SOMNIUM

Whitepaper

Version 1.23

Welcome to Somnium

The Somnium token is a simple DeFi utility token that seeks to address some of the issues and concerns that investors may have with existing tokens.

The Somnium token has been designed to power the Somnium platform which is currently being developed by the Somnium team with the aim of providing innovative solutions to facilitate real world DeFi transactions.

Somnium Token

The Somnium token has been carefully designed to be a simple, fair and decentralised token that runs on a completely transparent protocol with zero tax. In addition to this, the Somnium token has been created for use with exciting future applications operating on the forthcoming Somnium platform.

Somnium Platform

The Somnium platform, which is currently in development, will comprise a number of blockchain applications built on the Binance Smart Chain. It will allow users to create and interact with custom smart contracts through an intuitive web interface. The initial launch of our platform will allow users to create auto balance release smart contracts to help bring assurance to multi-party DeFi transactions.

Why Somnium

We are big believers in the principles of decentralisation and transparency that blockchain technology has the potential to bring to finance.

At Somnium we recognise that there are still a number of practical obstacles that need to be overcome before the full benefit of DeFi can be realised. This is why we are focusing our efforts on developing key technology that will allow users to gain the benefits of using DeFi which up until now have remained largely theoretical.

We wanted to build a fairer, more transparent token and a platform with which to tackle real world DeFi problems.

We are building our Somnium token and platform in accordance with the principles of fairness, transparency, simplicity and security. This is in part the result of becoming frustrated with the direction many other blockchain projects have taken, principally in the amount of central control over tokens and technology given to the development teams. Even mechanisms as seemingly innocuous as manual token burns give centralisation to what should fundamentally be completely decentralised processes.

About the Somnium token

We have built our Somnium token on the following principles:

- **Fair:** All holders of Somnium will be treated the same, with no unfair advantages for the development team.
- **Decentralised:** No external interference with the token smart contract after launch - it will be self governing with renounced ownership and rely solely on the code contained already within the smart contract.
- **Transparent:** The source code for our token smart contract will be available to view online.
- **Simple**: The functionality of the token is easy to understand. There are no "auto" features e.g. burns or liquidity pool (LP) contributions.
- **Inclusive**: The Somnium team are strong advocates of inclusion and equality. We are supporters of women in technology, with more than half of our team made up of women. We will build upon this with initiatives during 2022.
- **Secure:** The liquidity pool is locked and the token has renounced ownership making the token completely "unruggable".

'Fair launch' and token allocation

Somnium is a 'fair launch' token, with no investment token allocation for the Somnium team, no pre-sale, no 'air drops' and no early investor or developer advantages such as exemption from fees. Everybody has an equal chance to buy Somnium with 80& of tokens added to PancakeSwap for purchase by the community and the development team. Somnium has the power to expand and grow, with 20% of tokens held back for platform development and exchange

listings. This allocation will be distributed across multiple secure wallets to be used exclusively for platform growth.

Locked liquidity

Ownership of the Somnium liquidity pool has been sent to a time-lock smart contract on TrustSwap for 3 years, protecting against 'rug pull'. The Somnium team has the option of extending this time period but they cannot decrease it.

This fixed 3-year time period has been selected to allow investor liquidity to pool enough to give sufficient confidence in the market. This period will be reviewed annually and may be extended.

The locked LP can be verified on TrustSwap:

https://www.team.finance/view-coin/0xfB82876a27C2D38A3E7bC4591ACe7F1a45E32Ffe?name=SOMNIUM&symbol=SOM

Transparency

In keeping with Somnium principles, we operate transparently by making our source code available on GitHub. Our verified smart contract on the blockchain can be viewed on BscScan.

Renounced ownership

To give assurance that the somnium token is truly decentralised, ownership of the contract has been renounced. This means that the development team has no access to the contracts functionality beyond that available to the community.

No burns

A significant number of other crypto tokens and coins use inflationary or deflationary economics, i.e. the creation or destruction of tokens over time, to influence the token price. When tokens are burnt they are moved to a burn wallet either manually or automatically after each transaction. Where this process takes place manually, control over this process lies with the development team.

At Somnium, we believe in doing things differently and have included no burn mechanisms in our token to give holders the assurance that there are no centralised processes governing the price of their Somnium tokens.

Fixed Supply

Somnium has a fixed supply of 100,000,000 tokens. Somnium is unmintable and as it cannot be burnt, the total number of Somnium tokens is fixed forever. As ownership of the contract is renounced, holders have assurance that the development team (or anyone else) cannot change the token supply.

No unbalanced auto-liquidity

Changing the ratio of the two tokens (the liquidity pair) in the liquidity pool (LP) influences the market price. For example, by adding Binance Coin (BNB) and taking away Somnium from the LP, the price of Somnium increases as its value relative to BNB has increased. This ratio will change naturally as the token is bought/sold with the price of the token dictated by the constant product formula [1].

Many other static reward tokens interfere with this process by adding "auto-liquidity" to the LP on every trade, believing that in doing so the size of the LP will increase and thus the market stability of the token will improve. However, this process can actually have a negative impact on the balance of the LP as additional tokens are typically only added to the 'purchasing' token side of the liquidity pair. The 'value' token side of the pair (e.g. BNB) is actually moved out of the LP and then back in, giving a net zero increase.

Somnium does not use an auto-liquidity feature. Instead, and in keeping with the principles of Somnium, we avoid artificially interacting with the LP in any way, allowing it to be influenced by natural market forces only.

Somnium Platform

Our innovative Somnium platform, currently under construction, will allow users to create auto balance release smart contracts from a simple, intuitive dashboard.

These Somnium smart contracts will allow multiple parties to transfer cryptocurrency between themselves where the balance release conditions are contingent upon clearly defined payment conditions. Our solution will allow users to create and interact with the smart contracts in a way that maintains security and transparency, using blockchain technology.

Beyond this, we plan to expand our platform to encompass a range of blockchain applications, each expanding DeFi capabilities. As an example, our next step will be to bring assurance to payment scheduling, again accessible through the simple and intuitive web interface.

We are hard at work on the Somnium platform and we look forward to launching the next stage of our project soon.

Links:

Github:

https://github.com/SOMNIUMCRYPTO/somnium

BSCScan:

https://bscscan.com/token/0xfB82876a27C2D38A3E7bC4591ACe7F1a45E32Ffe

Locked Liquidity (TrustSwap):

https://www.team.finance/view-coin/0xfB82876a27C2D38A3E7bC4591ACe7F1a45E32Ffe?name=SOMNIUM&symbol=SOM

Locked liquidity Pool visible on BscScan:

https://bscscan.com/token/0x2376652ae0b0d1be85352b4fcf85aa16dd9dafa5

References:

[1] https://research.paradigm.xyz/amm-price-impact