

Waves Enterprise Mainnet & WEST 2.0 White Paper

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01 INTRODUCTION

“We project that by 2023, 35% of enterprise blockchain applications will integrate with decentralized applications and services. The rewards are simply too high to ignore, and are far greater than the costs”

Gartner Hype Cycle for Blockchain, 2021

Information technologies follow similar steps in their mass adoption. There were times when web technologies became a common thing rather than just a set of weird abbreviations, like DNS or TCP/IP. Today distributed ledger technologies, including blockchain, have come to this threshold; in a few years decentralized applications will be treated as a common solution with their established set of use cases.

Now we can see how all the advantages of distributed solutions are being best combined. Both private and public blockchains bring their best to hybrid infrastructures.

01 INTRODUCTION

Here a private blockchain connects with a public one to extra validate its transactions.

This makes audit easier, gives more security and control to the end users and supervising organizations. The hybrid approach also makes the whole system more trustworthy. We can trust private blockchains no more than we trust their owners, but in hybrid models we have additional verification from an independent network.

Such relations between economic actors enable bringing value of crypto economics to traditional economics, enhancing its accessibility, credibility, immunity to censorship and reliability in long-time perspective.

02 THE ECOSYSTEM

Waves Enterprise was founded in 2018 to provide a hybrid blockchain platform of enterprise level for fault-tolerant digital infrastructures.

An outstanding combination of features has formed the uniqueness of the platform.

01 Fast deployment and rapid time to market

02 Using both private and public permissioned blockchain for better flexibility

03 Configured encryption that can be tailored to local standards

04 Containerized smart contracts for easier development

05 Private transactions

06 High network throughput

02 THE ECOSYSTEM

Waves Enterprise is a part of the global Waves ecosystem that is responsible for corporate and governmental blockchain use. Our platform has proven itself as one of the leading blockchain platforms in the enormous market offering blockchain for corporate use. Waves Enterprise stands behind some of the biggest successful enterprise implementations of blockchain worldwide, and is deployed in e-voting, fintech, IP protection, supply chain management, employee engagement applications, and in other spheres.

The key offer of Waves Enterprise is its practical approach to enterprise blockchain; it enables shaping the complex, advanced blockchain infrastructure into complete solutions which are ready for deployment and immediate use. This significantly lowers the barriers to entry for blockchain technology, as the market has already proven. Waves Enterprise customers are able to launch pilot projects much more quickly than with other corporate blockchain platforms. For example, building a blockchain network of 70 banks with Waves Enterprise takes only two weeks.

02 THE ECOSYSTEM

The portion of our platform with public permission, Waves Enterprise mainnet, is an LPoS (leased proof-of-stake) network which was launched three years ago in 2019. Singapore-based company Tokenomika was responsible for mainnet development till 2022. The mainnet is operating as a global arbiter and reference network; that's why our platform guarantees the security of all its transactions. Waves Enterprise System Token (WEST) serves as a utility token for all operations within the Waves Enterprise mainnet and sidechains.

Out-of-the-box blockchain services is another direction of Waves Enterprise development. The platform provides solutions for different usage cases, such as e-voting platforms and others. Also, Waves Enterprise provides technologies for partner projects, such as EAST stablecoin.

In 2022 the platform became open-source and moved to the DAO governance model. We are convinced that such an approach will form the future of solid enterprise-grade blockchain. This document covers in detail all the aspects of the Waves Enterprise enterprise DAO, functionality of WEST, its derivatives, and other important things.

03 THE TECHNOLOGIES

The unique range of key features is what makes Waves Enterprise ecosystem a perfect solution for any enterprise projects:

Hybrid structure

based on the master blockchain (Waves Enterprise mainnet), which provides functioning of the overall network and acts as a global moderator for the basic network, and individual sidechains created for definite business tasks. This provides unique new possibilities for businesses.

Variety of consensus mechanisms

including from Leased-Proof-of-Stake (LPoS), more simple and scalable Proof-of-Authority (PoA), or Crash Fault Tolerance (CFT) with extra protection from errors.

Flexible role management

within the public-permissioned blockchain, including miners, token issuers, contract developers, validators, watchers and so on – this allows fine tuning of any enterprise project.

Private transactions

enable sensitive data to be transferred directly between network participants, but with integrity verification in the blockchain.

Language-agnostic smart contracts

lower the entry barrier for new developers: they don't need Solidity, Rust, or any other specific blockchain skills.

Fast time-to-market

becomes possible with our automatic deployment tools, smart contract SDK, visual constructor and other instruments for better UX.

DAO means “decentralized autonomous organization”. Such organizations include mechanisms for transparent governance based on voting by independent members, without centralized leadership. **DAO** is the most natural and promising form for the governance of blockchain projects, extending the core blockchain concepts of decentralization and equity.

04 DAO

Still, we must bear in mind the fact that more openness comes at the cost of greater threats. According to [Elliptic](#), fraud losses of global DeFi projects, which are often managed via DAO, grew sevenfold over the course of a single year – from \$1.5 bln in 2020 up to \$10.5 bln (as of November, 2021). This is the result of security issues at each stage of project development:

01 A scammer can design a new component of a permissionless network so as to steal assets

02 Such a component can be hard to uninstall or disable, given lack of moderation

03 Users can not return their assets, because a project administrator bears no responsibility

To eliminate these threats, we must find a precise balance between pure decentralization of a DAO and solid centralization, after the manner of a traditional business. Waves Enterprise achieves this by means of a bicameral enterprise DAO governance model, which includes the [DAO](#) itself and the Governing Council.

The Governing Council

As of its launch, the Governing Council consists of three independent entities with vast experience in blockchain – [Waves Labs](#), [Waves Association](#), and [Tokenomika](#). Later it may include additional members, such as enterprises that rely on blockchain infrastructure, VCs, security companies, and other blockchain experts.

The Governing Council of Waves Enterprise fulfills two main responsibilities:

- 01 Generating proposals for ecosystem development which must then be further approved by the DAO-community by means of voting. Proposals may regard any portion of the Waves Enterprise business, from the technology stack to the tokenomics. At a later date, we'll also enable proposal generation by other DAO members.**

- 02 Auditing and certifying new projects for further community voting making use of DAO mechanisms. This pre-moderation stage will ensure the security of the ecosystem.**

04 DAO

Other functions of the Governing Council embrace cooperation on:

01 Grants and funding

02 Consulting on all aspects of development on the Waves Enterprise, including legal issues

03 Support for Waves Enterprise customers

04 Certification of partners and developers

05 Awareness, marketing and community management activities

To increase the stability and security of the Waves Enterprise mainnet even further, each member of the Governing Council is running a mainnet node. More info about all the nodes in the [Waves Enterprise web client](#).

The Voting

All the proposals put forward by the Governing Council at the first stage of DAO then go to community voting. The Waves Enterprise DAO includes holders of gWEST tokens – this ensures their long-term interest in development of Waves Enterprise. Their share in the DAO is directly proportional to their share in the total amount of gWEST. See page 18 for more info about gWEST.

Waves Enterprise has a rich experience in blockchain-based e-voting, including development of the SaaS e-voting platforms. This platform has already proven its security and immutability in various projects, sufficiently so as to become a core infrastructure element of our DAO management mechanisms.

04 DAO

How it works

- 01 On the DAO site, the Governing Council opens voting on its new proposal or on an approved candidate project. All votes will require a quorum – a minimum share of total gWESTs, to be used by the voters. This quorum will remain the same for every voting event, unless exceptional circumstances are announced.

- 02 All gWEST holders receive a notification, go to the portal and cast their votes. They can also check the transaction list, so as to ensure that their vote has been counted.

- 03 After e-voting ends, our blockchain-based e-voting service tallies the votes, decrypts the total sum, records it to the blockchain, and sends the corresponding report to the Governing Council.

- 04 The Governing Council makes a statement about the voting results on Waves Enterprise media channels. After reviewing the decision of the DAO, the Governing Council implements the decision.

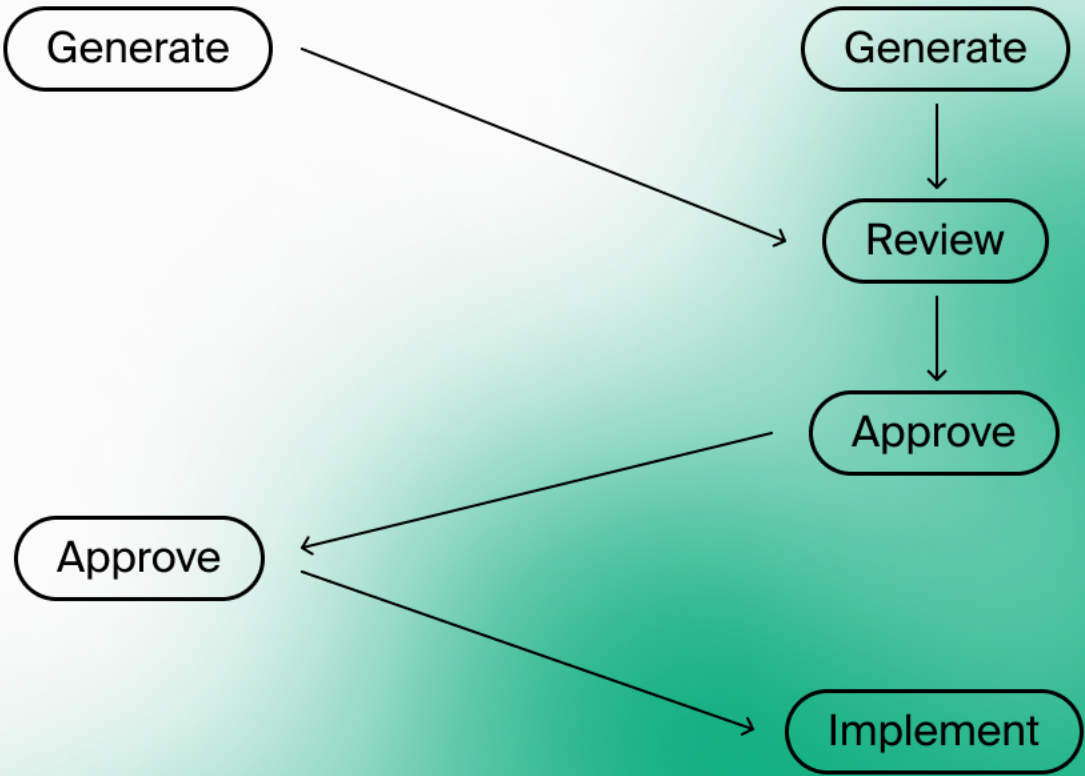
04 DAO

The Waves Enterprise DAO journal, with records of all past voting events, is available on the [DAO site](#). All the e-votes within the voting service ensure full anonymity, so neither the Governing Council, nor the voting administrators can breach ballot secrecy.

The Community

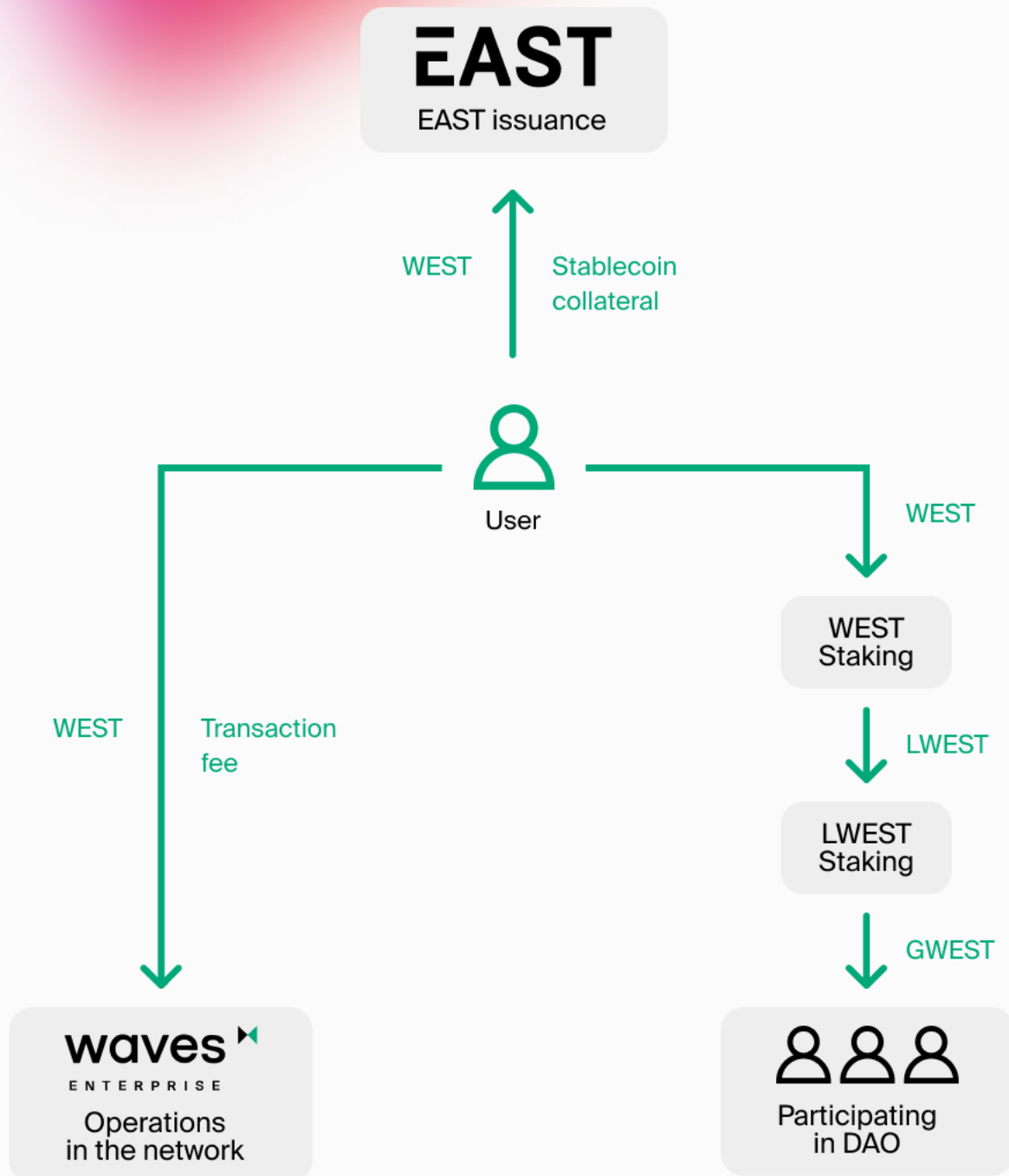
The Governing Council

tokenomika  Waves Association **waves** Labs



05 THE TOKENS

Waves Enterprise ecosystem uses **WEST** (Waves Enterprise System Token) as a basic asset, utility token for all operations in the mainnet, as well as in hybrid sidechains.



Basic WEST streamflow within the ecosystem

05 THE TOKENS

As of June 2022, a total sum of **400,000,000 WEST** is emitted within the mainnet. 175,000,000 WEST remains locked on a smart contract till 2023 under Tokenomika control. Then 100,000,000 of the whole sum will be transferred to the DAO treasury. The other part of the Tokenomika treasury, 75,000,000 WEST, is allocated to company investors; it will remain locked on a smart contract till 2024 and potentially afterwards. 160,000,000 WEST along with another 25,000,000 WEST in possession of the team will also go directly to the DAO treasury, making it the biggest WEST holder on the market.

We're planning for a large share of total WEST to be used by the Governing Council towards ecosystem development, including grants and marketing. On the next page you can see the perfect distribution of the total 400,000,000 WEST supply from WE DAO perspective. Bear in mind, it is rather a broad vision of our efforts than a commitment.

05 THE TOKENS

Segment	Share	Sum	Details
Grants & Development	18%	72 000 000	Scaling up development for the platform with new components, DEXes, lendings, etc. *Tokenomika private investors will get ROI on a priority basis from the forthcoming successful Waves Enterprise ecosystem projects.
Team allocation	15%	60 000 000	Core Waves Enterprise team allocation
GWEST holders	15%	60 000 000	Motivation for DAO participants
Marketing	12%	48 000 000	Expanding audience, increasing WEST awareness, partner programs
Waves Labs	10%	40 000 000	Allocation to Waves Labs for helping with Waves Enterprise development
Liquidity rewards	10%	40 000 000	Rewards for WEST liquidity providers
EAST collateralization support	5%	20 000 000	Extra collateralization for EAST stablecoin
Reservation	5%	20 000 000	Locked in treasury for further allocation by governance voting
Advisors	5%	20 000 000	Rewards for helping with project promotion
Community	5%	20 000 000	Encouraging social activities
TOTAL	100%	400 000 000	WEST are used

05 THE TOKENS

LWEST token serves as a reward for WEST leasing within the Waves Enterprise ecosystem — this opportunity is provided by the mainnet consensus, LPoS (Leased-Proof-of-Stake). Leasing WEST boosts the overall liquidity of our tokenomics.

You will be able to find all the nodes available for staking and stake your WEST to any of them in just a few clicks by using our staking service. For 1 WEST in stake you get 1 LWEST, the ratio is 1:1. To calculate your income you can use our [ROI calculator](#).

GWEST tokens fuel the Waves Enterprise DAO. GWEST works as a proof of interest in the long-term development of the platform. You get GWEST as a result of staking LWEST for 6 months or more at the staking service.

05 THE TOKENS

GWEST holders enjoy all the privileges of the ecosystem:

- 01 They can vote in the Waves Enterprise DAO to shape the future of the whole company. As mentioned before, an owner's share in DAO votes is directly proportional to his share of gWEST in the total emission.

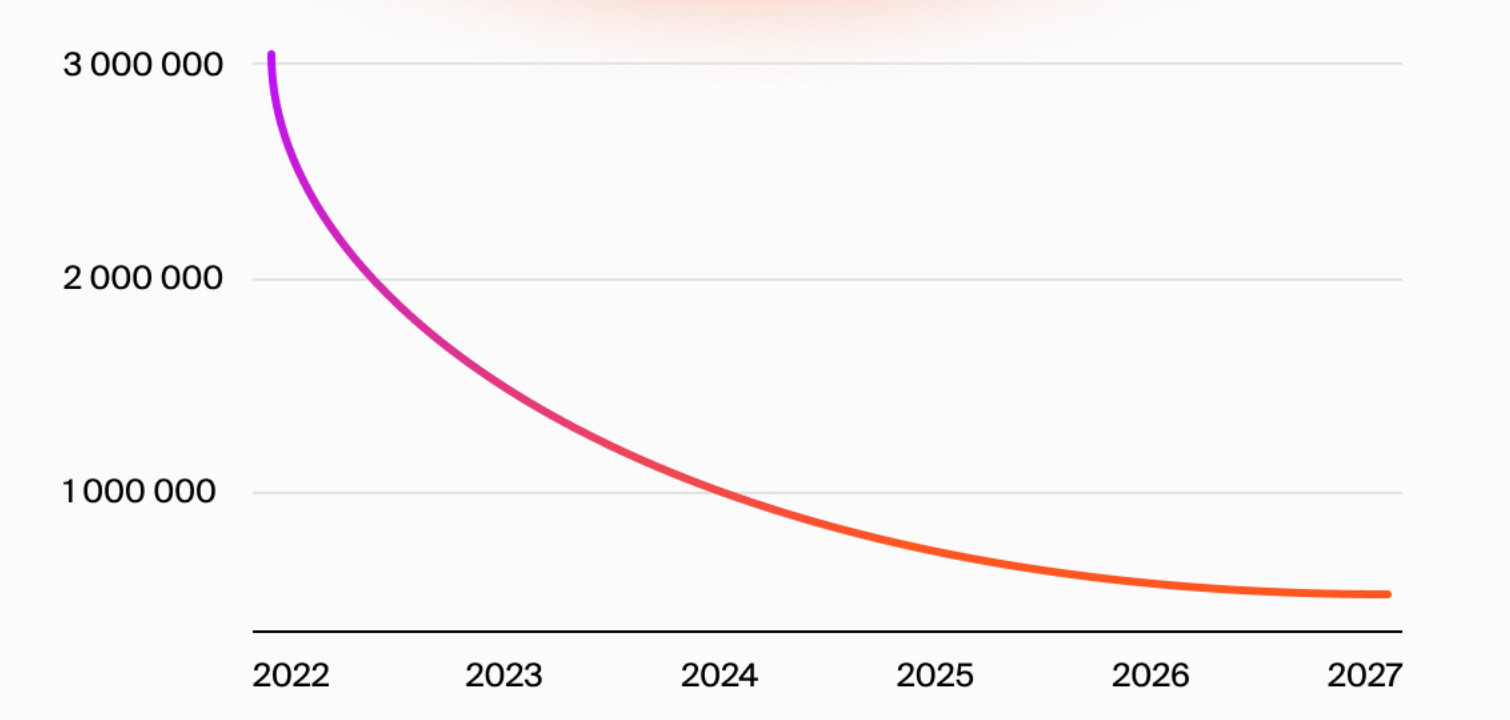
- 02 They can influence their income by voting in the DAO on proposals related to distributing commissions.

- 03 They get a number of bonuses in the Waves Enterprise ecosystem; we'll describe them in the following sections.

- 04 They get additional WEST during 5 years since the launch of the tokenomics.

05 THE TOKENS

During the next 5 years (up until June, 2027) Waves Enterprise is planning to distribute 60 000 000 WEST as an airdrop to GWEST holders. This distribution will decrease over time; early birds will catch the biggest worms:



To provide the whole picture, we'll summarize all the operations available to token owners. You can follow the evolution of a Waves Enterprise enthusiast in this single illustration.

	Buying the token	Selling the token	Staking the token	Voting in the DAO	Getting extra bonuses
WEST	+	+	+	—	—
LWEST	+	+	+	—	—
GWEST	+	+	—	+	+

06 THE SERVICES AND BONUSES

The Waves Enterprise ecosystem incorporates many different components which provide access to a wide range of opportunities via an easy-to-use interface.



Basic tools for the Waves Enterprise users include our [web client](#) and [wallet extension](#). In the official Waves Enterprise web client you can check overall statistics relating to the Waves Enterprise mainnet, transactions, contracts, and your WEST balance. The web client also has some other useful features. The wallet is a handy extension for interacting with Waves Enterprise-enabled web services securely, direct from your Chrome browser.

EAST

[EAST](#) is an algorithmic stablecoin built on Waves Enterprise. EAST stablecoin is an important part of Waves Enterprise tokenomics. EAST is ensured both by significant overcollateralization and well-defined liquidation mechanisms. You can perform any operations with this stablecoin in the official [EAST.Finance web client](#). Check out our [EAST whitepaper](#) for more details.

TBA

Finally, a new exchange and NFT marketplace in the Waves Enterprise ecosystem are on their way.

The volume of bonuses within the Waves Enterprise ecosystem is calculated depending upon the amount of GWEST owned. This parameter is reset every 6 months.

06 THE SERVICES AND BONUSES

Liquidating EAST with bigger collateralization than by default

One of the ways to benefit at EAST.Finance is by liquidating EAST vaults. Anyone can provide USDap so as to liquidate EAST vaults at a certain collateral rate and make a profit. In addition, GWEST holders get even more profit, because they can liquidate EAST vaults at a higher collateral rate – 135% as opposed to 130%. The sum of EAST available for liquidation by a user equals the sum of his GWEST.

Swapping without fees

After the release of an exchange within the Waves Enterprise ecosystem, GWEST holders will be able to swap a certain amount of assets without service fees. For any given user, this sum (expressed in USD) will equal the sum of his GWEST.

Attention: Waves Enterprise bears no responsibility for tools and resources other than those mentioned in this list. To avoid material or any other damage, please consider using only the links mentioned in this chapter.

07 HOW TO JOIN

You can commence your fruitful cooperation with Waves Enterprise in various different ways. As a GWEST holder, you automatically become a member of the Waves Enterprise DAO, begin shaping the future of the ecosystem and receiving other privileges described above. More complex options include launching your project within the Waves Enterprise ecosystem or becoming a member of the Governing Council.

Launching a project within the Waves Enterprise ecosystem

New projects will be able to apply on the Waves Enterprise DAO site. Then the Governing Council will review the project and contact the applicants. After approval by the Governing Council, the project will go to DAO voting. If the community approves a project, this project will receive permission to operate within the Waves Enterprise ecosystem.

The Governing council will assist ecosystem projects in many ways, including the provision of funding, consulting, and marketing activities. You can learn more about the platform's technical details in its [documentation](#) and [GitHub](#) repository (this also includes the mainnet source code).

Becoming a member of the Governing Council

The Governing Council includes the most devoted blockchain experts from different companies. People and organizations can apply for membership in the Governing Council using the Waves Enterprise DAO site. Just as with projects, potential members need to receive approval from the Council and then by DAO vote.

08 ROADMAP

2022

Q1	<ul style="list-style-type: none">• Data Oracle pools
Q2	<ul style="list-style-type: none">• New ecosystem positioning• Release of and migration to an open source version of mainnet• Cancelling 50k WEST threshold for a new node• Stablecoin liquidation and staking mechanisms
Q3	<ul style="list-style-type: none">• Java/Kotlin and JS/Typescript SDK for developers• WEST APR development
Q4	<ul style="list-style-type: none">• NFT marketplace• Grants for third-party developers

2023

Q1	<ul style="list-style-type: none">• Tokenized assets based on stablecoins• WEST release on new DEX and CEX• Partially collateralized tokens
Q2	<ul style="list-style-type: none">• Lending mechanism• Decentralized identification (DeID)
Q3	<ul style="list-style-type: none">• AMM-based DEX• Metaverse support
Q4	<ul style="list-style-type: none">• Universal wallet• DAO for WEST governance

If you want to check out the history of Waves Enterprise, you can find the whole roadmap at [the ecosystem's website](#).

09 CONCLUSION

This document provides a helicopter view of WEST 2.0 and the future of the Waves Enterprise ecosystem. Subsequent editions of this whitepaper will accompany all major changes in the ecosystem.

In the future releases we are planning to offer many improvements for the Waves Enterprise platform, aimed at extending functionality, developing DeFi, NFT projects, new features for developers, and more. We are convinced that such omnidirectional development is the best path for giving enterprises as much as blockchain technologies can offer.

The platform's enterprise DAO model, based on WEST and its derivative tokens, ensures security, stability, and the active development of the platform. We are devoted to building trust in the Waves Enterprise platform, making it more attractive to current and prospective customers, developers and the overall community – increasing both decentralization and value, but not at the expense of security. Waves Enterprise will continue to provide an infrastructure where enterprise and decentralization meet.

10 LINKS



Official site

dao.wavesenterprise.com

tokenomika

Tokenomika

tokenomika.io



GitHub

github.com/waves-enterprise

waves Labs

Waves Labs

waveslabs.com



Twitter

twitter.com/wvsenterprise



Waves Association

wavesassociation.org



Telegram news channel

t.me/wavesenterprise



Telegram community

t.me/wavesenterprisegroup



Medium

medium.com/waves-enterprise