



UTOPIA **A** WHITE PAPER

A metaverse project that transforms everything into blockchain





Utopia: A metaverse project that transforms everything into blockchain

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Summary

2021 can be called the first year of "metaverse".

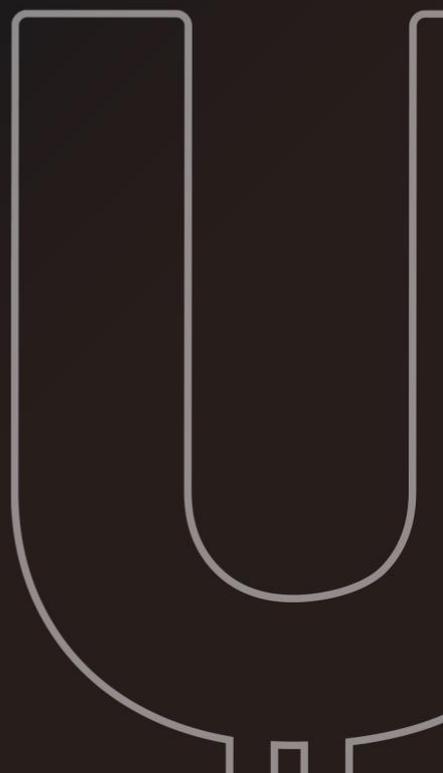
"Metaverse" presents explosive power beyond imagination, and behind it is the "clustering effect" of related "metaverse" elements. The development of hard technology has become the biggest bottleneck for the development of metaverse, followed by the heterogeneous integration of blockchain and the Internet. problem.

The importance of blockchain to the development of Metaverse is still seriously underestimated. The economic foundation determines the superstructure, and so does the development of the metaverse; gamification, entertainment and economy will be the indispensable development direction of the metaverse.

Utopia is a metaverse project that transforms everything into blockchain. It will solve some of the current problems in the metaverse and is committed to creating a metaverse project that maps one-to-one with reality.

Chapter one

The source of the metaverse





Chapter 1. The Origin of the Metaverse

1.1 What is the metaverse

Metaverse is a new type of Internet application and social form that integrates multiple new technologies. It provides an immersive experience based on extended reality technology, generates a mirror image of the real world based on digital twin technology, and builds an economic system based on blockchain technology. The virtual world and the real world are closely integrated in the economic system, social system, and identity system, and each user is allowed to participate in content production and world editing.

1.2 The relationship between metaverse and reality

What people lack in the real world will be compensated in the virtual world. Whenever possible, the compensation in the virtual world will also be fulfilled in the real world. What the virtual world needs to bring to the real world is a sense of immersion, participation, and compensation. To form a sound virtual world, the prerequisite condition is that people's basic needs in reality, such as entertainment, social interaction, and work, must be met. And because Metaverse has unparalleled advantages in terms of immersion and interactivity, virtual games that focus on user experience will become the breaking point of Metaverse, and they will



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most likely become the main carrier of the the social and work scene in Metaverse.

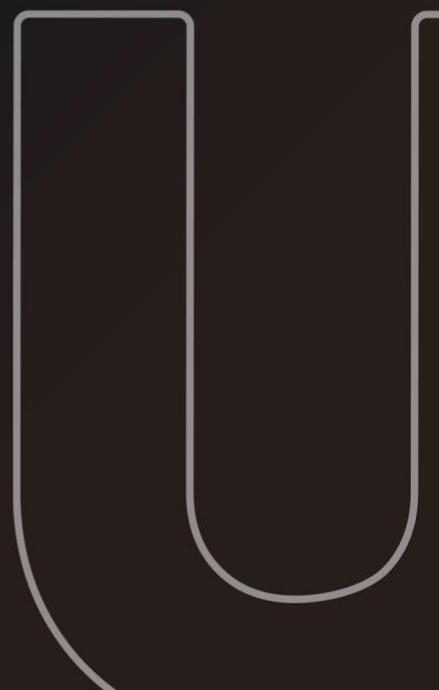
1.3 The development of the metaverse

In the equity investment industry, companies such as Facebook, Apple, Disney, Amazon, and Google have already begun their metaverse industry layouts. Up to now, Apple has more than 330 publicly available Metaverse key patents and 18 Metaverse-related mergers and acquisitions.

However, the most aggressive company in the metaverse industry deserves to be Facebook. Its founder Zuckerberg firmly believes that "Metaverse is the next Internet" and he has set up a metaverse product team with hundreds of people.

Chapter two

Utopia Project introduction





Chapter 2. Introduction to Utopia Project

2.1 Introduction to Utopia

Utopia is a metaverse project that transforms everything into blockchain. But Utopia is not just a metaverse. It is essentially a parallel universe. The parallel universe means that through Utopia, we can have the second, third, and Nth lives, where we can have a variety of brand-new identities, assets, social relationships, and complete life and social activities.

In the Utopia parallel universe, Utopia stablecoin (Ustablecoin) is the only universally legal stable currency. Like DAI, it adopts a 110% excess margin system and is based on mainstream loan coins such as BTC and ETH to generate a variety of real legal currencies that are linked to Ustablecoins, such as UUSD, UEUR, UAUD, etc. All Utopians can participate in all activities in the Utopia universe by utilizing Ustablecoins, including but not limited to games, decentralized exchange, decentralized lending, NFT markets and other economic activities.



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2.2 Utopia roles

Each user in the Utopia ecosystem can play one or more of the following roles, and each role has different financial and systematic incentives.

Producer: In the Utopia universe, users who deposit collateral assets and generate Ustablecoins are called producers, and they can get UC rewards and reinvest income.

Protector: Protectors can obtain liquidation income by providing Ustablecoins to Moat Pool, which is called protectors, and can obtain UC rewards and collateral asset liquidation fees.

Utopian: In the Utopia universe, interactors who use Ustablecoins to participate in various applications in the universe, including but not limited to games, decentralized lending, NFT markets, and other economic activities, called Utopian, can obtain Ustablecoin revenue.

Adventurer: In the Utopia universe, adventurers can obtain high returns by providing liquidity to UC LP / Ustablecoin LP / NFT LP, etc., including UC rewards, collateral asset liquidation fees, and application income.

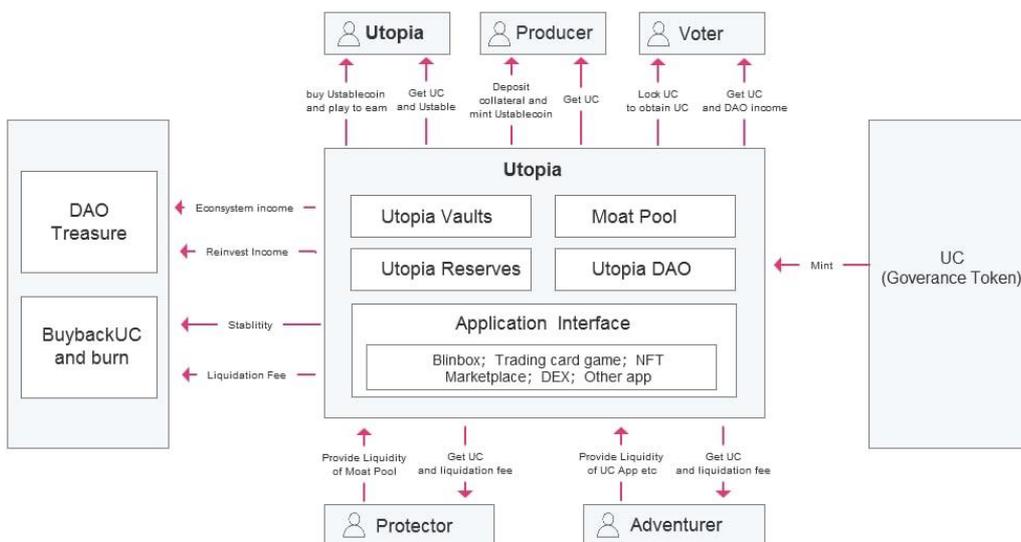


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Voter: Governance token holders can obtain voting rights for governance proposals by exchanging UC. Those who hold UC, called voters, can obtain UC rewards, collateral asset liquidation fees, stability fee income, and application income.

2.3 Utopia technical principle

2.3.1 System architecture diagram





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2.3.2 System Contract

Metaverse interface contract

After users deposit Ustablecoin into the contract, they can participate in all economic activities in the universe, including but not limited to games, decentralized exchange, decentralized lending, NFT markets and other economic activities.

DAO contract

Governance contracts have unique functions, such as time locks, up to 10 times acceleration incentives, etc. Time locks are divided into short-term locks and long-term locks. Short-term locks can perform rapid protocol upgrades, and long-term locks can perform governance upgrades. This ensures contracts can quickly adapt to changing market conditions and upgrade the core parts of the agreement over time.

Governance parameters include

Adding new applications and setting application parameters

Adding or removing collateral assets

Adding or removing the types of Ustablecoins that can be generated

Adjusting the weight of the asset pool

Modulating stimulus factor



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Adjusting the penalty ratio

Adjusting the distribution ratio of transaction fees

Adjusting the stability fees factor

Adjusting the reinvestment ratio

Adjusting the proportion of reinvested income

Adjusting price oracle sensitivity factor

Utopia Vault

Users deposit collateral assets, such as ETH, ETH-USDT LP and set them as collateral status, and can obtain Ustablecoins with a collateral rate of no more than 110%; when they need to withdraw collateral assets, users need to repay 100% of Ustablecoins plus a stability fee, Then the vault is closed.

Moat Pool

After users deposit Ustablecoins into the contract, Ustablecoins in the Moat pool will be used to repay the debt during the on-chain liquidation, and the collateral assets obtained from the liquidation will be distributed to the provider of Ustablecoins in proportion.

Price Oracle contract



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Using third-party oracle services, such as Chainlink, etc., in order to protect the oracles in the system from being controlled by attackers, Utopia adds the oracle sensitivity factor as a global variable to control the maximum price change received by the system.

If the sensitivity factor is "5% in 10 minutes", then the price change in 10 minutes cannot exceed 5%, and a 15% change takes 30 minutes. This restriction can ensure sufficient time for global clearing.

2.3.3 System mechanism

Redemption mechanism

When users redeem, the redemption process is as follows, whether the Moat pool has enough balance; if not, enter the liquidation mechanism; after the liquidation is completed, the following process will continue.

If there is enough balance, the Moat pool receives Ustablecoins + stability fee, the collateral assets in the Moat pool (that is, the liquidation assets captured before) are returned 1:1 to the user, and the stability fee will be deposited into Reserve.

The formula for calculating the stability fee is as follows:

when Collateral Rate \leq kink when

Stable Rate = Base Rate + Collateral Rate * Multiplier



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when Collateral Rate > kink

when Stable Rate = Base Rate + Collateral Rate * multiplier + (Collateral Rate - kink) * Multiplier

$$\text{stable fee} = \text{redeem amount} \cdot \text{stableRate} \cdot d^{\Delta t} \cdot \text{stable factor}$$

Liquidation mechanism

The Utopia protocol has a four-layer real-time settlement mechanism, allowing its users to liquidate the treasury at any time when the value of the treasury is lower than the collateral rate.

Layer 1: Moat Pool repays the treasury debt and obtains liquidated assets plus 70% of the liquidation fee; the remaining 30% goes to reserves.

Layer 2: Reserve liquidation reserves are an important part of the Utopia Agreement. Its main function is to conduct liquidation for extreme events. When the first-level liquidation certificate is insufficient to repay the debt, the reserve assets will be used to purchase the corresponding collateral assets and redeem users.

Layer 3: Third-party liquidation is also an important part of the Utopia agreement. Third-party liquidator obtains liquidation assets and



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liquidation fees by repaying debts to ensure the stability of the agreement.

Layer 4: Global clearing Although global clearing is an extremely unlikely event, it is built into the protocol for security purposes. In this case, the generation is suspended, the UC is minted by the system, and then sold to bidders of Ustablecoins.

Price stabilization mechanism

The target price of Ustablecoins has two important functions:

- 1) Used to calculate the collateral debt ratio of the collateral debt warehouse.**
- 2) Determine the value of collateral assets that Ustablecoins holders will receive at the time of liquidation.**

The Utopia protocol charges a stability fee to ensure the robustness of the protocol. It uses an algorithm to automatically anchor the target price. When the market is unstable, if the transaction price of 1 UUSD is lower than 1 US dollar, it will encourage holders or arbitrageurs to purchase and get the price difference; if the transaction price of 1 UUSD is higher than 1 US dollar, it will encourage the holder or arbitrageur to sell and get the price difference.



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Reinvestment mechanism

In order to maximize the profitability of the agreement, Utopia has added a reinvestment mechanism. The proportion of reinvestment is limited to the reinvestment strategy. The contract can be integrated, which saves gas. Assets within the reinvestment ratio can be deployed to other income-generating assets. Agreements, such as loans, automatic market making, etc., can be developed, tested, and proposed by anyone who can integrate into Utopia's strategic contract is approved and launched by the DAO governance mechanism. The goal is to minimize risks and to maximize returns. Part of the reinvestment income is returned to the user, and part is used to repurchase and destroy the UC.

The formula for calculating total reinvestment

reinvest asset value = (total underlying asset ÷ total uUSD - 1) · total underlying asset · reinvest factor

2.4 What pain points Utopia solves

2.4.1 Eliminate the situation of large fluctuations in earnings

Since the Utopia universe uses Ustablecoin as a universal currency, users also settle the benefits while using Ustablecoin. Users don't have to worry about volatile earnings when playing with apps.

The label is essentially to create a decentralized and automated central bank to increase or reduce the supply of Ustablecoins to maintain



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price levels, ensure the stability of returns, and eliminate large fluctuations in returns.

2.4.2 Removal of single ecological risk

Most metaverse projects only work in a certain area, such as GameFi. For user investment and entertainment, once the service is stopped, the value of the token will fall sharply. In addition, users need to purchase various tokens to participate in various ecosystems.

2.4.3. Improve the user experience

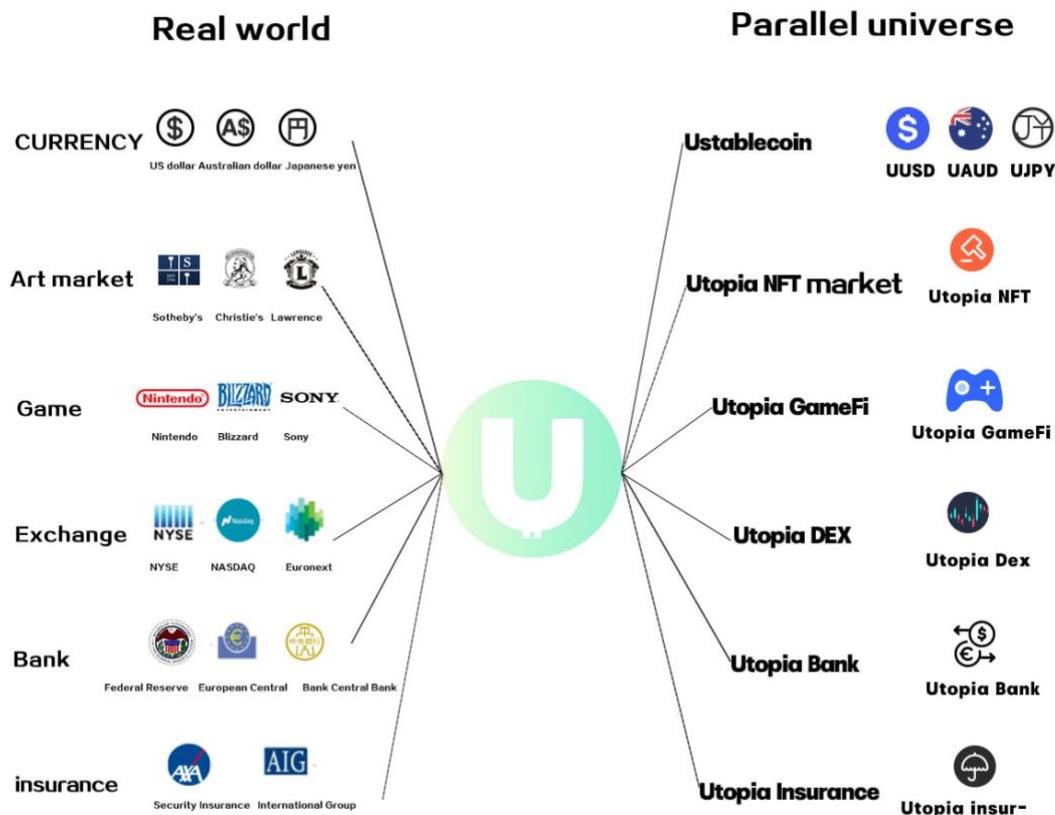
As a real metaverse, Utopia will develop and introduce a variety of mainstream applications, with blockchain, NFTs, digital assets, artificial intelligence as the underlying technical support, build a multi-scene entrance of the metaverse world, which will be covering games, socials, sports, education, economic system and other multi-dimensional, all-round improve user experience.

2.5 Utopia universe world



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2.5.1 Utopia ecology at a glance



2.5.2 Economic Model

With the continuous development of the Utopia universe, the Utopia universe ecology will include games, decentralized exchange, decentralized lending, NFT markets and other financial services. Utopia will occupy a place in the entire decentralized financial market.

Games

Utopia has a variety of games, using the Play-to-Earn game format, including chain pet development games, celebrity fan economic games,



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sandbox games, card battle games, exploration, and adventure games, and so on. In the entire game system, gas fees, space construction, commercial activities, artistic creation, and social interaction will all become one of sources of Utopia's profit.

Decentralized exchange

Create a decentralized trading platform with uc as a built-in token and a complete user value-added system, which is closely integrated with the ecology. Utopia DEX allows integration of various DeFi applications and supports multi-chain transactions. The uc token is the native token of the Utopia protocol, which has the functions of pledge, governance, and payment of transaction fees. Transaction fees will become one of sources of Utopia's profit.

Decentralized lending

Borrowers and lenders trade through the liquidity trading pool of Utopia's decentralized lending platform without matching counterparties. The interest rate of each loan and borrowing is



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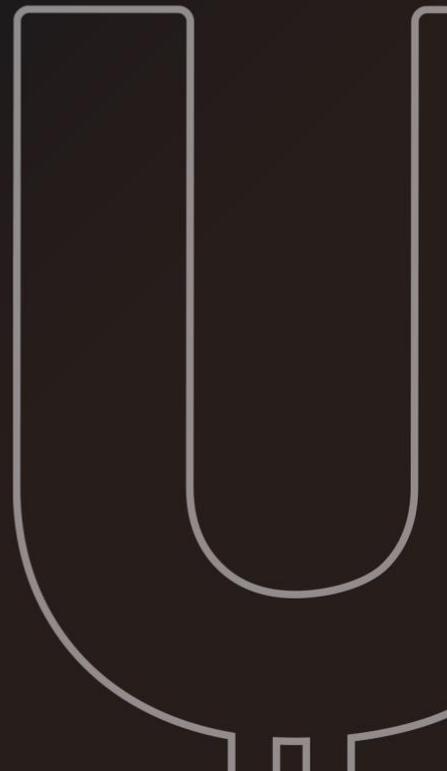
determined by the liquidity of the transaction pool, which fluctuates by the ratio between the total amount of currency provided by the lender and the total amount demanded by the borrower. Utopia's decentralized lending platform does not set a fixed loan period. Lenders can deposit funds into the loan pool to earn interest continuously and withdraw assets at any time. The borrower has an unlimited loan period. Utopia collects a portion of the interest as profit.

NFT market

Utopia NFT is an NFT trading market that allows content creators or influencers to produce and sell various types of NFT products to users or fans. Meanwhile, NFT sales proceeds can be used for charity fundraising. As the platform party, Utopia collects the NFT casting fees and the transaction fees of the NFT trading market.

Chapter three

Utopia Token mechanism





Chapter 3. Token Mechanism

3.1 Total supply and distribution

The total supply is 21,000,000UC, and the emissions are divided into two stages, 40% in the early stage and 60% in the late stage.

Early stage: the total amount is 8.4M, accounting for 40%. Tokens in the early stage will be released linearly within 365 days.

Liquidity mining accounts for 60% (linear release within 1 year)

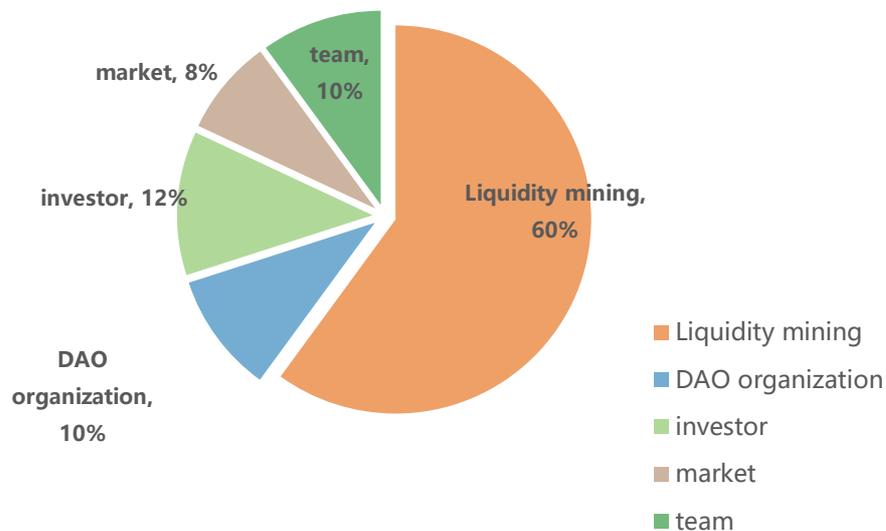
DAOs account for 10% (linear release within 1 year)

Investors account for 12% (linear release within 1 year)

Market accounts for 8% (released immediately)

The team accounts for 10% (locked for 4 years)

Token (Early Stage) Distribution Ratio





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In the late stage, the total amount is 12.6m, accounting for 60%.

Tokens in the late stage will be released linearly within 4 years.

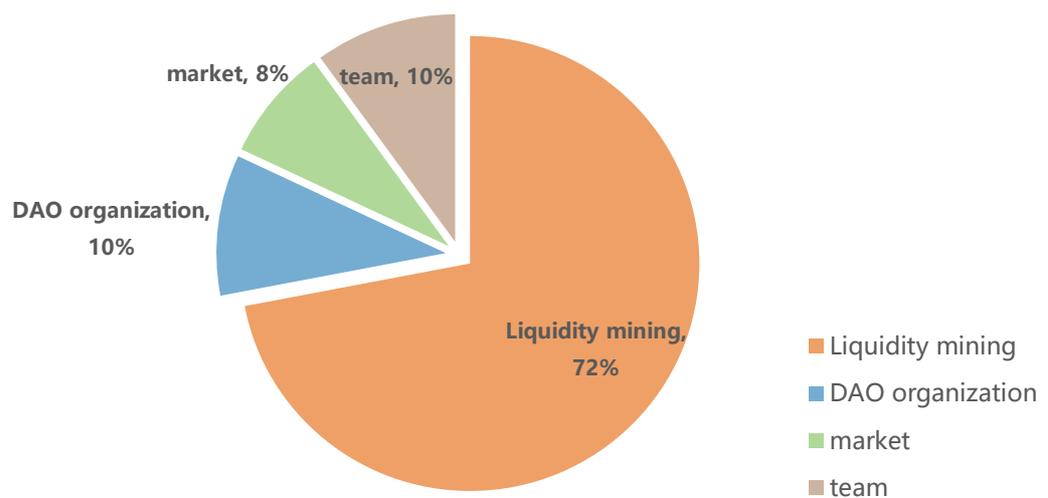
Liquidity mining accounts for 72% (linear release within 4 years)

DAOs account for 10% (linear release within 4 years)

Market accounts for 8% (released immediately)

The team accounts for 10% (linear release within 4 years)

Token (Late Stage) Distribution Ratio



Chapter four

Development roadmap





Chapter 4. Development Roadmap

Q1 2019:

- Architecture development
- Utopia chain design

AUG 2020 :

- White Paper
- Smart contract development

MAR 2021 :

- Website launch
- Smart contract development
- Testnet V1 launch

Sep 2021 :

- Testnet v2 launch
- Bug bounty
- Contract audit

Nov 2021 :

- Utopia Mainnet launch



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- Utopia NFT launch
- Utopia Blind box launch
- Utopia Trading card game launch

Dec 2021:

- Utopia NFT Marketplace launch
- Multi chain development

Q1 2022:

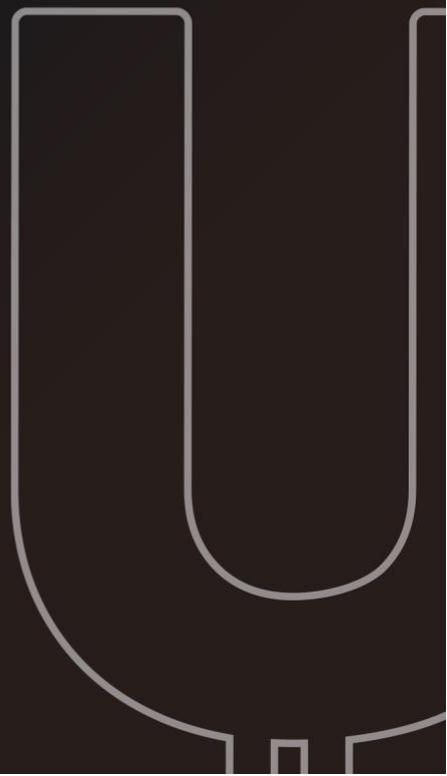
- Ecosystem building
- Multi chain launch
- Utopia Chain development
- Utopia DEX development
- Utopia DEX launch
- Utopia Land Game development
- Utopia Land Game launch

Q2 2022:

- Utopia Money Market launch
- Utopia Chain development
- Utopia Chain: Testnet Release

Chapter Five

Risk warnings and disclaimer





Chapter 5. Risk Warning and Disclaimer

Utopia's safety is our top priority, and we encourage our users to research and understand the risks involved before participating in the agreement. Utopia smart contracts are designed as security priorities and have been independently audited by third-party auditors and unassociated consultants. Before any future protocol upgrades, we will also conduct security audits before any new deployments. However, we cannot guarantee that the audit can eliminate or highlight all potential risks involved. We encourage our users to exercise their own judgment and suggest that they should be cautious when considering whether it is appropriate to participate in the agreement.

Utopia is non-custodial and cannot obtain user funds. However, we do have an administrative key with special privileges, allowing us to suspend and modify the contract in an emergency. We plan to introduce a time lock to give enough notice so that the community can monitor any changes before they happen. We are big fans of decentralized governance, but we are also aware of the limitations of the eagerness to move toward decentralized governance. As time goes by, we will gradually grow in accordance with the development route.



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