**: IF Governance (**IF**) and IF Decentralised Incubator Access Tokens (**IDIAs**) for fair access into project launches. Finally, to support the liquidity of projects, we offer the **Impossible Swap**: a multi-purpose dex supporting initial launch sales and secondary markets for any asset.

## Impossible Value Propositions

To understand why we need a **decentralized YCombinator,** it's important to explain the current pain points of crypto fundraising for the three core types of participants: **retail users, institutional investors, and projects.**

**Projects** fundraise in a market rewarding shillers, not creators. With high fees and forced platform-rent-seeking economics, **legit projects fail to acquire adequate resources to execute, while empty whitepapers raise millions.** Projects also must raise funds on a rushed schedule, rather than putting building first. YCombinator doesn't force IPOs right after Demo Day, so why should a launchpad? In 2020, pure "fair launches" provided easy bootstrapping of liquidity and **users' mindshare,** but did not help projects raise capital and created poor incentives for mercenary yield farmers dumping tokens.

**Retail users** are often prioritized last after funds invest at low valuations. Users also face front-running and oversubscription in other launches. Similarly, institutional investors have a hard time finding allocations for quality projects. Often, both invest in whitepaper-led teams in FOMO-driven fundraising. This is where the **Impossible Incubator** comes into play.

**For Retail Users:** Provide unprecedented access to top-tier deal flow and build these ecosystems together with our incubator's promising projects..
**For Projects:** We offer not just "fair launches", but **"smart launches" that** connect projects with top-tier funds and fervent retail users alike. Through our IDIA framework, projects distribute tokens via **multiple tracks.** We believe strongly in building the **"B2D" - business to developer** stack, so that projects can focus on building. Thus, the **IF Community** will provide the following advisory services to projects in our BUIDLer ecosystem:
- Technical

- - Research and development to suggest potential architectural improvements
    - Multichain support to help grow and adapt product scope
    - Gas optimisation suggestions
    - Referrals to high quality audits, tech integrations, bounty programs and talent
  - Economic
    - Optimize token economics
    - Provide data and analytics to provide tight feedback loop on any campaigns
      - Dune Analytics, GraphQL (Bitquery, The Graph), Covalent, Nansen
- Marketing/BD/Operations
  - Hone in the key "killer features" for each project
  - Localized support in operations across all communities
  - Help organize and participate in hackathons
  - Help build ecosystems across core stakeholders: validators, users and devs
  - Warm introductions and grants program support with ecosystem partners
  - Quarterly web showcase/demo of incubated projects
  - Connections to Legal/Compliance/Organizational Registration

## Tokenomics (Why 2 Tokens?)

The Impossible ecosystem will consist of two assets: **IF,** and Impossible Decentralized Incubator Access Tokens (**IDIA**).

**IF**, the governance token of the ecosystem, will be the "mainnet upgrade" of the STAX governance token of [StableX.finance](StableX.finance), which powers the AMM that lies at the backbone of the Impossible Ecosystem. Similar to the "page rank" algorithm for Google which led to Drive, Gmail, and YouTube in the Alphabet ecosystem, we started with our AMM and plan to build the entire suite around it. For a full list of IF token use cases, please [visit our appendix](visit our appendix).

To better match true believers of projects within a sector, rather than speculation-driven launchpad models, we introduce the **IF Decentralized Incubator Access (IDIA) Tokens.** IDIAs are **liquid instruments** that give investors **priority access to deal flow and allocation** within a specific sector. This matchmaking also deters "mercenary investment" that doesn't stick around long term, instead prioritizing long-term investors for access into highly sought-after project launches. At first, we will aim to support **8 sectors**: User-facing Tools, Assets (Synths), Markets (DEXs and AMMs), NFTs, Capital Efficiency, Scaling, Privacy, and Infrastructure. Projects may fit into multiple categories, as we hope to incubate more projects that take on multiple birds with one stone. Further categories may be added by the community via IF governance.

**IDIA token holders** also govern the **IDIADAO, a public on-chain fund** to invest in Impossible projects, with profits going to [buyback and make](buyback and make) **IDIA tokens.** Later, we aim to abstract this flow to allow "no-principal loss investing" strategies (similar to [PoolTogether](PoolTogether)) to deploy interest earned in stablecoin AMM pools to reinvest in Impossible Incubatees. This democratizes the early stage investment world so that even your grandma can participate.

Further, we encourage and support subDAOs, or individual decentralised funds (e.g. e-girl capital) to invest alongside IDIADAO. We will **set aside 1% of IDIA total supply to sell to partner ecosystems of users and creators** such as Metacartel, Lobsterdao, ICO Analytics, Badger, Daosquare, DXDao, LAO, HausDAO, Flamingo, JihoDAO, The Defiant, Our Network, Coin98, Rabbithole, Dune Analytics, Opensea, and Gitcoin & KERNEL donors/recipients.

## IDIA Token distribution

**Total supply:** 1 billion IDIA
**Strategic sale:** 13% (13 mil IDIA), ~2M USD Circ. market cap on day one
  **$0.06 - 25% liquid (Day 1), remaining 75% vest: 1 year cliff & 1 year linear unlock**

### IDIA Token Distribution

**13% Genesis Strategic Participants Sale**
**10% Incubated Project Teams** (give projects access to better deploy their strategic treasuries with potential ecosystem partners), deployed over 5 years.
**15% Ecosystem** bounties disbursal governed by IDIA token holders, linear over 4 years.
**2% Gitcoin Grants** support public goods decided by IDIA holders, deployed over 4 years.
**20% IDIA DAO** allocation, 25% upfront but non-transferrable, linearly vest over 4 years
**20% Impossible Team** 25% upfront but non-transferrable, linearly vest over 5 years.
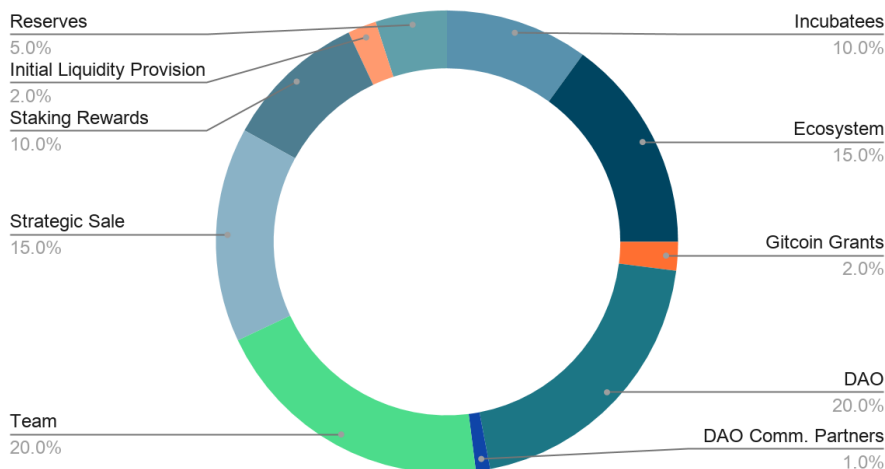**10% IF Staking rewards** earned over 5 years
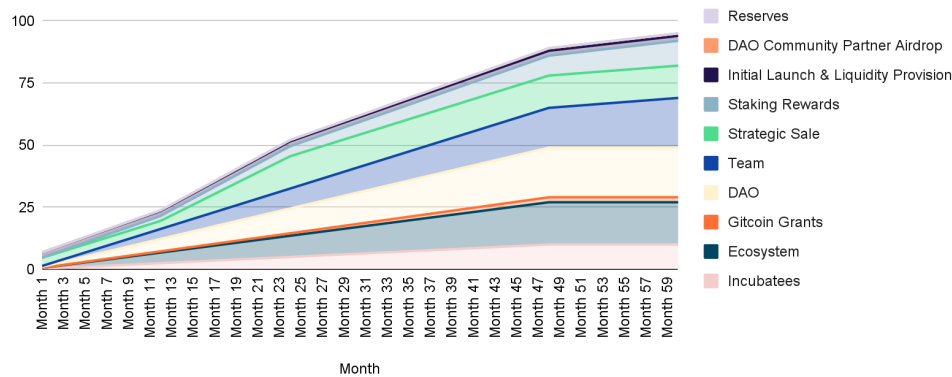**2% Initial Impossible IDO & Liquidity Provision Bootstrapping** - locked liquidity
**1% Partner DAOs and user ecosystems Sales to bootstrap community**
**5% is held in reserves TBD** - nontransferable for 6 months

Token Distribution



| Label | Percentage |
| --- | --- |
| Reserves | 5.0% |
| Initial Liquidity Provision | 2.0% |
| Staking Rewards | 10.0% |
| Strategic Sale | 15.0% |
| Team | 20.0% |
| Incubatees | 10.0% |
| Ecosystem | 15.0% |
| Gitcoin Grants | 2.0% |
| DAO | 20.0% |
| DAO Comm. Partners | 1.0% |

**Token Release Schedule**



Legend:
- Reserves
- DAO Community Partner Airdrop
- Initial Launch & Liquidity Provision
- Staking Rewards
- Strategic Sale
- Team
- DAO
- Gitcoin Grants
- Ecosystem
- Incubatees

## Staking and Unstaking IDIA Tokens

Investors can stake IDIA tokens in special **Allocation Queue** contracts for access to deal flow in their desired sector. For example, an investor may stake IDIA into the NFT sector to get allocation into an NFT Incubation Sale, and teams will allocate more tokens to users that have **signaled** affinity to this sector. **IF Token holders govern** the target and min staking allocation distributions for all IDIA sectors, reassessed monthly, to ensure that Impossible continually attracts a good balance of projects in all the latest trends. A low unstaking fee will be assessed to discourage short-term sector hopping.

Current Sectors include Scaling (chains and Layer 2 solutions), Privacy (zk | sMPC), 2C Tools (explorers | smart portfolio/wallets), Assets (Synthetics | Stablecoin), Markets (Dexes | Derivatives | Prediction | Insurance), NFTs (Art | Gaming), Capital Efficiency (Lending | Yield | Staking | Indices | Portfolio), Infrastructure (Cross Chain | Governance | MEV), and misc.

In the future, IDIA sector positions (e.g. IDIAnft or IDIAdex) also act as "indices", as getting into a sector is more valuable if more launchpads come to that sector. More complex strategies can also be constructed with IDIAs, e.g. a Defi thesis is exposed to x% IDIA scaling, y% IDIA assets, and z% IDIA Markets. Thus, these wrapped positions could also act as a proxy for the growth of that sector. Future bounties may be given to develop on these products.

## Types of Incubation Sales

Initially, the focus will be on primary sales as we want to help incubated projects launch from square one. However, with the proliferation of **fair launches in 2020**, many projects will need to conduct **strategic sales in 2021** to further sustain development. In the future, governance can approve the same smart contracts to conduct **secondary sales** to help grow decentralized communities. Returning projects that fulfilled milestones but need further financing could be prioritized via governance. If the IF community decides that a project is a good fit for a strategic sale, it should help projects of any stage.

## Benefits For Investors

- Retail investors
  - Multiple ways to access to early stage project investment in desired sectors

- Fair allocation and minimized front-running by bots
- Institutional investors
  - Transparent investment opportunities to secure allocation to fulfill thesis
  - Derisk their investment by participating in an ecosystem where users are ready to test and grow these products

## For Project Teams

With our **Smart Launches**, every token should go to long-term incentive-aligned investors. There are 3 recommended tasks and **8 custom track options** with different focuses, by which projects can allocate and distribute tokens to their early adopters:

### Recommended

1. **IDIA Pre-Allocation Queues** - The more one stakes in a sector, the more priority they get as a **"Right of First Refusal".** This incentivizes investors to become the leaders of a sector**.** Guardrails such as target "Gini coefficient" for sale participation and max limit (no investor can surpass 20% of the total track amount) can be added as constraints, rewarding all users staked within a sector prior to the announcement of the launchpad project, and offers the right to claim launchpad allocation proportionately to the total amount staked in the sector.

2. **IDIA Priority Auction** - Similar to a combination of LBP and gas fees, IDIA per $ of allocation will follow the LBP curve during the auction window. Users submit bids of $(fixed rate) +IDIA (based on real time LBP curve) to get access into a particular deal. This assigns preference to users who signal interest by bidding with IDIA for allocation post-announcement

3. **Onchain whitelisting** (either by KYC powered by Synaps, Tor.us, Argent, other wallet integrations, DAO participants, Galaxy, POAP, Degenscore, or Rabbithole XP, etc.) to attract power users or verified crypto users.

### Chain-activity/Qualifications based

4. **Retroactive Usage-based qualification** from addresses who have utilised a project's smart contract(s) or other products.

### Additional Marketing Campaigns

- **Competitor Spend** - targeting addresses which have utilised competing products
- **Lucky draw** - lottery system for **all IDIA holders (sector-agnostic)** to win allocations.

We want to offer multiple tracks for projects to distribute their tokens to, in order to achieve a diversified crowd of users both pro and newbie to come and join their ecosystem. To diversify the communities that projects raising through Impossible Finance can reach, we will enforce that all projects select at most 3 different "tracks", with a minimum of 25% for each track utilized. Teams must choose either **IDIA Sector Priority Queues or Pro-rata Queues (3 and 4), as well as an IF Priority Queue Auction.**

These tracks highlight a type of "DYOR" that we want to incentivise so that sale participants are less likely to be mercenary investors but rather power users of products. All raised proceeds are vested in a [DAICO model](), to ensure that the project team delivers and that funds raised stay within the yield-generating AMM pools to offer continued liquidity for traders and hassle-free treasury management for projects at the same time.

## Roadmap

We are a product-first ecosystem that will provide the infrastructure for supporting the most robust defi-powered ecosystem, from incubation, launch, swapping, and savings.

Q2 2021:
- Technical
    - Migrate STAX to IF
    - Upgrade IF swap
    - BSC chain support
- Operational
    - Onboarding projects on IF incubator and BUIDLer ecosystem
    - Additional partner onboarding
    - Complete IDIA fundraise

Q3 2021:
- Technical
    - Launch Impossible Launchpad
    - Launch Multipurpose Swap on multiple EVM Chains (ETH, BSC, and Polygon)
    - Launch IF Governance & DAO
    - Work on integrations with other baskets, index, and investment tools
- Operational
    - Launch IDIA token on Impossible Launchpad for IF Stakers
    - Launch first batch of incubated projects

Q4 2021:
- Technical
    - Gradually launch IDIA staking tracks
    - Launch IF staking
    - Additional EVM chain support
- Operational
    - Target 10+ projects on launchpad
    -

2022:
- Technical
    - Launch principal-protected products, IDIA Index & automated strategies
    - Explore non-EVM chains to deploy on (Solana, Elrond, Cosmos)

- Additional integrations (i.e. index, tools, etc.)
- IFUSD Minting
- Operational
    - Grants Program
    - Insurance Fund
    - Target 30+ projects
    - Setup IDIADAOand Onboard 5 onchain funds

# Appendix:

**Current Full List of Utilities of the IF token (to add more):**

**Governance** (via [snapshot.org](snapshot.org))

- Govern project team "grants" program of IDIA tokens allocated to Incubated Project Teams to encourage strategic investments for Impossible ecosystem teams.
- Govern the IDIADAO Fund's Investment Strategy
- Govern Gitcoin Grants donations
- Voting to verify and validate quality of projects within the IF incubator
- Add new IF Incubation sectors
- Decide on the option to support secondary sales for projects

**Access**

- Priority Queueing for Fundraising Track #5

**Economic**

- Can be staked to mint IFUSD for use in these Incubator launches.
- Earn rewards by staking IF - with rewards powered by:
    - 80% of Stablecoin AMM transaction fees
    - IDIA Staking and Funding fees
    - Priority Queue Sales fees
    - 10% of Total Supply earmarked for IDIA staking rewards

**FAQs**

**How much can projects raise through us?**

Flexible - starting with a minimum of 100K, but the smart contracts can be utilised for any size - we just believe that to maximize our impact on projects, we should focus on larger deals to distribute tokens further; a 10k raise may be too easily filled by one person.

**Can projects be in multiple categories for IDIA sectors?**

Yes! Projects can be eligible for up to three categories.

**What chains will you be on?**

Multichain! We will prioritise EVM compatible chains with users (such as ETH, BSC, Polygon, xDAI, Harmony, Avalanche, etc.), and work to expand to more chains moving forward.

**Could projects trying to get into the incubator hold lots of IF and sway the governance?**

IF holders are incentivized to protect the long run for scaling the incubator - if it becomes a "private yacht club" for a select few, it will actually not scale in an optimal manner. It's up to IF holders to make sure that they protect the interests of long term IF holders.

**Who are IF's Competitors?**
Nobody is a competitor - everyone is an ally. Our goal is to be aligned to grow any project's ecosystem, and other launchpads, DAOs, exchanges, swaps, and defi products all can be a part of us achieving this. We are the meta defi alliance - the ecosystem which will stop at nothing to build a cohesive network of decentralised ecosystems together.

**There's so many IFthings! What are all of them?**
**IF -** the core governance token
**IDIA - "gas"** to give investors preference for allocation into launchpads