

XMT

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Abstract

Metal DAO is a community-driven platform that allows users to participate in the decision-making process of the Metal Dollar protocol. By holding XMT tokens, individuals gain the right to vote on proposals that determine the direction and evolution of the protocol.

This whitepaper serves as a comprehensive resource covering various aspects related to Metal DAO, including its historical background.

Furthermore, it provides explanations of the Metal DAO and Metal Dollar, offering an in-depth understanding of these concepts and serves as a comprehensive guide proposal submission process, the scope of proposals, the voting strategy, and the quorum requirements within the Metal DAO community.

1. History

1.1 Proof-of-Processed Payments:

MTL was founded in 2016 by [Metallicus CEO Marshall Hayner](#) and CTO [Glenn Marien](#) with the goal of creating an inclusive financial ecosystem accessible to anyone with a smartphone. During this time, Metallicus laid the groundwork for its unique approach to incentivizing cryptocurrency adoption through rewards and payments.

In 2018, Metallicus introduced [Metal Pay](#), a mobile payment app designed to facilitate quick and easy transactions using cryptocurrencies and cash. Metal Pay allowed users to send money to friends and family, purchase goods and services, and earn rewards in the form of Metal tokens (MTL) through its innovative Proof-of-Processed-Payments (PoPP) protocol. This marked a significant step in bringing cryptocurrencies closer to mainstream adoption by providing a user-friendly platform for everyday transactions.

1.2 Conclusion of PoPP

Proof-of-Processed-Payments (PoPP) was an exciting and fun experiment to reward early supporters of Metal Pay with MTL tokens. Metallicus initially projected that PoPP would remain active for a period ranging from 1 to 5 years, depending on the speed of reward claims.

In September of 2021, the PoPP rewards program, which had served as an introductory initiative to cryptocurrency earning within Metal Pay, officially concluded.

While PoPP was a temporary promotion designed to introduce our users to the concept of earning cryptocurrency, Metallicus recognized the importance of transitioning MTL to a more sustainable and lasting model.

1.3 Launch on Proton Blockchain as XMT

Recognizing the immense potential of the Proton Blockchain, Metallicus, the company behind the development and launch of Proton in April 2020, identified it as the future home for MTL.

The Proton Blockchain offers unparalleled advantages, including lightning-fast transactions and the elimination of gas fees. This transition to Proton would enable MTL to flourish, becoming more resilient, accessible, and capable of providing novel benefits and opportunities.

Building upon this vision, Metallicus presented a strategic plan to transition MTL to the realm of decentralized finance (DeFi) through the introduction of the Metal Dollar with decentralized governance. This initiative aimed to leverage the inherent strengths of Proton and unlock new possibilities for MTL. By embracing DeFi principles, Metallicus sought to enhance the utility, interoperability, and versatility of MTL, further positioning it as a robust and innovative cryptocurrency.

In response to the resounding support and consensus within the MTL community, a significant decision was made to rebrand the ticker symbol to XMT on the Proton Blockchain and the name to Metal DAO. This momentous event came to fruition in 2020, marking the official introduction of XMT as the new ticker for the Metal cryptocurrency on the Proton platform.

1.4 Launch of the Metal Dollar platform

In a significant milestone for the Metallicus ecosystem, the Metal Dollar platform was successfully launched on the Proton Blockchain in July of 2022. This momentous event marked a pivotal step towards the realization of XMT's DeFi vision. By leveraging the cutting-edge capabilities of the Proton Blockchain, the innovative new stable coin Metal Dollar was born.

1.5 Launch of the governance platform

In June of 2023, the highly anticipated launch of the governance platform on the Proton Blockchain marked the completion of the XMT DeFi vision. This momentous occasion empowered XMT holders to actively participate in shaping the future of the Metal Dollar ecosystem.

With the introduction of the governance platform, XMT holders gained the ability to submit proposals directly related to the Metal Dollar and actively participate in the decision-making process. This democratic governance model ensures that the community's voice is heard, allowing XMT holders to propose changes, improvements, and additions to the Metal Dollar protocol.

Furthermore, the governance platform enables XMT holders to exercise their voting rights, providing them with the opportunity to have a direct impact on the evolution of the Metal Dollar. By voting on proposals, XMT holders play a crucial role in determining the direction, features, and enhancements of the Metal Dollar, fostering a sense of community ownership and control.

The launch underscored Metallicus's dedication to decentralized governance and showcases the significance of community engagement and inclusivity. By empowering XMT holders to participate actively in decision-making, the platform fosters an environment where the community's collective wisdom and perspectives contribute to the continuous development and success of the Metal Dollar.

Section 2 of this whitepaper provides a comprehensive explanation of Metal Dollar, covering its features, functionality, and purpose. Readers will gain a deep understanding of the inner workings of Metal Dollar, including its stability mechanisms, use cases, and benefits for users.

On the other hand, Section 3 of this whitepaper delves into the governance of Metal Dollar, offering a detailed outline of how the governing process functions.

2. Metal Dollar (XMD)

2.1 Initial concept

In the early stages of MTL development, the concept of an MTL stablecoin was initially explored and mentioned in the original whitepaper. However, due to complex compliance considerations at that time, the decision was made to set aside the idea for future exploration. Although the regulatory landscape posed challenges back then, it is worth noting that our thinking was ahead of its time.

Now, as the cryptocurrency industry has evolved and the regulatory environment has undergone significant shifts, the perfect opportunity emerged to revisit and realize our original vision. The advancements in the industry and the maturation of regulatory frameworks have aligned to create a more conducive environment for bringing our innovative stablecoin concept to life.

2.2 What is Metal Dollar?

The Metal Dollar (XMD) is a next-generation stablecoin operational on the Proton Blockchain, bringing an innovative approach to the conventional idea of stablecoins. Instead of being tied to a single currency or relying on a potentially unstable algorithm, the Metal Dollar utilizes a unique mechanism for maintaining its stability: it's backed by a diverse basket of stablecoins.

This method greatly reduces the risks associated with other types of stablecoins. Single-issuer stablecoins, for example, carry the risk of the issuer defaulting or facing regulatory issues, which could destabilize the coin's value. Algorithmic stablecoins, as we've seen with the case of Luna, carry the risk of the algorithm not responding adequately to market dynamics, potentially leading to a severe loss in value. By diversifying its backing across several stablecoins, the Metal Dollar effectively mitigates these risks.

2.3 Functionality of Metal Dollar

The Metal Dollar (XMD) is designed to integrate seamlessly with the existing stablecoin ecosystem. Users can deposit or bridge any stablecoin supported by XMD onto the Proton Blockchain. This includes prominent stablecoins like USDC, TUSD, PAX, and USDT.

Once these stablecoins are bridged to the Proton Blockchain, users can use them to mint XMD. This minting process is facilitated through a secure smart contract, ensuring transparency and security for all transactions.

The newly minted XMD can then be utilized within the Proton ecosystem. One of its primary uses is trading on the Proton DEX, the blockchain's native decentralized exchange platform. With XMD serving as the primary trading pair, it streamlines trading and creates a more efficient market.

This novel approach to stablecoin functionality not only enhances the utility of stablecoins within the Proton Blockchain ecosystem but also offers a more robust and diversified stablecoin for the wider cryptocurrency market. In a landscape where stablecoin trustworthiness and reliability have been put to the test, the Metal Dollar presents a viable solution.

2.4 Benefits of Metal Dollar

Enhanced Stability: The stability of a stablecoin is paramount. A key feature that makes the Metal Dollar unique is its multi-stablecoin backing. This means the value of XMD isn't tied to the performance of a single asset. Instead, it's spread across multiple stablecoins, including USDC, TUSD, PAX, and USDT. This diversification serves to dilute the risk associated with any one stablecoin. For instance, if one stablecoin in the basket encounters issues that cause its value to fluctuate, the impact on XMD's overall value is minimal because the risk is spread across multiple assets. This dispersion of risk allows XMD to maintain its peg to the dollar more reliably, enhancing its stability and making it a secure choice for users.

Flexibility: The Metal Dollar promotes flexibility in several ways. Users can easily mint XMD by depositing or bridging supported stablecoins onto the Proton Blockchain. This minting process is managed via a secure smart contract, enabling users to increase their holdings of XMD when required. Similarly, XMD can be redeemed for the underlying stablecoins in the backing basket, ensuring user convenience and liquidity. This fluid minting and redemption process allows users to adjust their holdings as per their needs, offering a degree of flexibility not often seen in the stablecoin market.

Democratic Governance: Metal Dollar incorporates a democratic governance mechanism, promoting transparency and decentralization. This process allows holders of the MTL DAO token to vote on which stablecoins are included in the XMD backing basket. By enabling its community to influence the make-up of the backing assets, XMD creates a system that is not only transparent but also responsive to the collective will of its stakeholders. This decentralization of power aligns with the broader crypto ethos, fostering trust within the community.

Increased Trust: The Metal Dollar operates on the Proton Blockchain, which is known for its speed, reliability, and secure identity verification. These features contribute to increasing user trust in XMD. The Proton Blockchain's fast transaction speeds ensure that XMD transactions are processed quickly, creating a smooth user experience. Its secure identity verification mechanisms add an extra layer of security, reducing the risk of fraud and fostering trust in transactions. Lastly, Proton Blockchain's robust infrastructure provides a reliable platform for XMD operations, reinforcing trust in the system. Thus, the Metal Dollar leverages the strengths of the Proton Blockchain to offer a stablecoin solution that is both secure and efficient.

3. Metal Dollar Governance

3.1 Metal Dollar Governance Introduction

The Metal Dollar (XMD) adopts an innovative, decentralized approach to its governance. The authority to make important decisions about the stablecoin's operation and structure isn't concentrated in a single organization's hands. Instead, it's dispersed across a community of token holders—specifically, holders of the XMT token.

This approach echoes the principles of a decentralized autonomous organization (DAO), where decision-making is democratic and driven by the collective will of its members. The operation and growth of XMD are determined by the community, through a voting mechanism.

The voting mechanism allows XMT token holders to cast votes on crucial matters, such as which stablecoins can be added or removed from the XMD basket. This ability to influence the composition of the basket underscores the importance of the Metal Dollar's diversified backing. It allows the community to respond to changes in the crypto market, ensuring the stability and integrity of the Metal Dollar.

The Proton Blockchain Governance platform is the venue for this democratic decision-making process. Once active, this platform will provide an arena for XMT holders to cast their votes on matters pertinent to the Metal Dollar. These decisions may include whether to add new stablecoins to the XMD basket or remove existing ones. This process ensures that the governance of the Metal Dollar is transparent, democratic, and decentralized, aligning with the ethos of the wider cryptocurrency community.

3.2 Cost to Publish a Proposal

To submit a proposal, community members are required to pay a publishing fee of 100 XMT tokens. This fee ensures that proposals are submitted with genuine intent and helps to maintain the integrity of the voting process.

3.3 Eligibility to Vote:

To be eligible to vote on proposals, users must hold XMT tokens. Each XMT token represents one vote, allowing users to exercise their voting power according to their token balance. For example, if a user holds 23.44 XMT tokens, their total vote power would be 23.44 votes.

3.4 Quorum Threshold

In the Metal DAO community, a quorum is set at 40%. This means that for a proposal to pass, it must receive votes from at least 40% of the voting power. Proposals that fail to meet the quorum threshold do not pass.

3.5 Decision-making Process

If a proposal reaches the required quorum, the decision with the highest number of votes becomes the winning outcome. This ensures that decisions reflect the majority sentiment of the Metal DAO community.

3.6 The Scope of Proposals

In the subsequent segments of this Section, we will outline the scope of proposals within the Metal DAO community. The term "scope" refers to the specific areas or aspects that proposals can address or encompass. It defines the boundaries and focus of the proposals that can be submitted by community members.

By detailing the scope of proposals, we provide clarity on the types of topics, changes, or enhancements that are open for consideration and discussion within the Metal DAO community. This helps to ensure that proposals align with the objectives, principles, and long-term vision of Metal DAO.

The outlined scope of proposals serves as a guideline for community members, enabling them to understand the areas in which they can contribute their ideas and suggestions. It ensures that proposals are relevant, impactful, and align with the overall goals of Metal DAO.

View the [scope and proposal guidelines here](#).

3.7 Addition of Stable Coins to the Basket

Users can submit proposals to add new stable coins to the Metal Dollar protocol's basket. However, the proposed stable coin must be supported by the custody provider or must be issued on the Proton Blockchain. Additionally, any stable coins under consideration undergo a compliance review conducted by Metallicus.

3.8 Removal of Stable Coins from the Basket

Proposals can be submitted to remove specific stable coins from the Metal Dollar protocol's basket. This allows the community to adapt the protocol to changing market conditions or address any concerns related to specific stable coins.

3.9 Minimum Supply per Stable

Proposals can be made to establish a minimum supply requirement for newly introduced stable coins in the Metal Dollar protocol's basket. For example, a proposal may suggest setting a minimum supply of \$10,000 for a newly added stable coin.

3.10 Fee to Swap

Proposals can be submitted to set the fee associated with swapping between Metal Dollar (XMD) and other assets. Currently, there is no fee to swap, but proposals can be made to introduce a fee. Additionally, proposals can determine how the funds generated from such fees are allocated, potentially for purposes like marketing, community initiatives, or grants to integrate the Metal Dollar protocol into other platforms.

3.11 Admission Fee

The current admission fee for the Metal Dollar protocol's basket is set at 50,000 XMT tokens. However, this fee is subject to modification by the DAO. Proposals can be submitted to vote on how the funds generated from admission fees should be allocated, including marketing efforts, community initiatives, or grants to facilitate protocol integration.

4. METAL DAO Token

4.1 What is Metal DAO Token?

Metal DAO is the native governance token of the Metal Dollar protocol. It serves as a crucial element in the decentralized decision-making process within the Metal Dollar platform. XMT tokens are designed to grant holders the ability to propose, discuss, and vote on matters related to the Metal Dollar platform and its governance.

Metal DAO embraces a blockchain-agnostic approach, providing accessibility and flexibility to users across different blockchain platforms. It is available on two prominent blockchains: Ethereum and the Proton blockchain, each with its respective token ticker.

On the Ethereum Blockchain, Metal DAO is represented by the token ticker MTL. It is important to highlight that governance of the Metal Dollar platform is not available on this particular blockchain.

On the Proton Blockchain, Metal DAO is represented by the token ticker XMT. By leveraging the Proton blockchain's advanced capabilities, users can seamlessly interact with the Metal DAO community, utilizing XMT tokens to express their voting preferences and actively contribute to the governance of the Metal Dollar protocol.

4.2 Metal DAO Tokenomics

Metal DAO has a hard-capped supply of 66,588,888 tokens. The original distribution of Metal DAO in 2016 was as follows:

PoPP rewards pool: 26,341,112 MTL

Initial circulating supply: 21,088,888 MTL

Operations Pool: 13,378,888 MTL

Employees/Advisors: 3,780,000 MTL

Metal Foundation: 2,000,000 MTL (To assist projects, partners and companies for onboarding)

Total max supply: 66,588,888 MTL

It is important to note that the Metal DAO token has been fully distributed.

4. METAL DAO Token

4.3 Metal DAO Utility

By holding XMT tokens, individuals become active participants in shaping the future of the Metal Dollar protocol. The number of XMT tokens held by an individual determines their voting power. For example, if someone holds 100 XMT tokens, they would have 100 votes in the decision-making process.

The Metal DAO token plays a significant role in ensuring a democratic and community-driven governance system. It allows token holders to express their opinions, propose changes or improvements, and influence the direction of the Metal Dollar platform. The voting mechanism provides an equal opportunity for all XMT holders to have a say in the decision-making process, fostering a sense of inclusivity and fairness within the Metal DAO community.

The community can additionally propose and vote how it spends collected fees (admission fee and fee to swap as outlined in 3.10 and 3.11) generated from Metal Dollar.

Through the utilization of the Metal DAO token, community members actively participate in the governance of the Metal Dollar ecosystem, exercising their voting rights to shape the protocol, influence policies, and collectively steer the platform towards its shared vision and objectives.

In addition, holding Metal DAO gives you a fee reduction on Metal Pay when buying and selling cryptocurrency in proportion to your in-app MTL/XMT balance:

- **If you hold 2,000 MTL/XMT you'll get a 25% trading fee discount.**
- **If you hold 4,000 MTL/XMT you'll get a 50% trading fee discount.**
- **If you hold 10,000 MTL/XMT you'll pay 0% trade fees.**