SOSHI: A Community-Based Blockchain (Litepaper)

Executive Summary

The Soshi blockchain is reputation-based community-centric digital infrastructure that seeks to build healthier, more trusted online communities. At the Soshi Foundation (the “Foundation”), our focus is on helping users to scale up genuine community needs, not on encouraging speculative transactions. Through a Layer 1 chain built on Avalanche, Soshi is redefining community coordination with a novel social protocol.

Central to Soshi’s design is a powerful on-chain reputation system that encourages meaningful participation while deterring harmful behavior. By tracking and rewarding constructive contributions from all users, Soshi incentivizes healthier group dynamics and values users’ time. This reputation layer is not merely a feature but the foundation of our tokenized ecosystem, driving trust, governance, and equitable rewards.

We believe that transparent, reputation-driven coordination will have far-reaching impacts beyond blockchain communities. By empowering collective value creation, we aim to foster more inclusive and accountable digital spaces—promoting responsible use of technology, strengthening civic engagement, and ultimately benefiting society at large. When stakeholders can rely on verifiable, privacy-preserving trust signals, collaborative efforts become more resilient and open to all.

At every level, from micro-communities to broader networks, Soshi provides the tools necessary to monetize time and foster collaborative decision-making. Users can form or migrate existing groups, tokenize their communities, and share ownership of their endeavors. Dynamic NFTs enable flexible governance, while built-in treasury functionality and customizable token models ensure sustainability and community control.

In summary, *our goal is to empower collective value creation*. We aim to build a truly **decentralized** social network, designed for to give every community member can benefit from their contributions.

Problem Statement

For a community-centric blockchain to succeed, it must build for the biggest segment of users. Unlike other centralized and decentralized social media platforms, the high-level target user base for the Soshi blockchain will be the 90% from the so-called 90/9/1 conceptual model of

social media participation; this is often defined as: 90% of users are the “silent majority” – they engage but rarely create, 9% are the “actives” – they comment, like, post and share content, and 1% are “power users” – those who create the vast majority of the content on a site. Other protocols fill the niche of the 9% and 1%, focusing on financial and/or transactional dynamics of a social network.

Despite the proliferation of online communities and social platforms, silent majority rarely see their participation valued or rewarded. More often the opposite occurs due to advertising and data-harvesting business models. Existing reputation systems — often limited to likes and superficial metrics — fail to establish meaningful trust, leaving communities vulnerable to spam, misinformation, and misaligned incentives.

This gap is exacerbated by the data harvesting and advertising-based business models of centralized platforms that trap user data. This leads to users being locked-in, hindering community portability. Additionally, top-heavy incentive models focus on content creators over the broader base that sustains online ecosystems through engagement, moderation, and collective governance.

Furthermore, online communities today face the additional challenges of:

- Resource allocation
- Establishing trust with every new user that joins
- Platform decision making models leading to moderation actions taken
- Cost predictability
- The permanence of being tied to one platform

Consequently, new community members face friction around trust, legacy platforms wield opaque moderation policies, and scaling costs become unpredictable. A community-centric blockchain must not only prioritize these “silent majority” participants but also offer verifiable, portable reputation systems and transparent governance mechanisms. Therefore, the focus of the Soshi network is on reorganizing and recognizing participation over content quantity. Reflecting the participation of the silent majority to ensure that no online group is at the mercy of a single platform’s policies or financial models. We aim to give economic power to all communities.

Opportunity

Soshi will also provide financial capabilities for content creators. Our proposed improvement to current ideas stems from the principle that intangible forms of capital, such as your reputation and your time should also serve as a basis for reward.

Time as Scarce Capital

Time is a user's most precious resource. As such we designed the Soshi network to help any user monetize their time, not just the influencers and content creators. That requires quantifying the value of media consumption. And because this can be stored on-chain, it also means giving users ownership over that quantified value. This is where the Soshi network's reputation system comes in to play.

Reputation as Intangible Wealth

Reputation is equally vital. While most platforms rely on superficial metrics, Soshi uses nuanced, on-chain data to recognize genuine contributions. For instance, a community moderator and a spammer can both show up every day but only one of them contributes to the value of the network. As such, the time of the community moderator should be valued differently. These trust signals enable new revenue streams—micropayments, token-gated features, and premium interactions—creating a sustainable marketplace for verified credibility.

In short, **Soshi's approach to treating both reputation and time as tradable forms of capital opens up a large, underserved market**. By realigning incentives around genuine participation and transparent governance, Soshi can capture a significant share of users who are eager for an inclusive, **decentralized** way to build lasting online communities.

Unmet Needs in Community Management via Blockchain

1. **Granular Access and Control Rights**:
   - Most existing platforms struggle with giving precise control over who has access to what parts of the community.
   - Blockchain-based solutions can allow for granular permissioning (e.g., token-gated access control), where users can unlock different tiers of content, chats, or features based on their reputation or token holdings.
2. **Monetization Models for Micro-Communities**:
   - Platforms like Discord and Telegram are used by small and mid-sized communities but lack strong monetization models.
   - Our blockchain will address this by allowing micro-communities to monetize through decentralized subscription services, content tipping, and token-based models that are sustainable even for niche groups.
3. **Community Treasury and Crowdfunding**:
   - Current Web2 platforms rarely allow communities to own or control their own treasuries, if at all. With blockchain, communities can manage pooled funds transparently, enabling collective ownership and sustainable growth through token-based fundraising and staking

mechanisms. Soshi provides options for pooled funds to be maintained by high quality service providers.

4. **Cross-Platform Community Portability**:
   - Communities are often locked into one platform (e.g., Reddit, Facebook), which can stifle growth – or even end it. A blockchain that allows communities to maintain their governance, assets, and content across different platforms (with blockchain-based verifiability) would solve the issue of vendor lock-in. We would provide for communities what blockchains like Frequency are attempting to do for individual users: ownership rights.
5. **Lack of Transparency and Trust in Moderation**:
   - Web2 platforms face significant backlash due to opaque moderation policies and seemingly arbitrary enforcement. On-chain moderation models can provide transparency and community-based control, addressing the distrust users have with centralized platforms.
6. **Sustainable Incentive Structures**:
   - Many blockchain platforms struggle to maintain active engagement beyond initial token rewards. A successful community-centric blockchain would need to implement ongoing incentives tied directly to the quality and sustainability of contributions—both social and financial—within the community.

Features

Ownership NFTs

We will tokenize ownership for any community on Soshi as a Dynamic NFT. This allows for group owners to have a constant source of truth for who is in their community, and how valuable it is. Ownership is portable, allowing users to recreate these communities across the Soshi network. It also carries a measurement of its overall reputation based on what we publicly know about its users. Finally, because it is an NFT we can transfer or fractionalize ownership of the group by sale, transfer, or by vote.

Account Abstraction

A robust, blockchain-based identity management system allows users to create verifiable, privacy-preserving identities across communities. The generalizing principles of Account Abstraction can be useful here. This could be used to integrate with services like Frequency for blockchain-based identity services and others, as we should consider that our growth can come from more than just one provider. Additionally, Account Abstraction allows a paymaster to be funded and to manage the gas transaction fees on behalf of the users, minimizing friction where desired.

Membership Data

Groups would not exist without members. Soshi gives you the ability to provide for interoperability and immutability by privately storing membership info on-chain. Information is near real-time, and allows for communities to optionally include data for: roles, permissions, and rights.

On-Chain Reputation Management

The Soshi network includes an on-chain reputation system where users' actions, contributions, and behaviors are tracked and rated by the community. This must be on an opt-in basis, and carries incentives for positive participation, discourages harmful behavior, and enhances trust without centralized moderation. This kind of semi-anonymous yet verifiable participation may be leveraged as a way for users to remain private, yet trustworthy.

A Group Treasury

Every community can create a wallet that contains bespoke functionality, such as multi-sig, governance rules, and smart contracts. This functionality can be incorporated through a 3rd party. The treasury is tied to the Ownership Dynamic NFT, and by default it can not be transferred outside of the community.

Token Minting

Your community, your token. Create and mint an AVAX-based token, swappable for SOSHI, AVAX, and USDT. Set your own rules to support and incentivize what matters to your community.

Customizable Governance Models

DAO Framework for Communities: Integrating decentralized autonomous organizations (DAOs) into the core of the blockchain can give communities the flexibility to manage themselves. Each community can create its own governance rules, voting mechanisms, and decision-making structures, empowering niche communities to thrive.

Community Treasury and Tokenomics: Enable communities to work with qualified custodians to issue and manage their own utility or governance tokens on the blockchain, allowing them to fund initiatives, reward members, and maintain long-term sustainability through community-controlled treasuries.

Efficient and Scalable Microtransactions

Fast, Low/No-Cost Transactions: To support community growth, transaction fees should be as low-cost as possible, and processing times fast. Ensuring the blockchain handles

microtransactions efficiently is critical for incentivizing use cases such as contributions, content purchases, or tipping.

Subscription and Access Models: Support various token-gated models such as subscription services, pay-per-access content, or community fundraising efforts directly through smart contracts.

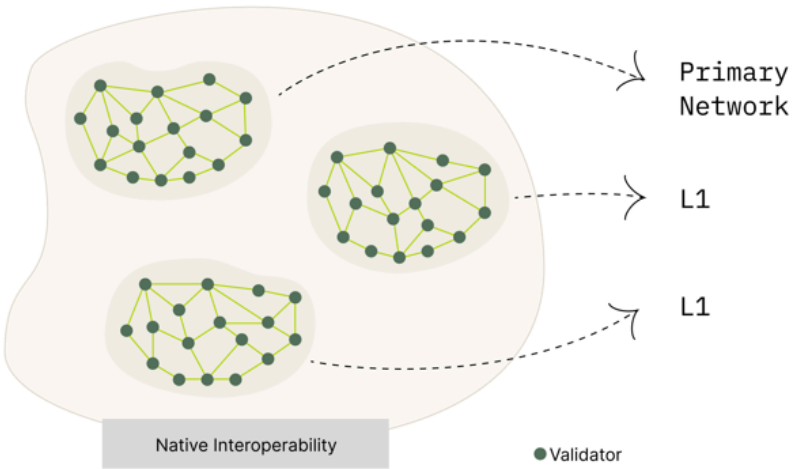
Interoperability

Inter-Community Messaging and Value Exchange: Communities should be able to communicate, trade, and collaborate with users across the Soshi network and on other blockchain networks[LC1] . For example, cross-chain asset swaps or reputation sharing can foster collaboration between communities in similar verticals.

Bridges to Other Chains: Chain abstraction or other similar strategies can allow seamless interaction between the Avalanche-based blockchain and other prominent blockchain ecosystems (Ethereum, Cosmos, Solana, Polkadot) to enable token transfers, shared governance frameworks, or even cross-chain community voting.

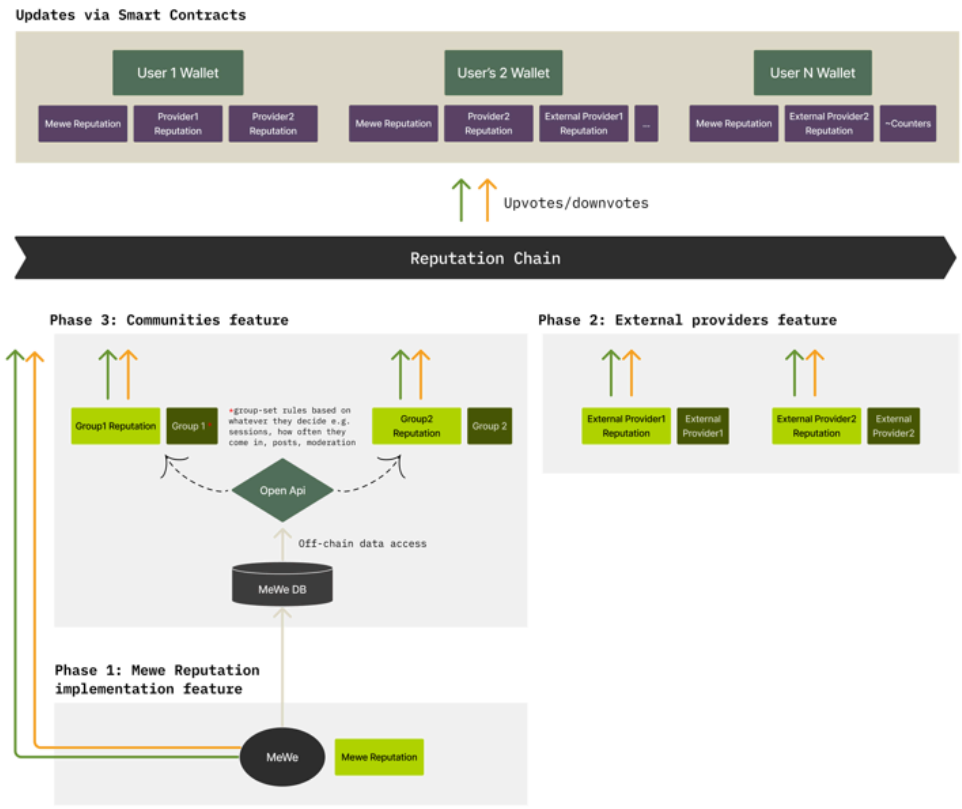
Protocol Mechanics & Technology

The Soshi protocol is being built as an Avalanche L1 blockchain, with all the performance, security and interoperability benefits of the Avalanche ecosystem. While the blockchain that will support the Soshi protocol and token is independent of other chains in the Avalanche ecosystem, they are all registered with the primary Avalanche chain and are all independent yet interoperable. This network topology is illustrated in the diagram below.



This highly scalable architecture provides the benefits of independent state and execution, high transaction throughput, and customizability, while maintaining interoperability with other Avalanche L1 blockchains via the Avalanche interchain messaging and token transfer.

Reputation Layer



- Privacy-preservation
- Non-transferrable, verifiable
- Multi-dimensional
  - Upvote/Downvote mechanisms
  - Engagement mechanisms
- Both the user and the application contribute towards Incentive mechanisms
- Online / In Real Life (IRL) attendance proofs

Microtransactions

- P2P markets
- Tipping

Ownership Rights

Instantiated as a dynamic NFT following ERC-6551, a group has an on-chain identity that confers many important characteristics:

- Transferable and salable
- Financial and value accrual
  - Right to earn money for its treasury
  - Right to capture engagement to signify community value
- Fractionalized
  - Flexibility to decentralize ownership
  - Built into the group's charter
- Right to be forgotten

Modular Governance

- Voting systems, based on:
  - Reputation
  - Engagement
  - Tokens Held
- Resource allocation module
  - Transparent fund distribution (airdrops, sales)
  - Crowdfunding
- Fraud/abuse abatement
  - Voting on key functions:
    - Transference of ownership
    - Allocation of token resources
    - Transparent token rewards to community members
- Modularity
  - Ability to choose for your group's situation
  - Extensibility

Interoperability

- Accepts different identity systems through Account Abstraction
- Ability to interact and combine with other communities
- Cross-chain messaging

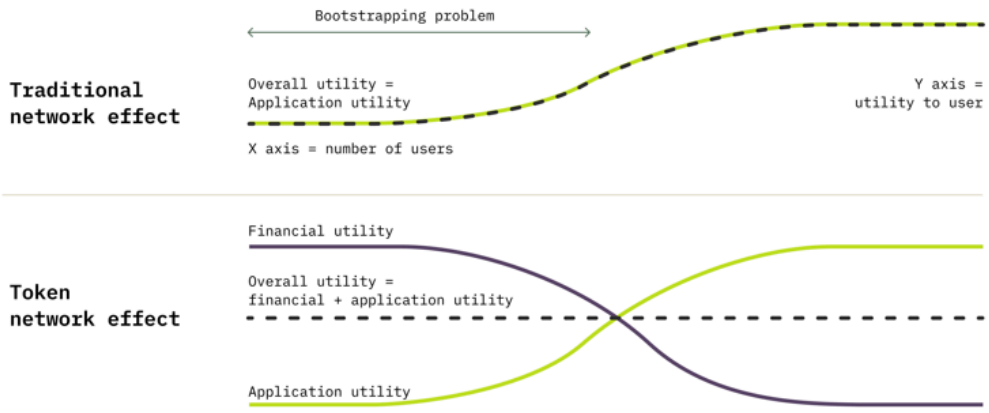
Utility Tokens

- Minting
- Staking
- Airdrops
- Swaps (AVAX, USDT)

Tokenomics - DRAFT

We designed a controlled high-float, low-inflation model for the Soshi token.

The basic idea is to provide users with financial utility via token rewards and sinks to make up for the lack of native utility during the bootstrapping phase.



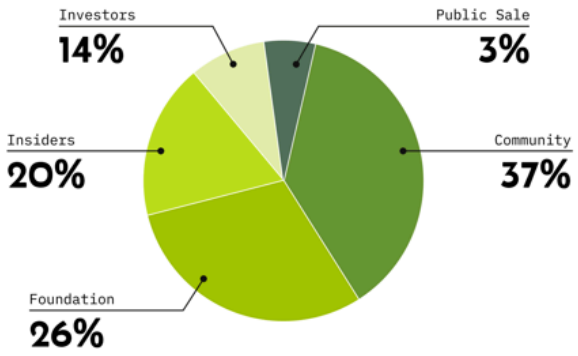
Our aim is to give users the ability to own a little piece of the network, incentivizing them to start using it at the start. This gives Soshi a higher chance of success with a lot less capital needed. To illustrate this problem, consider the beginning of Twitter.

The value of being one of the first few users on the network was low, no one else was using it, so there was no content. As Twitter scaled more people found a lot more value in it. In other words, the value of a network goes up a lot when more people join it.

When the network is less populated and useful you now have a stronger incentive to join it.

This system has been used by startups for years to attract employees to a young company, and now decentralized apps are using it to incentivize all potential users around the world to join the app early on.

Unlike existing models in the Web3 ecosystem that heavily rely on speculation, we have adopted a fully data-driven approach to tokenomics. We drew from a database containing over 700 unique records across various niches, from gaming, layer one solutions (L1s), DePIN, DeSoc, and more.



A key element of our strategy is to limit the total token allocation for ***new investors*** to just 12% of the total supply. This is significantly lower than the industry average of 20–30%. Furthermore, just 9% of tokens are allocated to private and strategic fundraising rounds to support development and launch. An additional 3% is reserved for retail investors through an ICO on a launchpad platform such as Coinlist.

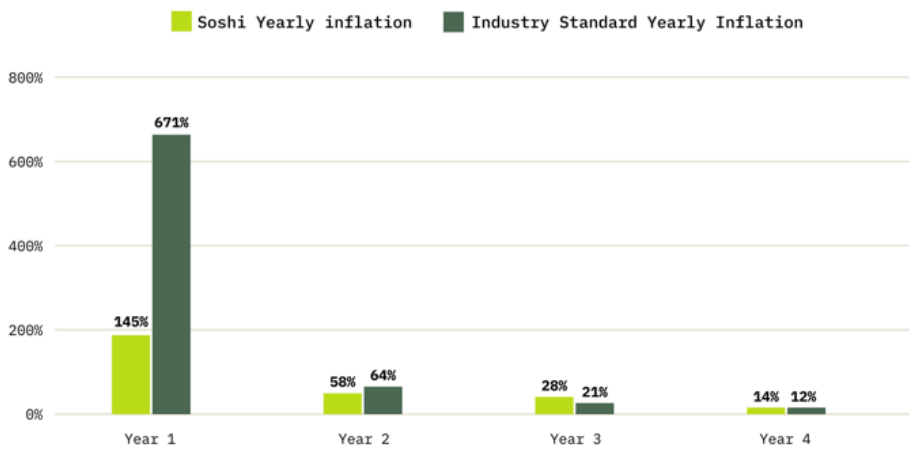
By limiting the allocation for ***new investors*** to 12% we aim to minimize sell-off risks, and furthermore create a structure that maintains low future selling pressure. This scarcity allows us to offer more attractive vesting terms; the smaller allocation means fewer tokens are unlocked at any given time, keeping supply shocks under control.

Round	Distribution	Full Vesting Information
Private Round	4.00%	8.0% at TGE , 6 Month Cliff, 10 Month Linear Vesting
Strategic round	5.00%	9.0% at TGE , 6 Month Cliff, 12 Month Linear Vesting
Public Round	3.00%	TBA

20% percent of the supply is allocated to Insiders, with 15% for the core team and 5% for advisors. The remaining token supply is allocated to the community–the driving force behind our project. Allocations therein include Community Rewards, which are designated for incentives and rewards to encourage and guide user behaviors that are healthy for the network.

Ecosystem Development is aimed at incentivizing developers to build mini-apps, games, widgets, and other innovative applications on the platform. Node Rewards are allocated to maintain network security and decentralization by compensating validators running nodes on the Avalanche Layer 1. Lastly, there is an Initial Token Distribution for early Soshi platform users, with airdrop criteria yet to be defined.

Overall, the tokenomics model we designed focuses on healthy distribution fairness, reduced volatility, controlled inflation and supply shocks, and a low risk of dilution.



Token Purpose

The Soshi token serves as the foundation of MeWe's decentralized social network, designed to incentivize participation, align platform growth with user rewards, and enable decentralized governance. It is anticipated that other social platforms will participate in and benefit from the Soshi social protocol and token, and that apps will be built that serve the members of these platforms and that the Soshi token will facilitate value exchange in the ecosystem.

The purpose of the Soshi token can be summarized as the:

1. Medium of Exchange, the token facilitates seamless transactions within the platform, such as tipping, premium feature purchases, subscriptions and content monetization.
2. Soshi's tokenomics model incorporates transaction-level value capture as a foundational mechanism. **Every transaction**, whether related to tipping, content monetization, or accessing platform services, **incurs a small fee paid in the native token**. These transaction fees are intrinsic to the blockchain's functionality, enabling the platform to internalize a portion of the economic activity it facilitates.

While the token serves many functions (fundraising medium, user ownership, governance and decentralization), the biggest benefit to our token model is that it provides the economic

incentives for a network to get off the ground and overcome the classic chicken and egg problem, accelerating network effects.

Tokens are a powerful tool to incentivize early network participants to overcome the “cold start problem.” However, the success of a token-driven network depends heavily on the design of its incentive system. At Soshi, **we are developing an incentive structure that centers on passive participation**. Our research has shown that tokens are most effective in bootstrapping networks requiring passive user involvement but can become counterproductive in ecosystems needing active participation.

Consider the following examples of networks successfully leveraging passive participation. Helium is a decentralized network offering affordable internet access to IoT devices like e-scooters and sensors. Hosts join the network by purchasing a hotspot and connecting it to their WiFi. These hotspots provide internet access to end-users and reward hosts with tokens. Similarly, Arweave operates as a decentralized storage network, where miners allocate unused hard drive space for data storage and are compensated with tokens as long as the data remains on their devices. Comparable models, such as Filecoin and Storj, also reward participants for contributing storage capacity. Finally, Compound, a decentralized lending network, allows users to deposit crypto assets into lending pools for borrowers. In return, lenders earn interest and receive COMP tokens as a reward for providing liquidity.

In each of these cases, the financial upside provided by tokens served as a strong motivator for early users to participate and expand the network’s utility. Notably, these networks share a critical characteristic: they require passive participation. Once users connect their resources, whether bandwidth (Helium), storage (Arweave), or crypto assets (Compound), they continue to earn tokens with minimal ongoing effort.

Another key principle of bootstrapping a network is targeting underserved users. Simply acquiring users isn’t enough to reach liquidity; it’s essential to attract the right type of users, those who deeply feel the problem being solved and are willing to engage despite potential friction. The type of user fundamentally affects the network’s value. For instance, an Uber driver who provides rides full-time adds far more consistent value to the platform than one who only works during surge pricing.

Contrast this with the play-to-earn game Axie Infinity, whose highly inflationary tokenomics attracted millions of daily active players. Unlike players of games like WoW, EVE Online, or Dota 2, most Axie players weren’t motivated by enjoyment but by profit. When token prices stalled, daily active players dropped by over 50 percent, leading to a feedback loop and a 95 percent collapse in the price of AXS tokens. Conversely, MakerDAO aligned its tokenomics with MKR holders’ interest in the success of DAI, building a loyal and vocal user base that supported the

ecosystem even before DAI's launch. Similarly, Filecoin, despite building significant network capacity with FIL token emissions, currently only utilizes 5 to 10 percent of its storage capacity. For Filecoin, attracting demand-side users is far more valuable than adding supply-side participants, at least in its current phase.

Poorly designed tokenomics can attract users driven purely by financial incentives rather than those aligned with the network's long-term utility. A notable example is Looksrare, a decentralized NFT marketplace launched in 2022 as an alternative to Opensea. To incentivize adoption they designed an active participation system, where they airdropped tokens to high-volume Opensea users and rewarded traders of specific NFT collections. While this strategy initially boosted activity, much of it was "wash trading," where users traded the same NFTs between wallets to maximize token rewards. Once payouts normalized, genuine trade volumes collapsed, revealing that users were there to speculate on tokens rather than engage meaningfully with the platform.

These examples highlight the importance of designing tokenomics that align incentives with the network's goals. By focusing on attracting the right users and ensuring incentives support meaningful participation, networks can avoid common pitfalls and build sustainable ecosystems.

More explanation on the incentive mechanics will be included here in the coming weeks.

Competitive Landscape Analysis

Market Segmentation

Competitor	Strengths	Weaknesses	Market Position
Lens Protocol (Direct competitor)	• Strong developer ecosystem • Polygon infrastructure • Content ownership	• Too complex for web2 users • Limited reputation systems • Creator-centric model	Leader in decentralized social media
friend.tech (Direct competitor)	• Simple UX • Direct monetization • Strong network	• Limited community features • Speculation-driven	Pioneer (albeit defunct) in social token trading

	effects	• Low/basic governance	
Farcaster (Direct competitor)	• Sufficiently decentralized architecture • Focus on privacy • Developer-friendly	• Limited scale • Technical barriers for developers to build on • Niche audience	Growing protocol that hosts a lot of web3 influencers and Dapps
Discord (Indirect competitor)	• Large user base • Rich feature set • Strong network effects	• Centralized • Limited monetization • No ownership rights	150M+ MAUs
Telegram (Indirect competitor)	• Global reach • Privacy focus • “Channels” system	• Basic community tools • Limited governance • Centralized	900M MAUs
Reddit (Indirect competitor)	• Established community system • Reputation through “Karma” mechanics • Content discovery engine	• Limited monetization • Centralized • Community lock-in	430M+ MAUs

Competitive Advantages Matrix

Feature	**Soshi**	Lens	Farcaster	Discord	Reddit
Reputation System	✓✓✓	✓	✓	✓	✓✓
Ownership Rights	✓✓✓	✓✓	✓✓	✗	✗
Governance	✓✓✓	✓	✗	✗	✓
Monetization	✓✓✓	✓✓	✓✓	✓	✓
Ease of Use	✓✓	✓	✓	✓✓✓	✓✓✓
Privacy	✓✓✓	✓✓	✓	✓	✓

Key Differentiators of Soshi

1. **Reputation-First Design**
   - Unlike other platforms focusing on content or transactions, Soshi's reputation and community systems create sustainable community value
   - Quantifiable reputation metrics enable new forms of community governance
   - Privacy-preserved reputation tracking sets new standards for trust
2. **Community-Centric Architecture**
   - Built for the 90% of users who engage but don't create content
   - Balanced incentive structure avoiding speculation-driven participation
   - Comprehensive community treasury and governance tools
3. **Sustainable Tokenomics**
   - Lower investor allocation (12% vs industry standard 20-30%)
   - Focus on long-term value creation over short-term speculation
   - Innovative reputation-based token distribution model
4. **Technical Infrastructure**
   - Avalanche L1 advantages in speed and cost
   - Account abstraction for improved UX
   - Cross-chain interoperability

Market Positioning Strategy

1. **Target Markets**
   - Primary: Existing Web2 communities seeking ownership and monetization
   - Secondary: Web3-native communities requiring better governance tools
   - Tertiary: New communities starting with decentralized infrastructure
2. **Go-to-Market Approach**
   - Focus on community migration tools and support
   - Partnership with existing community platforms
   - Educational resources for community leaders
3. **Competitive Response Strategy**
   - Rapid feature development pipeline
   - Strategic partnerships with complementary protocols
   - Community-driven product evolution

Ecosystem (built on Soshi tech stack)

Soshi DAO

MeWe

Dual Camera App

Localization App

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Roadmap and Milestones

Q3 2024: Chain selection (Avalanche)

Q4 2024: Tokenomics, Prototypes, and Litepaper

Q1 2025: Whitepaper, Private Investment Round, and Testnet with Community Pilot

Q2 2025: Mainnet

Q3 2025: MeMe Coin Minting

Q4 2025: Token Swaps